



Hisaar Foundation
a foundation for water, food and livelihood security

Governors' Report to Council Members

July 2022 – June 2023

1. Introduction

This report covers the period of activities undertaken by Hisaar Foundation from 1st July 2022 to 30th June 2023. We are pleased to report that it has been exciting and a year of growth for Hisaar Foundation. The year commenced on a high note with Engro Foundation pledging support of Rs 105 million for three labs at Panjwani-Hisaar Water Institute. However, the rest of the year was marked by the catastrophic Pakistan Floods which affected more than 33 million people and left one-third of the country under water.

In keeping with its mandate of providing emergency support, Hisaar Foundation swiftly responded to the emergency and was in fact on the ground in Lasbela even before the government had declared the floods as a national emergency! Most of our subsequent work for this year was related to the flood relief, recovery and rehabilitation efforts.

Closer to home, the Panjwani-Hisaar Water Institute site was significantly affected because the unprecedented rainfall resulted in permanently raising the water table in and around NED.

In spite of these challenges, Hisaar Foundation had a remarkable year which is testament to the hard work and dedication of its Governors, staff and the donors who believe in our work.

2. Company Affairs and Organizational Matters

2.1 Registration with Securities Exchange Commission of Pakistan (SECP)

According to recent amendments made to the Companies Act 2017, section 42 companies are no longer required to get their license renewed. Therefore, the Foundation has a valid license until further notice from SECP.

2.2 Registration with Economic Affairs Division (EAD), Pakistan

Hisaar Foundation is registered with Economic Affairs Division Pakistan and we have a MoU with the Government that is valid till December 2022. We have applied for a new MoU in January 2023 and our application is under review.

2.3 Registration with Federal Board of Revenue

Hisaar Foundation has valid tax exemption certificates under Section 2(36)(c) and Section 155 up to December 31,2023.

2.4 Registration with Sindh Charity Commission

Hisaar Foundation has applied for registration with the Sindh Charities Commission. We are awaiting a response regarding the status of our application.

2.5 Zakat and Shariah Certification

We are happy to report that Hisaar Foundation and the Panjwani-Hisaar Water Institute are shariah certified. We have contracted Shariah advisors and consultants (Al Hamd Shariah Advisory Services) to guide us on this continuously, as per requirement.

2.6 Registration with Social Welfare Department

We are happy to report that Hisaar Foundation is enlisted with Social Welfare Department, Tharparkar.

2.7 Staff Changes

During this period, we saw the departure of two of our colleagues, Tehreem Rasheed who led the social media and communications work of the Foundation, and Sana Ahmed who served as the Programme Officer. Syed Raheel Haider has been hired to take over the Human Resources function and oversee the daily management of the Foundation. Sabah Siraj has been hired to assist in fundraising for the Foundation including Panjwani-Hisaar Water Institute. We have also hired a permanent in-house IT resource person to take over and manage the IT needs of the Foundation. The roles of Sanaa Baxamoosa and Siraj Uddin Khan were restructured during this period as well. Sanaa Baxamoosa will now serve as Director External Relations and will continue to be the Company Secretary of the Foundation. Siraj Uddin Khan has been moved full time to programmes as Manager of Campaigns and Relief Operations.

3. Panjwani-Hisaar Water Institute (PHWI)

Hisaar Foundation continued its fundraising activities for the Panjwani-Hisaar Water Institute at NED University, whilst the construction was ongoing at the site. We are happy to report that we also made substantial progress on the academic front as well. A [detailed report](#) can be found here.

3.1 Update on Construction of Building

Despite the many challenges we faced in terms of rising costs, economic turmoil, heavy rains and impacts of flooding, we are happy to report that the columns, beams and slabs for the first and second floors of the institute have been successfully casted. Additionally, one laboratory and several rooms are fully complete with paint, tiling, electric fixtures, door and windows and the operationalization on the site has already commenced. This includes the Library, Multipurpose room, Water Psychology Lab and the Advisor room. The lab equipment already procured through federal government funds has also been shifted to the PHWI building. Additional works of installation of a drainage system has also been completed by 15th August 2023.

The next very big milestone that we are aiming for is the completion of grey structure works of the entire building by 30th September 2023.

With the completion of the grey structure by the next month, we will have the possession of the whole building for operationalizing it on an incremental basis. With the 'live operations' of the Institute in the next couple of months, we expect more donations to be forthcoming as the grey construction work would have finished and only the finishing works will remain.

3.2 Update on Revision of Project Cost

Originally, the total cost of the project, including land, construction, finishing, furniture and fixtures, MEP, lab equipment, vehicles, elevator, solar and back-up systems etc. was Rs. 1.25 billion. To date we have received Rs. 1.04 billion in cash or in-kind from NED University, Government of Pakistan, Panjwani Charitable Trust, Engro Foundation, Infaq Foundation and individual donors.

Due to the economic conditions and market volatility, the material and construction cost has escalated and risen to Rs. 1.68 billion. In order to offset this increase in cost, we are in the process of modifying the

finishing cost of the project and it is expected that our revised project cost will come down to Rs. 1.50 billion.

3.2 Update on Fundraising

The beginning of the new financial year 2022 started on a high note for the Panjwani-Hisaar Water Institute with a pledge from Engro Foundation of Rs 105 million towards the Coastal and Riverine Hydraulics Lab, Water Quality Testing Lab and Water Data Analytics and Modelling Lab. Hisaar Foundation has a small fundraising unit fully set up at the office with the primary purpose of raising funds for PHWI. Panjwani Charitable Foundation contributed another Rs 10 million during the year. In general, fundraising continued at a steady pace throughout this period with small donations coming in regularly from water savors and other sources.

