



**FINANCIAL STATEMENTS
OF
HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42
OF THE REPEALED COMPANIES ORDINANCE, 1984)
FOR THE YEAR ENDED
JUNE 30, 2018**

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HISAAR FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **HISAAR FOUNDATION**, (company limited by guarantee and licensed under Section 42 of the repealed Companies Ordinance, 1984), which comprise the statement of financial position as at June 30, 2018, and the related income and expenditure account, the statement of changes in general fund, the statement of cash flows 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, income and expenditure account and other comprehensive income, the statement of changes in equity 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 June 30, 2018 and of the income and expenditure account and other comprehensive income, the changes in general fund 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 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 annual 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 Governors 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.

Boards of Governors are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company 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 Board of Governors 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, income and expenditure account, statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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 Raheel Shahnawaz.

KARACHI

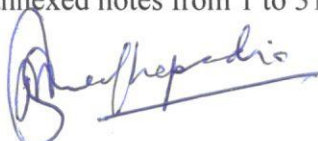
DATED: 03 OCT 2018


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	65,310	30,507
Long term deposits		390,000	180,000
		<u>455,310</u>	<u>210,507</u>
CURRENT ASSETS			
Advances	5	-	100,000
Other receivables	6	317,487	121,925
Taxation-net	7	379,908	352,834
Cash and bank balances	8	3,550,143	5,194,120
		<u>4,247,538</u>	<u>5,768,879</u>
TOTAL ASSETS		<u><u>4,702,848</u></u>	<u><u>5,979,386</u></u>
FUND AND LIABILITIES			
FUND			
General fund	9	(257,299)	(402,039)
CURRENT LIABILITIES			
Deferred credit - unutilized grants	10	4,568,340	5,155,120
Other payables	11	391,807	1,226,305
		<u>4,960,147</u>	<u>6,381,425</u>
CONTINGENCIES AND COMMITMENTS	12		
TOTAL FUND AND LIABILITIES		<u><u>4,702,848</u></u>	<u><u>5,979,386</u></u>

The annexed notes from 1 to 31 form an integral part of these financial statements.



CHIEF EXECUTIVE



GOVERNOR

Bdo

HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
INCOME			
Donations		523,500	1,148,000
Membership fee		-	25,000
Relief and emergency support income	13	607,400	205,000
Programme support income	14	12,954,140	15,875,713
Release of deferred income		49,999	50,000
Zakat ramzan appeal support income	15	1,922,000	989,000
Water conference support income	16	9,024,384	175,000
Think tank support income		1,340,991	67,000
Other income		2,401,675	384,590
		28,824,089	18,919,303
EXPENDITURE			
Administrative expenses	17	4,328,705	3,455,179
Programme expenses	18	10,157,936	12,213,160
Relief and emergency support expenses	19	510,471	174,500
Think tank expenses	20	3,336,358	2,348,849
Water conference expenses	21	8,599,451	485,000
Zakat ramzan appeal expenses	22	1,738,651	173,000
Financial charges		7,776	4,698
		28,679,348	18,854,386
Net surplus for the year		144,740	64,917

The annexed notes from 1 to 31 form an integral part of these financial statements.


CHIEF EXECUTIVE

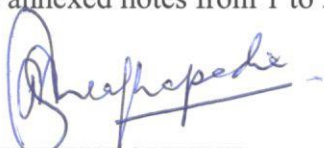

GOVERNOR

Bdo

HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rupees	2017 Rupees
Net surplus for the year	144,740	64,917
Other comprehensive income	-	-
Total comprehensive income for the year	<u>144,740</u>	<u>64,917</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.



CHIEF EXECUTIVE



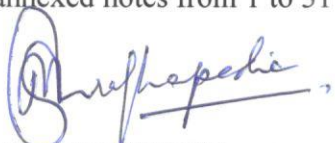
GOVERNOR

bdo

**HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	2018 Rupees	2017 Rupees
Opening balance	(402,039)	(466,956)
Surplus for the year	144,740	64,917
Closing balance	<u>(257,299)</u>	<u>(402,039)</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.



CHIEF EXECUTIVE



GOVERNOR



HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rupees	2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus for the year	144,740	64,917
Adjustment for items not involving movement of funds:		
Release of deferred income to profit and loss account	(49,999)	(50,000)
Depreciation	96,816	72,500
Financial charges	7,776	4,698
Operating profit before working capital changes	199,333	92,115
(Increase) / decrease in current assets		
Loans and advances	100,000	(100,000)
Other receivables	(195,562)	(114,345)
	(95,562)	(214,345)
(Decrease) / Increase in current liabilities		
Trade and other payables	(834,498)	92,627
Cash used in operations	(730,727)	(29,603)
Financial charges paid	(7,776)	(4,698)
Taxes paid	(27,074)	(45,361)
Net cash used in operating activities	(765,577)	(79,662)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to fixed assets	(81,620)	-
Long term deposits	(210,000)	-
Net cash used in investing activities	(291,620)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received from donors	12,842,960	18,826,570
Grants utilized during the year	(13,429,740)	(15,170,070)
Net cash (used in) / generated from financing activities	(586,780)	3,656,500
Net (decrease) / increase in cash and cash equivalents	(1,643,977)	3,576,838
Cash and cash equivalents at the beginning of the year	5,194,120	1,617,282
Cash and cash equivalents at the end of the year	3,550,143	5,194,120

The annexed notes from 1 to 31 form an integral part of these financial statements.


