



**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, 2010**



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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, 2010 and the related profit and loss account and statement of comprehensive income 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 except for the change as stated in note 3.1 to the financial statements, with which we concur;
 - 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 and statement of comprehensive income 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, 2010 and of the surplus for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

KARACHI

DATED: 18 SEP 2010

BDO

CHARTERED ACCOUNTANTS
Engagement Partner: Qasim E. Causer

HISAAR FOUNDATION
BALANCE SHEET AS AT JUNE 30, 2010

	Note	2010 Rupees	2009 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3	297,857	398,991
Intangible assets	4	-	16,666
		<u>297,857</u>	<u>415,657</u>
CURRENT ASSETS			
Advances	5	63,177	45,626
Other receivables		109,276	254,249
Cash and bank balances	6	175,478	137,542
		<u>347,931</u>	<u>437,417</u>
TOTAL ASSETS		<u><u>645,788</u></u>	<u><u>853,074</u></u>
FUND AND LIABILITIES			
FUND			
Capital fund	7	420,249	(217,466)
CURRENT LIABILITIES			
Loan from Governors		-	500,000
Trade and other payables	8	31,859	560,000
Accrued expenses		193,680	10,540
		<u>225,539</u>	<u>1,070,540</u>
CONTINGENCIES AND COMMITMENTS	9	-	-
TOTAL FUND AND LIABILITIES		<u><u>645,788</u></u>	<u><u>853,074</u></u>

The annexed notes from 1 to 16 form an integral part of these financial statements.


CHIEF EXECUTIVE


GOVERNOR

**HISAAR FOUNDATION
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2010**

	Note	2010 Rupees	2009 Rupees
INCOME			
Donations		4,714,840	825,000
Institutional charges		-	88,480
Membership fee (Hisaar)		125,000	50,000
Relief and emergency support income	10	311,525	2,923,531
Programme support income	11	6,948,490	4,369,513
Release of deferred income		66,667	-
		12,166,522	8,256,524
EXPENDITURE			
Administrative expenses	12	4,214,050	2,605,493
Programme expenses	13	7,312,178	6,681,462
Financial charges		2,579	2,289
		11,528,807	9,289,244
Net surplus/(deficit) for the year		<u>637,715</u>	<u>(1,032,720)</u>

The annexed notes from 1 to 16 form an integral part of these financial statements.


CHIEF EXECUTIVE


GOVERNOR

HISAAR FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2010

	2010 Rupees	2009 Rupees
Surplus / (deficit) for the year	637,715	(1,032,720)
Other comprehensive income	-	-
Total comprehensive surplus / (deficit) for the year	<u>637,715</u>	<u>(1,032,720)</u>

The annexed notes from 1 to 16 form an integral part of these financial statements.



CHIEF EXECUTIVE



GOVERNOR

**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, 2010**

1 NATURE AND STATUS OF COMPANY

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

2.2 Accounting convention

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

2.3 Change in accounting policy

IAS 1 (revised). 'Presentation of financial statements' - effective 1 January 2009. The revised standard requires 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, all non-owner changes in equity are presented in the statement of comprehensive income.

The Company has preferred to present two statements; a profit and loss account and a statement of comprehensive income. These financial statements have been prepared under revised disclosure requirements.

2.4 Operating fixed assets

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

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

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

2.5 Intangible assets

These are stated at cost less accumulated amortization and impairment loss, if any. Amortization is charged to profit and loss account over the useful life of the asset on a systematic basis applying the straight line method.

Software development costs are only capitalized to the extent that future economic benefits are expected to be derived by the Company.

2.6 Other receivables

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

2.7 Cash and bank balances

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

2.8 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

2.9 Taxation

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

2.10 Revenue recognition

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

2.11 Related party transactions and transfer pricing

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

2.12 Functional and presentation currency

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

	Note	2010 Rupees	2009 Rupees
3 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	631,190	398,991
Less: Deferred income	3.2	(333,333)	-
		<u>297,857</u>	<u>398,991</u>

3.1 Operating fixed assets

Particulars	C o s t			Rate %	D e p r e c i a t i o n			Book value as at 30-06-2010
	As at 01-07-2009	Additions	As at 30-06-2010		As at 01-07-2009	For the year	As at 30-06-2010	
Owned								
Office equipment	290,150	39,123	329,273	20	75,541	65,503	141,044	188,229
Computers	424,594	35,775	460,369	33.33	240,212	128,019	368,231	92,138
Vehicle (3.2)	-	402,200	402,200	20	-	66,777	66,777	335,423
Furniture and	-	17,600	17,600	20	-	2,200	2,200	15,400
Total rupees – 2010	<u>714,744</u>	<u>494,698</u>	<u>1,209,442</u>		<u>315,753</u>	<u>262,499</u>	<u>578,252</u>	<u>631,190</u>
Total rupees – 2009	<u>563,244</u>	<u>151,500</u>	<u>714,744</u>		<u>156,436</u>	<u>159,317</u>	<u>315,753</u>	<u>398,991</u>

3.2 Deferred income

Donation in the form of vehicle received during the year	400,000	-
Less: release to profit and loss account	(66,667)	-
	<u>333,333</u>	<u>-</u>