3.3 Appointment of Permanent Director of Institute

Prof. Dr Syed Imran Ahmed has been appointed as a permanent Director of PHWI to oversee Program and Academics. He brings over 27 years of experience in climate change, water quality and quantity, irrigation and hydrologic modelling.

3.4 Strategic Plan

A five-year strategy plan for PHWI has been developed for the period 2023-2027. The workplan clearly outlines milestones, timeline and responsibilities in order to achieve the 16 strategic goals that have been set forth. The implementation of this plan commenced in March 2023. We are happy to report that PHWI has already delivered on 80% of our goals set out for the year 2023 in just the first two quarters.

3.5 Academic Update

Over 138 topics under 6 broad categories have been identified for short courses. In addition, 67 courses have been identified within NED University that will be executed through the Institute in the future. In parallel to the ongoing construction of the building itself, several certificate courses have already been designed and delivered.

3.5 Update on Research Activities

PHWI has developed and is currently engaged in several research studies. PHWI is currently engaged in a World Bank funded research study entitled Sindh IWRM Roadmap with Focus on Keenjhar Lake. PHWI is responsible for conducting the Social Gender Assessment and to examine behavioral change through understanding the dynamics of communities living near Keenjhar Lake, Thatta district, Sindh.

The research study on Decentralized Sanitation and Water Services Provision in Informal Urban Settlements (SWaPS) in four South Asian countries: India, Nepal, Sri Lanka and Pakistan has been completed. The research was carried out in collaboration with University of Exeter and Loughborough University and. NED University of Engineering & Technology (NED) is one of the partner institutions along with Karachi University (KU) and Mehran University of Engineering & Technology (MUET). Part of NED's share of work is being done through PHWI.

Five additional research studies are in the pipeline as well.

4. Emergency Support

4.1 Flood Appeal

In August 2022, Pakistan faced the most devastating floods, the impacts of which inundated one-third of the country and affected 33 million people. Within the purview of working towards water, food and livelihood security, Hisaar Foundation has always responded to emergencies and natural disasters faced by Pakistan.

Hisaar Foundation was one of the first movers and commenced its relief operations immediately after the floods hit Pakistan. In Dadu and Lasbela, Hisaar Foundation had already deployed relief supplies on the ground, before the government even announced the floods as a national emergency. The flood victims were provided with Food Packs comprising of essential food items, basic Hygiene and Medical Supplies, Mosquito protection, and Tents. The distribution was facilitated with the help of partner organizations such as the Sujaag Sansar Organization, Aurat Foundation, and the Women Development Association, whereas in Balochistan we worked on our own.

From August to December 2022, Hisaar Foundation carried out relief distribution activities to provide emergency support to 435 families in Lasbela and 1000 in Dadu, 250 families in Badin, and 185 in Thatta, 100 in Mirpurkhas (Tharparkar), and 64 families in Khairpur. We have installed 15 Water Ultrafiltration Systems in Sindh of which 1 system was installed in district Mirpurkhas and 1 installed in district Nawabshah and 10 Water systems in different locations of district Dadu 1 system was installed in Jacobabad and 2 in district Jamshoro.

A total of 2034 affected families in different villages of Sindh and Balochistan benefitted from Hisaar Foundation's relief distribution activities. We raised a total of amount Rs 26,635,525 of which Rs 12,473,278 was in cash and Rs 9,202,247 was in kind.

We are grateful for the generous support and contributions of our donors and supporters, without whom our efforts would not have been possible. A detailed report can be found [here](#).

4.2 Recovery & Rehabilitation Services in Taluka Johi, District Dadu

Hisaar Foundation immediately developed a strategy to overcome the devastating impacts of the floods. Hisaar Foundation's intervention in flood-affected areas is spread over a two-year period and divided into three phases:

- Phase 1 – Relief which includes the provision of an immediate supply of safe drinking water to displaced people including essential food rations, temporary shelters, and medical and hygiene supplies.
- Phase 2 – Recovery which comprises the provision of kitchen gardening supplies, water systems and mosquito protection to people living in camps and temporary shelters.
- Phase 3 – Rehabilitation which focuses on the return of displaced people and their resettlement. This phase focuses on rebuilding the homes and lives of the flood-affected communities through provision of water systems, kitchen gardening supplies, community bathrooms and asset generation through distribution of livestock.

We chose to concentrate our efforts for the Recovery and Rehabilitation services in Taluka Johi, District Dadu. This area was one of the worst affected. In the beginning, we had to deliver our relief supplies in

boats! Our objective was to assist 1000 families in Taluka Johi, District Dadu with the required assistance to bring them back on their feet and return to normalcy, including assistance for income generation.

During the financial year 2022-23, we were able to raise funds to provide recovery and rehabilitation services to 385 families. We have successfully completed phase 2 of our programme and will commence with phase 3 next year. Our biggest donors were ATC (National Foods) and Beechfield Brands.

5. Ramzan Appeal

Hisaar Foundation launched its Ramzan Appeal seeking donations in four areas – flood recovery, provision of food and nutrition packs, provision of water systems and education (Panjwani-Hisaar Water Institute). This year, Hisaar Foundation exceeded its target of Rs 10 million and successfully provided support to 1000 families located in 45 villages across 4 districts Badin, Jamshoro, Gadap and Lasbela in Sindh and Balochistan provinces of Pakistan.

With the generous support of our donors and benefactors, we were able to provide food and hygiene packs to 350 families in Badin, 150 families in Jamshoro, 315 families in Gadap, and 185 families in Lasbela. We also raised funds for installation of 24 water systems, small donations for Panjwani-Hisaar Water Institute and flood recovery efforts. A detailed report is available here.

