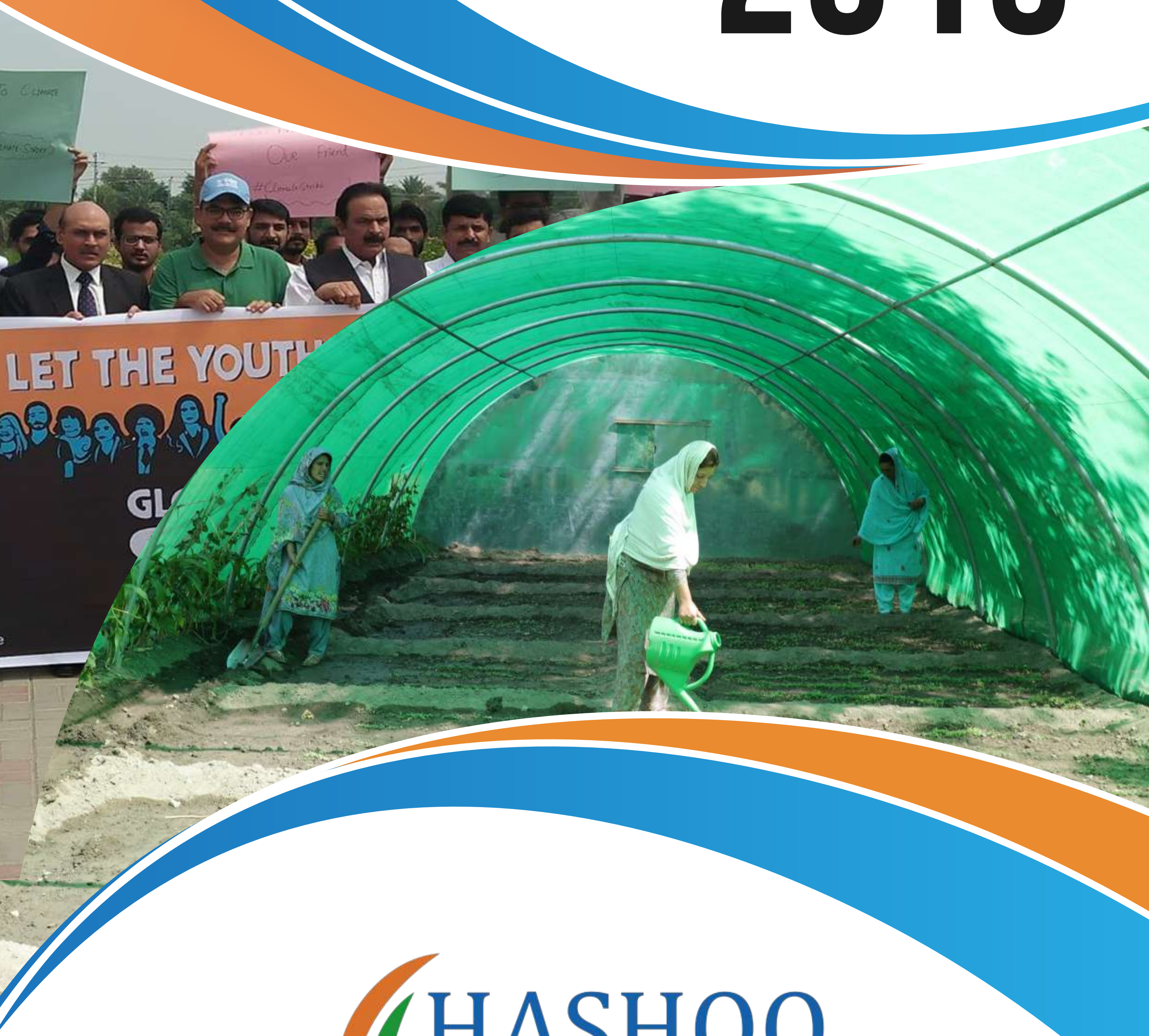
ANNUAL REPORT 2019



HASHOO FOUNDATION

Knowledge to Empower!

About Us

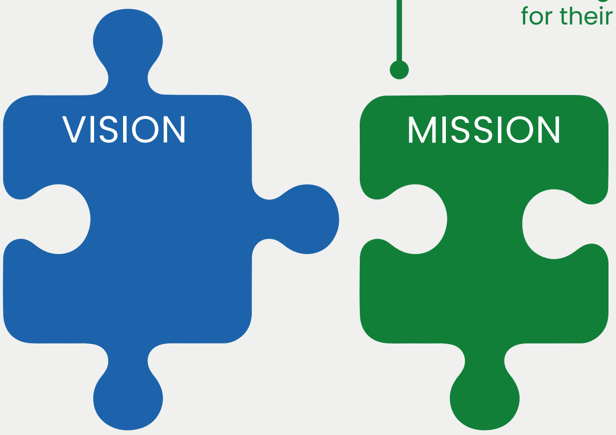
Hashoo Foundation (HF) is a not-for-profit organization committed to working with multiple stakeholders and communities irrespective of race, caste, gender, faith or creed. Established under a single vision and unified structure, the Foundation is a progressive, accountable, and impact-oriented institution, managed by a team of professionals and governed by a group of independent trustees.

OUR VISION

"An ethical, equitable and inclusive society in which people live with dignity and have power over their own lives."

OUR MISSION

"To empower communities by leveraging knowledge as capital for their socio-economic uplift."



What We Do

HF's development interventions cover a wide geographical area across Pakistan with the objective to improve the socio-economic conditions of vulnerable communities. The Foundation has a functioning governance structure in the UK and USA which aspires to extend the development work across the developing world of strategic importance for the Foundation. HF caters to the socio-economic needs of vulnerable communities from both urban and rural areas through its offices in Islamabad, Rawalpindi, Lahore, Peshawar, Muzaffarabad, Karachi, Gilgit and Chitral. In addition to delivering development services, these offices also operate as points of collaboration and partnership with other development organization. HF believes in focusing on economic empowerment which leads to development at both the individual and community level. The Foundation provides a broad range of opportunities to the underprivileged segments of society through its programs and linkage building.

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Acronyms

HF	Hashoo Foundation
CCCI	Chitral Chamber of Commerce and Industry
CCDN	Chitral Community Development Network
CCI	Council of Common Interest
COP	Conference of Parties
DRR	Disaster Risk Reduction
ECD	Early Childhood Development
EDP	Entrepreneurship Development Program
Env&CC	Environment and Climate Change
GB	Gilgit Baltistan
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IESE	Institute of Environmental Science and Engineering
MARC	Mountain Area Research Centre
MoU	Memorandum of Understanding
NACG	National Action and Coordination Group
NDRMF	National Disaster Risk Management Fund
NHSD	Network for Human and Social Development
NMRF	Non Modellable Risk Factor
NUST	National University of Science and Technology
NWP	National Water Policy
OXFAM	Oxford Committee for Famine Relief
SAARC	South Asian Association for Regional Cooperation
SACG	South Asian Coordination Group
SAIEVAC	South Asian Initiative for Ending Violence against Children
SDG	Sustainable Development Goals
SMaRT	Sustainable Measurable and Resident Techniques
SMEs	Small Medium Enterprises
SSM	Small Scale Model
SSU	Strategic Support Unit
SUNSCA	Scaling Up Nutrition Civil Society Alliance
UNDP	United Nation Development Program
UNFCCC	United Nations Framework Convention on Climate Change
YP2G	Your Passport to Grow

Acknowledgement from Country Director

I am extremely pleased to present Hashoo Foundation's (HF) Annual Review 2019. I take this opportunity to acknowledge the support of the senior management, HF team efforts and the contribution of all stakeholders who made it possible to achieve desired program objectives and results for the year 2019. HF focuses on action research and policy advocacy, linking local learning with international research and wider development, engaging with the public sector, academia, national/global networks, and private sector entities. I am glad to share that HF is playing a vital role in uplifting the socio-economic conditions of underprivileged communities through humanitarian and capacity-building approaches aligned with Sustainable Development Goals (SGDs) while focusing on key thematic areas of climate change, entrepreneurship, and employment. During the year 2019, we developed partnerships and collaborations with national and international partners to overcome the negative effects of climate change by providing environment-friendly solutions to the communities and awareness-raising activities. Our SMaRT village project is a flagship program to reduce the poverty by providing decent income-earning opportunities and establishing an effective nexus of water, energy, and food through climate-compatible solutions adaptable to the community by building the local capacities. While linking national priorities with our program objectives, HF in collaboration with its international partners, designed and successfully implemented “Women Entrepreneurship Development” for women’s economic empowerment through the designing, production, and marketing of cloth bags as an alternative to single-use plastic bags. Whereas our Ecotourism and Village Training Programs delivered training to the unemployed youth of tourist attracted areas to provide them with sustainable livelihoods. 2019 was a year that we fully applied our motto of “Together we make a difference!” and doubled our presence in the districts of Pakistan from 49 in 2016 to 100 this year. We will continue working in meaningful partnerships with both the public and corporate stakeholders, UN agencies and other development partners to bring about a positive social impact.

Ayesha Khan
Country Director

Executive Summary

Hashoo Foundation's programmatic canvas is steered to contribute towards the SDGs of Decent Work & Economic Growth (8) as well as the Climate Action (13) with a cross-cutting theme of SDG (5) Gender Equality. The programs are therefore driven by a set of coherent indicators which contribute to the organizational vision, mission and ultimately to the SDGs. In the year 2019, HF embraced partnerships and inclusion of all stakeholders for collaborative action across its programmatic regime. Annual Planning exercise at the program level had been conducted at the start of the year to shape the program objectives towards the strategic vision of 2019. Activities under two of the programmatic divisions i.e., Environment and Climate Change and Entrepreneurship Development program have been defined. Owing to HF's improving programming structure, the management has laid a significant focus on capacity building and project development through efficient utilization of internal resources and mobilization respectively.

The Environment and Climate Change program were focused towards raising awareness about the environment and climate change and overcoming the negative effects of climate change through the adoption of environment-friendly best practices. Alongside increasing visibility, the program was also engrossed in establishing new partnerships and collaborations with national and international climate change partners through innovative approaches. A total of 105 beneficiaries benefited from various activities of the project "Private Sector Engagement and Contribution towards the SDGs in the area of Environment and Climate Change" (GIZ-HF project).

The team participated in various events organized by HF and other development partners regarding Climate Change, DRR, Water, Food and Energy Nexus. For instance, the team attended the United Nations Climate Change Conference (COP25) organized in Madrid, Spain. One of the major activities was the climate strike that took place in different areas of Pakistan alongside which HF worked on similar activities such as the HF Summer School (T: 22, M: 14, F: 8), and the UNFCCC Youth Video Competition which included beneficiaries of a diverse mix of government officials, development professionals, academicians, private executives and students of Environment, Climate Change & DRR.

HF has continued to implement the flagship SMaRT village project in the village Gurunjur of District Ghizer Gilgit-Baltistan (GB). In the year 2019, HF delivered trainings and implemented waste management solutions through the distribution of composting tumblers, off-season vegetable farming, seed distribution, organic vinegar brewing etc. The training of a total of 1,310 beneficiaries (M: 12, F: 479, HH: 819) led to the successful establishment of a model orchard whereby local women could efficiently generate income by vegetable farming and selling through local markets.