4 INTANGIBLE ASSETS

Accounting software	4.1	<u>-</u>	<u>16,666</u>
4.1 Net carrying value basis			
Opening net book value		16,667	33,333
Amortization charge		(16,667)	(16,666)
Closing net book value		<u>-</u>	<u>16,667</u>

	2010 Rupees	2009 Rupees
Gross carrying value basis		
Cost	50,000	50,000
Less: Accumulated amortization	<u>(50,000)</u>	<u>(33,334)</u>
Net book value	<u><u>-</u></u>	<u><u>16,666</u></u>
4.2	Amortization is being charged on straight line method at the rate of 33.33% per annum.	
5	ADVANCES	
Unsecured (considered good)		
Advances to staff	11,154	1,400
Advance income tax	52,023	44,226
	<u>63,177</u>	<u>45,626</u>
6	CASH AND BANK	
Cash in hand	10,530	12,138
Cash at bank in current account	164,948	125,404
	<u>175,478</u>	<u>137,542</u>
7	CAPITAL FUND	
Opening balance	(217,466)	815,254
Surplus / (deficit) for the year	637,715	(1,032,720)
Closing balance	<u>420,249</u>	<u>(217,466)</u>
8	TRADE AND OTHER PAYABLES	
Related parties		
Raasta Marketing Research (Private) Limited	-	200,000
Raasta Development Consultants	-	360,000
Other payable	31,859	-
	<u>31,859</u>	<u>560,000</u>
9	CONTINGENCIES AND COMMITMENTS	

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

	2010 Rupees	2009 Rupees
10 RELIEF AND EMERGENCY SUPPORT INCOME		
Balochistan earthquake relief	-	1,446,450
Food aid	-	181,900
Swat internally dislocated people	93,325	459,181
Zakat	218,200	836,000
	<u>311,525</u>	<u>2,923,531</u>
11 PROGRAMME SUPPORT INCOME		
Stakeholder training workshop (Capnet)	4,607,050	1,430,389
Karachi Water Partnership (Partnership fee)	112,000	218,000
Water System in Drought Prone Area (Thar)	300,000	558,676
GWP stakeholder dialogues	(7,651)	1,546,608
School water supply pipeline	-	80,000
School rehabilitation programme	1,085,700	205,000
Women support programme	841,391	330,840
Machar colony income	10,000	-
	<u>6,948,490</u>	<u>4,369,513</u>
12 ADMINISTRATIVE EXPENSES		
Salaries and wages	2,244,400 ✓	878,376
Printing	27,880 ✓	19,980
Office stationary and supplies	66,408	30,585
Postage and courier	3,076 ✓	14,720
Entertainment	22,096 ✓	12,955
Professional charges	15,000 ✓	15,000
Computer stationary	22,170 ✓	38,400
Depreciation	262,498	159,317
Amortization	16,667 ✓	16,666
Honorarium	2,200 ✓	1,500
Utilities	101,357 ✓	75,740
Hosting and facilitating charges	540,000 ✓	864,000
Photocopying	3,529 ✓	56,820
Books and periodicals	7,727 ✓	6,768
Repair and maintenance	193,574 ✓	39,810
Travelling, conveyance and maintenance	384,286 ✓	150,035
Office kitchen supplies	40,129 ✓	3,630
Internet and email / web maintenance and hosting	14,500 ✓	36,500

	2010 Rupees	2009 Rupees
Donations	-	50,000
Generator rent and running	93,207 ✓	8,091
Interns fee	2,933 ✓	6,500
Press conference and meeting	9,983 ✓	1,000
Audit fee (GWP)	-	40,000
Bad debt expense	-	60,000
Miscellaneous	28,171 ✓	19,100
Drip irrigation	27,000 ✓	-
Advertising expense	10,000 ✓	-
Workshop expense	75,259 ✓	-
	<u>4,214,050</u>	<u>2,605,493</u>

13 PROGRAMME EXPENSES

Research and development (Capnet)	1,346,425 ✓	1,111,851
Stakeholder training workshop (Capnet)	2,671,077 ✓	-
Karachi Water Partnership	2,033,500 ✓	985,331
Nutrition and Health Centre (Badin)	-	546,020
Water System in Drought Prone Area (Thar)	270,000 ✓	558,676
Zakat	218,200 ✓	836,000
KWP School programme	121,642 ✓	20,773
SEA project	1,334 ✓	-
Biosand Filter Programme	-	1,180
GWP stakeholder dialogues	-	1,538,958
School water supply pipeline	-	57,540
School rehabilitation programme	-	168,686
Women support programme	-	69,447
Balochistan earthquake relief	-	509,500
Food aid	650,000 ✓	277,500
	<u>7,312,178</u>	<u>6,681,462</u>

14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties are as follows:

Raasta Development Consultants		
Hosting and facilitating services	<u>1,800,000</u>	<u>864,000</u>

	2010 Rupees	2009 Rupees
Raasta Marketing (Private) Limited Hosting and facilitating charges	<u>-</u>	<u>480,000</u>
Governors		
Loan (repaid to)/from Governors	<u>(500,000)</u>	<u>500,000</u>
Vehicle donated to the Company	<u>400,000</u>	<u>-</u>

15 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Governors of the Company authorized these financial statements for issue on 18 SEP 2010.

16 GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



GOVERNOR

