



FINANCIAL STATEMENTS
OF
HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42
OF THE COMPANIES ORDINANCE, 1984)
FOR THE YEAR ENDED
JUNE 30, 2015

BDO Ebrahim & Co. Chartered Accountants

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

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of HISAAR FOUNDATION (company limited by guarantee and licensed under Section 42 of the Companies Ordinance, 1984) as at June 30, 2015 and the related profit and loss account, statement of comprehensive income and cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet, profit and loss account and statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the deficit, comprehensive loss, its cash flows and changes in fund for the year then ended; and



d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention to note 1.2 to the financial statements which indicates that the Company has applied for renewal of its license which is currently in progress.

KARACHI

DATED: 08 OCT 2015

CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

**HISAAR FOUNDATION
BALANCE SHEET AS AT JUNE 30, 2015**

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	18,055	33,089
Security deposit		180,000	180,000
		<u>198,055</u>	<u>213,089</u>
CURRENT ASSETS			
Advances	6	464,710	445,817
Other receivables		1,340,603	159,029
Cash and bank balances	7	809,508	1,733,550
		<u>2,614,821</u>	<u>2,338,396</u>
		<u>2,812,876</u>	<u>2,551,485</u>
TOTAL ASSETS			
FUND AND LIABILITIES			
FUND			
Capital fund	8	(1,526,377)	2,324,411
Deferred credit - unutilized grants	9	4,043,600	-
		<u>2,517,223</u>	<u>2,324,411</u>
CURRENT LIABILITIES			
Accrued expenses		<u>295,653</u>	<u>227,074</u>
		295,653	227,074
CONTINGENCIES AND COMMITMENTS			
TOTAL FUND AND LIABILITIES	10	<u>2,812,876</u>	<u>2,551,485</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.

CHIEF EXECUTIVE

GOVERNOR

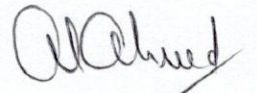
**HISAAR FOUNDATION
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015 Rupees	2014 Rupees
INCOME			
Donations		1,265,570	1,798,008
Membership fee (Hisaar)		25,000	25,000
Relief and emergency support income	11	2,840,000	6,772,759
Programme support income	12	7,487,058	12,998,859
Release of deferred income		63,333	132,780
Gain on disposal		225,000	-
Other income		48,100	-
		11,954,061	21,727,406
EXPENDITURE			
Administrative expenses	13	7,723,887	8,008,497
Programme expenses	14	6,557,069	7,801,883
Relief and emergency support expenses	15	1,520,612	2,781,205
Financial charges		3,281	7,359
		15,804,849	18,598,944
Net (deficit) / surplus for the year		<u>(3,850,788)</u>	<u>3,128,462</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.



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**HISAAR FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015**

	2015	2014
	Rupees	Rupees
(Deficit) / surplus before taxation	(3,850,788)	3,128,462
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	<u>(3,850,788)</u>	<u>3,128,462</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.



CHIEF EXECUTIVE



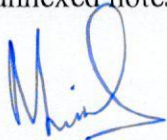
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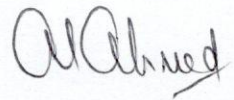
**HISAAR FOUNDATION
STATEMENT OF CHANGES IN CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	2015 Rupees	2014 Rupees
Opening balance	2,324,411	(804,051)
(Deficit) / surplus for the year	(3,850,788)	3,128,462
Closing balance	<u>(1,526,377)</u>	<u>2,324,411</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.



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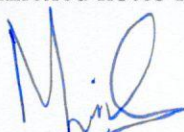
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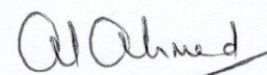
**HISAAR FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015**

	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) / surplus before taxation	(3,850,788)	3,128,462
Adjustment for items not involving movement of funds:		
Release of deferred income to profit and loss	(63,333)	(132,780)
Amortization of deferred credit	-	(466,399)
Gain on disposal	(225,000)	-
Depreciation	84,367	230,830
Operating (loss)/gain before working capital changes	<u>(4,054,754)</u>	<u>2,760,113</u>
(Increase) in current assets		
Advances	10,000	(252,482)
Other receivables	(1,181,574)	86,251
	<u>(1,171,574)</u>	<u>(166,231)</u>
(Decrease) / (increase) in current liabilities		
Trade and other payables	-	(100,000)
Accrued expenses	68,579	(583,705)
	<u>68,579</u>	<u>(683,705)</u>
Cash (used in) / generated from operations	(5,157,749)	1,910,177
Taxes paid	(28,893)	(46,466)
Net cash (used in) / generated from operating activities	<u>(5,186,642)</u>	<u>1,863,711</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Security deposit against rental premises		(180,000)
Addition in fixed assets	(6,000)	-
Sale proceeds of disposal of vehicle	225,000	-
Net cash generated from / (used in) investing activities	<u>219,000</u>	<u>(180,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received from donors	4,043,600	-
Net cash generated from financing activities	<u>4,043,600</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents	(924,042)	1,683,711
Cash and cash equivalents at the beginning of the year	1,733,550	49,839
Cash and cash equivalents at the end of the year	<u><u>809,508</u></u>	<u><u>1,733,550</u></u>