6. Developing Solutions

Developing solutions has been at the core of all programmatic interventions undertaken by Hisaar Foundation. Projects and programmes are designed such that low-cost creative solutions form an integral part of all water, food and livelihood-related interventions and activities.

Old Associates of Kinnaird Society (OAKS) Karachi Chapter and Hisaar Foundation continued to collaborate on the rehabilitation of deep dug wells in Tharparkar as well as installation of handpumps and solar powered borewells with water storage tanks. Hope Uplift Foundation and Rotary Karachi Metropolitan Trust continued to support us with interventions in Thar and Karachi.

Notably, Hisaar Foundation's innovative solution during this period was the deployment of low-cost, hand operated ultrafiltration systems that converted contaminated flood waters into clean and safe drinking water in flooded areas. Hisaar Foundation deployed 28 systems in Districts Dadu, Jamshoro, Nawabshah, Jacobabad and Mirpurkhas during this reporting period.

In addition, Hisaar Foundation installed 7 solar bores and 1 solar system on existing rehab wells with water storage tanks, rehabilitated 34 wells, and installed 25 handpumps to improve water access and water security in various parts of the Tharparkar. The Foundation also provided 2 electric water coolers in schools of Karachi, one at and the other at. With the support of Drip by Drip and Beechfield Brands, the Foundation embarked upon a pilot project of community WASH interventions through government schools. The pilot was conducted at Dost Mohammad Bhambhro School in Gadap and was well received by the beneficiaries of the recipient school and the donors. They have pledged to support 5 such adopt a school projects during the next financial period. Rotary Karachi Metropolitan Trust continued its support in Thar and supported two more Adopt a Village projects through which we provided 45 solar household systems and constructed 24 solar powered washrooms in village Bhadaur Juneja, UC Juruo, Taluka Mithi and 18 solar powered washrooms in village Mehentar Misri Dhani, UC Sobhiar, Taluka Diplo.

7. Think Tank on the Rational Use of Water

The Million Ponds project conceived by several members of the Think Tank during the previous year has been selected as one of the few initiatives for implementation by the Living Indus team. The Living Indus initiative is a UN supported initiative put forward by the Ministry of Climate Change that is aimed to restore the ecological health of the Indus within the boundaries of Pakistan, which is most vulnerable to climate change.

8. Karachi International Water Conference

The Karachi International Water Conference, a flagship event of Hisaar Foundation, is held every two years. This conference has gained a “must attend” status globally and is attended by large number of participants from the global North and South, South Asia and Pakistan. It brings key stakeholders from the government, private and commercial sector, bilateral and multilateral agencies, academia, NGOs and the media together on a singular and neutral platform.

This year's conference, the 6th Karachi International Water Conference entitled “Water Matters – Bring Water Back to Climate Discourse” is scheduled to be held on November 27th and 28th 2023 at Marriott Hotel, Karachi. We are also pleased to share that we will be celebrating twenty years of Hisaar Foundation and ten years of the Karachi International Water Conference.

It appears that the climate emergency has taken all the attention and everyone has forgotten about the water crisis. While the last two centuries were about putting carbon into the atmosphere, this century is about its direct impact on the world's water: boiling oceans, melting ice, rising sea levels, unprecedented downpours, major and more frequent storms, pluvial and fluvial floods. The entire global water regime is affected, driving the shifting of seasons, natural regions, ecosystems and agro-ecological zones. Today, water-related disasters are the major manifestation of the climate emergency, and managing these disasters should be a major preoccupation of governments, corporates, organizations, academics and citizens. developed world. This conference will show how and why water matters and will bring water back, right into the center of climate discourse, where it rightfully belongs. For further details, please see the [conference brochure](#) here.

9. Creating Partnerships

Hisaar Foundation continued to play an integral role in anchoring and strengthening the Area Water Partnerships and Women and Water Networks that were created under the aegis of the Karachi Water Partnership. Some of the activities conducted are outlined below.

8.1 Public Private Partnership

Our biggest and most significant partnership remains with NED University of Engineering and Technology and Panjwani Charitable Foundation for the establishment of Panjwani-Hisaar Water Institute. See section 3 for details.

8.2 Partnering with Civil Society

During this period, Rotary Karachi Metropolitan Trust, a civil society donor organization extended its support to Hisaar Foundation for two Adopt a Village projects in Tharparkar which comprised the provision of solar household units and construction of solar powered washrooms.

8.3 Partnering with Academia

On 17th May 2023, Simi Kamal, Chairperson, Hisaar Foundation and Dr Syed Irfan Haider, Vice Chancellor, Ziauddin University signed a Memorandum of Understanding (MOU) for academic, administrative and research collaborations. The objective of this MoU is to further develop and carry out long term collaboration on program and research activities like development of collaborative research projects, joint academic activities, such as: courses, conferences, seminars, symposia or lectures and collaboration for development of water, food and livelihood systems.

8.4 Leveraging International Partnerships

On 2nd and 3rd November 2022, Cap-Net held its Annual Network Managers and Partners Meeting online. All 23 affiliate networks were in attendance and the meeting focused on building resilient networks and building network capacity to respond to the changing conditions and pressing needs on the ground. The meeting also marked the celebration of twenty years of the Cap-Net network. Sanaa Baxamoosa, in her capacity as Network Manager Cap-Net Pakistan attended this meeting.

