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AAHUNG

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

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AC/SFA/307/19
24 January 2019

The Board Members
Aahung (the "Organization")

Dear Sirs / Madams

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

We are pleased to enclose five copies of the **draft financial statements** of the Organization for the above year, together with our **draft audit report** thereon, initialed by us only for identification. We shall be pleased to sign and issue our report, after:

a) the financial statements have been approved by the Board and signed by two Board Members to do so in its behalf;

b) and we have:

i) seen specific approvals of the Board Members in respect of the following:

	Rupees
- capital expenditure	1,751,552
- investments made during the year	1,671,353
- proceeds from sale of investment in mutual fund	2,512,074
- transfers of property, plant and equipment - carrying value	77,322
- provision for gratuity	2,133,536
- board Membership Fee	5,500
- allocation of staff cost incurred on various projects	17,573,336

ii) received representation letter duly signed by the Board Sub Finance Committee Members

2. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO FINANCIAL STATEMENTS

While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for their preparation is primarily that of the management of the Organization. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies and safeguarding of the assets of the Organization. The audit of financial statements does not relieve the management of its responsibilities. Accordingly, our audit of financial statements should not be relied upon to disclose all the errors or irregularities.

3. SIGNIFICANT ACCOUNTING MATTERS

We are given to understand that the Organization does not have legal advisor as there are no pending suits.

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a) Valuation of defined benefit obligation:

The Organization's framework for financial reporting comprises of International Financial Reporting Standards as applicable in Pakistan which requires it to engage an independent actuary to ascertain its liability for post-retirement benefits - gratuity, using projected unit credit method as prescribed under International Accounting Standard (IAS) 19 'Employee Benefits'. However, up until the previous year, the Organization had not engaged an independent actuary to ascertain this liability; instead it was being measured at one month's gross salary for each year of service rendered which resulted in incorrect accounting treatment. However, during the current year, management has appointed an actuary for the valuation and has recorded the charge and liability as per the actuary's valuation. Amounts for previous years have been restated in accordance with IAS 8" Accounting policies, Change in Accounting Estimates and errors".

b) Taxation

As per Section 100C of the Income Tax Ordinance 2001, the income of non-profit organizations, trusts or welfare institutions shall be allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final taxes payables subject to the act that a return has been filled, tax required to be deducted or collected has been deducted or collected and paid; and withholding tax statements for the immediately preceding tax year have been filed. On discussion with management, we have been given to understand that it is in the process of claiming tax credit equal to one hundred percent of the tax payable under Section 100C of the Income Tax Ordinance, 2001 for the current year. Accordingly, no provision for tax has been made for the year in the financial statement. Management is confident that the exemption will be obtained and no tax provision is required in these financial statements. We appreciate if Board could review and approve management's contention in this regard.

c) Receivable from World Population Foundation

The Organization has a receivable balance amounting to Rs 251,383 from World Population Foundation. The balance is outstanding since 2013 and accordingly should be provided in the financial statements. However, no such provision has been made as the management believes it will recover the amount.

4. CONTINGENCIES AND TRANSACTIONS WITH RELATED PARTIES

We have been informed by the management that there were no contingencies and commitments and transactions with related parties other than those disclosed in the financial statements.

5. FRAUDS AND ERRORS

We have been informed by the management of the Organization that to the best of their knowledge there have been no instances of frauds or irregularities during the year that could have a material affect on the financial statements of the Organization.

We place on record our appreciation for the co-operation and courtesy extended to us during the course of the audit.

Yours faithfully

EY Ford Rhodes

OC/SFA:bf.

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INDEPENDENT AUDITORS' REPORT TO THE BOARD MEMBERS

Opinion

We have audited the financial statements of **AAHUNG** (the "Organization"), which comprise the balance sheet as at **30 June 2018**, and the income and expenditure account, statement of comprehensive income, statement of changes in accumulated funds and 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 Organization as at **30 June 2018** and of its financial performance and of its cash flows for the year then ended in accordance with approved 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 Standard Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the 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 requirements of approved accounting standards as applicable in Pakistan and for such internal control as the Management determines 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, the 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.