CHIEF EXECUTIVE


GOVERNOR



**HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

1 NATURE AND STATUS OF COMPANY

1.1 Legal status and operations

Hisaar Foundation ("the Company") was established under a license granted by the Securities and Exchange Commission of Pakistan under section 42 of the repealed 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. The geographical location and registered address of the Company is House No. F-11/1, Block-8, Clifton, Karachi.

1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- Karachi International Water Conference held during the year.
- Disbursement of bonus equivalent to one month of gross salary to staff during the year.

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 approved accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The fifth schedule to the Companies Act, 2017 became applicable to Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its fifth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company.

2.2 Basis of measurement

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

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

The preparation of these financial statements in conformity with approved accounting standards requires the management to exercise its judgment in the process of applying the Company's accounting policies and use of certain critical accounting estimates. The areas involving a higher degree of judgment, critical accounting estimates and significant assumptions are disclosed in note 3.10.

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property, plant and equipment

In own use and depreciation

These are stated at cost less accumulated depreciation and impairment (if any). 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. Major renewals and improvements are capitalized if the recognition criteria are met.

3.2 Other receivables

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

3.3 Cash and bank balances

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

3.4 Cash and cash equivalent

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, balances at banks in current and deposit accounts.

3.5 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.

3.6 Provisions

A provision is recognized in balance sheet when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation.

3.7 Taxation

The Company has been allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final taxes payable subject to the conditions specified under 100C of the Income Tax Ordinance, 2001, and therefore, no provision for tax has been made for the year.

3.8 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".

3.9 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.

3.10 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting standards requires the management to:-

- exercise its judgment in process of applying the Company's accounting policies.
- use of certain critical accounting estimates and assumptions concerning the future.

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:-

a) Property, plant and equipment

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of operating assets. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2018 Rupees	2017 Rupees
Operating fixed assets	4.1	65,310	80,506
Less: Deferred income	4.2	-	(49,999)
		<u>65,310</u>	<u>30,507</u>

4.1 Property, plant and equipment

Description	Owned				Total
	Office equipment	Computers	Vehicles	Furniture and fixtures	
	Rupees				

Net carrying value basis year ended June 30, 2018

Opening net book value	15,000	15,506	-	50,000	80,506
Additions	6,700	74,920	-	-	81,620
Depreciation	(6,340)	(40,476)	-	(50,000)	(96,816)
Closing net book value	15,360	49,950	-	-	65,310

Gross carrying value basis year ended June 30, 2018

Cost	413,760	416,053	2,200	292,600	1,124,613
Accumulated depreciation	(398,400)	(366,103)	(2,200)	(292,600)	(1,059,303)
Net book value	15,360	49,950	-	-	65,310

Depreciation rate
(% per annum)

20%	33.33%	20%	20%
-----	--------	-----	-----

Net carrying value basis year ended June 30, 2017

Opening net book value	20,000	33,006	-	100,000	153,006
Depreciation	(5,000)	(17,500)	-	(50,000)	(72,500)
Closing net book value	15,000	15,506	-	50,000	80,506

Gross carrying value basis year ended June 30, 2017

Cost	414,398	691,080	2,200	292,600	1,400,278
Accumulated depreciation	(399,398)	(675,574)	(2,200)	(242,600)	(1,319,772)
Net book value	15,000	15,506	-	50,000	80,506

Depreciation rate
(% per annum)

20%	33.33%	20%	20%
-----	--------	-----	-----

4.2 Deferred income

	2018 Rupees	2017 Rupees
Opening net book value of donated assets	49,999	99,999
Add: Donated assets	-	-
Less: Amortization to profit and loss account	(49,999)	(50,000)
Closing net book value of donated assets	-	49,999

	2018 Rupees	2017 Rupees
5 ADVANCES		
Unsecured (considered good)		
Advances to others	-	100,000
6 OTHER RECEIVABLES		
Others	317,487	121,925
7 TAXATION - NET		
Advance income tax	379,908	352,834
	379,908	352,834
8 CASH AND BANK BALANCES		
Cash in hand	41,800	3,593
Cash at bank in current accounts	3,508,343	5,190,527
	3,550,143	5,194,120
9 GENERAL FUND		
Opening balance	(402,039)	(466,956)
Surplus for the year	144,740	64,917
Closing balance	(257,299)	(402,039)
10 DEFERRED CREDIT - UNUTILIZED GRANTS		