10. Dialogues, Engagements and Webinars

Hisaar Foundation representatives participated in important international and national water events throughout the year. Simi Kamal (Chairperson) and Sanaa Baxamoosa (Director External Relations) represented the Foundation as key organizers or featured speakers at these events. A selected list of some of the notable engagements and events is presented in the table below:

Event	Date	Representation of Hisaar Foundation
Conference on Emerging Trends in Water Management organized by IWA – YWP	4 th – 6 th October 2022	Simi Kamal was the keynote speaker for the session on Water Stewardship
Pakistan Water Week 2022 – The Role of Water Energy Food Ecosystem Nexus organized by IWMI Pakistan	24 th – 28 th October 2022	Simi Kamal and Meher Marker Noshirwani were featured speakers
Transformative Futures for Water Security organized by IWMI Pakistan	21 st January 2023	Hisaar Foundation was co-organizer of this event and Simi Kamal was keynote speaker
International Conference on Governance, Sustainability and Resilience in Post-Covid Period organized by University of Management and Technology, Lahore	23 rd – 25 th January 2023	Simi Kamal was invited as a panelist
World Bank Seminar on Pakistan Country Climate and Development Report by PHWI	14 th March 2023	On behalf of Zohair Ashir, Sanaa Baxamoosa presented on Role of PHWI in Supporting Climate Change Action Plan

Webinar organized by Model United Nations Campus Water Conference and IWA - YWP	19 th March 2023	Sanaa Baxamoosa was invited as a panelist
2 nd International Conference on Sustainable Water Management organized by NED University and Pakistan Society of Plumbing Professionals	20 th March 2023	Sanaa Baxamoosa presented on Accelerating Change in Water Management through Women
Discussion on Indus River: A Confluence of Economy and Culture by SZABIST STRDC and FNF	8 th May 2023	Sanaa Baxamoosa was invited as a guest speaker
Seminar on Hidden Links between Water and Health by PHWI	30 th May 2023	Sanaa Baxamoosa moderated the event. Simi Kamal gave the opening remarks.

These are only some examples of our inputs and influencing activities in related sectors, there were many others.

10. Lobbying with Government

Hisaar Foundation continued to engage with government officials and departments at all levels to disseminate its work and share its policy recommendations to spearhead and catalyze efforts for development of provincial and federal water policies, implementation frameworks and the million ponds storage concept.

11. Report on Social Media

The Media and Communication team of Hisaar Foundation highlights the activities of the Foundation, creates fundraising campaigns and promotes awareness on the focus areas of the Foundation through content creation and information dissemination. In addition, Hisaar Foundation leverages specific environmental days as occasions to mark particular events or topics in order to promote awareness and action.

12. Financial Outlay

During the period July 01, 2021 to June 30, 2022, Hisaar Foundation raised approximately Rs 48.8 million through its donations, programme income, relief and emergency campaigns and Ramzan appeal. Against this, the Foundation incurred a cost of approximately Rs 45.3 million. This resulted in an overall net surplus of approximately Rs 3.5 million. We noted an increase in donations for water systems as compared to last year, however, there was a marginal decline in the uptake of adopt a school and adopt a village projects. Notably, the largest increase in water systems was due to the innovative hand operated ultrafiltration

systems that were rolled out in the aftermath of the floods. Funds amounting to Rs 11.4 million raised for emergency and relief comprised a significant portion of the income raised this year.

Donations for Ramzan Appeal decreased significantly this year, but this was perhaps due to donor fatigue due to the flood relief campaigns.

The Foundation raised approximately Rs 129.1 million in donations and interest income for the Panjwani-Hisaar Water Institute. It is pertinent to note that funds raised for PHWI were utilized against procurement of steel and cement, building expenditures and salary of project and fundraising managers. All expenditures in relation to PHWI have been included in fixed assets and are being treated as capital work in progress.

13. Way Forward

This has been a remarkable year for Hisaar Foundation. With the support of the Governors and Council members who have been instrumental in guiding and advising Hisaar Foundation on its plans and growth, we are moving towards institutionalization of the Foundation with the establishment of the Panjwani-Hisaar Water Institute. As we complete 20 years at the end of the year, we can take stock of our achievements and be proud of our accomplishments. In the last twenty years, we have established Hisaar Foundation as a thought leader and innovator in the water sector.

Despite the challenges of natural disasters, economic instability, and political volatility, the Hisaar Foundation has risen above all odds to persevere and deliver on its promises. We are grateful for the dedication of our team, the guidance of our Governors, and the support of our Members. We thank you for your patronage and we look forward to your continued support as we strive to achieve even greater things in the future.



Chairperson
Hisaar Foundation

Dated: October 02, 2023



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, 2023

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.



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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) "The Company", which comprise the statement of financial position as at June 30, 2023, and the related statement of income and expenditure, 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, the statement of income and expenditure, 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, 2023 and of the surplus, 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 Board of Governors 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, the statement of income and expenditure, the 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) 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 Tariq Feroz Khan.