The annexed notes from 1 to 22 form an integral part of these financial statements.



CHIEF EXECUTIVE



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**HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF COMPANIES ORDINANCE, 1984)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

1 NATURE AND STATUS OF COMPANY

- 1.1 Hisaar Foundation ("the Company") was established under a license granted by the Securities and Exchange Commission of Pakistan under section 42 of the Companies Ordinance, 1984 on January 14, 2003. The main object of the Company is to promote and advance the welfare and the well being of the people of Pakistan and of other countries of the world. Registered address of the Company is located at House No.F-11/1, Block 8, Clifton, Karachi.
- 1.2 The Company has applied for renewal of its license under Securities and Exchange Commission of Pakistan's (the Commission's) Circular No. 4 and 5 of 2015, dated January 30, 2015 read with Circular No. 2 of 2015 dated January 01, 2015 which states that all those associations which were issued licenses under section 42 of the Companies Ordinance, 1984 and have already completed five years from the date of issue of license, are required to renew their licenses. The application for renewal is still under process.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved financial reporting standards as applicable in Pakistan. Approved financial reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the SECP differ with the requirements of these standards, the requirements of the Ordinance and of the said directives have been followed.

2.2 Basis of preparation

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 Foundation'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 4.26.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Foundation's functional and presentation currency.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards or interpretations that are effective in current year but not relevant to the Company

The Company has adopted the following accounting standards and interpretations which became effective during the year:

	Effective date (annual periods beginning on or after)
IFRIC 21 Levies	January 01, 2014

3.2 Amendments that are effective in current year but not relevant to the Company

The Company has adopted the amendments to the following accounting standards which became effective during the year:

IFRS 2	Share-based Payment - Amendments resulting from Annual Improvements 2010-2012 Cycle (definition of 'vesting condition')	July 01, 2014
IFRS 3	Business Combinations - Amendments resulting from Annual Improvements 2010-2012 Cycle (accounting for contingent consideration) and 2011-2013 Cycle (scope exception for joint ventures)	July 01, 2014
IFRS 8	Operating Segments - Amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments, reconciliation of segment assets)	July 01, 2014
IFRS 10	Consolidated Financial Statements - Amendments for investment entities	January 01, 2014
IFRS 12	Disclosure of Interests in Other Entities - Amendments for investment entities	January 01, 2014

Effective date (annual periods beginning on or after)

IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)	July 01, 2014
IAS 16	Property, Plant and Equipment - Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)	July 01, 2014
IAS 19	Employee Benefits - Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service	July 01, 2014
IAS 24	Related Party Disclosures - Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)	July 01, 2014
IAS 27	Separate Financial Statements - Amendments for investment entities	January 01, 2014
IAS 32	Financial Instruments - Presentation - Amendments relating to the offsetting of assets and liabilities	January 01, 2014
IAS 36	Impairment of Assets - Amendments arising from recoverable amount disclosures for non financial assets	January 01, 2014
IAS 38	Intangible Assets - Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)	July 01, 2014
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for novations of derivatives	January 01, 2014

Effective date (annual periods beginning on or after)

IAS 40	Investment Property - Amendments resulting from Annual Improvements 2011-2013 Cycle (interrelationship between IFRS 3 and IAS 40)	July 01, 2014
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3.3 Amendments not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations: Amendments resulting from September 2014 Annual Improvements to IFRSs	January 01, 2016
IFRS 7	Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs (Servicing Contracts and Applicability of the offsetting amendments in condensed interim financial statements)	January 01, 2016
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	January 01, 2018
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	January 01, 2016
IFRS 10	Consolidated Financial Statements - Amendments regarding the application of the consolidation exception	January 01, 2016
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation	January 01, 2016