Particulars	Adopt A Village	Deep Dug Well in Tharparkar	Ramzan appeal	Rehab of well	Relief and emergency	2018	2017
	Rupees						
Balance as on July 01	-	1,700,120	655,000	2,200,000	600,000	5,155,120	1,498,620
Add: Grants received from Donors	1,138,800	5,104,260	3,842,500	2,750,000	7,400	12,842,960	18,826,570
Less: Grants utilized	(1,138,800)	(6,172,540)	(1,661,000)	(3,850,000)	(607,400)	(13,429,740)	(15,170,070)
Closing balance - payable	-	631,840	2,836,500	1,100,000	-	4,568,340	5,155,120

edo

	2018 Rupees	2017 Rupees
11 OTHER PAYABLES		
Accrued expenses	155,307	1,199,805
Professional fee payable	26,500	26,500
Director loan payable	11.1 210,000	-
	<u>391,807</u>	<u>1,226,305</u>

11.1 This loan has been obtained for meeting the working capital requirements of the Company and for payment of security deposit. The loan is interest free.

12 CONTINGENCIES AND COMMITMENTS

12.1 The Company received show cause notice dated August 16, 2018 from Federal Board of Revenue on account of failure to deduct and pay withholding taxes under section 161(1A) of the Income Tax Ordinance, 2001 amounting to Rs. 0.795 million from payments of purchases and expenses made by it for Tax Year 2017. The hearing was fixed on August 27, 2018; however, the Company filed an extension application dated August 27, 2018 before Federal Board of Revenue requesting extension in time period of one month for hearing in order to compile the information required in the notice. The extension filed by the Company has been approved by the Federal Board of Revenue and the Company is currently preparing the information to be presented before the Federal Board of Revenue regarding the said matter.

12.2 There were no commitments as of the date of statement of financial position.

13 RELIEF AND EMERGENCY SUPPORT INCOME

Donation for Thar drought relief program	<u>607,400</u>	<u>205,000</u>
--	----------------	----------------

14 PROGRAMME SUPPORT INCOME

Donation for deep dug well in Tharparkar-Sindh	6,918,540	5,918,640
Donation for Adopt a Village	1,138,800	2,594,470
Donation for Livestock	146,800	220,100
Donation for Rehab Well	3,850,000	3,969,340
Donation for Solar Pump	550,000	1,673,163
Donation for Filtration Plant	-	1,500,000
Donation for Solar Rehab Well	350,000	-
	<u>12,954,140</u>	<u>15,875,713</u>

15 ZAKAT RAMZAN APPEAL SUPPORT INCOME

Zakat Ramzan appeal	<u>1,922,000</u>	<u>989,000</u>
---------------------	------------------	----------------

Bdo

	2018 Rupees	2017 Rupees
16 WATER CONFERENCE SUPPORT INCOME		
Registration	606,919	75,000
Sponsorship	8,417,465	100,000
	<u>9,024,384</u>	<u>175,000</u>
17 ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits	813,750	706,389
Printing charges	398,550	55,743
Office stationery and supplies	31,920	47,068
Postage and courier	55,280	22,321
Professional charges	161,925	-
Depreciation	96,816	72,500
Utilities expenses	104,045	138,776
Rent expense	1,438,500	1,396,146
Books and periodicals	10,885	30,816
Repair and maintenance	415,716	329,565
Travelling, conveyance and maintenance	191,144	23,002
Office kitchen supplies	95,697	81,106
Internet and email / web maintenance and hosting	53,161	274,122
Generator rent and running	20,570	20,250
Electricity expenses	202,075	187,162
Office security charges	25,806	21,555
Bad debts written off	32,580	-
Entertainment expenses	20,957	6,413
Miscellaneous	159,328	42,245
	<u>4,328,705</u>	<u>3,455,179</u>
18 PROGRAMME EXPENSES		
Salaries, wages and other benefits	893,750	1,100,247
Livestock distribution	252,000	181,500
Rehabilitation Well	3,096,000	1,751,500
Travelling (UWN)	7,380	4,542
Construction of Solar Pump	430,000	1,304,000
Deep Dug Well in Tharparkar	4,415,900	5,865,180
Travelling and outstation	211,681	206,986
Expense for Adopt A Village	801,225	1,481,375
Filtration plant	-	317,830
Construction of Hand Pump	50,000	-
	<u>10,157,936</u>	<u>12,213,160</u>

