



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OF THE REPEALED COMPANIES ORDINANCE, 1984)  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, 2019

**BDO Ebrahim & Co. Chartered Accountants**

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## **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financial statements of **HISAAR FOUNDATION**, (company limited by guarantee and licensed under Section 42 of the repealed Companies Ordinance, 1984), which comprise the statement of financial position as at June 30, 2019, and the related income and expenditure account, the statement of comprehensive income, 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, the statement of comprehensive income, the statement of changes in general fund 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, 2019 and of the deficit, 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 general fund 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) nozakat 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: 08 OCT 2019

  
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, 2019**

	Note	2019 Rupees	2018 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	323,988	65,310
Long term deposits		180,000	390,000
		<u>503,988</u>	<u>455,310</u>
<b>CURRENT ASSETS</b>			
Advances	5	100,000	-
Other receivables	6	1,298,010	317,487
Taxation - net	7	458,153	379,908
Cash and bank balances	8	20,745,708	3,550,143
		<u>22,601,871</u>	<u>4,247,538</u>
<b>TOTAL ASSETS</b>		<u><u>23,105,859</u></u>	<u><u>4,702,848</u></u>
<b>FUND AND LIABILITIES</b>			
<b>FUND</b>			
General fund	9	(1,160,408)	(257,299)
<b>NON CURRENT LIABILITIES</b>			
Deferred capital grant	10	289,989	-
<b>CURRENT LIABILITIES</b>			
Deferred credit - unutilized grants	11	23,438,542	4,568,340
Other payables	12	537,736	391,807
		<u>23,976,278</u>	<u>4,960,147</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>TOTAL FUND AND LIABILITIES</b>		<u><u>23,105,859</u></u>	<u><u>4,702,848</u></u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

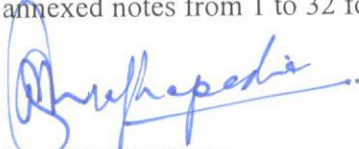
  
**GOVERNOR**



**HISAAR FOUNDATION**  
**(COMPANY LIMITED BY GUARANTEE**  
**AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
<b>INCOME</b>			
Donations		686,494	523,500
Membership fee		50,000	-
Relief and emergency support income	14	1,541,000	607,400
Programme support income	15	9,755,094	12,954,140
Release of deferred income		-	49,999
Zakat ramzan appeal support income	16	2,988,500	1,922,000
Water conference support income	17	-	9,024,384
Think tank support income		-	1,340,991
Other income		3,048,577	2,401,675
		18,069,665	28,824,089
<b>EXPENDITURE</b>			
Administrative expenses	18	4,041,649	4,328,705
Programme expenses	19	8,867,966	10,157,936
Relief and emergency support expenses	20	486,341	510,471
Think tank expenses	21	1,969,240	3,336,358
Water conference expenses	22	1,274,958	8,599,451
Zakat ramzan appeal expenses	23	2,328,775	1,738,651
Financial charges		3,845	7,776
		18,972,774	28,679,348
Net (deficit) / surplus for the year		(903,109)	144,740

The annexed notes from 1 to 32 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

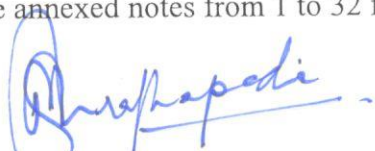
  
**GOVERNOR**

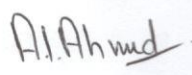
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HISAAR FOUNDATION  
(COMPANY LIMITED BY GUARANTEE  
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
Net (deficit) / surplus for the year	(903,109)	144,740
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	<u>(903,109)</u>	<u>144,740</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

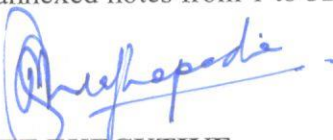
  
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GOVERNOR

**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, 2019**

	<b>2019 Rupees</b>	<b>2018 Rupees</b>
Opening balance	(257,299)	(402,039)
(Deficit) / surplus for the year	(903,109)	144,740
Closing balance	<u>(1,160,408)</u>	<u>(257,299)</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**GOVERNOR**

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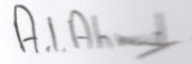