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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 controls.
- 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 underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

EY Ford Rhodes

Chartered Accountants

Date: 04 February 2019

Place: Karachi

Engagement Partner: Omer Chughtai

AAHUNG
BALANCE SHEET
AS AT 30 JUNE 2018

	Note	2018 Unrestricted	2018 Restricted	2018 Total	2017 Unrestricted	2017 Restricted	2017 Total	As at 01 July 2016 Unrestricted	As at 01 July 2016 Restricted	As at 01 July 2016 Total
		Rupees			Rupees Restated			Rupees Restated		
Assets										
Non-Current Assets										
Operating fixed assets	5	2,114,071	694,077	2,808,148	1,519,932	429,694	1,949,626	652,201	612,391	1,264,592
Security deposits		365,100	-	365,100	365,100	-	365,100	365,100	-	365,100
		2,479,171	694,077	3,173,248	1,885,032	429,694	2,314,726	1,017,301	612,391	1,629,692
Current Assets										
Loans, advances & other receivables	6	662,733	118,000	780,733	565,485	656,757	1,222,242	1,437,679	70,000	1,507,679
Short-term investments	7	5,636,101	-	5,636,101	6,260,886	-	6,260,886	5,542,132	-	5,542,132
Interfund balances	16	2,838,215	5,107,355	7,945,570	7,033,469	1,114,457	8,147,926	2,960,537	7,200,104	10,160,641
Cash and bank balances	8	28,686,893	27,114,642	55,801,535	20,824,772	30,495,648	51,320,420	33,112,125	34,896,785	68,008,910
Total Current Assets		37,823,942	32,339,997	70,163,939	34,684,612	32,266,862	66,951,474	43,052,473	42,166,889	85,219,362
Current Liabilities										
Interfund balances		4,896,279	3,049,290	7,945,569	803,048	7,344,878	8,147,926	7,163,004	2,997,637	10,160,641
Accrued and other liabilities	12	188,463	2,348,515	2,536,978	428,949	2,923,382	3,352,331	1,947,679	3,215,124	5,162,803
Deferred capital grants	10	-	694,077	694,077	-	429,694	429,694	-	612,391	612,391
Deferred liability - gratuity	11	7,881,492	-	7,881,492	8,463,906	-	8,463,906	7,488,777	-	7,488,777
		7,881,492	694,077	8,575,569	8,463,906	429,694	8,893,600	7,488,777	612,391	8,101,168
Net Assets		27,336,880	26,942,192	54,279,072	26,873,741	21,998,603	48,872,344	27,470,314	35,954,129	63,424,443
Represented By:										
Restricted fund balances	9	-	26,942,192	26,942,192	-	21,998,603	21,998,603	-	35,954,129	35,954,129
Accumulated unrestricted surplus		27,053,741	-	27,053,741	26,697,600	-	26,697,600	30,183,218	-	30,183,218
Unrealized gain on short term investment		283,139	-	283,139	176,141	-	176,141	273,832	-	273,832
		27,336,880	26,942,192	54,279,072	26,873,741	21,998,603	48,872,344	30,457,050	35,954,129	66,411,179
CONTINGENCIES AND COMMITEMENTS	19									

The annexed notes 1 to 21 form an integral part of these financial statements.

BOARD MEMBER

BOARD MEMBER

AAHUNG
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Unrestricted	2018 Restricted	2018 Total	2017 Unrestricted	2017 Restricted	2017 Total
		------------------- Rupees	-------------------		------------------- Rupees	-------------------	
					------------------- Restated	-------------------	
Income							
Restricted funds utilized	9.1	-	55,668,632	55,668,632	-	53,608,517	53,608,517
Deferred capital grants released	10	-	356,047	356,047	-	317,362	317,362
Other income	13	10,058,145	1,859,253	11,917,398	6,184,220	1,202,003	7,386,223
Total Income		10,058,145	57,883,931	67,942,077	6,184,220	55,127,882	61,312,102
Expenses							
Operating expenses	14	9,905,880	6,725,725	16,631,605	6,834,377	5,258,895	12,093,272
Program and project expenses	15	-	51,158,206	51,158,206	-	49,868,987	49,868,987
Total Expenses		9,905,880	57,883,931	67,789,811	6,834,377	55,127,882	61,962,259
Surplus / (deficit) for the Year		152,265	-	152,265	(650,157)	-	(650,157)

The annexed notes 1 to 21 form an integral part of these financial statements.

BOARD MEMBER

BOARD MEMBER

AAHUNG
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------- Rupees	--------------
		Restated
Surplus / (deficit) for the year	**152,265**	(650,157)
Items that may be reclassified subsequently to income and expenditure account in subsequent periods		
Unrealised gain/(loss) on short term investment classified as available for sale	**106,998**	(97,691)
Items that will not be reclassified subsequently to income and expenditure account in subsequent periods		
Remeasurement gain pertaining to deferred liability gratuity	**203,876**	151,275
	310,874	53,584
Total comprehensive income/(loss) for the year	**463,139**	(596,573)

The annexed notes 1 to 21 form an integral part of these financial statements.