Entrepreneurship Development Program (EDP) has proactively undertaken activities under business development, network & partnership building with Government and non-government organizations. UNDP Pakistan through its "Ecotourism and Camping Village Project", has opened new destinations for tourists in KPK. Through skills development training and capacity-building initiatives, UNDP aims to provide sustainable livelihood opportunities to 100 youth. Moreover, HF in partnership with OXFAM started the "Women Entrepreneurship Development Project" where 10 females have been selected to train in entrepreneurship development and product development. The Strategic Support Unit of HF has leveraged the program's outreach and established sustainable linkages within the industry. It successfully submitted 26 proposals and was given awards for 3 of its proposals including Women Entrepreneurship Development documentary Titled: Forest and Education by World Mountain Partnership and social welfare winter assistance). Moreover, (13) MoUs signed with local and international partners to achieve mutual sector goals within the duration of 2019.

Environment and Climate change

The Program intends to reduce the negative effects of climate change by seeking Green solutions and environment-friendly practices in all aspects of work. Moreover, the program focused on increasing visibility, establishing partnerships, and developing proposals. This area aims to create awareness and strengthen institutional capacities for the promotion and protection of our environment and to reduce the negative effects of climate change. HF seeks green solutions and environment-friendly practices in all aspects of its work. This component aims to work on the following key areas:

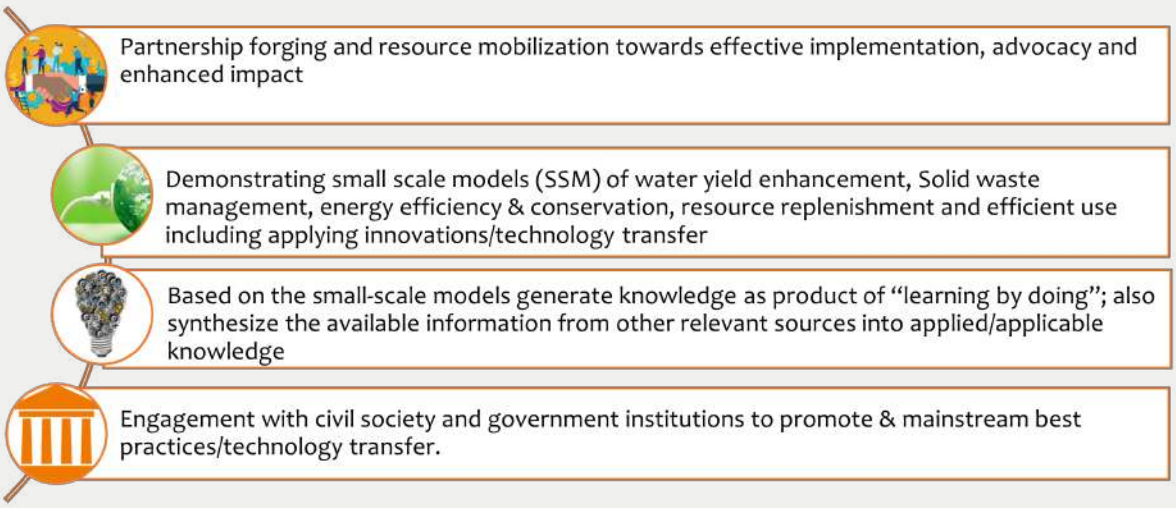
Priority Areas of Environment and Climate Change Program 2019

1. **Water**
- Water management towards conservation (quantitatively as well as qualitatively) through efficient use.
- Addressing the issue of water stress: floods and droughts as intermittent and cyclic phenomena (water-focused DRR).
- Integrated Natural Resource Management with a predominant focus on water/ecosystem-based adaptation to climate change.

2. **Green Entrepreneurship**
- Climate change adaptation and promotion of renewable energy towards climate change mitigation (reduced greenhouse gases emission).

3. **Solid Waste Management**
- Campaigns, projects, and awareness-raising sessions.

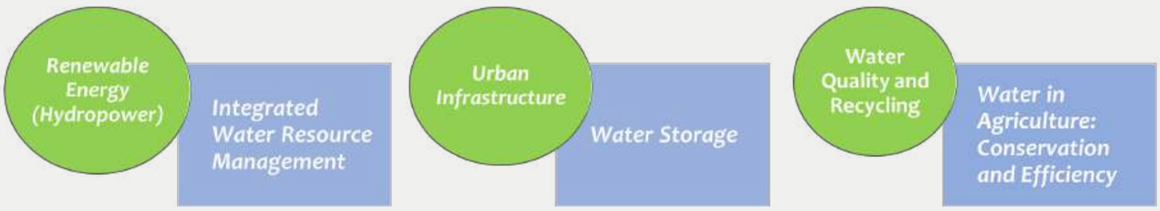
Indicators of Impact



Program Results 2019		
HF Environment team participated in COP 25 organized in Madrid Spain, the subject was to focus on the development of carbon markets	HF Climate Change Summer School project was designed to empower professionals from the development sector to enhance their knowledge and skills about the existing global Climate regime and its actions.	Successfully transformed the flagship program of SMaRT Village into a GIZ, Minapin, Nagar GB

Key Achievements 2019

The second cycle of research grants was launched in partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The thematic focus of the solicited grants was water and related themes, aligned with the objective of the program of outlining the role of the private sector in implementing the National Water Policy. One of the most critical development challenges for Pakistan is the dwindling per capita water availability. This impending water crisis entails a plethora of associated development challenges that adversely influence different facets of human life. These challenges have been identified and underscored by the development sector for many years. However, it was only in April last year that the Council of Common Interests (CCI) approved the National Water Policy (NWP). The NWP emphasizes the need for research and proposes to outline a national agenda for water research and water related issues. The HF Env-CC Program is now working to define the role of the Private Sector in the implementation of the NWP. HF reached out to 10 select universities in Pakistan to solicit research proposals from MS and MPhil students on the following themes, anchored in the NWP. Each university was awarded 01 research grant. Proposals leading an entrepreneurship/business opportunity were encouraged to apply. The themes around which the proposals were based included:



GIZ partnered with Hashoo Foundation to work on Environment and Climate Change

Hashoo Foundation (HF) and GIZ signed a grant agreement titled "Private Sector Engagement and Contributions towards the SDGs in the area of Environment and Climate Change" which was implemented on November 10, 2019. The key activities implemented were HF's Research Grants, Training for Private Sector, SMaRT Village – Nagar, Wood Farming, and International Best Practices. The program integrated international best practices and trajectories pertaining to Climate Change and development within the program; consequently, ensuring participation at COP each year.

Program Accreditation with NDMRF

National Disaster Risk Management Fund aims to provide funding through matching grants of up to 70% for a range of structural and non-structural interventions to contribute to enhancing Pakistan's resilience to climatic and other natural hazards. Regarding the accreditation, HF with NDRMF initiated meetings at the senior management level of both organizations. Subsequently, HF submitted the required documentation for GAP analysis.

UNFCCC Global Youth Video Competition

UNFCCC organized a Youth Video Competition for young people. The competition comprised themes such as Cities and local action to combat climate change, Nature-based solutions for food and human health etc. HF Env-CC made a 3 min video based on the flagship project: The "SMaRT" project. HF video was nominated and reached as the finalist of "UNFCCC Global Youth Video Competition but couldn't make it to the top three.

Knowledge Series

Topic: Effects on Air Quality on Human Health & Water Challenges in Pakistan

- In continuation of HF Knowledge Series, Ms. Hina Aslam Associate Research Fellow (PIDE) was invited as a guest speaker on the adverse impacts of air quality on human health.
- Interview of Mr. Nisar Memon to record a miniseries regarding Water Challenges in Pakistan

Knowledge Series

The observance of climate strikes gives hope to the young generation and motivates them however, they can achieve much more if they emphasise persuading constituencies that are blocking climate policies. Conclusively, climate strikes provide an excellent opportunity to inculcate a climate ethic among the strikers so that strikers start to embody the change they demand from others.

In November 2018, United Nations Climate Change Conference in Paris, an independent group of students invited other students around the world to skip school. Greta Thunberg a Swedish activist is an ambassador for this global event. The School Strike for Climate/FridayForFuture/ Youth for Climate and Youth Strike for Climate is an international youth movement that will take time off from school/colleges/universities to demonstrate to call for action to prevent further global warming and climate change. From 20th to 27th September 2019, millions of people around the world walked out of their workplaces and homes to join young climate strikers on the streets.

Keeping up with its commitment to environmental protection, HF registered events with the organizers "350.org" (350.org is an international environmental organization addressing the climate crisis. Its stated goal is to end the use of fossil fuels and transition to renewable energy by building a global, grassroots movement) regarding climate strikes in Peshawar, Faisalabad and Chitral to mobilize students and the general public to participate in awareness walks and raise their voices for climate action and environmental protection. Likewise, HF under Env-CC & DRR department organized a poster competition and sponsored the 1st, 2nd and 3rd prizes for Nature. Similarly, the US photography competition was organized by NUST Environment Club at the Institute of Environmental Science and Engineering (IESE) at NUST. One of the team members also participated in the panel talk as a speaker pertaining to the Water, Environment, and Development of Pakistan where the role of the private sector in Climate Action for Pakistan has been defined.

SMaRT Village Project

Enabling communities through "Sustainable methods and Resilient Technologies (SMaRT) village pilot in Gilgit Baltistan

Communities have climate compatible and sustainable solutions in place through flagship project of SMaRT Village.

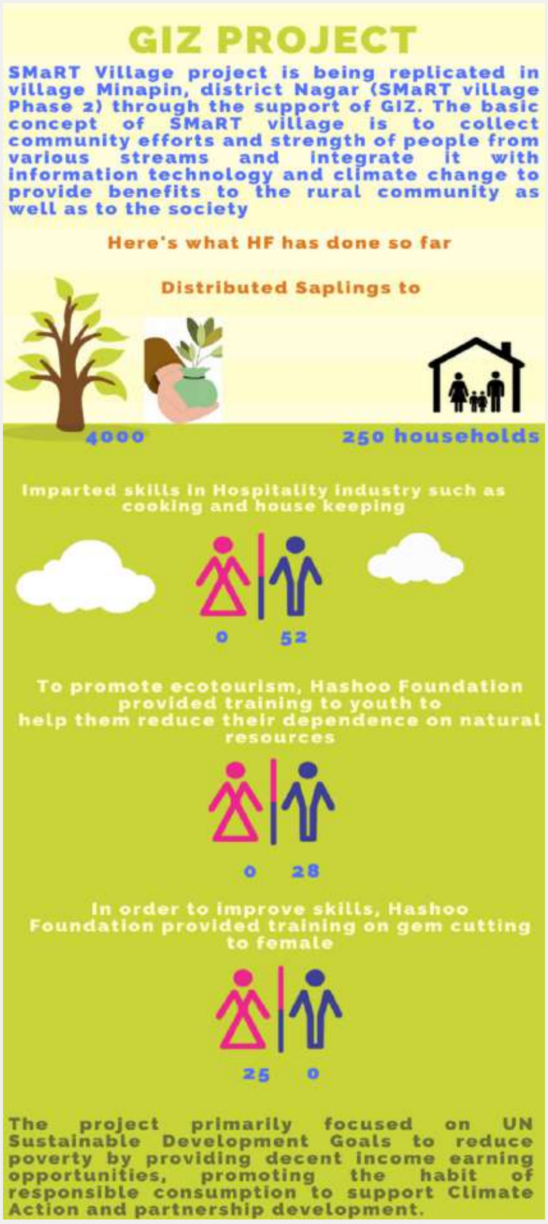
Embedded in the strategic framework, HF has reached out to the mountainous communities living in the Himalayan and Karakorum range of mountains, who are at substantial climatic risk. The idea behind the SMaRT village was:

"To establish a SMaRT nexus of water, energy and food through climate compatible solutions adaptable to the community by engaging and building the local capacities"

Followed by an in-depth community needs assessment and a participatory rural appraisal exercise, the foundation selected the village Gurunjur of District Ghizer, Gilgit -Baltistan. The SMaRT village project adopted a multi-sectoral community development approach, where climate risk mitigation was considered a cross-cutting theme. Following the approach, the SMaRT village embraced two of its broader objectives:

Facilitate communities' access to health, education and income-generating opportunities.

