



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, 2013

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, 2013 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, 2013 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: 26 OCT 2013



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Casuar

**HISAAR FOUNDATION
BALANCE SHEET AS AT JUNE 30, 2013**

	Note	2013 Rupees	2012 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3	131,139	253,722
CURRENT ASSETS			
Advances	4	146,869	69,181
Other receivables		245,280	17,534
Cash and bank balances	5	49,839	15,675
		441,988	102,390
TOTAL ASSETS		<u>573,127</u>	<u>356,112</u>
FUND AND LIABILITIES			
FUND			
Capital fund	6	(804,051)	(1,745,986)
Deferred credit - unutilized grants	7	466,399	-
		(337,652)	(1,745,986)
CURRENT LIABILITIES			
Temporary overdraft		-	918,299
Trade and other payables	8	100,000	104,482
Accrued expenses		810,779	1,079,317
		910,779	2,102,098
CONTINGENCIES AND COMMITMENTS	9		
TOTAL FUND AND LIABILITIES		<u>573,127</u>	<u>356,112</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



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**HISAAR FOUNDATION
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	2013 Rupees	2012 Rupees
INCOME			
Donations		3,301,238	3,363,951
Institutional charges		-	141,173
Membership fee (Hisaar)		125,000	-
Relief and emergency support income	10	-	1,551,732
Programme support income	11	9,376,998	23,593,147
Release of deferred income		88,333	88,333
		12,891,569	28,738,336
EXPENDITURE			
Administrative expenses	12	3,542,912	4,966,495
Programme expenses	13	8,405,233	24,771,245
Relief and emergency support expenses	14	-	1,222,003
Financial charges		1,489	4,306
		11,949,634	30,964,049
Net surplus / (deficit) for the year		941,935	(2,225,713)

The annexed notes from 1 to 18 form an integral part of these financial statements.


CHIEF EXECUTIVE


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**HISAAR FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2013**

	2013 Rupees	2012 Rupees
Surplus / (deficit) before taxation	941,935	(2,225,713)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	<u>941,935</u>	<u>(2,225,713)</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



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**HISAAR FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013**

	2013 Rupees	2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) before taxation	941,935	(2,225,713)
Adjustment for items not involving movement of funds:		
Release of deferred income to profit and loss	(88,333)	(88,333)
Amortization of deferred credit	(1,006,595)	(24,535,962)
Depreciation	210,916	219,316
Operating loss before working capital changes	<u>57,923</u>	<u>(26,630,692)</u>
(Increase) / decrease in current assets		
Advances	(27,518)	443,609
Other receivables	(227,746)	64,411
	<u>(255,265)</u>	<u>508,020</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(4,482)	100,000
Accrued expenses	(268,538)	934,866
	<u>(273,020)</u>	<u>1,034,866</u>
Cash used in operations	(470,361)	(25,087,807)
Taxes paid	(50,170)	-
Net cash used in operating activities	<u>(520,531)</u>	<u>(25,087,807)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in fixed assets	-	(96,790)
Net cash used in investing activities	<u>-</u>	<u>(96,790)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received from donors	1,472,996	21,172,758
Net cash generated from financing activities	<u>1,472,996</u>	<u>21,172,758</u>
Net increase / (decrease) in cash and cash equivalents	952,465	(4,011,839)
Cash and cash equivalents at the beginning of the year	(902,626)	3,109,213
Cash and cash equivalents at end of the year	<u>49,839</u>	<u>(902,626)</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.


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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, 2013**

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. D-66/1, 1st Floor, Block-4, Scheme 5, Clifton, Karachi.
- 1.2 The Company has an accumulated deficit in the capital fund amounting to Rs. 0.804 million as at balance sheet date. The Company expects to receive programme income and donations which would restore the negative balance in the capital fund. Furthermore, the Company expects to streamline its operations resulting in cost savings in the future. As such, these financial statements have been prepared on a going concern basis.

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 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.

While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Company's management. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities.

2. CAPITAL FUND ACCOUNT

The Company has an accumulated deficit in the capital fund amounting to Rs. 0.804 million as at balance sheet date. Management has informed us that the Company expects to receive programme income and donations which would restore the negative balance in the capital fund. Furthermore, the Company expects to streamline its operations resulting in cost savings in the future. As such, these financial statements have been prepared on a going concern basis. Kindly confirm the representations made by management.

We take this opportunity to thank your staff for the courtesy and cooperation extended to us in the course of our audit.

Yours faithfully,



BDO EBRAHIM & CO.