BOARD MEMBER **BOARD MEMBER**

AAHUNG
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Unrestricted funds				
	Accumulated unrestricted Surplus	Unrealised gain on short term investments	Sub total	Restricted fund balance	Total
	Rupees				
Balance as at 1 July 2016	30,183,218	273,832	30,457,050	35,954,129	66,411,179
Effect of retrospective correction of error (Note 4.15)	(2,986,736)	-	-	-	(2,986,736)
Balance as at 1 July 2016 (restated)	27,196,482	273,832	30,457,050	35,954,129	63,424,443
Total comprehensive income					
- deficit of income over expenditure of the year (restated)	(498,882)	-	(498,882)	-	(498,882)
- unrealised loss on short term investment	-	(97,691)	(97,691)	-	(97,691)
Change in restricted funds					
Restricted funds received	-	-	-	39,903,451	39,903,451
Restricted funds utilised	-	-	-	(53,858,977)	(53,858,977)
	-	-	-	(13,955,526)	(13,955,526)
Balance as at 30 June 2017 (restated)	26,697,600	176,141	29,860,477	21,998,603	48,872,344
Total comprehensive income					
- surplus of income over expenditure of the year	**356,141**		**356,141**	-	**356,141**
- unrealised gain on short term investments	-	**106,998**	**106,998**	-	**106,998**
Change in restricted funds					
Restricted funds received	-	-	-	**61,309,974**	**61,309,974**
Restricted funds utilised	-	-	-	**(56,366,385)**	**(56,366,385)**
	-	-	-	**4,943,589**	**4,943,589**
Balance as at 30 June 2018	**27,053,741**	**283,139**	**30,323,616**	**26,942,192**	**54,279,072**

The annexed notes 1 to 21 form an integral part of these financial statements.

BOARD MEMBER

BOARD MEMBER

AAHUNG
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	----------- Rupees	---------------
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) for the year	**152,265**	(650,157)
Adjustments for:		
- depreciation	**880,872**	869,761
- provision for gratuity	**2,133,536**	2,111,943
- gain on sale of investments	**(96,780)**	(65,323)
	2,917,628	2,916,381
Decrease in current assets		
- advances and other receivables	**441,509**	285,437
Decrease in current liabilities		
- accrued and other liabilities	**(815,353)**	(2,070,568)
Deferred capital grants - net	**264,383**	(182,697)
Restricted funds - net	**4,943,589**	(13,955,527)
	5,207,972	(14,138,224)
Cash generated from /(used in) operations	**7,904,021**	(13,657,132)
Gratuity paid	**(2,512,074)**	(985,539)
Net cash generated from/(used in) operating activities	**5,391,947**	(14,642,671)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	**(1,751,552)**	(1,556,060)
Investment in short term investments	**(1,671,354)**	(1,466,880)
Sale proceed from sale of short term investments	**2,512,074**	977,120
Net cash used in investing activities	**(910,832)**	(2,045,820)
Net increase / (decrease) in cash and cash equivalents	**4,481,115**	(16,688,490)
Cash and cash equivalents at beginning of the year	**51,320,420**	68,008,910
Cash and cash equivalents at end of the year	**55,801,535**	51,320,420

The annexed notes 1 to 21 form an integral part of these financial statements.

BOARD MEMBER **BOARD MEMBER**

AAHUNG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Aahung ("the Organisation") is a Non-Governmental Organization (NGO), registered in Pakistan under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961. The principal place of business is situated at Sasi Home Bungalow # G-18/6, Block-8, Kehkashan, Clifton, Karachi. Its objectives includes;

(i) to support and maintain linkages with other NGOs and agencies working within the area of sexual and reproductive health and rights in Pakistan,
(ii) to strengthen and improve the accessibility of sexual health services available to men and women in Pakistan; and
(iii) to increase the awareness of men and women in low income communities, regarding sexual and reproductive health and rights.

The Organization also carries out projects from USA International Women Health Coalition, Packard Foundation, Pathfinder Naya Qadam, Youth Champions Initiations from Public Health Institution, Sukh from Packard Foundation & Bill Gates, Netherlands Organization for International Development (NOVIB), Amplify Change from Mannion Daniels Limited from United Kingdom, Naya Qadam from Pathfinder, USA, World Population Foundation, Pakistan Institute of Technology Education (PITE) from Government of Sindh, Malayasia for Right here right now (RHRN), Swedish Plan International (CIDA) and Patient Welfare projects.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as notified under the Companies Act 2017 and the Accounting Standards for Non for Profit Organizations NPOs issued by the Institute of Chartered Accountants of Pakistan. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as stated otherwise in these financial statements.

