

**HASHOO FOUNDATION**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2021**



The Professional Arcade  
2nd Floor, MPCHS, E-11/3  
Islamabad 44000, Pakistan  
Tel: 2375212, 2375213 Fax: 2375220  
Email: islamabad@mzco.pk  
www.mzco.com.pk

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HASHOO FOUNDATION**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **OPINION**

We have audited the financial statements of **HASHOO FOUNDATION**, which comprise the statement of financial position as at 30 June 2021, and the statement of income and expenditure, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021, and of the surplus, the changes in fund and its cash flows for the year then ended.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company'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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of changes in fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

**OTHER MATTER**

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

*Muniff Ziauddin & Co.*  
Chartered Accountants

Place: Islamabad

Date: 4<sup>th</sup> December 2021

**HASHOO FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	Note	2021 (Rupees)
<b>CURRENT ASSETS</b>		
Cash and bank balances	5	6,076,473
<b>TOTAL ASSETS</b>		<u><u>6,076,473</u></u>
<b>FUNDS AND LIABILITIES</b>		
<b>FUNDS</b>		
General funds		471,528
Restricted funds		4,504,923
		<u>4,976,451</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	6	1,100,022
<b>CONTINGENCIES AND COMMITMENTS</b>	7	-
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><u>6,076,473</u></u>

**AUDITORS' REPORT ANNEXED**

The annexed notes form an integral part of these financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**

**HASHOO FOUNDATION**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

	Note	(Rupees)
<b>For the period from 24 December 2020 to 30 June 2021</b>		
<b>INCOME</b>		
Donations	8	29,320,332
Other income	9	<u>1,762,798</u>
		<b>31,083,130</b>
<b>EXPENDITURE</b>		
Program expenses	10	22,560,702
Farm expenses	11	1,259,351
Administrative expenses	12	6,790,917
Finance cost		<u>632</u>
		<b>30,611,602</b>
Surplus for the period before tax		471,528
Taxation	13	-
Surplus for the period		<u><u>471,528</u></u>

The annexed notes form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**HASHOO FOUNDATION  
STATEMENT OF CHANGES IN FUND  
FOR THE PERIOD ENDED 30 JUNE 2021**

(Rupees)

	Restricted funds			Total Restricted Funds	Total General Funds	
	UNICEF	GIZ	UNHCR			
Funds received	7,883,150	9,539,180	9,748,198	27,170,528	8,417,525	35,588,053
Transferred to revenue equal to expenditure	(7,778,247)	(7,298,255)	(7,484,200)	(22,560,702)	(8,050,900)	(30,611,602)
Surplus / deficit for the year	104,903	2,240,925	2,263,998	4,609,826	366,625	4,976,451
Transfer to general funds	(104,903)	-	-	(104,903)	104,903	(104,903)
Total funds	-	2,240,925	2,263,998	4,504,923	471,528	<b>4,976,451</b>
<b>Balance as at June 30, 2021</b>	-	<b>2,240,925</b>	<b>2,263,998</b>	<b>4,504,923</b>	<b>471,528</b>	<b>4,976,451</b>

The annexed notes form an integral part of these financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**

**HASHOO FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2021**

	Note	(Rupees)
		For the year from 24 December 2020 to 30 June 2021
<b>Cash flows from operating activities</b>		
Surplus before tax		471,528
<b>Operating cash flows before changes in working capital</b>		<u>471,528</u>
Changes in working capital:		
<b>(Increase)/decrease in current assets:</b>		-
<b>Increase/(decrease) in current liabilities:</b>		
Increase in deferred donations		4,504,923
Trade and other payables		1,100,022
<b>Cash used in operating activities</b>		<u>6,076,473</u>
<b>Net cash used in operating activities</b>		<u>6,076,473</u>
<b>Cash flows from investing activities</b>		<u>-</u>
<b>Cash flows from financing activities</b>		<u>-</u>
<b>Net increase in cash and cash equivalents</b>		<u>6,076,473</u>
Cash and cash equivalents at beginning of the year		-
<b>Cash and cash equivalents at end of the year</b>		<u><u>6,076,473</u></u>

The annexed notes form an integral part of these financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**

**HASHOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

---

**1 CORPORATE INFORMATION**

The Hashoo Foundation was registered as a guarantee limited company under Securities and Exchange Commission of Pakistan on December 24, 2020 under section 42 of the Companies Act, 2017.

The registered office of the company is located at Plot No. 02, Street # 02, H-8/1, Islamabad.

The objective of the Company is to design and promote strategies/ projects/ programmes that contribute to the achievement of national development priorities through sustainable development goals. The company works closely in partnership with public and private sector organizations for the overall promotion of sustainable development of the people across the country.

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- Revised Accounting and Financial Reporting Standard for Small Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Accounting standards for Not for Profit Organization (Accounting Standards for NPOs) issued by Institute of Chartered Accountants of Pakistan as notified under Companies Act 2017; and
- Provisions of and directives issued under the Companies Act, 2017; and

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.1 Basis of preparation**

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

These financial statements are presented in Pak Rupees, which is the Company's functional currency. The figures have been rounded off to the nearest rupee.

**3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates which are significant to these financial statements:

**3.1 Income taxes**

In making the estimates for income taxes payable by the Company, the management considers current Income Tax law and the decisions of appellate authorities on certain cases issued in the past.



### 3.2 Contingencies

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

## 4 SIGNIFICANT ACCOUNTING POLICIES

### 4.1 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.

### 4.2 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.

### 4.3 Cash and cash equivalent

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

### 4.4 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

### 4.5 Financial instruments

#### Financial assets

These are initially recognized on the date that they are originated i.e. trade date which is the date that the Company becomes a party to the contractual provisions of the instrument.