KARACHI

DATED: 05 OCT 2023

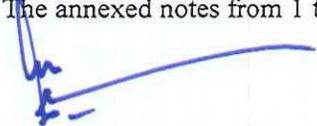
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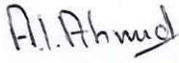

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

**HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	259,802,975	152,006,464
Long term deposits		120,000	120,000
		<u>259,922,975</u>	<u>152,126,464</u>
CURRENT ASSETS			
Advances	5	1,326,255	30,000
Other receivables	6	232,375	2,735,730
Short term prepayments	7	-	152,698
Tax refundable	8	1,276,811	1,272,175
Short term investment	9	1,000,000	-
Cash and bank balances	10	34,859,008	2,914,455
		<u>38,694,449</u>	<u>7,105,058</u>
TOTAL ASSETS		<u><u>298,617,424</u></u>	<u><u>159,231,522</u></u>
FUND AND LIABILITIES			
FUND			
Unrestricted		7,011,345	4,581,062
Endowment fund		1,016,875	-
		<u>8,028,220</u>	<u>4,581,062</u>
NON CURRENT LIABILITIES			
Deferred capital grant	11	265,949,155	136,044,701
CURRENT LIABILITIES			
Deferred credit - unutilized grants	12	18,130,046	605,000
Other payables	13	6,510,003	18,000,759
		<u>24,640,049</u>	<u>18,605,759</u>
TOTAL FUND AND LIABILITIES		<u><u>298,617,424</u></u>	<u><u>159,231,522</u></u>
CONTINGENCIES AND COMMITMENTS	14		

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

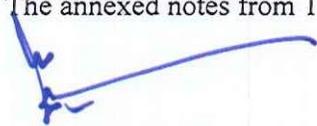

CHIEF EXECUTIVE

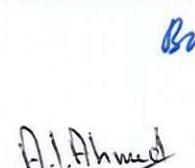

GOVERNOR

**HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
INCOME			
Donation income	15	1,704,269	1,915,806
Membership fee		25,000	25,000
Relief and emergency support income	16	11,483,278	1,909,000
Programme support income	17	29,308,089	23,159,867
Zakat ramzan appeal support income	18	3,138,750	6,207,637
Water conference support income	19	-	1,875,000
Other income		3,096,502	35,438
		48,755,888	35,127,748
EXPENDITURE			
Administrative expenses	20	9,908,450	7,478,197
Programme expenses	21	23,303,939	20,161,745
Relief and emergency support expenses	22	9,401,830	1,672,997
Water conference expenses	23	-	840,247
Zakat ramzan appeal expenses	24	2,671,634	4,573,130
Financial charges		22,877	10,724
		45,308,730	34,737,040
Net surplus for the year		3,447,158	390,708
Attributable to:			
Unrestricted fund		3,405,283	390,708
Endowment fund		41,875	-
		3,447,158	390,708

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

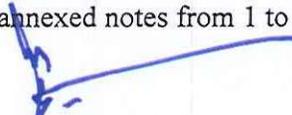

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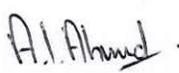

GOVERNOR

**HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984)
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus for the year	3,447,158	390,708
Adjustment for items not involving movement of funds:		
Depreciation	514,198	283,041
Interest Income	(2,660,473)	-
Financial charges	22,877	10,724
Operating profit before working capital changes	<u>1,323,760</u>	<u>684,473</u>
Decrease / (increase) in current assets		
Advances	(1,296,255)	181,556
Prepaid rent	152,698	(152,698)
Other receivables	2,520,230	(2,735,730)
	<u>1,376,673</u>	<u>(2,706,872)</u>
Decrease in current liabilities		
Other payables	(14,954,753)	(51,798,084)
Cash flows from operations	<u>(12,254,320)</u>	<u>(53,820,483)</u>
Financial charges paid	(22,877)	(10,724)
Interest income received	2,643,597	-
Taxes paid	(4,636)	(70,528)
Net cash used in operating activities	<u>(9,638,235)</u>	<u>(53,901,735)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to operating fixed assets	(6,827,826)	(502,140)
Addition to capital work in process	(98,018,886)	1,519,926
Addition in short term investment	(1,000,000)	-
Net cash flows (used in) / generated from investing activities	<u>(105,846,712)</u>	<u>1,017,786</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received for PHWI	129,079,613	50,204,309
Grants received for other programmes	65,755,163	26,916,504
Grants utilized during the year	(47,405,276)	(26,926,504)
Net cash flows from financing activities	<u>147,429,500</u>	<u>50,194,309</u>
Net decrease in cash and cash equivalents	31,944,553	(2,689,640)
Cash and cash equivalents at the beginning of the year	2,914,455	5,604,095
Cash and cash equivalents at the end of the year	<u>34,859,008</u>	<u>2,914,455</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)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
Net surplus for the year	3,447,158	390,708
Other comprehensive income	-	-
Total comprehensive income for the year	<u>3,447,158</u>	<u>390,708</u>

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


CHIEF EXECUTIVE


A.I. Ahmad .
GOVERNOR

**HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF REPEALED COMPANIES ORDINANCE, 1984
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023**

	Unrestricted fund	Endowment funds	Total
	-----Rupees-----		
Balance as at July 01, 2021	4,190,354	-	4,190,354
Total comprehensive income for the period			
Surplus for the year	390,708	-	390,708
Other comprehensive income	-	-	-
	390,708	-	390,708
Balance as at June 30, 2022	4,581,062	-	4,581,062
Total comprehensive income for the period			
Transfer to endowment fund	(975,000)	975,000	-
Surplus for the year	3,405,283	41,875	3,447,158
Other Comprehensive income	-	-	-
	3,405,283	41,875	3,447,158
Balance as at June 30, 2023	7,011,345	1,016,875	8,028,220

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


CHIEF EXECUTIVE


A.I. Ahmed
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, 2023**

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 in the world.

1.2 GEOGRAPHICAL LOCATION AND REGISTERED OFFICE

The geographical location and registered address of the Company is Office 3B, Plot 41/C, Lane 13, Bukhari Commercial Area, Phase VI, DHA, Karachi.

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 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 basis, except as disclosed in relevant accounting policies.