Strengthen local institutions to enable sustainable development for communities.



HF in 2018 launched the SMaRT village project which is still ongoing. The project focused on outreach and branding through implementing the HF flagships projects in a holistic approach for community development. Owing to the abundant production of fruits in the village and to empower the rural women, HF has initiated a market-led value chain approach to increase income and profitability. After the successful piloting of the SMaRT Village in the Gurunjur, the project is being replicated in the village Minapin, district Nagar (SMaRT village Phase 2) through the support of GIZ-sponsored interventions. Based on its successful experiences with greenhouses in village Gurunjur, HF has redone the same in village Minapin. The replication of the project in Gilgit-Baltistan was implemented with the objectives to reduce poverty by creating decent income earning opportunities, engaging and promoting youth through capacity building measures in ecotourism while simultaneously cultivating public-private partnership for result-oriented interventions, sustainability of projects, and last but not least protection of natural environment and biodiversity through plantation campaign.

Objective of SMaRT Village Project Phase II

1. To reduce poverty by creating decent work through the promotion of agri-based industries and ecotourism for economic growth contributing to livelihoods of marginal communities in village Minapin, Gilgit-Baltistan.
2. To build the capacity of youths aimed at improving their service quality in hospitality management and tour guiding services as marketable trades in the village.
3. To promote long-term public-private partnerships in Gilgit-Baltistan for effective and result-oriented implementation of the project and ensuring its sustainability.
4. To promote and protect the natural environment, ecology and biodiversity as an important component of ecotourism through plantation campaigns and putting in place community-based and owned waste disposal mechanisms.

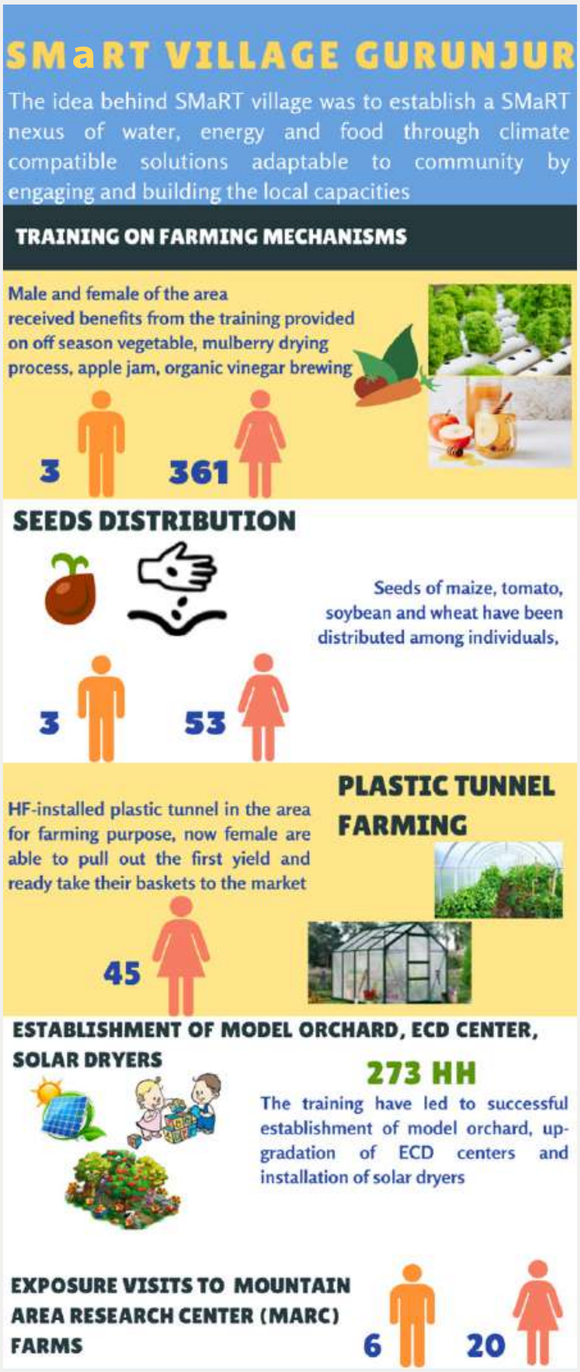
HF's GIZ-sponsored project in village Minapin of district Nagar, Gilgit-Baltistan, primarily focused on UN Sustainable Development Goals to reduce poverty by providing decent income earning opportunities, promoting the habit of responsible consumption to support Climate Action and partnership development.

SMaRT Village – Impacts

Skill development is demanded for economic growth and inclusive development. Thus, keeping up with its commitment, HF implemented activities under SMaRT village project. The skills regarding the Hospitality industry, Tour Guiding and Jam-making were imparted to 105 individuals through demonstrations and hands on trainings. With every passing year, the valuable trees of juniper and pine, which normally take hundreds of years to mature, are cut down. However, it is encouraging that local community themselves has put pan on cutting of green forest trees without serious efforts and support of relevant government departments, otherwise, the scant forest cover in the vicinity of the village had disappeared. To address this challenge and to complement the efforts of local community, HF, through its GIZ-sponsored project, launched a plantation campaign and distributed around 4,000 plants amongst 250 households who planted them in their landholdings in the vicinity of the village.

SMaRT Village Gurunjur Interventions 2019 (Phase I)

Program/Project Title	Region	Male	Female	Total
Training on High Value Off-season Vegetables	SMaRT village	0	45	**45**
Awareness session on Compost tumblers	SMaRT village	3	25	**28**
Summer seedlings training	SMaRT village	0	45	**45**
Tomato seedling distribution	SMaRT village	0	45	**45**
Exposure visit to MARC farms	SMaRT village	06	20	**26**
Training on mulberry drying process	SMaRT village	0	200	**200**
Maize seed distribution	SMaRT village	2	3	**5**
Soya bean seeds distribution	SMaRT village	0	5	**5**
Apple Jam processing training	SMaRT village	0	25	**25**
Training on Organic Vinegar Brewing	SMaRT village	0	21	**21**
Plastic tunnel farming (Okra, Chines, Nepali, cabbage)	SMaRT village	0	45	**45**
Wheat seed distribution	SMaRT village	1	0	**1**
Establishment of model orchard and budwood	SMaRT village			**273**
Installation of solar dryer	SMaRT village			**273**
Upgradation of ECD center	SMaRT village			**273**
Total				**1082**



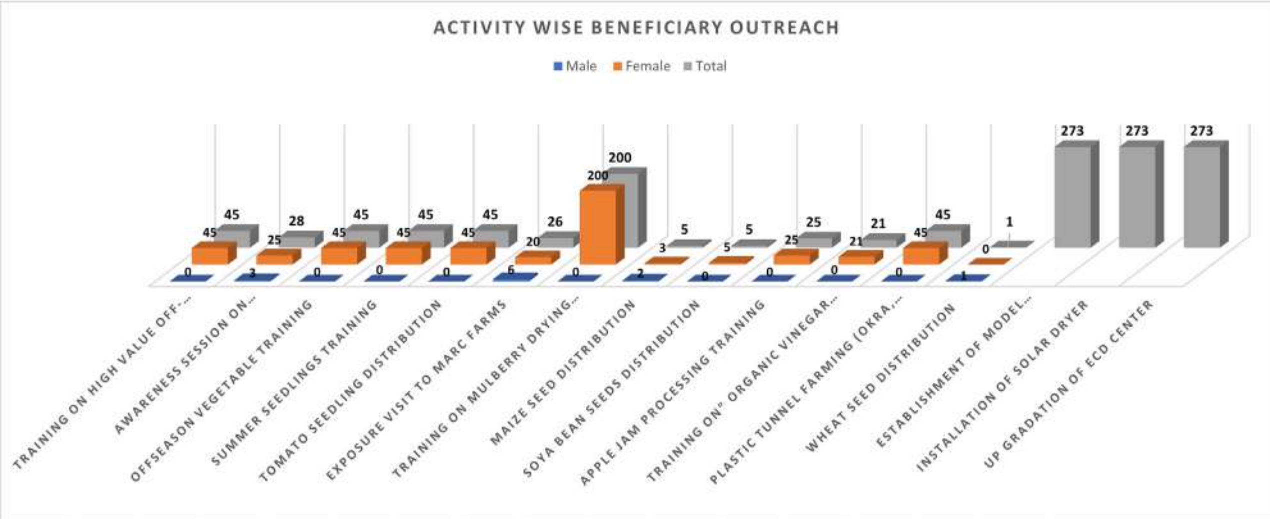
Waste Management

Waste management is actually one of the issues that SMaRT Villages addresses, people use to dampen their home waste in open areas which causes several health and environmental issues. For waste (organic) management, HF introduced compost tumblers at SMaRT village. Ten compost tumblers were transported and installed at SMaRT village for solid waste management and organized awareness session regarding composting and compost management. Likewise, HF distributed new improved variety of maize and soya bean seeds amongst the beneficiaries at SMaRT village. 5 selected farmers were given 10 kg of maize and whereas 5 selected farmers were given 6 kg of soya beans.

HF with the consultation of the Mountain Agriculture Research Center (MARC) conducted training on Okra cultivation in HF-installed plastic tunnel at SMaRT village and trained 45 selected female farmer group members. This training as well as the facility of transporting yield to the market. Tunnel farming is a concept through which vegetables are grown beneath protective plastic tunnels and as a method, it produces vegetables that are very nutritious and creates large yields. Additionally, trainings were held on mulberry harvesting, drying and processing technique where 200 females participated. As a result, they are able to harvest vegetables, fruits by using the distributed equipment's for fruit processing/drying and earn income. In 2019 overall, 1310 male and female have been trained in different activities and farming techniques under SMaRT Village project, as a result people of the area are now skilled and can help their families financially.

Pakistan is an agrarian society where more than 60 % of population is living in rural areas. They depend on agriculture and associated sectors of agriculture for their livelihood. The ability of the individuals in any society is necessity to vest then for social alteration, economic growth, contribution in development process.

Therefore, a nation progressing towards development requires entrepreneurship and skills development to initiate and achieve the course of change and the changing societal structure and livelihoods profiles. Hence, HF provided training on Summer Seedling Cultivation and built capacity of 45 selected female farmers in off season vegetables, summer seedlings through technical training.



The value addition of fruits and vegetables helps in improving the diet quality by supplying essential nutrients needed for a healthy lifestyle. There HF conducted a Model fruit orchard plantation activity in Gurunjur, Gilgit where more than 100 varieties of fruit plants were planted. The model orchard will serve as a showcase for replication and a source for the provision of bud wood of improved varieties of fruits not only to the village but to Ghizer Valley. Likewise, exposure visits to Mountain Agriculture Research Center were carried out, overall, 26 trainers visited the farm.