**HISAAR FOUNDATION**  
**(COMPANY LIMITED BY GUARANTEE**  
**AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	2019 Rupees	2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (deficit) / surplus for the year	(903,109)	144,740
Adjustment for items not involving movement of funds:		
Release of deferred income to income and expenditure account	-	(49,999)
Depreciation	31,311	96,816
Financial charges	3,845	7,776
Operating (loss) / profit before working capital changes	(867,953)	199,333
<b>(Increase) / decrease in current assets</b>		
Loans and advances	(100,000)	100,000
Other receivables	(980,523)	(195,562)
	(1,080,523)	(95,562)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	145,929	(834,498)
Cash used in operations	(1,802,547)	(730,727)
Financial charges paid	(3,845)	(7,776)
Taxes paid	(78,245)	(27,074)
Net cash used in operating activities	(1,884,637)	(765,577)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to operating fixed assets	-	(81,620)
Addition to capital work in process	(289,989)	-
Long term deposits	210,000	(210,000)
Net cash used in investing activities	(79,989)	(291,620)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Grants received from donors	32,589,380	12,842,960
Grants utilized during the year	(13,429,189)	(13,429,740)
Net cash generated from / (used in) financing activities	19,160,191	(586,780)
Net increase / (decrease) in cash and cash equivalents	17,195,565	(1,643,977)
Cash and cash equivalents at the beginning of the year	3,550,143	5,194,120
Cash and cash equivalents at the end of the year	20,745,708	3,550,143

The annexed notes from 1 to 32 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, 2019**

### **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 licence was renewed by the Company in due course and the licence is valid till November 2021. 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 in 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 event and transaction during the reporting period:

- During the year, the Company has entered into agreement with Panjwani Trust and NED University "the NED" to establish Panjwani - Hisaar Water Institute "PHWI" which will be donated to the NED after completion. Due to the stated purpose, the Company received the donation of Rs. 20,000,000 from the Panjwani Trust as initial seed money.

### **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.



## **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 3.11.

## **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**

#### **3.1.1 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.

#### **3.1.2 Capital work in progress**

Capital work-in-progress are stated at cost and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management. Capital work-in-progress is stated at cost less any identified impairment loss.



### **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 income and expenditure 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 Deferred capital grant

Donations for purchase of property, plant and equipment and donation received in kind are taken to deferred capital grant. Funding for property, plant and equipment to be utilized are deferred and amortized over the estimated useful lives of related assets.

### 3.10 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.

### 3.11 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.

	Note	2019 Rupees	2018 Rupees
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	33,999	65,310
Capital work in process	4.2	289,989	-
		<u>323,988</u>	<u>65,310</u>

#### 4.1 Operating fixed assets

Description	Owned				Total
	Office equipment	Computers	Vehicles	Furniture and fixtures	
	Rupees				
<b>Net carrying value basis</b>					
<b>year ended June 30, 2019</b>					
Opening net book value	15,360	49,950	-	-	65,310
Additions	-	-	-	-	-
Depreciation	(6,340)	(24,971)	-	-	(31,311)
<b>Closing net book value</b>	<b>9,020</b>	<b>24,979</b>	<b>-</b>	<b>-</b>	<b>33,999</b>
<b>Gross carrying value basis</b>					
<b>year ended June 30, 2019</b>					
Cost	413,760	416,053	2,200	292,600	1,124,613
Accumulated depreciation	(404,740)	(391,074)	(2,200)	(292,600)	(1,090,614)
<b>Net book value</b>	<b>9,020</b>	<b>24,979</b>	<b>-</b>	<b>-</b>	<b>33,999</b>
<b>Depreciation rate (% per annum)</b>					
	20%	33.33%	20%	20%	
<b>Net carrying value basis</b>					
<b>year ended June 30, 2018</b>					
Opening net book value	21,700	90,426	-	50,000	162,126
Depreciation	(6,340)	(40,476)	-	(50,000)	(96,816)
<b>Closing net book value</b>	<b>15,360</b>	<b>49,950</b>	<b>-</b>	<b>-</b>	<b>65,310</b>
<b>Gross carrying value basis</b>					
<b>year ended June 30, 2018</b>					
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)
<b>Net book value</b>	<b>15,360</b>	<b>49,950</b>	<b>-</b>	<b>-</b>	<b>65,310</b>
<b>Depreciation rate (% per annum)</b>					
	20%	33.33%	20%	20%	

- 4.2 This amount represents payment made and expenditure incurred in respect of civil works related to Panjwani - Hisaar Water Institute as disclosed in note 1.2.