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

2.3 Functional and presentation currency

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

2.4 Significant accounting judgements and estimates

The preparation of financial statements is in conformity with accounting and reporting standards as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if revision affects the period of revision only and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the company's financial statement or where judgements were exercised in application of approved accounting standards as applicable in Pakistan are as follows-

	Note
- Useful lives of property and equipment and methods of depreciation	4.1
- Contingencies	14

3 SUMMARY OF 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 and equipment

3.1.1 Operating fixed assets

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.

Depreciation on additions is charged from the month of addition and in case of deletion up to the month immediately preceding the deletion.

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 in the course of their construction and installation. Transfers are made to relevant category as and when assets are available for use intended by the user. Capital work-in-progress is stated at cost less any identified impairment loss.

3.2 Financial instruments

3.2.1 Financial assets

i. Classification and measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets of the Company classified as measured at amortised cost.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at amortised cost

All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through statement of profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.2.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Liabilities for 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.

3.3 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 statement of cash flow, cash and cash equivalents consist of cash in hand, balances at banks.

3.5 Provisions

A provision is recognized in statement of financial position 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.

3.6 Fund

The accounts of the Company are maintained substantially in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting and reporting purposes, into funds that are in accordance with activities specified by donor. In the financial statements of the Company, two main groups of funds are distinguished which are Un-restricted Funds and Restricted Funds.

3.6.1 Un-restricted Funds

Funds received for on-going operations, without any restrictions are classified as Un-restricted funds. Unrestricted grants / contributions received are recognized as income in the year of receipts.

3.7 Endowment fund

This is a form of restricted fund to be retained for the benefit of the Company as a capital fund. Membership joining fee and income generated from this fund are also credited to the fund.

3.8 Deferred credit - Unutilized grant

Grant not utilized are repayable and shown in "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 Taxation

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

3.11 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.

Profit on bank deposits related to projects is recognised on receipt basis and credited to respective donors' fund account while profit on bank deposits and TDRs is recognised as income on accrual basis.

3.12 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.13 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 agreed price duly approved by the Board of Governors.

3.14 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
- 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 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.

b) Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

	Note	2023 Rupees	2022 Rupees
4 PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	7,159,694	846,066
Capital work in progress	4.2&4.3	252,643,281	151,160,398
		<u>259,802,975</u>	<u>152,006,464</u>

4.1 Operating fixed assets

Description	Owned					Total
	Office equipment	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	
-----Rupees-----						
Net carrying value basis year ended June 30, 2023						
Opening net book value	439,271	213,826	54,078	138,891	-	846,066
Additions	556,714	297,009	1,674,103	-	4,300,000	6,827,826
Depreciation	(141,955)	(161,717)	(78,709)	(60,150)	(71,667)	(514,198)
Closing net book value	854,030	349,118	1,649,472	78,741	4,228,333	7,159,694
Gross carrying value basis year ended June 30, 2023						
Cost	1,212,728	843,870	2,025,177	240,600	4,300,000	8,622,375
Accumulated depreciation	(358,698)	(494,752)	(375,705)	(161,859)	(71,667)	(1,462,681)
Net book value	854,030	349,118	1,649,472	78,741	4,228,333	7,159,694
Depreciation rate (% per annum)	20%	33.33%	20%	25%	10%	

Description	Owned					Total
	Office equipment	Computers	Furniture and fixtures	Leasehold Improvements	Vehicles	
-Rupees-						
Net carrying value basis						
year ended June 30, 2022						
Opening net book value	215,079	155,954	56,893	199,041	-	626,967
Additions	322,640	167,500	12,000	-	-	502,140
Depreciation	(98,448)	(109,628)	(14,815)	(60,150)	-	(283,041)
Closing net book value	439,271	213,826	54,078	138,891	-	846,066
Gross carrying value basis						
year ended June 30, 2022						
Cost	992,749	810,553	368,674	240,600	-	2,412,576
Accumulated depreciation	(553,478)	(596,727)	(314,596)	(101,709)	-	(1,566,510)
Net book value	439,271	213,826	54,078	138,891	-	846,066
Depreciation rate (% per annum)	20%	33.33%	20%	25%	10%	

4.2 This amount is related to the capital work in relation to the construction of Panjwani-Hisaar Water Institute at NED University of Engineering and Technology. This Institute will be transferred to NED University on the completion of project.

4.3 The amount includes mobilization advance to Paragon Constructors of Rs. 11.09 million (2022: 16.42 million).

	Note	2023 Rupees	2022 Rupees
5 ADVANCES			
Unsecured - considered good			
Advances to others		<u>1,326,255</u>	<u>30,000</u>
6 OTHER RECEIVABLES			
Other receivables		<u>232,375</u>	<u>2,735,730</u>
7 SHORT TERM PREPAYMENTS			
Prepaid rent		-	145,198
Prepayment against maintenance expense		-	7,500
		<u>-</u>	<u>152,698</u>
8 TAX REFUNDABLE			
Advance tax		<u>1,276,811</u>	<u>1,272,175</u>
9 SHORT TERM INVESTMENT			
At amortized cost			
Term deposit receipts (TDR)	9.1	<u>1,000,000</u>	<u>-</u>

9.1 This TDR certificates carry markup at the fixed rate of 20.25% per annum. This investment wholly pertains to endowment fund. The maturity date of TDRs is May 22, 2024.

	Note	2023 Rupees	2022 Rupees
10 CASH AND BANK BALANCES			
Cash in hand		37,418	2,345
Cash at bank	10.1	34,821,590	2,912,110
		<u>34,859,008</u>	<u>2,914,455</u>

10.1 The balance in saving accounts carry profit at average rates ranging from 14.50% to 19.50% per annum (2022: 10.50% to 14.50% per annum).