Entrepreneurship Development Program (EDP)

Entrepreneurship Development Program of HF aims to create an enabling environment through partnership and linkages, capacity building initiatives for youth entrepreneurs and effective replication of successful interventions, besides establishing sustainable entrepreneurship by raising donors funding opportunities.

During the year 2019, the program focused on promoting a creative cultural economy through partnering with both national and international agencies. EDP also continued to Build and maintain strong connections and establish a relationship with the Government and Non-Government Organizations. Through regular networking within and outside the sector to raise the profile and secure funds for business opportunities.

Program Priority Areas Entrepreneurship Development Program 2019

1. **Promoting the Cultural Economy**
   - Through Arts & Crafts, Design & Creative Services, Cuisine, Traditional Medicines and practices, music, literature, games etc.
2. **Local Economic Development**
   - Through its focus on growth, poverty reduction, social and economic inclusion. Farm and agri-businesses such as honeybee farming, buckwheat farming, sea buckthorn and floriculture etc; Organic Poultry (Layer and Broiler) Farming; Livestock & Dairy development; Handicrafts.
3. **Green Entrepreneurship/Business**
   - Solid Waste Management, Tourism including Agri-Tourism & Hospitality.

Indicators of Impact

To train marginalized women in entrepreneurship development, product development (cloth bags) and create market linkages

Youth are able to improve their socio-economic condition by establishing sustainable businesses

Selected tourism stakeholders improve their livelihood option by generating income by promoting tourism activities

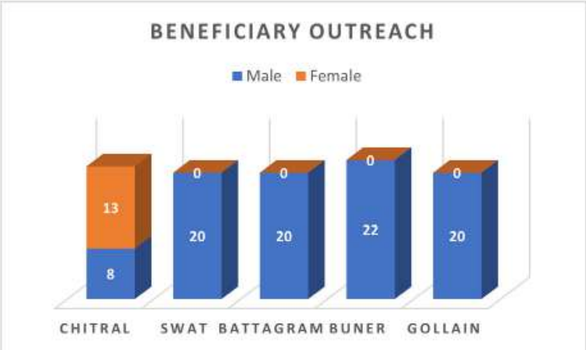
Program Results 2019

Entrepreneurship development program Participated in international show in Turkey where EDP products were showcased.	SUNSCA event was conducted by NFEH where HF received CSR award and EDP team showcased their products.	Provided trainings on entrepreneurship development to underpreviliged women.

UNDP Eco Tourism Project

From the mighty stretches of the Karakorum's in the North to the enormous sandy areas of the Indus River in the South, Pakistan remains a land of high adventure and nature. Trekking, mountaineering, white water rafting, which entice the adventure and nature lovers to Pakistan.

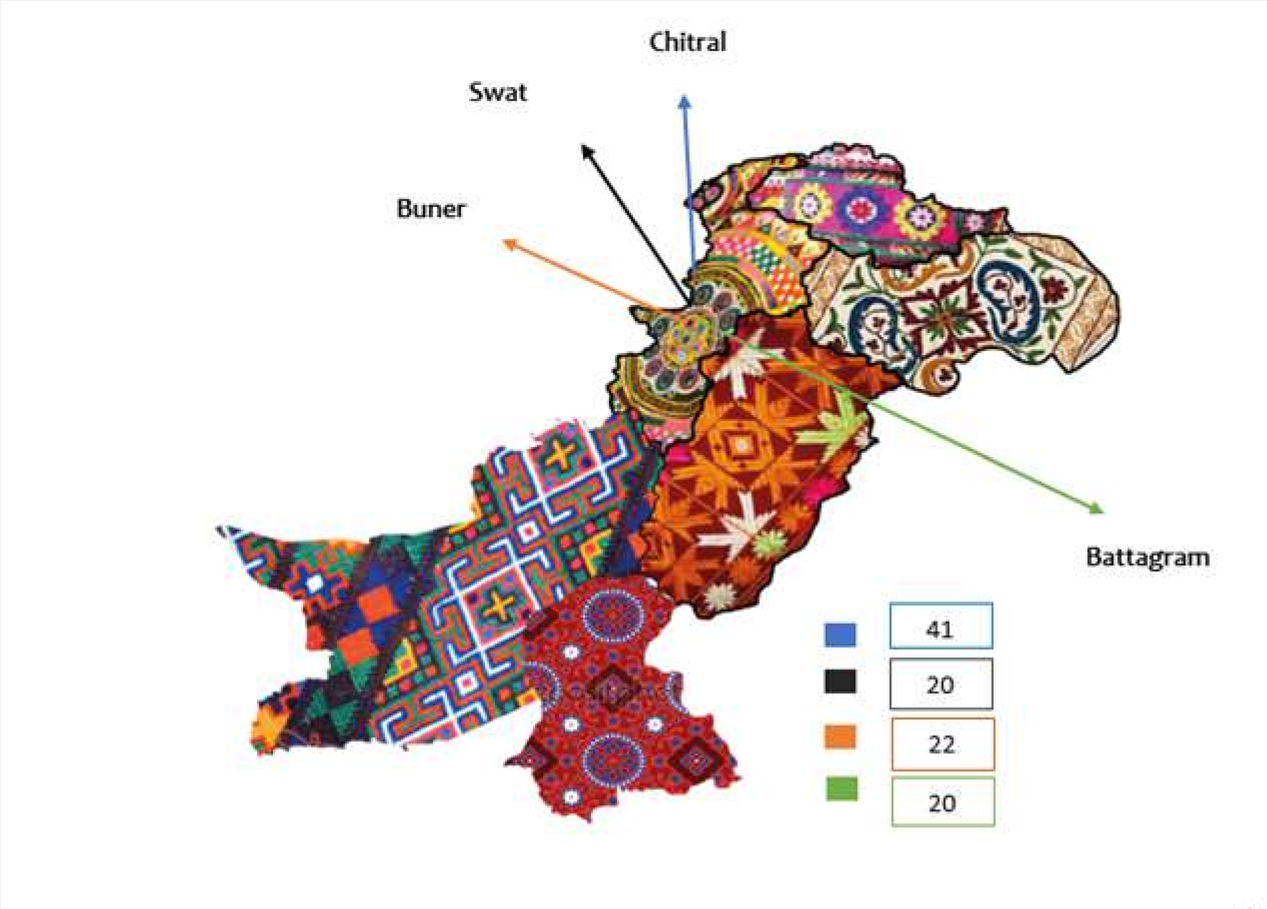
It is said that Pakistan has been ranked as the world's top adventure travel destination in 2018. In 2013, 565,212 tourists visited Pakistan contributing only $298 million, which has risen to over 1.9 million tourists in 2018. Tourism is considered to be one of the major sources of economic growth. Therefore, the government is also making continuous efforts to promote tourism in Pakistan, and they predict that by the year 2025 tourism will contribute Rs1 trillion to Pakistan's economy.



Consequently, HF in collaboration with UNDP arranged eco-tourism training program for the youth of four districts of KP with the aim to provide livelihood opportunities to the unemployed youth of the tourist attracted areas of the province. Cumulatively, the project trained 103 (M: 90, F: 13) from Swat (20), Buner (22), Battagram (20) and Chitral (40). Because Ecotourism helps in community development by providing the alternate source of livelihood to local community which is more sustainable.
As a result, trainees are empowered, improved awareness about benefits of eco-tourism and have direct economic impact on the lives of people. In addition, participation in ecotourism can strengthen community bonds. This is of particular importance in the sense that social bonding can allow group members to overcome collective action dilemmas and promote cooperation toward common goals.

Beneficiary outreach the in areas of KP

The trained tour guides of four districts of KP are registered with the KP Tourism Department and can earn through offering their services to holidaymakers.



UNDP Pakistan through its "**Ecotourism and Camping Village Project**", has opened new destinations for tourists in Swat, Buner, Chitral (Gollain & Bumburat), Mansehra and Battagram through skills development trainings and capacity building initiatives. HF understands and appreciates the role of SMEs and Entrepreneurship ecosystem strengthening to contribute to overall Pakistan's economic resilience. An experimental learning package where HF worked interactively to ensure that all concepts and steps of Entrepreneurship Development are anchored.

Success Stories

Online Store in Chitral

It is often believed that livelihood prospects especially for the students are non-existent in the remote areas of Pakistan. But in the era of information technology, through internet connectivity, opportunities can be created. The only need is to think out of the box, out of which comes something extraordinary, that often amazes. This has been proved by a group of classmates in Chitral. Included in the coterie of enthusiastic friends are Mr. Jamil Ahmed, Asif Nayab and Nasir Nawaz, who fall in the same age group of twenty-three, and belong to remote area of UC Shoghore, District Chitral. They are the students of bachelor's in commerce college Chitral. Coming from lower middle-class family, Shortage of financial resources always haunted them. Having the passion to open new avenues of earning, they joined the three months online earning course in Chitral center. After completion of the training, they created an online delivery Facebook page named Chitral Public Bazar. The page was advertised in social media and through personal contacts thereby creating linkages with households in Chitral city. Consequently, in no time, they started to receive online orders, which they successfully delivered to the full satisfaction of their customers and hence started to earn income. Up till now, they have delivered orders worth around one lac rupees, and the customer base is constantly on the rise. The online delivery system is planned to extend to other parts of Chitral, where internet connectivity is available.

"Through online delivery service, we have initiated our own business and started to earn and managing our educational expenses by our self. "— said Chitral Public Bazar members

Young Woman from Kalash becomes a local tour guide!

Before this training, I had feeling that I am burden over my family but now I can support my younger sibling in their education and contribute to family income "Says Zarkeema. Hailing from Bumburat valley, she belongs to a Kalash community and is 19 years old, having seven siblings. Zarkeema comes from a poor family which could barely meets both ends. The meagre resources could not let her to continue her studies, beyond intermediate, when she was forced to quit. She always wanted to be financially independent but could not get the chance to step out of the vicious cycle of poverty due to the dearth of employment opportunities. Since, Bumburat Valley due to its unique culture and scenic beauty is considered one of the most cherished tourists stops globally. Thousands of sightseers throng the valley annually. This advantage, she always desired to tap into, to change her destiny. With the initiation of the training program, she saw the opportunity and enthusiastically became part of it. After completing the training, she has started to offer her services as a tour guide. Recently, she was linked with a tourist group that included local and international guests. She showed them around the valley, for a daily fee of 2000 rupees. Hence, she earned handsome amount of 14 thousand in seven days and is committed to earn more. She delightedly shares her contentment by saying, "The training enhanced my knowledge, skills, confidence and courage that showed!"

Women Entrepreneurship Development Project (WED)

Project Brief

Economic development cannot be attained without women's contribution to society. A large segment of society constitutes women that are not employed in formal jobs or are earning a monthly income and hence, it is imperative that these women are made capable of earning a livelihood through jobs they are able to do at home. These days, due to the heavy consumption and harmful practices of single-use plastic bags around the world, the government of Pakistan has banned the usage of plastic bags is being discouraged. It is in this light that Oxfam & HF decided to introduce a project which aims to advance women's economic empowerment and well-being through the design, production and marketing of cloth bags as an alternative to single-use plastic bags.

Project Objectives

To train selected women in entrepreneurship development, product development (cloth bags) and create market linkages.

- Develop a product with improved and contemporary designs.
- Increase income and employment opportunities for women.
- Encourage women entrepreneurs to start or expand business operations.
- Improve the status of women through economic empowerment.
- Reduce plastic waste in target localities.
- Raise environmental awareness in general public.