	2019 Rupees	2018 Rupees
<b>5 ADVANCES</b>		
Unsecured - considered good		
Advances to others	100,000	-
<b>6 OTHER RECEIVABLES</b>		
Others	1,298,010	317,487
<b>7 TAXATION - NET</b>		
Advance income tax	458,153	379,908



	Note	2019 Rupees	2018 Rupees
<b>8 CASH AND BANK BALANCES</b>			
Cash in hand		11,950	41,800
Cash at bank in current accounts		20,733,758	3,508,343
		<u>20,745,708</u>	<u>3,550,143</u>

**9 GENERAL FUND**

Opening balance	(257,299)	(402,039)
(Deficit) / surplus for the year	(903,109)	144,740
Closing balance	<u>(1,160,408)</u>	<u>(257,299)</u>

**10 DEFERRED CAPITAL GRANT**

This represents grant utilized in respect of construction of Panjwan - Hisaar Water Institute as disclosed in note 1.2.

**11 DEFERRED CREDIT - UNUTILIZED GRANTS**

Particulars	Live stock	Deep Dug Well in Tharparkar	Ramzan appeal	Rehab of well	Relief and emergency	Panjwani Hisaar Water Institute	Solar projects	2019	2018
Balance as on July 01	-	631,840	2,836,500	1,100,000	-	-	-	4,568,340	5,155,120
Add: Grants received from Donors	46,400	4,043,180	1,218,000	3,675,000	1,586,000	20,000,000	2,020,800	32,589,380	12,842,960
Less: Grants utilized	-	(3,991,680)	(2,986,500)	(3,757,500)	(1,541,000)	(281,709)	(870,800)	(13,429,189)	(13,429,740)
Less: Transferred to deferred capital grant	-	-	-	-	-	(289,989)	-	(289,989)	-
Closing balance - payable	46,400	683,340	1,068,000	1,017,500	45,000	19,428,302	1,150,000	23,438,542	4,568,340

**12 OTHER PAYABLES**

Accrued expenses		311,236	155,307
Professional fee payable		26,500	26,500
Director loan payable	12.1	200,000	210,000
		<u>537,736</u>	<u>391,807</u>

12.1 This non-interest bearing loan has been obtained for meeting the working capital requirements of the Company and for payment of security deposit.

### 13 CONTINGENCIES AND COMMITMENTS

13.1 The Company received show cause notice dated August 16, 2018 from Federal Board of Revenue (FBR) 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 during Tax Year 2017. Final reply on the said notice was filed on December 07, 2018 and till today no further notice has been received from FBR in respect of the notice dated August 16, 2018.

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

	2019 Rupees	2018 Rupees
<b>14 RELIEF AND EMERGENCY SUPPORT INCOME</b>		
Donation for Thar drought relief program	<u>1,541,000</u>	<u>607,400</u>
<b>15 PROGRAMME SUPPORT INCOME</b>		
Donation for deep dug well in Tharparkar-Sindh	3,955,640	6,918,540
Donation for Adopt a Village	1,766,954	1,138,800
Donation for Livestock	-	146,800
Donation for Rehab Well	3,757,500	3,850,000
Donation for Solar Pump	-	550,000
Donation for Solar Rehab Well	275,000	350,000
	<u>9,755,094</u>	<u>12,954,140</u>
<b>16 ZAKAT RAMZAN APPEAL SUPPORT INCOME</b>		
Zakat Ramzan appeal	<u>2,988,500</u>	<u>1,922,000</u>
<b>17 WATER CONFERENCE SUPPORT INCOME</b>		
Registration	-	606,919
Sponsorship	-	8,417,465
	<u>-</u>	<u>9,024,384</u>
<b>18 ADMINISTRATIVE EXPENSES</b>		
Salaries, wages and other benefits	518,462	813,750
Printing charges	186,694	398,550
Office stationary and supplies	-	31,920
Postage and courier	31,141	55,280

		2019 Rupees	2018 Rupees
Professional charges		7,310	161,925
Depreciation	4.1	31,311	96,816
Utilities expenses		122,457	104,045
Rent expense		1,602,800	1,438,500
Books and periodicals		12,876	10,885
Repair and maintenance		330,460	415,716
Travelling, conveyance and maintenance		68,013	191,144
Office kitchen supplies		82,207	95,697
Press conference		109,864	-
Internet and email / web maintenance and hosting		71,070	53,161
Venue, meals and accommodation		275,577	-
Generator rent and running		13,200	20,570
Electricity expenses		155,860	202,075
Bad debts written off		-	32,580
Entertainment expenses		16,515	20,957
Dues and subscription		290,500	-
Miscellaneous		87,373	159,328
		<u>4,041,649</u>	<u>4,328,705</u>