11 DEFERRED CAPITAL GRANT

Particulars	Panjwani - Hissar Water Institute	Vehicle	2023	2022
	Rupees			
Opening balance	136,044,701	-	136,044,701	85,840,392
Grants Received	124,090,662	4,300,000	128,390,662	49,069,096
Profit on T.Call	4,988,951	-	4,988,951	1,135,213
Grants Utilized	(3,403,492)	(71,667)	(3,475,159)	-
Closing balance	<u>261,720,822</u>	<u>4,228,333</u>	<u>265,949,155</u>	<u>136,044,701</u>

11.1 During the year, the Company received grant from Panjwani Charitable Foundation amounting to Rs. 10 million (2022: 5 million), whereas rest of the grant is received from other institutional and individual donors.

12 DEFERRED CREDIT - UNUTILIZED GRANTS

Particulars	Programme (12.2)	Ramzan appeal	Relief and emergency	Water Conference	General	2023	2022
	Rupees						
Opening balance	605,000	-	-	-	-	605,000	615,000
Add:							
Grants Received (12.1)	46,833,135	3,138,750	11,483,278	-	1,704,269	63,159,432	35,082,310
Other income	-	-	-	-	3,079,627	3,079,627	35,438
Less:							
- Material Cost	19,527,057	2,490,234	7,671,945	-	-	29,689,236	23,172,229
- Other Cost	3,776,882	181,400	1,729,885	-	-	5,688,167	4,075,890
Total Direct Cost	(23,303,939)	(2,671,634)	(9,401,830)	-	-	(35,377,403)	(27,248,119)
Admin Overheads	(6,004,150)	(467,116)	(2,081,448)	-	(1,378,613)	(9,931,327)	(7,488,921)
Transfer to General Fund	-	-	-	-	(3,405,283)	(3,405,283)	(390,708)
Closing balance	<u>18,130,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,130,046</u>	<u>605,000</u>

12.1 These grants are received from various institutional and individual donors.

12.2 DEFERRED CREDIT - UNUTILIZED GRANTS - PROGRAMME

Particulars	Adopt a School	Adopt a Village	Hand Pump	Rehab of well	Recovery & Rehab	Solar Bore	Solar on Rehab Well	Ultrafiltration System	Water Cooler	2023	2022
Rupees											
Opening balance	-	-	-	-	-	500,000	-	-	105,000	605,000	615,000
Add:											
Grants Received	1,652,785	6,378,250	1,020,000	2,516,486	24,530,614	5,655,000	500,000	4,580,000	-	46,833,135	23,149,867
Less:											
- Material Cost	1,114,340	4,935,000	660,000	1,672,000	3,816,757	4,005,000	450,000	2,800,810	73,150	19,527,057	16,085,855
- Other Cost	117,368	557,302	139,012	299,063	1,115,301	830,209	19,307	687,023	12,299	3,776,882	4,075,890
Total Direct Cost	(1,231,708)	(5,492,302)	(799,012)	(1,971,063)	(4,932,058)	(4,835,209)	(469,307)	(3,487,833)	(85,449)	(23,303,939)	(20,161,745)
Admin Overheads	(186,582)	(885,948)	(220,988)	(475,423)	(1,773,005)	(1,319,791)	(30,693)	(1,092,167)	(19,551)	(6,004,150)	(2,998,122)
Closing balance	234,495	-	-	70,000	17,825,551	-	-	-	-	18,130,046	605,000

Note 2023 2022
Rupees Rupees

13 OTHER PAYABLES

Payable to supplier		2,969,562	1,046,269
Payable to contractor	13.1	3,463,997	13,698,490
Other payables		76,444	56,000
Director loan payable		-	3,200,000
		<u>6,510,003</u>	<u>18,000,759</u>

13.1 This represents liability accounted for against work performed up to the reporting date by contractor Paragon in respect of Panjwani - Hisaar Water Institute (PHWI).

14 CONTINGENCIES AND COMMITMENTS

Contingencies

14.1 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 no further notice has been received from FBR in respect of the said notice.

Commitments

14.2 On November 23, 2018, the Company has entered into agreement with Panjwani Charitable Foundation and NED University of Engineering and Technology "the NED" to establish Panjwani - Hisaar Water Institute "PHWI" for water education, research and training and dissemination to various stakeholder groups. Panjwani Charitable Foundation agreed to donate initial seed money and ongoing partial payments. Whereas, the Company has agreed to raise the funds and manage the construction of Water Institute and donate the building and certain contents therein to the NED University upon completion.

For the purpose of designing of PHWI, the Company has entered into a consultancy agreement with Arcop (Private) Limited (the consultant) on March 26, 2018. Arcop (Private) Limited prepared the design of the project, prepare budgets and assisted the Company in conducting the call for tenders, and finalizing the construction company.

On June 16, 2020, the Company has entered in to an agreement with Paragon Constructors (Private) Limited, for the construction of the PHWI. It has been agreed in the contract that entire work including the mobilization shall be completed within 18 months from the execution of the contract. The contract price agreed between the parties is amounts to Rs. 294.661 million exclusive of Sindh sales tax and withholding taxes.

During the year, the cost of project is revised via variation order dated January 20, 2023 from Paragon Constructors (Private) Limited. The total project has been estimated Rs. 469.669 million and is expected to be completed by December 2025 .The Company has paid Rs. 252.643 million till date and further expenditure is expected to be Rs. 217.026 million which will be incurred in future.

- 14.3 Operating lease rental for the subsequent financial year amounts to Rs. 1.949 million (2022: 1.771 million).