HF was committed to provide trainings to 10 female beneficiaries, they have been aware of Women entrepreneurship, disadvantages of using plastic bags and are trained on product development and stitching. As a result, they developed products with different designs, a total of 120 pieces ranging from Rs 60 – Rs. 1000 were developed for the purpose of rapid market assessment and linkages.

STRATEGIC SUPPORT UNIT

Progress Summary

Strategic Support Unit (SSU) provides key services to the programs to ensure they are well thought out, transparent, effective and are known to the relevant stakeholders. The SSU for the year 2019 is focusing on three priority areas to ensure the 2019 objective is achieved.

In the reporting period, SSU has prioritized Business Development/Fundraising and resource mobilization, provided support to other programs/units and Networking which is at a rigorous pace. It also provided support to the teams through providing visibility insights and tools through communications technical team.

SSU aims to strengthen institution building and engage programs in relevant networks to utilize them strategically. Also Monitor and Evaluate the program performance for continuous improvement and implement state of the art M&E systems.

The SSU of HF has leveraged the programs outreach and established sustainable linkages within the industry. It successfully submitted 26 proposals and awarded 3 including Women Entrepreneurship development, Documentary Titled: Forest and Education by World Mountain Partnership and, social welfare winter assistance). Moreover, 13 MoUs were signed with local and international partners to achieve mutual sector goals within the duration of 2019.

Program Results 2019

The program has successfully won and implemented three projects in different remote areas.	Under Gender Advocacy Anti-Sexual Harassment committee is being made in HF.	HF, is the secretariat of NACG, linked with the regional SACG and the South Asia Initiative to End Violence Against Children (SAIEVAC), which is an intergovernmental apex body of the South Asian Association for Regional Cooperation (SAARC)

Planning for the Establishment of the Anti-Sexual Harassment Committee was undertaken, proposing the following for implementation:

All three entities under HF named Hashoo Trust, Hashoo Hunar Association & Umed-e-Noor are fully committed to ensuring that our work environment is compliant with Government Harassment Workplace Act 2010 and other related policies that promote gender equality & respect for diversity.

Formation of a 5-Member Committee to address relevant matters and issues:
HF-ZERO TOLERANCE POLICY 6.4

The following actions, if performed, will be considered intolerable and will immediately lead to strict disciplinary action and eventual termination:

1. Sexual Harassment
2. Theft or embezzlement of property
3. Accepting secret commissions from suppliers or any other parties stake-holders.

Knowledge Series

Time Management, Nutrition and Food Security

Knowledge Series conducted to enhance learning and sharing avenues in the organization. In the reporting period, the following sessions have been facilitat-

- Session with Mr. Amir Khisro regarding time management.
- Nutrition and Food Security by Aliya Habib, Coordinator SUNCSA.
- Sachgup on Entrepreneurship by Country Director, HF.

Proposals

HF has a strong commitment to improving gender equality throughout the organization and its frameworks which support international development work. Improving the economic position, social status, and protection of women and girls contributes to more prosperous and more stable societies. Gender is a common cause of 'women inclusion/Gender parity' in economic benefits through HF programs. People with disabilities, ethnic and minorities, the elderly and the young were also offered opportunities to work, build businesses and learn skills and services that meet their needs. Understanding the development dynamics, HF ensured that existing and potential women clients can benefit in the following ways:

1) Enhanced existing knowledge about women's role and rights in Climate change and the Environment.
2) Improved income through entrepreneurship development interventions such as capacity building training, support services & product market linkages, provision of business resources and connections with enabling institutions.
3) Increased mobility and improved access for women to assets/resources, jobs, training, appropriate products and services.
4) Increased ability to make decisions at home, and in their work or business.

Advocacy and Partnerships

During 2019, HF has established partnerships through signing MoUs with different partners. A tabulated brief is given as:

Serial no.	Organization	Duration of MoU	Areas of Collaboration	Post MoU Interventions
1.	Muslim-Hands	1	Baluchistan Donor Conference (3 days)	Winter assistant provided to GB and Chitral
2.	Bring Hope Humanitarian Foundation	3	Health, Education, Livelihood, Food Security, WASH	None
3.	YP2G “Your Passport to Grow”	1	Collaboration for enhancing soft skills	Capacity building session to HF staff "We can"
4.	Women Welfare organization	1	Livelihood, Social Program Env & Cc, Skills development, Education and Health Program	None
5.	Ranrra	1	Education	None
6.	CCCI & CCDN	1	EDP	None
7.	National University of Technology	Open Ended	Skills development	None
8.	Minorities Rights SEWA Foundation		Skills development	Financial Assistance to SEWA
9.	NHSD		Humanitarian Service Award	
10.	Shad Foundation			Handing over YDC’s
11.	The Asia Foundation			Water Energy Nexus Food Conference
12.	Tech Valley			
13.	Reenergia			

THE HASHOO TRUST

Audited Financial Statements For The Year Ended 31 December 2019

MUNIFF ZIAUDDIN & CO
Chartered Accountants

Member Firm of
BKR
INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES

Opinion

We have audited the financial statements of **THE HASHOO TRUST** (The Trust), which comprise the statement of financial position as at December 31, 2019, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2019, and its financial performance, and its cash flows and changes in funds for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the 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 organization in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants as adopted by Institute of Chartered Accountants of Pakistan (*the Code*), 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The 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 for such internal control as the 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's 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 auditor's 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 organization'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 organization'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 auditor's report. However, future events or conditions may cause the organization 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 underline transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planed scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

The financial statements of **THE HASHOO TRUST**, for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 17th March, 2020.

The engagement partner on the audit resulting in this independent auditor's report is Shahid Farid, FCA

Date: 28 September, 2020
Place: Islamabad.

Muniff Ziauddin & Co
MUNIFF ZIAUDDIN & CO.
Chartered Accountant

THE HASHOO TRUST
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	Note	AMOUNT (Rupees) 2019	AMOUNT (Rupees) 2018
FUNDS			
Foundation's fund		69,702,623	41,373,134
NON-CURRENT LIABILITIES			
Deferred liabilities	5	41,441,457	49,738,050
Deferred capital grant	6	3,851,448	4,881,440
Non - monetary capital grant	7	599,500	10,199,500
Restricted grants	8	129,619	836,434
		46,022,024	65,655,424
CURRENT LIABILITIES			
Trade and other payables	9	84,480,118	63,166,775
Unearned income	10	3,827,755	3,731,824
		88,307,873	66,898,599
Contingencies and commitments	11	-	-
TOTAL FUNDS AND LIABILITIES		**204,032,520**	**173,927,157**
NON-CURRENT ASSETS			
Property, plant and equipment	12	14,333,223	28,401,274
Deferred tax asset	13	2,295,098	3,950,111
Long term security deposits		2,229,814	2,164,100
		18,858,135	34,515,485
CURRENT ASSETS			
Trade and other receivables	14	38,589,524	29,947,595
Short term investments - held to maturity	15	8,710,258	8,673,066
Tax refund due from the government	16	31,783,897	32,877,929
Advances, prepayments and other receivables	17	51,711,998	50,995,204
Cash and bank balances	18	54,378,708	16,917,878
		185,174,385	139,411,672
TOTAL ASSETS		**204,032,520**	**173,927,157**

AUDITOR'S REPORT ANNEXED

Annexed note form an integral part of these financial statements

TRUSTEE **TRUSTEE**

THE HASHOO TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	AMOUNT (Rupees) 2019	AMOUNT (Rupees) 2018
INCOME			
Amortisation of deferred capital grant	6	1,029,992	1,860,545
Utilisation of restricted grant	8	30,216,870	82,908,862
Donations	19	81,093,320	146,335,067
Revenue from programs / projects	20	121,173,154	80,037,622
Profit on investments and deposits	21	707,775	879,155
Other income	22	13,311,453	3,336,709
		247,532,564	**315,357,960**
EXPENDITURE			
Against restricted grants	8	(30,216,870)	(82,908,862)
Depreciation on restricted grant assets	12.1	(1,029,992)	(1,860,545)
Programme and operational expenses	23	(155,814,486)	(208,076,727)
Administrative expenses	24	(25,315,335)	(45,864,485)
Expenses of project transfer - net	25	-	(44,855,802)
		(212,376,683)	**(383,566,421)**
Surplus / (Deficit) before tax		35,155,881	(68,208,461)
Taxation	26	(6,826,392)	(3,754,310)
Surplus / (Deficit) for the year		**28,329,489**	**(71,962,771)**

Annexed note form an integral part of these financial statements

TRUSTEE

TRUSTEE

THE HASHOO TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	AMOUNT (Rupees) 2019	AMOUNT (Rupees) 2018
Surplus /(deficit) for the year		28,329,489	(71,962,771)
Other comprehensive income for the year		-	-
Total comprehensive Income / (loss) for the year		**28,329,489**	**(71,962,771)**

Annexed note form an integral part of these financial statements

TRUSTEE **TRUSTEE**

THE HASHOO TRUST
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	AMOUNT (Rupees)
Balance at January 01, 2018	113,335,906
Total comprehensive income	
Deficit for the year	(71,962,771)
Other comprehensive income/ (loss) for the year	-
Total comprehensive loss	(71,962,771)
Balance as at December 31, 2018	**41,373,134**
Total comprehensive income	
Surplus/Deficit for the year	28,329,489
Other comprehensive income/ (loss) for the year	-
Total comprehensive income	28,329,489
Balance as at December 31, 2019	**69,702,623**

Annexed note form an integral part of these financial statements

TRUSTEE **TRUSTEE**

THE HASHOO TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	AMOUNT (Rupees) 2019	AMOUNT (Rupees) 2018
Cash flows from operating activities			
Surplus / (deficit) before tax		35,155,881	(68,208,461)
Adjustments for non cash items:			
Depreciation	12.1	5,973,222	7,455,868
Provision for staff retirement benefit	5.1	-	6,972,601
Provision for doubtful advances and receivables	23	1,082,561	2,860,490
Profit on investments and deposits	22	(707,775)	(879,155)
Exchange loss	22	-	-
Net assets transferred without consideration	25	-	3,074,717
Gain on disposal	22	(9,495,671)	(2,004,493)
Restricted grant charged to other income		(25,598)	-
Utilization of restricted grant	8	(30,216,870)	(82,908,862)
Amortization of deferred capital grant	6	(1,029,992)	(1,860,545)
		(34,420,123)	(67,289,379)
Operating cash flows before changes in working capital		**735,758**	**(135,497,840)**
Changes in working capital:			
(Increase)/decrease in current assets:			
Inventories		-	2,453,165
Trade receivables		(9,724,490)	21,228,188
Advances, prepayments and other receivables		(716,794)	7,575,037
Increase/(decrease) in current liabilities:			
Trade and other payables		21,313,343	1,250,477
Unearned income		95,931	(1,730,142)
Cash generated from / (used in) operating activities		**11,703,748**	**(104,721,115)**
Grant received during the year - net	8	29,535,653	85,253,198
Interest accrued on restricted grant balance		-	-
Income taxes paid	16	(4,077,347)	(9,744,037)
Decrease in long term security deposits		(65,714)	(223,000)
Staff retirement benefits paid	5.1	(8,296,593)	(9,974,524)
Net cash generated from / (used in) operating activities (A)		**28,799,747**	**(39,409,478)**
Cash flows from investing activities			
Acquisition of property and equipment	12	(1,891,508)	(5,010,416)
Investment recovered	15	8,613,775	8,566,124
Proceeds from sale of property and equipment	22	9,882,008	2,004,493
Investments made	15	(8,613,775)	(8,613,775)
Profit on investments and deposits		670,583	882,192
Net cash generated from / (used in) investing activities (B)		**8,661,083**	**(2,171,382)**
		-	-
Net increase / (decrease) in cash and cash equivalents (A+B)		**37,460,830**	**(41,580,860)**
Cash and cash equivalents at beginning of the year		**16,917,878**	**58,498,738**
Effect of movements in exchange rates on cash held	23	-	-
Cash and cash equivalents at end of the year	18	**54,378,708**	**16,917,878**

Annexed note form an integral part of these financial statements

TRUSTEE **TRUSTEE**

THE HASHOO TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1 STATUS AND NATURE OF BUSINESS

The Hashoo Trust (the Trust) was constituted for charitable and philanthropic activities as mentioned in the Trust Deed dated 30 June 1988. The Trust was registered with the Sub-Registrar Trust, Division-II, Karachi on 16 July 1988 under the Trust Act 1882. Principal office of the Trust is situated at First Floor, The Cotton Exchange Building, I.I. Chundrigar Road, Karachi and Country Office at Building Number 2, Street 2, Sector H8/1, Islamabad Pakistan. The Trust operates in Chitral, Gilgit, Karachi, Lahore, Peshawar and Rawalpindi regions.