		Effective date (annual periods beginning on or after)
IFRS 12	Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 1	Presentation of Financial Statements - Amendments resulting from the disclosure initiative	January 01, 2016
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16	January 01, 2016
IAS 19	Employee Benefits - Amendments resulting from September 2014 Annual Improvements to IFRSs	January 01, 2016
IAS 27	Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	January 01, 2016
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	January 01, 2016
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 34	Interim Financial Reporting - Amendments resulting from September 2014 Annual Improvements to IFRSs	January 01, 2016
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation	January 01, 2014

**Effective date (annual
periods beginning on or
after)**

IAS 39	Financial Instruments: Recognition and Measurement: Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope	January 01, 2018
IAS 41	Agriculture - Amendments bringing bearer plants into the scope of IAS 16	January 01, 2016

3.4 Standards or interpretations not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers

The Company expects that the adoption of the above amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

4. 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.

4.1 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.

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.

4.2 Other receivables

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

4.3 Cash and bank balances

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

4.4 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.

4.5 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.

4.6 Taxation

The Company has been provided tax credit equal to one hundred per cent of the tax payable under section 100 (c) of Income Tax Ordinance, 2001, including minimum tax and final taxes payable.

Therefore, no provision for tax has been made for the year.

4.7 Revenue recognition

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

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

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

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

4.8 Related party transactions and transfer pricing

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

4.9 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

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

a) Operating assets

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	2015 Rupees	2014 Rupees
5			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	168,054	246,421
Less: Deferred income	5.2	<u>(149,999)</u>	<u>(213,332)</u>
		<u>18,055</u>	<u>33,089</u>

5.1 Operating fixed assets

Particulars	C o s t			Rate %	D e p r e c i a t i o n			Book value	
	As at 01-07-2014	Addition/ Deletion	As at 30-06-2015		As at 01-07-2014	For the year	Adjustmet	As at 30-06-2015	as at 30-06-2015
Owned									
Office equipment	389,398	-	389,398	20	367,971	12,377		380,348	9,050
Computers (5.2)	638,579	6,000	644,579	33.33	638,568	2,007		640,575	4,004
Vehicle (5.2)	402,200	(400,000)	2,200	20	388,537	13,663	(400,000)	2,200	-
Furniture and fixture	292,600	-	292,600	20	81,280	56,320		137,600	155,000
Total rupees - 2015	1,722,777	(394,000)	1,328,777		1,476,356	84,367	(400,000)	1,160,723	168,054
Total rupees - 2014	1,472,777	250,000	1,722,777		1,245,526	230,830	-	1,476,356	246,421

2015
Rupees

2014
Rupees

5.2 Deferred income

Opening net book value of donated assets	213,332	96,112
Add: Donated assets	-	250,000
Less: Amortization to profit and loss account	(63,333)	(132,780)
	<u>149,999</u>	<u>213,332</u>

6 ADVANCES AND PREPAYMENTS

Unsecured (considered good)		
Advances to staff	72	72
Advance income tax	194,638	165,745
Prepaid rent	270,000	280,000
	<u>464,710</u>	<u>445,817</u>

7 CASH AND BANK

Cash in hand	12,069	2,432
Cash at bank in current account	797,439	1,731,118
	<u>809,508</u>	<u>1,733,550</u>

8 CAPITAL FUND

Opening balance	2,324,411	(804,051)
(Deficit) / surplus for the year	(3,850,788)	3,128,462
Closing balance	<u>(1,526,377)</u>	<u>2,324,411</u>

9 DEFERRED CREDIT - UNUTILIZED GRANTS

Particulars	Deep Dug Well in Tharparkar	2015	2014
Balance as on July 01	-	-	466,399
Add: Grants received from Donors	5,483,600	5,483,600	-
Less: Grants utilized	1,440,000	1,440,000	466,399
Closing balance - payable / (receivable)	4,043,600	4,043,600	-

10 CONTINGENCIES AND COMMITMENTS

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

	2015 Rupees	2014 Rupees
11 RELIEF AND EMERGENCY SUPPORT INCOME		
Donation for Thar drought relief program	2,840,000	6,133,804
Zakat	-	638,955
	<u>2,840,000</u>	<u>6,772,759</u>

12 PROGRAMME SUPPORT INCOME

Donation for regional conference	713,000	6,536,178
Donation for water filtration plant	-	1,350,000
Donation for Thar project	-	3,000,000
Donation for Action Aid advisory services	330,000	120,000
Donation for CapNet Network Support project	-	1,268,432
Donation for deep dug well in Tharparkar-Sindh	3,690,000	134,389
Donation for wellbore in Khyber Pakhtoonkhuwa	-	332,010
GWU-Women and Water in South and Central Asia	446,383	257,850
ADP-Thana Bola Khan	2,254,875	-
Donation for hand pump	52,800	-
	<u>7,487,058</u>	<u>12,998,859</u>