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or when the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies financial assets as trade debts and other receivables and cash & cash equivalents.

**Trade and other receivables**

Trade debts and other receivables are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using effective interest method, less any impairment losses. Known bad debts are written off, when identified.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts and other short term highly liquid investments, if any, that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

**Financial liabilities**

The Company initially recognizes financial liabilities on the date that they are originated or the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

These financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities comprise of trade and other payables.

**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 Company 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 liabilities simultaneously.

**4.6 Staff retirement benefit**

The Company is operating an unrecognized provident fund for its employees who have opted for the staff retirement benefit scheme to which contributions are made both by the Company and employee at the rate of 10% of basic salary.

**4.7 Taxation**

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

**4.8 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.

**4.9 Cash and cash equivalent**

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

(Rupees)  
For the period  
from  
24 December 2020 to  
30 June 2021

**5 CASH AND BANK BALANCES**

Cash in hand	-
Cash at bank-current accounts	6,076,473
	6,076,473

**6 TRADE AND OTHER PAYABLES**

Creditors	71,500
Accrued Expenses	99,407
Provident fund contribution payable	881,926
Withholding tax	47,189
	1,100,022

**7 CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments at year end.

**8 DONATION INCOME**

Restricted donations	
United Nations International Children's Emergency Fund (UNICEF)	7,883,150
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	7,298,255
United Nation High Commissioner for Refugees (UNHCR)	7,484,200
	22,665,605
General donations	6,654,727
	29,320,332

**9 OTHER INCOME**

Agriculture income	1,762,798
	1,762,798

**10 PROGRAM-WISE BREAKUP OF DONATION & EXPENSES**

Project Names :	UNICEF TCV Project	GIZ Returning to New Opportunities	UNHCR Building Resilience.	Total
-----------------	-----------------------	--	----------------------------------	-------

**Income**

Donation income	7,883,150	7,298,255	7,484,200	22,665,605
-----------------	-----------	-----------	-----------	------------

**Expenses**

Salaries, wages & benefits	4,918,151	2,856,378	3,199,876	10,974,405
Program expenses	45,600	143,000	3,106,514	3,295,114
Management Cost	-	725,871	-	725,871
Utilities	-	298,195	-	298,195
Communication	-	18,237	5,050	23,287
Repair & maintenance	14,988	82,350	79,200	176,538
Rent rates & taxes	1,388,165	671,000	465,000	2,524,165
Fuel, oil & lubricant	405,734	183,183	172,565	761,482
Supplies	163,834	30,570	14,375	208,779
Travelling & conveyance	-	76,998	391,486	468,484
Printing & stationary	491,400	21,700	50,134	563,234
Consultancy charges	-	1,847,521	-	1,847,521
Site preparation charges	-	-	-	-

(Rupees)  
For the period  
from  
24 December 2020 to  
30 June 2021

Promotion expenses	5,775	343,132	-	348,907
Entertainment	344,600	120	-	344,720
<b>TOTAL</b>	<u>7,778,247</u>	<u>7,298,255</u>	<u>7,484,200</u>	<u>22,560,702</u>
<b>Surplus/ Deficit</b>	<b>104,903</b>	<b>-</b>	<b>-</b>	<b>104,903</b>
<b>11 FARM EXPENSES</b>				
Salaries, wages & benefits				264,000
Utilities				53,781
Communication				12,200
Repair & maintenance				71,496
Rent rates & taxes				215,496
Fuel, oil & lubricant				216,138
Supplies				178,312
Travelling & conveyance				77,250
Printing & stationary				9,170
Site preparation charges				81,420
Entertainment				80,088
				<u>1,259,351</u>
<b>12 ADMINISTRATIVE EXPENSES</b>				
Salaries, wages and other benefits			<b>12.1</b>	6,703,917
Auditors' remuneration				87,000
				<u>6,790,917</u>
<b>12.1</b> Salaries, wages and other benefits include contribution to unrecognized employee's provident fund of Rs. 477,845/-.				
<b>13 TAXATION</b>				
Current tax				
-For the year				<u>-</u>
				<u>-</u>
There is no tax expense for the year as agriculture income is exempt from tax under Section 41 of Income Tax Ordinance, 2001.				
<b>14 FINANCIAL INSTRUMENTS</b>				
<b>Financial assets - Amortized Cost</b>				
Cash and bank balances				6,076,473
				<u>6,076,473</u>
<b>Financial liabilities - Amortized Cost</b>				
Trade and other payables				1,100,022
				<u>1,100,022</u>

**15 RELATED PARTY TRANSACTIONS**

Related parties comprise of associated undertakings and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties includes have been disclosed in the relevant notes. Other material transactions with related parties are given below.

<b>Name of related party</b>	<b>Basis of relationship</b>	<b>Nature of transaction</b>	<b>Amount</b>
Organiks Plus Private Limited	Assosiated company	Rental against vehicle	526,000
Organiks Plus Private Limited	Assosiated company	Training material	1,160,630

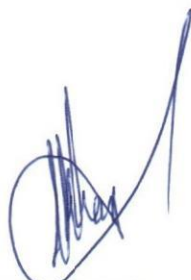
**16 NUMBER OF EMPLOYEES**

The detail of employees of the Company is follows:

Employees as at June 30:	18
Average Employees during the year:	8

**17 DATE OF AUTHORIZATION**

These financial statements were authorized for issue by the Broad of Directors of the Company on **04 DEC 2021**



**CHIEF EXECUTIVE**

Masood Raza

**DIRECTOR**