The Board of trustee through its resolution decided to change the name during the year and accordingly trust deed was amended to incorporate the change in the name of the Trust from October

The Trust has been certified by Pakistan Centre for Philanthropy as a non profit organization vide certificate number PCP-R3/2019/0017, which was valid up to January 22, 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as notified by the Securities and Exchange Commission of Pakistan for Companies in Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention using accrual basis of accounting, except for cash flow information.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee ("Rupee"), which is the Trust's functional and presentation currency. All financial information has been rounded to nearest Rupee, unless otherwise indicated.

2.4 Use of judgments and estimates

The preparation of these financial statements in continuity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are discussed in ensuing paragraphs:

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(i) Short term investments

The carrying amounts of the Trust's short term investments are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

(ii) Estimated useful life and residual value of property plant and equipment

The Trust reviews the useful lives and residual values of property plantand equipment. Any change in estimates in future years might affect the carrying amounts of the respective items of property plant and equipment with a corresponding effect on the depreciation charge.

(iii) Taxation

The Trust takes into account the current income tax law and decisions taken by taxation authorities. Instances where the Trust's view differs from the view taken by the income tax department at the assessment stage and where the Trust considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

(iv) Impairment losses on receivables

The Trust reviews the recoverability of its loan, advances and receivables to assess amount of bad debts and provisions required against loan, advances and receivables on a regular basis.

3 STATUS OF STANDARDS AND INTERPRETATIONS

3.1 New accounting standards, amendments and interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 1, 2020:

- IFRS 16 'Leases' (effective for annual period beginning on or after January 1, 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The trust is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.
- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 1, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

3.2 Standards and interpretations that became effective but not relevant to the trust or do not have material effect

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 1, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after July 1, 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmed'. The trust is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after January 1, 2019). The amendment will affect companies that fiancé such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after January 1, 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a trust now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after January 1, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a trust increases its interest in a joint operation that meets the definition of a business. A trust remeasures its previously held interest in a joint operation when it obtains control of the business. A trust does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
  - IAS 23 Borrowing Costs - the amendment clarifies that a trust treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
- The above standards and amendments are effective from annual period beginning on or after January 1, 2019 and are not likely to have any material impact on the Trust's financial statements in the period of initial application.

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after July 1, 2018 and January 1, 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Trust's management has assessed which business models apply to the financial assets held by the Trust and has classified its financial instruments into the appropriate IFRS -9 categories.

3.3 Standards, interpretations and amendments not yet adopted

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4	Determining whether an arrangement contains lease
IFRIC 12	Service concession arrangements

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses if any except for the freehold land which is stated at cost less impairment if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, donated/contributed land are stated at the fair value at the date of donation/contribution. Fair value of donated/contributed land are measured at value determined by the management.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within "other income" in statement of income and expenditure.

(ii) Subsequent expenditure

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Trust and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in income and expenditure account as incurred.

(iii) Depreciation

Depreciation is recognised in income and expenditure account on a straight-line basis over the estimated useful life of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Trust will obtain ownership by the end of the lease term.

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The estimated useful lives for the current and comparative periods are as follows:

- building	20 years
- computer equipment	3 years
- furniture and fixtures	10 years
- vehicles	5 years
- electrical equipment	5 years
- office equipment	5 years
- polishing and grinding equipment	5 years
- other assets	5 years
- leasehold improvements	5 years

Depreciation methods, useful lives and residual values are reassessed at the end of each reporting date.

4.2 Financial Instruments

Financial Assets

(i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in income and expenditure.

(ii) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. Gain or loss on debt investment that is subsequently measured at fair value through or loss is recognized in income and expenditure in the period in which it arises.

All equity investments in scope of IFRS 9 are to be measured at fair value in the statement of financial position. Changes in fair value of these financial assets are normally recognized in income and expenditure. Dividends from such investments continues to be recognized in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to income and expenditure following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured to fair value, amortized cost or cost as the case may be. Any gain or loss on recognition and derecognition of the financial assets and liabilities is included in the income and expenditure for the period in which it arises.

Financial assets are derecognized when the Trust loses control of the contractual rights that comprise the financial assets. Assets and liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the government are not the financial instruments of the company.

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Financial liabilities

Financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed out in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such as exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in income and expenditure.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Trust has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

(iv) Financial assets – measurement

Loans and receivables

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

4.3 Impairment

(i) Financial assets

The Trust assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognize the life time expected credit losses for trade debts, due from customers and contract assets.

Individually significant financial assets are tested for impairment for individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Trust recognizes in income and expenditure, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

(ii) Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the assets recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cost flows using a discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.4 Staff retirement benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by the employees of the Trust. Following staff benefits are provided to the staff:

(i) Compensated absences

The Trust provides for compensated absences of its employees on unavailed leaves according to the Trust's policy. Employees are entitled to encash up to maximum of 15 leaves at any time during their employment except in case of retirement when all the remaining unavailed leaves are encashed.

(ii) Other benefits

Gratuity benefit has been ceased during the year and replaced by with the Employee's provident Fund effective from January 01, 2019. Equal monthly contributions will be made by the employer and employee at the rate of 10 percent of basic salary to the fund.

4.5 Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through income and expenditure, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

(ii) Financial assets measured at amortized cost

The Trust considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Trust uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in income and expenditure account and reflected in an allowance account. When the Trust considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through income and expenditure account.

4.6 Non-financial assets

At each reporting date, the Trust reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the income and expenditure account.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.7 Provisions

A provision is recognized when the Trust has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. At the time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

4.8 Taxation

(i) Current

Current provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years which arises from assessments/developments made during the year, if any.

(ii) Deferred

Deferred tax is recognized using balance sheet liability method, providing for temporary differences between the carrying amounts if assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. The Trust recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilized.

The Trust is eligible for tax credit under section 100 C of the Income Tax Ordinance, 2001 from donations, voluntary contributions, subscriptions, house property, investments in the securities of the Federal Government and so much of the income chargeable under the head "income from business" as is expended in Pakistan for the purposes of carrying out welfare activities, with credit on business income restricted to the proportion of such income in total income of the Trust. Provision for taxation is accordingly recognized on net income from business not subject to tax credit.

The Commissioner Inland Revenue vide Order dated 25 September 2019, granted the approval to the Trust (NTN 2139649) as a Non-Profit Organization (NPO) for the purposes of tax credit and other benefits admissible under the Income Tax Ordinance, 2001. The approval shall remain valid for a period of three years i.e. up to 25.09.2022 unless withdrawn earlier for non compliance to any of the conditions provided in Income Tax Ordinance 2001/Rule 217 of the Income Tax Rules 2002. The Trust will act as a withholding agent and will submit withholding tax statements and returns of income by the due dates along with the documents prescribed under Income Tax Ordinance 2001 and the rules made there under.

4.9 Grants and donations

(i) Restricted grants

Grants received for specific purposes and interest thereon are classified as restricted grants. Such grants are transferred to income to the extent of actual expenditure incurred against them. Unspent portion of such grants is reflected as restricted grants in the statement of financial position. Expenditure incurred against grant committed but not received is accrued and recognized in income and is reflected as receivable from donors.

(ii) Unrestricted grants
Grants received without any conditions are recognized as income during the year of receipt.

(iii) Deferred capital grants
Funds utilized for capital expenditure are transferred from the restricted grants to deferred capital grants and are amortized over the useful life of the respective assets and recognized as income.

(iv) Donations
Donations are recognized as income on receipt basis.

(v) Non-monetary capital grant
Non-monetary capital grant is recognized in the statement of financial position at fair value.

4.10 Income recognition
Honey sales are recognized on the basis of dispatch of goods to the customers.
Marble polishing income is recognized when services are provided to customers.
Fee income from trainings and residence is recorded when services are provided to customers.
Return on bank deposits and investments is accrued on a time proportion basis by reference to the principal balance outstanding and the applicable rate of return.

4.11 Inventories
Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle.

4.12 Foreign currency transactions
Transactions in foreign currencies are recorded at the approximate rates of exchange ruling on the date of transaction. All monetary assets and liabilities denominated in foreign currencies are translated into PKR at the rate of exchange ruling on the statement of financial position date and exchange differences, if any, are charged to income for the year.

4.13 Cash and cash equivalent
Cash and cash equivalent represents the cash in hand and bank balances.

	Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
5 DEFERRED LIABILITIES			
Staff retirement benefits - gratuity	5.1	41,441,457	49,738,050

5.1 The management has ceased gratuity benefit as at 31 december 2018, replaced it with contributory provident fund. This amount represent actual liability payable to employees at the time of termination of their services or availability of surplus funds whichever is earlier.

	Note	2019	2018
Movement in defined benefit liability			
Balance at January 01		49,738,050	52,740,581
Included in income and expenditure account			
Current service cost		-	6,972,601
Other			
Benefits paid		(8,296,593)	(9,974,524)
Balance at December 31		41,441,457.0	49,738,050
6 DEFERRED CAPITAL GRANT			
Balance at January 01		4,881,440	5,208,485
Cost of assets purchased	8	-	1,533,500
Amortization	6.1	(1,029,992)	(1,860,545)
Balance at December 31		3,851,448	4,881,440

6.1 This represents depreciation for the year on related items of property and equipment.

	Note	2019	2018
7 NON - MONETARY CAPITAL GRANT			
Freehold land in:			
- Sindh region	7.1	599,500	599,500
- Mardan region	7.2	-	9,600,000
		599,500	10,199,500

7.1 This represents the assessed value of land, registration and stamp duties thereon, donated to the Trust for the construction of schools in Sindh region in the year 2005.

7.2 This represents the assessed value of land donated to the Trust by Tehsil Municipal Mardan during the year 2008 and is measuring 12 kanals located at west side of Toru Mayar Road, Mardan for the purpose of construction, establishment and operation of schools. This Land has been returned to same authority during the year.