13 ADMINISTRATIVE EXPENSES

Salaries and wages	4,900,275	4,553,616
Printing	189,200	57,830
Office stationary and supplies	51,601	1,530
Postage and courier	23,745	28,546
Entertainment	88,123	78,585

	2015 Rupees	2014 Rupees
Professional charges	26,250	20,798
Depreciation	84,367	230,830
Utilities	203,606	88,673
Rent	908,913	1,414,604
Photocopying	22,551	7,952
Books and periodicals	86,046	6,407
Repair and maintenance	127,612	307,511
Travelling, conveyance and maintenance	251,989	163,400
Office kitchen supplies	36,248	94,913
Internet and email / web maintenance and hosting	161,494	262,426
Generator rent and running	9,600	37,677
Miscellaneous	71,172	57,127
Networking and data cabling	20,800	-
Fee and subscription	245,025	315,000
Electricity expense	174,418	190,858
Honorarium	13,700	5,000
Office renovation	-	48,080
Office security charges	27,152	37,134
	<u>7,723,887</u>	<u>8,008,497</u>

14 PROGRAMME EXPENSES

Deep Dug Well in Tharparkar expense	2,234,125	110,992
Construction of hand pump	-	46,050
Fund raising event	-	112,500
George Washington University - Women and Water in South and Central Asia	-	120,000
Water supply scheme in Landi Kotal	-	477,000
Aab-o-Daana project (UBL)	-	17,670
CapNet Network Support project	-	1,113,120
Regional conference	-	5,139,413
Water filtration plant	-	654,160
Karachi water partnership school programme	-	10,978
Boarding and lodging expense	365,460	-
Constructions of Solar Pump	2,599,000	-
Meeting expense	701,898	-

	2015 Rupees	2014 Rupees
Photography expense	20,000	-
Postage and courier	42,602	-
Printing and photocopying expense	35,000	-
Travelling expense	558,984	-
	<u>6,557,069</u>	<u>7,803,897</u>

15 RELIEF AND EMERGENCY SUPPORT EXPENSES

Thar drought relief fund	1,520,612	2,131,205
Zakat utilized for Thar drought relief fund	-	650,000
	<u>1,520,612</u>	<u>2,781,205</u>

16 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

Remuneration to Chief Executive Officer	<u>2,400,000</u>	<u>1,920,000</u>
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17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

17.1 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.

17.2 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:

	2015 Rupees	2014 Rupees
Advances	464,710	445,817
Other receivables	1,340,603	159,029
Cash and bank balances	809,508	1,733,550
	<u>2,614,821</u>	<u>2,338,396</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+.

17.3 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
2015							
Accrued expenses	295,653	295,653	295,653	-	-	-	-
2014							
Accrued expenses	227,074	227,074	227,074	-	-	-	-

17.4 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:

	2015 Rupees	2014 Rupees
Balances with bank	797,439	1,731,118

b) Interest rate risk

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

	Interest/markup bearing			Non - interest bearing			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
	Rupees						
Financial assets carried at amortized cost							
Advances	-	-	-	464,710	-	464,710	464,710
Other receivables	-	-	-	1,340,603	-	1,340,603	1,340,603
Cash and bank balances	-	-	-	809,508	-	809,508	809,508
	-	-	-	2,614,821	-	2,614,821	2,614,821
Financial liabilities carried at amortized cost							
Accrued expenses	-	-	-	295,653	-	295,653	295,653
Net financial assets – 2015	-	-	-	2,319,168	-	2,319,168	2,319,168
Net financial assets – 2014	-	-	-	2,111,322	-	2,111,322	2,111,322

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

18 CAPITAL MANAGEMENT

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

19 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison, the effect of which is not material.

20 NUMBER OF EMPLOYEES

	Number of employees	
The number of employees as at year end was	<u>7</u>	<u>7</u>
Average number of employees for the year was	<u>7</u>	<u>7</u>

21 DATE OF AUTHORIZATION FOR ISSUE

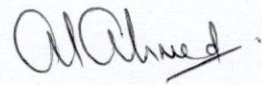
The Board of Governors of the Company authorized these financial statements for issue on 08 OCT 2015.

22 GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



GOVERNOR