2.3 Functional and presentational currency

These financial statements are presented in Pakistan Rupees, which is the Organisation's functional and presentation currency and rounded to nearest rupee.

3. Use of estimates and judgments

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 Organization'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. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- determining the residual values and useful lives of operating fixed assets (note 5.1)
- determining contingencies & commitments (note 19)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 New and amended standards and interpretations

The Organization has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure initiative - (Amendments)
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above accounting standards and interpretations did not have any material effect on the financial statements.

4.2 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

Standard or Interpretation	**Effective date (accounting periods beginning on or after)**
IFRS 2 – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	01 January 2018
IFRS 9 – Financial Instruments	01 July 2018
IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)Contracts – (Amendments)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	01 July 2018
IFRS 16 – Leases	01 January 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IAS 40 – Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 – Uncertainty over Income Tax Treatments	01 January 2019

The Organization expects that the adoption of the above standards and amendments would not impact the Organization's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 . The Organization expects that such improvements to the standards will not have any material impact on the Organization's financial statements in the period of initial application.

4.3 Operating Fixed Assets

These are stated at cost less accumulated depreciation. Depreciation is charged to the income and expenditure account applying the straight line method. The rates used are stated in note 5 to the financial statements. Full month depreciation is charged in the month of addition while no depreciation is charged in the month of disposal.

Gains and losses on disposal of assets are taken to the income and expenditure account.

4.4 Impairment

The carrying amounts of the Organization's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized in the income and expenditure account.

4.5 Fund accounting

These financial statements are maintained substantially in accordance with the principles of fund accounting. Under these principles, resources are classified, for accounting and reporting purposes, into two categories - unrestricted and restricted funds.

Unrestricted funds

Funds received for ongoing operations, without any restrictions, are classified as unrestricted funds.

Restricted funds

Funds received for specific purposes are classified as restricted funds with separate accounting records being maintained for each account.

Restricted funds representing donations and related other income. Expenses incurred out of restricted funds are reflected in the income and expenditure account, with an equal amount being recognized as revenue and reflected as funds utilized.

Funds received for capital expenditure are recorded as deferred capital grant. These are netted off against related depreciation and amortization on a systematic basis over the useful life of assets acquired from the grant.

4.5.1 Interfund Balances

The Organization manages multiple projects, with each project having its individual financial statements. Transactions done on behalf of other projects give rise to interfund receivable/payables. Such balances are reflected as "Interfund Balances" in the balance sheet.

.6 Staff retirement benefits

Defined benefit plan

An actuarial valuation of the defined benefit scheme is conducted which uses the Projected Unit Credit method. Remeasurements of the net defined benefit liability / assets which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

4.7 Foreign currency translation

Income and expenditures are recorded at the rates of exchange approximating to those prevailing on the date of the transaction. Monetary assets, liabilities and fund balances in foreign currencies are revalued at the rates of exchange approximating to those ruling at the balance sheet date. Exchange gains and losses arising out of the above are included in the income and expenditure account.

4.8 Provisions

Provision are recognized the balance sheet when the Organization has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made.

.9 Revenue recognition

- unrestricted funds received are recognized as income in the year in which the funds are received.
- restricted funds are recognized as income to the extent of actual expenses incurred during the year. Where funds received are in excess of the actual expenses, the balances are carried forward as restricted fund balances.
- gains / (losses) arising on sale of investments are included in the income and expenditure account in the period in which the transaction takes place.
- cash dividend on mutual fund units is recognised when the Organization's right to receive the dividend is established..
- income on term deposit receipts and profit and loss sharing bank accounts is recognised on a time proportion basis at effective rate of return.
- miscellaneous income is recognised on receipt basis.

4.10 Taxation

As per section 100C of the Income Tax Ordinance, 2001, the income of Non-profit organisations, trusts or welfare institutions shall be allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final taxes payables subject to the return has been filled, tax required to be deducted or collected has been deducted or collected and paid; and withholding tax statements for the immediately preceding tax year have been filed. The Organisation is in the process of claiming tax credit equal to one hundred percent of the tax payable under section 100C of the Income Tax Ordinance, 2001 for the current year. Management is confident that the exemption shall be obtained and no tax provision is required in these financial statements.

4.11 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks.

4.12 Financial assets and liabilities

Financial assets and financial liabilities are recognised at the time when the Organization becomes a party to the contractual provisions of the instrument. Financial assets are derecognised at the time when the Organization loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised at the time when they are extinguished; that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on derecognition of financial assets and financial liabilities are taken to income and expenditure account. Financial assets and liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at fair value or amortised cost as the case may be.