Enclosed as above

2013 2012
Note Rupees Rupees

3 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	3.1	227,251	438,167
Less: Deferred income	3.2	(96,112)	(184,445)
		131,139	253,722

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 01-07-2012	Additions	As at 30-06-2013		As at 01-07-2012	For the year	As at 30-06-2013	as at 30-06-2013
Owned								
Office equipment	389,398	-	389,398	20	264,037	57,680	321,717	67,681
Computers (3.2)	638,579	-	638,579	33.33	528,676	64,276	592,952	45,627
Vehicle (3.2)	402,200	-	402,200	20	227,657	80,440	308,097	94,103
Furniture and fixture	42,600	-	42,600	20	14,240	8,520	22,760	19,840
Total rupees - 2013	1,472,777	-	1,472,777		1,034,610	210,916	1,245,526	227,251
Total rupees - 2012	1,375,987	96,790	1,472,777		815,294	219,316	1,034,610	438,167

3.2 Deferred income

Opening net book value of donated assets		184,445	272,778
Less: Amortization to profit and loss account		(88,333)	(88,333)
		96,112	184,445

4 ADVANCES AND PREPAYMENTS

Unsecured (considered good)			
Advances to staff		72	72
Advance income tax		119,279	69,109
Advance for expense		27,518	-
		146,869	69,181

5 CASH AND BANK

Cash in hand		2,663	3,325
Cash at bank in current account		47,176	12,350
		49,839	15,675

6 CAPITAL FUND

Opening balance		(1,745,986)	479,727
Surplus / (deficit) for the year		941,935	(2,225,713)
Closing balance		(804,051)	(1,745,986)

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7 DEFERRED CREDIT - UNUTILIZED GRANTS

Particulars	Tharparker	Khyber Pakhtoonkhuwa (KPK)	2013	2012
Balance as on July 01	-	-	-	3,363,204
Add: Grants received from Donors 7.1	315,397	1,000,000	1,315,397	20,229,943
Less: Grants utilized	181,008	667,990	848,998	23,593,147
Closing balance - payable / (receivable)	134,389	332,010	466,399	-

7.1 This amount represents receipts of:

7.1.1 Rs. 0.315 million from a donor for the construction of dug well in the district of Tharparker (Sindh).

7.1.2 Rs. 1.000 million from a donor for the construction of wellbore in Khyber Pakhtunkhwa (KPK).

	Note	2013 Rupees	2012 Rupees
8 TRADE AND OTHER PAYABLES			
Other payables		-	100,000
Related parties		100,000	-
Security deposit		-	4,482
Others		-	-
		<u>100,000</u>	<u>100,000</u>

9 CONTINGENCIES AND COMMITMENTS

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

10 RELIEF AND EMERGENCY SUPPORT INCOME

Donation for flood relief	-	1,411,732
Zakat	-	140,000
	-	<u>1,551,732</u>

11 PROGRAMME SUPPORT INCOME

Building Mutual Accountability in urban water sector (ANSA)	-	1,005,188
AAB project (UBL)	-	22,587,959
Fund raising event income	2,868,000	-
Aab-o-Daana project (UBL)	5,100,000	-
Donation for deep dug well in Tharparkar-Sindh	7 181,008	-
Donation for wellbore in Khyber Pakhtoonkhuwa (KPK)	7 667,990	-

	Note	2013 Rupees	2012 Rupees
School rehabilitation programme		500,000	-
GWU-Women & Water in South & Central Asia		60,000	-
		<u>9,376,998</u>	<u>23,593,147</u>
12 ADMINISTRATIVE EXPENSES			
Salaries and wages		2,183,162	1,637,610
Printing		12,971	1,350
Office stationary and supplies		3,911	3,705
Postage and courier		12,380	28,770
Entertainment		5,415	3,285
Professional charges		20,000	20,000
Depreciation	3.1	210,916	219,319
Utilities		38,867	78,154
Rent		627,836	1,488,300
Photocopying		2,226	2,921
Books and periodicals		6,264	6,695
Repair and maintenance		50,610	116,012
Travelling, conveyance and maintenance		54,322	328,080
Office kitchen supplies		29,057	82,935
Internet and email / web maintenance and hosting		23,820	24,400
Generator rent and running		38,112	109,280
Press conference and meeting		-	39,464
Miscellaneous		19,148	27,198
Drip irrigation		3,000	13,910
Fees and subscription		78,600	472,500
Electricity expense		122,295	181,107
PCP Certification fee		-	75,000
Honorarium		-	6,500
		<u>3,542,912</u>	<u>4,959,995</u>
13 PROGRAMME EXPENSES			
School rehabilitation programme		343,324	235,283
Construction of deep dug well	7	181,008	-
Construction of hand pump		40,100	-
Fund raising event		1,853,990	-
George Washington University - Women & water in South & Central Asia		60,000	-
Water supply scheme in Landi Kotal	7	667,990	-
Building mutual accountability in urban water sector		157,597	1,948,003
AAB Project (UBL)		-	22,587,959
Aab-o-Daana project (UBL)		5,101,224	-
		<u>8,405,233</u>	<u>24,771,245</u>

	2013 Rupees	2012 Rupees
14 RELIEF AND EMERGENCY SUPPORT EXPENSES		
Flood relief program	-	1,082,003
Zakat utilized for flood relief programs	-	140,000
	<u>-</u>	<u>1,222,003</u>
15 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:

Loan (repaid) / received from Governors	<u>(100,000)</u>	<u>100,000</u>
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16 NUMBER OF EMPLOYEES

Number of employees

The number of employees as at year end was	<u>7</u>	<u>10</u>
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17 DATE OF AUTHORIZATION FOR ISSUE

The Board of Governors of the Company authorized these financial statements for issue on 26 OCT 2013.

18 GENERAL

Figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE


GOVERNOR