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8 RESTRICTED GRANTS

	Note	UNDP FATA-2018	Women's Empowerment through Buckwheat Farming Project	GIZ-Support to Local Governance Program	Oxfam Project-ISB/RWP	UNHCR-Pakistan/Pillar-1 Refugees	Total
December 31, 2019							
Restricted grant as at January 01, 2019		**810,836**	**25,598**	-	-	-	**836,434**
		-	-	-	-	-	-
Grants available for spending		9,502,603	25,598	8,576,248	3,170,339	9,097,299	30,372,087
Less: expenditures							
Salaries wages and other benefits		1,341,648	-	3,026,000	1,797,418	2,394,250	**8,559,316**
Rent rates and taxes		720,000	-	137,500	-	604,200	**1,461,700**
Utilities		155,806	-	69,338	-	86,403	**311,547**
Printing and stationery		97,441	-	37,499	108,785	116,156	**359,881**
Repair and maintenance		59,846	-	7,850	-	27,200	**94,896**
Entertainment		38,661	-	20,410	153,920	-	**212,991**
Communication		143,682	-	26,319	12,000	62,219	**244,220**
Travelling and conveyance		386,584	-	1,792,343	317,420	302,409	**2,798,756**
Office expenses		-	-	-	-	121,061	**121,061**
Advertising and fund raising		35,500	-	11,400	33,000	40,950	**120,850**
Consumables		85,707	-	4,560	44,150	83,180	**217,597**
POL expense		160,899	-	61,734	7,953	234,706	**465,292**
Development and training		5,619,246	-	2,641,460	566,074	5,024,565	**13,851,345**
Others		657,583		739,835		-	**1,397,418**
Expenses against grants		**(9,502,603)**	-	**(8,576,248)**	**(3,040,720)**	**(9,097,299)**	**(30,216,870)**
Grants refunded/Realized other income		-	(25,598)		-	-	**(25,598)**
Balance as at December 31, 2019		-	-	-	**129,619**	-	**129,619**

		Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
9	**TRADE AND OTHER PAYABLES**			
	Trade creditors	9.1	53,638,468	38,585,418
	Due to related parties	9.2	16,162,416	16,002,416
	Accrued expenses		9,785,082	7,442,733
	Provident fund contribution payable		4,894,152	54,608
	Other payables		-	1,081,600
			84,480,118	63,166,775
9.1	**This includes balances of following related parties:**			
	Hotel One (Private) Limited		457,472	44,660
	Pakistan Service Limited		212,165	3,198
	Hashwani Hotels Limited		512,509	37,646
	Hashoo Hunar Association		25,379,761	-
	Hashoo Holdings (Private) Limited		-	20,000,000
			26,561,907	20,085,504

9.2 This represent balance payable to Ummed-e-Noor, associated undertaking.

		Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
10	**UNEARNED INCOME**			
	Unearned income	10.1	3,827,755	3,731,824

10.1 Unearned income represents fee received in advance from National Vocational and Technical Training Commission (NAVTCC) for the provision of training to the students.

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There was no contingency as at reporting date

11.2 Commitments

Guarantee in favor of FATA Development Authority secured by lien on TDR amounting Rs. 8,673,065.

		Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
12	**PROPERTY, PLANT AND EQUIPMENT**			
	see attached schedule		14,333,223	28,401,274
13	**DEFERRED TAX ASSET**			
	Deferred tax asset	13.1	2,295,098	3,950,111
			2,295,098	3,950,111
13.1	**The asset for deferred taxation comprises timing differences relating to:**			
	Accelerated depreciation allowance		887,977	1,728,625
	Provision for doubtful trade and other receivables		1,266,529	1,994,048
	Provision for doubtful other receivables and advances		140,591	227,438
			2,295,098	3,950,111
14	**TRADE AND OTHER RECEIVABLES**			
	Considered good		38,589,524	29,947,595
	Considered doubtful		5,461,946	6,876,028
		14.1	44,051,470	36,823,623
	Less: provision for doubtful trade receivables	14.2	(5,461,946)	(6,876,028)
			38,589,524	29,947,595

14.1 This includes balances of Rs. 3,248,820 (2018: Rs. 11,933,514) receivable from related parties.

		Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
14.2	**Provision for doubtful trade receivables**			
	Opening provision		6,876,028	5,204,355
	Provision for the year		1,082,561	2,969,560
	Written off during the year		(2,496,643)	(1,297,887)
	Closing provision		5,461,946	6,876,028
15	**SHORT TERM INVESTMENTS - HELD TO MATURITY**			
	Term Deposit Receipt (TDR)	15.1	8,710,258	8,673,066
	Innovative Housing Finance Limited (IHFL)	15.2	-	-
			8,710,258	8,673,066

15.1 These investment carry profit at the rate of 6.65% - 11.35% (2018: 4.03% - 5.84%) per annum and have maturity up to May 2020.

		Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
15.2	**Certificates of deposit with IHFL**			
	Balance at January 01	15.3	12,500,000	12,500,000
	Provision for impairment		(12,500,000)	(12,500,000)
	Balance at December 31		-	-

15.3 This represents investment of Rs. 22,500,000 in the certificates of deposit with IHFL (Formerly Crescent Standard Investment Bank Limited). Under the first stage of distribution of depositors balances though liquidation process of IHFL under supervision of the Securities and Exchange Commission of Pakistan, Rs. 10 million was received by the Trust during the year 2016. Although the Trust is hopeful of recovering the remaining principal amounting to Rs. 12.5 million, however, on prudent basis, full provision has been recognised by the Trust.

		Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
16	**TAX REFUND DUE FROM THE GOVERNMENT**			
	Balance at January 01		32,877,929	27,835,142
	Advance income tax		4,077,347	9,744,037
	Provision for current taxation		(5,505,479)	(4,701,249)
	Balance at December 31		31,449,797	32,877,929
17	**ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**			
	Advances to employees		1,288,712	890,637
	Loans to employees - secured	17.1	40,670	76,420
	Advances to suppliers		584,458	1,039,449
	Other receivables		2,431,445	1,658,869
	Committed grant receivable	17.2	16,327,922	16,327,922
	Receivable from the Chairman	17.3	32,282,319	32,282,319
	Short term prepayments		717,145	680,261
			53,672,671	52,955,877
	Less: provision for doubtful other receivables and advances	17.4	(1,960,673)	(1,960,673)
			51,711,998	50,995,204

17.1 These are interest free and are secured against staff retirement benefits.

17.2 This includes receivable amounting to Rs. 16,327,922 (2018: Rs. 16,327,922) in respect of Sahara Fund (note 8) which was initially receivable from Hashwani Hotels Limited (HHL). However, as HHL has not acknowledged this liability, therefore, the Chairman of the Trust has pledged and agreed to pay this amount and hence this is now receivable from the Chairman.

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17.3 This represented committed grant previously receivable from USAID in respect of expenses incurred under cooperative agreement No. AID-FFP-G-13-00049-EFS. However, owing to significant delay in the resolution of allowability of this amount by USAID, the management of the Trust intends not to seek the reimbursement thereof. Additionally, the Chairman of the Trust personally offset this amount, accordingly, this balance is now receivable from the Chairman of the Trust.

	Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
17.4 Provision for doubtful other receivables and advances			
Opening provision		1,960,673	2,069,743
Provision for the year		-	470,087
Written off during the year		-	(579,157)
Closing provision		1,960,673	1,960,673
18 CASH AND BANK BALANCES			
Cash in hand		78,462	111,826
Cash at bank			
Local currency:			
- savings accounts	18.1	29,149	65,774
- current accounts		54,266,939	16,736,120
		54,296,088	16,801,894
Foreign currency:			
- current accounts		4,158	4,158
		54,300,246	16,806,052
		54,378,708	16,917,878
19 DONATIONS			
Hashoo Foundation USA - related party		3,165,158	322,920
Taraqi Foundation		-	71,250,000
School of Leadership		-	43,739,391
Center of Excellence For Rural Development (CERD)		-	11,400,000
Rural Community Development Society		1,187,500	3,562,500
Pakistan Services Limited		35,817,828	-
Sadruddin Hashwani		5,000,000	-
Hashoo Holdings (Private) Limited		20,000,000	
Others		15,922,834	16,060,256
		81,093,320	**146,335,067**
20 REVENUE FROM PROGRAMS/PROJECTS			
Punjab skills development program		45,773,094	80,037,622
United Nations Development Program (UNDP)		72,408,616	-
ACTED Pakistan		2,991,444	-
		121,173,154	**80,037,622**
21 PROFIT ON INVESTMENTS AND DEPOSITS			
Income from financial assets:			
- Profits from investment in TDR		703,401	876,750
- Profits from bank deposits		4,374	2,405
		707,775	**879,155**

		Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
22	**OTHER INCOME**			
	Income from non financial assets:			
	- Gain on sale of property and equipment		9,495,671	2,004,493
	- Others		3,815,782	1,332,216
			13,311,453	**3,336,709**
23	**PROGRAMME AND OPERATIONAL EXPENSES**			
	Salaries, wages and other benefits		48,747,432	109,381,829
	Skill development program - SDP		34,731,765	35,047,231
	Rent, rates and taxes		7,657,569	6,182,366
	Social welfare program - SWP		6,788,581	7,479,057
	Sahara fund		1,072,500	349,000
	Environment-Climate Change		1,451,575	-
	Enterprise development program		-	2,973,275
	Consumables		3,335,871	4,962,422
	Depreciation	12.1	3,460,262	4,074,708
	Scholarship program		3,663,945	3,508,301
	Utilities		2,017,517	1,743,630
	Child education support program - CESP		5,038,355	3,006,937
	Travelling and conveyance		10,623,600	6,444,792
	Educational material, printing and stationery		649,099	614,519
	Repairs and maintenance		1,176,402	660,232
	Communication		743,482	878,459
	Institutional strengthening and capacity building		20,824,955	5,868,570
	Vehicle running and maintenance charges		1,134,616	819,552
	Advertisement and fund raising		91,380	2,628,462
	Office expenses		49,570	329,146
	Legal and professional charges		558,750	7,448,577
	Development and training		-	12,000
	Provision for doubtful trade and other receivable		1,082,561	2,860,490
	Others		914,699	803,171
			155,814,486	**208,076,727**

23.1 Salaries, wages and benefits include employees provident fund contribution of Rs. 1,588,381/- (2018: Nil).

		Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
24	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	24.1	14,647,385	20,396,236
	Rent, rates and taxes		1,701,307	4,919,878
	Depreciation	12.1	1,482,969	1,520,615
	Utilities		594,086	1,763,709
	Communication, travelling and conveyance		2,018,212	3,562,934
	Repair and maintenance		910,062	2,274,822
	Office expenses and consumables		419,767	1,489,094
	Vehicle running and maintenance charges		468,935	1,164,203
	Legal and professional charges		2,228,935	3,836,818
	Auditors' remuneration		200,000	350,000
	Vehicle insurance		97,528	326,917
	Printing and stationery		300,465	600,280
	Taxation demands	24.3	-	2,537,248
	Advertisement and fund raising		8,800	151,906
	Others		236,884	969,826
			25,315,335	**45,864,485**

24.1 Salaries, wages and benefits include employees provident fund contribution of Rs. 858,695/- (2018: Nil).

24.2 Programme, operational and administrative expenses include staff retirement benefits - gratuity amounting to Rs. Nil (2018: Rs. 6,972,601).

24.3 This includes Rs.Nil (2018: 1,081,600) demanded against FBR's decision under proceedings u/s 161/205 for the tax year 2015 and Rs. 1,435,648 (2017: nil) deposited against FBR's demand.