2do

	2018 Rupees	2017 Rupees
19 RELIEF AND EMERGENCY SUPPORT EXPENSES		
Thar drought relief fund	510,471	174,500
20 THINK TANK EXPENSES		
Salaries, wages and other benefits	1,082,250	1,092,046
Boarding and lodging	1,216,057	23,917
Meeting expenses	400,732	537,088
Other expenses	201,518	6,310
Postage and courier	-	34,217
Printing and stationery	5,120	341,500
Travelling expenses	430,681	313,771
	<u>3,336,358</u>	<u>2,348,849</u>
21 WATER CONFERENCE EXPENSES		
Salaries, wages and other benefits	1,302,250	411,000
Press conference	468,833	-
Boarding and lodging	3,285,051	-
Travelling	472,813	-
Venue, meals and accommodation	2,415,823	-
Web designing	60,000	45,000
Printing and photocopying	350,736	29,000
Miscellaneous	243,945	-
	<u>8,599,451</u>	<u>485,000</u>
22 ZAKAT RAMZAN APPEAL EXPENSES		
Zakat ramzan appeal expenses	1,738,651	173,000

23 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 and associated undertakings are as under:

Nature of transaction	Nature of relation	Basis of relation	2018 Rupees	2017 Rupees
Loan obtained during the year	Director	Directorship	510,000	-
Repayment of loan	Director	Directorship	300,000	-

Bdo

	2018 Rupees	2017 Rupees
Year end balances		
Loan from director	210,000	-

24 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

25 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per balance sheet

Loans and receivables

Other receivables	317,487	121,925
Long-term deposits	390,000	180,000
Cash and bank balances	3,550,143	5,194,120
	<u>4,257,630</u>	<u>5,496,045</u>

Financial liabilities as per balance sheet

Financial liabilities

Other payables	391,807	1,226,305
	<u>391,807</u>	<u>1,226,305</u>

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

26.1 Risk management policies

The Company's objective in managing risks is the creation and protection of members interest. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuous sustainable financial position. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

The Company finances its operations through grant proceeds, interest income and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

Bdo

26.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. All financial assets except cash in hand are subject to credit risk.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at the reporting date are as under:

	2018 Rupees	2017 Rupees
Long term deposits	390,000	180,000
Other receivables	317,487	121,925
Bank balances	3,508,343	5,190,527
	<u>3,825,830</u>	<u>5,312,452</u>

Impaired assets

During the year no assets have been impaired other than those disclosed in the financial statements.

Bank balances

The Company maintained its funds with banks having strong credit rating. Currently the funds are kept with banks with ratings ranging from AA+ to A1+.

26.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months Rupees	One to two years	Two to five years	Over five years
2018							
Other payables	<u>391,807</u>	<u>391,807</u>	<u>391,807</u>	-	-	-	-
2017							
Other payables	<u>1,226,305</u>	<u>1,226,305</u>	<u>1,226,305</u>	-	-	-	-

Bdo

26.4 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

a) Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company's exposure to foreign currency risk is as follows:

	2018 Rupees	2017 Rupees
Balances with bank	3,508,343	5,190,527

b) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates. At the balance sheet date the Company has no variable interest rate liability.

	Interest/markup bearing			Non - interest bearing			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
	Rupees						
Financial assets							
Long term deposits	-	-	-	-	390,000	390,000	390,000
Other receivables	-	-	-	317,487	-	317,487	317,487
Cash and bank balances	-	-	-	3,550,143	-	3,550,143	3,550,143
	-	-	-	3,867,630	390,000	4,257,630	4,257,630
Financial liabilities							
Other payables	-	-	-	391,807	-	391,807	391,807
Net financial assets – 2018	-	-	-	3,475,823	390,000	3,865,823	3,865,823
Net financial assets – 2017	-	-	-	4,189,740	180,000	4,369,740	4,369,740

Effective interest rates are mentioned in the respective notes to the financial statements.

27 CAPITAL MANAGEMENT

The Governing Body's policy is to maintain a strong capital base so as to ensure members' confidence and to sustain future development of the activities of the Company. The Governing Body actively monitors the operation of the Company, so as to safeguard the interest of the members and to maximize the Company's capital base. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

28 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. Following major reclassifications have been made during the year.

Description	Reclassified from	Reclassified to	2017 Rupees
Salaries, wages and other benefits	Administrative expenses	Programme expenses	1,100,247
		Water conference expenses	411,000
		Think tank expenses	1,092,046
		2018	2017
		Number of employees	

29 NUMBER OF EMPLOYEES

Number of employees as at year end was
Average number of employees for the year was

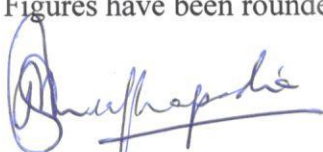
8	8
8	8

30 DATE OF AUTHORIZATION FOR ISSUE

The Board of Governors of the Company authorized these financial statements for issue on
03 OCT 2018.

31 GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.



CHIEF EXECUTIVE



GOVERNOR