## 19 PROGRAMME EXPENSES

Salaries, wages and other benefits	1,021,094	893,750
Livestock distribution	-	252,000
Rehabilitation Well	3,160,500	3,096,000
Travelling (UWN)	59,030	7,380
Construction of Solar Pump	697,000	430,000
Deep Dug Well in Tharparkar	2,713,200	4,415,900
Travelling and outstation	415,433	211,681
Expense for Adopt a Village	520,000	801,225
PHWI - soil testing expense	281,709	-
Construction of Hand Pump	-	50,000
	<u>8,867,966</u>	<u>10,157,936</u>

## 20 RELIEF AND EMERGENCY SUPPORT EXPENSES

Thar drought relief fund	<u>486,341</u>	<u>510,471</u>
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	2019 Rupees	2018 Rupees
<b>21 THINK TANK EXPENSES</b>		
Salaries, wages and other benefits	1,189,250	1,082,250
Boarding and lodging	115,873	1,216,057
Meeting expenses	484,342	400,732
Printing and stationery	1,034	5,120
Travelling expenses	175,741	430,681
Miscellaneous	3,000	201,518
	<u>1,969,240</u>	<u>3,336,358</u>
<b>22 WATER CONFERENCE EXPENSES</b>		
Salaries, wages and other benefits	910,069	1,302,250
Press conference	-	468,833
Boarding and lodging	-	3,285,051
Travelling	-	472,813
Venue, meals and accommodation	-	2,415,823
Web designing	-	60,000
Printing and stationary	330,000	350,736
Miscellaneous	34,889	243,945
	<u>1,274,958</u>	<u>8,599,451</u>
<b>23 ZAKAT RAMZAN APPEAL EXPENSES</b>		
Zakat ramzan appeal expenses	<u>2,328,775</u>	<u>1,738,651</u>

## 24 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	2019 Rupees	2018 Rupees
Loan obtained during the year	Director	Directorship	200,000	510,000
Repayment of loan	Director	Directorship	210,000	300,000
Grant received - PWHI	Director	Directorship	20,000,000	-
<b>Year end balances</b>				
Loan from director	Director	Directorship	200,000	210,000
Unutilized grant- PWHI	Director	Directorship	19,428,302	-

## 25 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.

## 26 FINANCIAL INSTRUMENTS BY CATEGORY

### Financial assets as per statement of financial position

#### Loans and receivables

Other receivables	1,298,010	317,487
Long term deposits	180,000	390,000
Cash and bank balances	20,745,708	3,550,143
	<u>22,223,718</u>	<u>4,257,630</u>

### Financial liabilities as per statement of financial position

#### Financial liabilities - at amortised cost

Other payables	537,736	391,807
	<u>537,736</u>	<u>391,807</u>

## 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### 27.1 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.

### 27.2 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:

	2019 Rupees	2018 Rupees
Long term deposits	180,000	180,000
Other receivables	1,298,010	317,487
Bank balances	20,733,758	3,508,343
	<u>22,211,768</u>	<u>4,005,830</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+.

## 27.3 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
2019							
Other payables	537,736	537,736	537,736	-	-	-	-
2018							
Other payables	391,807	391,807	391,807	-	-	-	-

## 27.4 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:

	2019 Rupees	2018 Rupees
Balances with bank	<u>20,733,758</u>	<u>3,508,343</u>

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						
<b>Financial assets</b>							
Long term deposits	-	-	-	-	180,000	180,000	180,000
Other receivables	-	-	-	1,298,010	-	1,298,010	1,298,010
Cash and bank balances	-	-	-	20,745,708	-	20,745,708	20,745,708
	-	-	-	22,043,718	180,000	22,223,718	22,223,718
<b>Financial liabilities</b>							
Other payables	-	-	-	537,736	-	537,736	537,736
<b>Net financial assets – 2019</b>	-	-	-	21,505,982	180,000	21,685,982	21,685,982
<b>Net financial assets – 2018</b>	-	-	-	3,475,823	390,000	3,865,823	3,865,823

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

## 28 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 monitor the operations 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.

## 29 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

2019	2018
Number of employees	

## 30 NUMBER OF EMPLOYEES

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

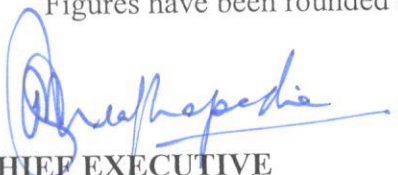
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## 31 DATE OF AUTHORIZATION FOR ISSUE

The Board of Governors of the Company authorized these financial statements for issue on  
08 OCT 2019.

## 32 GENERAL

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

  
CHIEF EXECUTIVE

  
GOVERNOR