25 EXPENSES OF PROJECT TRANSFER - NET (A RELATED PARTY TRANSACTION)

The Trust has transferred its economic development program, youth development program and skill development program (collectively "Projects") to Hashoo Hunar Association (the "Association") dated January 04, 2018. This amount represents net expenses incurred on these Projects and cost of net assets transferred to the Association without any consideration.

		Note	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
26	**Taxation**			
	- current		5,171,379	4,701,249
	- deferred	13	1,655,013	(946,939)
			6,826,392	3,754,310

26.1 Tax expense for the year is calculated as minimum tax payable, therefore, no reconciliation between tax expense and accounting profit is presented.

27 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of entities over which the trustees are able to exercise significant influence and key management employees. Key management personnel includes Country Director. Balances with related parties are shown in in their respective notes in the financial statements whereas transactions with related parties were as follows:

	2019	2018
Transactions with related parties		
General donations received		
Hashoo Foundation USA	3,165,158	322,920
Marriott Hotel - Karachi	916,302	3,309,985
Islamabad Marriot Hotel	13,245	-
Pearl Continental (PC) Hotels	4,953,385	
Hashoo Holdings (Private) Limited	20,000,000	-
Pakistan Services Limited (Series of PC hotels)	35,817,828	911,738
	64,865,918	4,544,643
Specific donations received		
Marriott Hotel - Islamabad	-	1,960,850
Marriott Hotel - Karachi	3,440,618	2,486,590
Pearl Continental (PC) Hotels	3,634,349	-
Managing Director House	-	18,300
Pakistan Services Limited (Series of PC hotels)	-	21,478,099
	7,074,967	25,943,839

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THE HASHOO TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

28 PROGRAMS WISE DETAILS OF INCOME AND EXPENDITURES

December 31, 2018	Note	Business: Skills development program	Business: Sub total	Welfare: Educational development program	Welfare: Humanitarian assistance program	Welfare: Environment-Climate Change	Welfare: Program management and support	Welfare: Sub-total welfare	Restricted Grant	Total
Income										
Donations	19	1,358,221	1,358,221	1,195,410	3,439,018	-	75,100,671	79,735,099	-	81,093,320
Income from programs/ projects	20	107,500,238	107,500,238	19,000	-	450,000	13,203,916	13,672,916	-	121,173,154
Profit on investments and other income	21 & 22	13,315,827	13,315,827	703,401	-	-	-	703,401	-	14,019,228
Utilization of restricted grant		-	-	-	-	-	-	-	30,216,870	30,216,870
Amortization of deferred capital grant		-	-	-	-	-	-	-	1,029,992	1,029,992
Total income		122,174,286	122,174,286	1,917,811	3,439,018	450,000	88,304,587	94,111,416	31,246,862	247,532,564
Expenditures										
Programmed and operational expenses	23	90,396,690	90,396,690	12,114,191	8,220,110	5,010,114	40,538,832	65,883,247	-	156,279,937
Administrative expenses	24	3,352,450	3,352,450	97,985	70,742	293,368	21,035,339	21,497,434	-	24,849,884
Expenditure against restricted grants		-	-	-	-			-	30,216,870	30,216,870
Depreciation on restricted grant assets		-	-	-	-			-	1,029,992	1,029,992
Total expenditures		93,749,140	93,749,140	12,212,176	8,290,852	5,303,482	61,574,171	87,380,681	31,246,862	212,376,683
Surplus before tax		28,425,146	28,425,146	(10,294,365)	(4,851,834)	(4,853,482)	26,730,416	6,730,735	-	35,155,881

	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
29 FINANCIAL INSTRUMENTS		
Financial assets - amortized cost		
Long term deposits	2,229,814	2,164,100
Trade receivables	38,589,524	29,947,595
Advances, prepayments and other receivables	51,041,686	50,269,110
Short term investments - held to maturity	8,710,258	8,673,066
Bank balances	54,300,246	16,806,052
	154,871,528	**107,859,923**
Financial assets - amortized cost		
Trade and other payables	84,480,118	62,085,175
	84,480,118	**62,085,175**

29.1 Measurement of fair values

(i) Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

(ii) Determination of fair values

A number of the Trust's accounting policies and disclosures require the determination of fair value, for both financial and non–financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

Non – derivative financial assets

The fair value of non–derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non – derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

29.2 Financial risk management

The Trust has exposures to the following risks from their use of financial instruments:

Credit risk

Liquidity risk

Market risk

7

Risk management framework

The Board of Trustees has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Board is responsible for developing and monitoring the Trust's risk management policies.

The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. The Trust, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Trustees oversee how management monitors compliance with the Trust's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust. The management of the Trust undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Trustees.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into trade the fair value of any collateral. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Trust's performance to developments affecting a particular industry.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk of the Trust arises principally from the long term security deposits, trade receivables, commited grant receivables, accrude interest, receivable from the chairmain, short term investments and bank balances.

The Trust's credit risk exposures are categorized under the following headings:

	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
Long term security deposits	2,229,814	2,164,100
Trade receivables	38,589,524	29,947,595
Advances, prepayments and other receivables	51,041,686	50,269,110
Short term investments - held to maturity	8,710,258	8,673,066
Bank balances	54,300,246	16,806,052
	154,871,528	107,859,923

Credit quality of financial Assets

The credit quality of companies financial assets have been assessed below by reference to external credit rating of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR - VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

	Ratings	AMOUNT 2019 Rupees	AMOUNT 2018 Rupees
Long term security deposits			
Counterparties without external credit ratings	Not rated	2,229,814	2,164,100
Short term investments			
Counterparties with external credit ratings	A1+	8,710,258	8,673,066
Trade receivables			
Counterparties without external credit ratings	Not rated	38,589,524	29,947,595
Advances, prepayments and other receivables			
Counterparties without external credit ratings	Not rated	51,041,686	50,269,110
Bank balances			
Counterparties with external credit ratings	A-1 to A-1+	54,300,246	16,806,052

(b) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, prudent fund management practices and the ability to close out market positions due to dynamic nature of the business. The Trust'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 stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

The maturity profile of the Trust's financial liabilities is as follows:

	Carrying amount	6 months or less	6 - 12 months	1 - 5 years
	Rupees			
December 31, 2019				
Trade and other payables	84,480,118	84,480,118	-	-
December 31, 2018				
Trade and other payables	62,085,175	62,085,175	-	-

(c) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Trust incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board of Trustees. The Trust is exposed to interest rate and currency risks.

Market risk management is further analysed in three categories:

Interest risk management

Currency risk management

(i) Interest rate risk management

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short term running finance, liabilities against assets subject to finance lease and balances in deposit and saving trades. At the statement of financial position date the interest rate risk profile of the Trust's interest bearing financial instruments is:

M

	Effective interest rate (p.a.)		Carrying amounts	
	2019	2018	2019	2018
	Percentage	Percentage	Rupees	Rupees
Fixed rate instruments				
Financial assets				
Term Deposit Receipt - TDR	6.65% - 11.35%	4.03% - 5.84%	8,710,258	8,673,066
Savings accounts	5% - 13.38%	3.5% - 5%	29,149	65,774
			8,739,407	8,738,840

(ii) Currency risk management

The Trust is not exposed to currency risk.

30 FUND MANAGEMENT

The Trust's objective when managing fund is to safeguard the Trust's ability to continue as a going concern so that it can achieve its primary objective, provide benefits for other stakeholders and to maintain a strong fund base to support the sustained development. There were no changes to Trust's approach to fund management during the year.

31 RECLASSIFICATION IN COMPARATIVE FIGURES

The Comparative figures have been rearranged/reclassified, wherever necessary, for the purpose of comparison. However these are not material enough to be disclosed separately.

32 DATE OF AUTHORIZATION FOR APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Trustees on their meeting held on 28 SEP 2020

TRUSTEE **TRUSTEE**

THE HASHOO TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

12 PROPERTY PLANT AND EQUIPMENT

	Description	Freehold land (refer note 16)	Building	Computer equipment	Furniture and fixtures	Vehicles	Electrical equipment	Office equipment	Polishing and grinding equipment	Other assets	Leasehold improvements	Grand total
							Rupees					
COST	**Balance at January 01, 2018**	**10,199,500**	**9,091,890**	**20,139,172**	**13,866,263**	**27,522,378**	**12,424,305**	**12,856,505**	**4,088,990**	**5,785,078**	**7,564,316**	**123,538,477**
	Additions	-	-	2,216,275	1,204,822	64,000	969,459	10,000	-	545,860	-	**5,010,416**
	Disposals	-	-	-	-	(2,454,384)	-	-	(4,088,990)	-	-	**(6,543,374)**
	Balance at December 31, 2018	**10,199,500**	**9,091,890**	**22,355,447**	**15,071,085**	**25,131,994**	**13,393,764**	**12,866,505**	-	**6,330,938**	**7,564,316**	**122,005,519**
	Additions	-	-	-	256,586	-	265,972	-	1,368,950	-	-	**1,891,508**
	Disposals	(9,600,000)	(981,090)	-	-	(13,393,634)	-	-	-	-	-	**(23,974,724)**
	Balance at December 31, 2019	**599,500**	**8,110,800**	**22,355,447**	**15,327,671**	**11,738,360**	**13,659,736**	**12,866,505**	**1,368,950**	**6,330,938**	**7,564,316**	**99,922,303**
DEPRECIATION	**Balance at January 01, 2018**	-	**5,164,253**	**18,743,422**	**8,592,978**	**27,221,125**	**10,290,887**	**11,587,644**	**3,871,915**	**3,725,485**	**3,363,829**	**92,561,538**
	Depreciation	-	454,595	962,018	1,058,479	307,742	1,233,411	926,420	86,864	994,711	1,431,628	**7,455,868**
	Disposals	-	-	-	-	(2,454,382)	-	-	(3,958,779)	-	-	**(6,413,161)**
	Balance at December 31, 2018	-	**5,618,848**	**19,705,440**	**9,651,457**	**25,074,485**	**11,524,298**	**12,514,064**	-	**4,720,196**	**4,795,457**	**93,604,245**
	Depreciation		454,592	1,217,978	1,049,098	12,800	725,728	214,259	18,003	849,137	1,431,627	**5,973,222**
	Disposals		(594,761)	-	-	(13,393,626)	-	-	-	-	-	**(13,988,387)**
	Balance at December 31, 2019	-	**5,478,679**	**20,923,418**	**10,700,555**	**11,693,659**	**12,250,026**	**12,728,323**	**18,003**	**5,569,333**	**6,227,084**	**85,589,080**
	Written down value:											
	- As at December 31, 2018	**10,199,500**	**3,473,042**	**2,650,007**	**5,419,628**	**57,509**	**1,869,466**	**352,521**	-	**1,610,742**	**2,768,859**	**28,401,274**
	- As at December 31, 2019	**599,500**	**2,632,121**	**1,432,029**	**4,627,116**	**44,701**	**1,409,710**	**138,262**	**1,350,947**	**761,605**	**1,337,232**	**14,333,223**
	Rates of depreciation per annum	-	5%	33%	10%	20%	20%	20%	20%	20%	20%	

12.1

	2019	2018
Programme and operational expenses	3,460,262	4,074,708
Administrative expenses	1,482,969	1,520,615
Depreciation-restricted grant assets	1,029,992	1,860,545
	5,973,222	7,455,868