	2023 Rupees	2022 Rupees
15 DONATIONS INCOME		
General donation	1,704,269	1,645,339
Capnet	-	270,467
	<u>1,704,269</u>	<u>1,915,806</u>
16 RELIEF AND EMERGENCY SUPPORT INCOME		
Donation for flood relief program	<u>11,483,278</u>	<u>1,909,000</u>
17 PROGRAMME SUPPORT INCOME		
Donation for adopt a school	1,418,290	4,350,000
Donation for adopt a village	6,378,250	4,009,430
Donation for filtration plant	-	600,000
Donation for hand pump	1,020,000	2,923,507
Donation for livestock	-	100,000
Donation for rehabilitation of well	2,446,486	5,048,638
Donation for recovery and rehabilitation	6,705,063	-
Donation for solar bore	6,155,000	5,248,292
Donation for solar on rehab well	500,000	790,000
Donation for ultrafiltration system	4,580,000	-
Donation for electric water cooler	105,000	90,000
	<u>29,308,089</u>	<u>22,556,970</u>

	Note	2023 Rupees	2022 Rupees
18 ZAKAT RAMZAN APPEAL SUPPORT INCOME			
Zakat ramzan appeal		3,138,750	6,207,637
19 WATER CONFERENCE SUPPORT INCOME			
Sponsorship		-	1,875,000
20 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		3,010,730	2,324,000
Printing charges		800,755	185,378
Postage and courier		13,872	27,689
Legal and professional charges		1,320,642	812,700
Depreciation	4.1	424,547	283,041
Utilities expenses		386,028	198,554
Rent expense		1,771,440	1,597,200
Repair and maintenance		343,700	520,616
Travelling, conveyance and maintenance		403,216	185,000
Office and kitchen supplies		218,370	108,213
Internet and email / web maintenance and hosting		412,500	276,604
Vehicle running and maintenance		96,200	-
Generator rent and running		30,420	8,600
Meeting expenses		167,004	146,082
Dues and subscription		194,455	455,800
Miscellaneous		314,571	348,720
		<u>9,908,450</u>	<u>7,478,197</u>

20.1 Grant received for programs are also utilized in overhead expenses of the Company.

21 PROGRAMME EXPENSES

Salaries, wages and other benefits	2,268,532	2,116,833
Consultancy expenses	62,500	950,000
Shariah advisory fee	339,000	339,000
Travelling and outstation	923,063	300,405
Printing and stationary	112,533	-
Meeting expenses	71,254	-
Adopt a school	1,114,340	2,958,984
Adopt a village	4,935,000	3,405,000
Filtration plant	-	435,000
Hand pump	660,000	1,733,125
Livestock	-	80,000

	2023 Rupees	2022 Rupees
Rehabilitation of well	1,672,000	3,449,000
Recovery and rehabilitation	3,816,757	-
Solar bore	4,005,000	3,530,000
Solar on rehab well	450,000	370,000
Ultrafiltration systems	2,800,810	-
Electric water cooler	73,150	124,746
Miscellaneous	-	369,652
	<u>23,303,939</u>	<u>20,161,745</u>
22 RELIEF AND EMERGENCY SUPPORT EXPENSES		
Emergency relief activities	7,671,945	1,672,997
Salaries, wages and other benefits	892,100	-
Transportation and field expenses	829,015	-
Printing and stationary	8,770	-
	<u>9,401,830</u>	<u>1,672,997</u>
23 WATER CONFERENCE EXPENSES		
Salaries, wages and other benefits	-	509,500
Travelling expenses	-	56,971
Web designing	-	160,676
Printing and stationary	-	60,600
Miscellaneous	-	52,500
	<u>-</u>	<u>840,247</u>
24 ZAKAT RAMZAN APPEAL EXPENSES		
Zakat ramzan appeal expenses	<u>2,671,634</u>	<u>4,573,130</u>

25 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of directors and key management personnel. Transactions with related parties are as under:

Nature of transaction	Nature of relation	Basis of relation	2023 Rupees	2022 Rupees
Loan obtained during the year	Director	Directorship	-	-
Repayment of loan	Director	Directorship	3,200,000	800,000
Grant received for PHWI - PCF	Associate	Directorship	10,000,000	10,000,000
Grant received for PHWI	Director	Directorship	1,250,000	4,750,000
Donation received - General	Director	Directorship	750,000	14,750,000
Donation received - Relief & Emergency	Director	Directorship	916,000	1,090,000
Donation received - Ramzan Appeal	Director	Directorship	300,000	490,000
Donation received - Filtration Plant	Director	Directorship	-	600,000
Year end balances				
Loan from director	Director	Directorship	-	3,200,000

26 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

No amount has been paid or payable by the Company on account of chief executive and directors' remuneration for the year.

	2023 Rupees	2022 Rupees
27 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets as per statement of financial position		
- at amortized cost		
Other receivables	232,375	2,735,730
Cash and bank balances	34,859,008	2,914,455
	<u>35,091,383</u>	<u>5,650,185</u>
Financial liabilities as per statement of financial position		
Financial liabilities - at amortised cost		
Payable to contractor	3,463,997	13,698,490
Others	3,046,006	4,302,269
	<u>6,510,003</u>	<u>18,000,759</u>

28 CORRESPONDING FIGURES

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

	2023 Number of employees	2022 Number of employees
29 NUMBER OF EMPLOYEES		
Number of employees as at year end	<u>13</u>	<u>12</u>
Average number of employees for the year	<u>12</u>	<u>12</u>

30 DATE OF AUTHORIZATION FOR ISSUE

The Board of Governors of the Company authorized these financial statements for issue on 05 OCT 2023.

31 GENERAL

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


CHIEF EXECUTIVE

A.I. Ahmad
GOVERNOR