4.12.1 Investments

Initial recognition

Financial assets and liabilities are initially recognized at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to acquisition or issue of the financial asset or financial liability

Subsequent measurement

Investments classified as fair value through profit or loss are subsequently measured at fair value with changes recognised in income and expenditure account

Investments classified as available for sale are subsequently measured at fair value and changes in fair value is recognised in statement of comprehensive income. Impairment losses on available for sale financial assets are recognised by reclassifying the losses accumulated in statement of comprehensive income to income and expenditure account. Any subsequent increase, in case of debt security, is recognised in income and expenditure account to the extent of reversal of previously recognised impairment with remaining balance if any, reported in other comprehensive income. Reversal of impairment loss with respect to equity securities is not recognised in income and expenditure account.

Investments classified as held to maturity and loans and receivables are subsequently measured at amortised cost.

Fair value of units of mutual funds is determined using net assets value of the funds determined by the respective asset management company as of the reporting date.

4.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Organzation intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.14 Expenses

All expenses are recognised in the income and expenditure account on accrual basis.

4.15 Correction of an error

The Organization operates an unfunded gratuity scheme which covers all employees with a minimum qualifying service period of six months. Up until the previous year, obligations under the scheme were recorded based on one month's basic salary drawn for each year of service with the Organization which resulted in incorrect accounting treatment with the applicable accounting framework. During the current year, Management has appointed an actuary for valuation of its defined benefit obligations and the resulting liability. Amounts for previous years have been restated in accordance with IAS 8" Accounting policies, Change in Accounting Estimates and errors". The impacts of correction for prior period errors are as follows:

	Rupees
As of 01 July, 2016:	
Increase in deferred liability gratuity	2,986,736
Decrease in accumulated unrestricted surplus	2,986,736
As of 30 June, 2017:	
Increase in deferred liability gratuity	3,586,805
Decrease in accumulated unrestricted surplus	3,586,805

5 OPERATING FIXED ASSETS

	Note	Computer equipments		Office equipments		Furniture and fixture		Vehicles		Total	
		unrestricted	restricted	unrestricted	restricted	unrestricted	restricted	unrestricted	restricted	unrestricted	restricted
		------------Rupees------------		------------Rupees------------		------------Rupees------------		------------Rupees------------		------------Rupees------------	
As at 01 July 2017											
Cost		2,526,696	1,064,235	1,301,791	-	971,800	32,700	2,947,951	-	7,748,238	1,096,935
Accumulated depreciation		(2,463,460)	(658,521)	(1,117,067)	-	(885,809)	(8,720)	(1,764,805)	-	(6,231,141)	(667,241)
Net book value		63,236	405,714	184,724	-	85,991	23,980	1,183,146	-	1,517,097	429,694
Additions during the year		19,700	652,250	19,800	45,502	102,800	-	911,500	-	1,053,800	697,752
Transfers during the year	5.1									-	-
Cost		180,450	(180,450)	45,502	(45,502)	-	-	-	-	225,952	(225,952)
Depreciation		(144,649)	144,649	(3,981)	3,981	-	-	-	-	(148,630)	148,630
		35,801	(35,801)	41,521	(41,521)	-	-	-	-	77,322	(77,322)
Deletions during the year				-						-	-
Cost		-	-	-	-	-	-	(1,577,951)	-	(1,577,951)	-
Depreciation		-	-	-	-	-	-	1,568,628	-	1,568,628	-
Depreciation charge for the year		(50,530)	(348,794)	(62,783)	(3,981)	(42,859)	(3,272)	(368,653)	-	(524,825)	(356,047)
Closing net book value		68,207	673,369	183,262	-	145,932	20,708	1,716,670	-	2,114,071	694,077
As at 30 June 2018										-	-
Cost		2,726,846	1,536,035	1,367,093	-	1,074,600	32,700	2,281,500	-	7,450,039	1,568,735
Accumulated depreciation		(2,658,639)	(862,666)	(1,183,831)	-	(928,668)	(11,992)	(564,830)	-	(5,335,968)	(874,658)
Net book value		68,207	673,369	183,262	-	145,932	20,708	1,716,670	-	2,114,071	694,077
Depreciation rates (% per annum)		33.33%		20%		15%	10%	20%			

	Note	Computer equipments		Office equipments		Furniture and fixture		Vehicles		Total	
		unrestricted	restricted	unrestricted	restricted	unrestricted	restricted	unrestricted	restricted	unrestricted	restricted
As at 01 July 2016											
Cost		3,026,185	832,278	1,679,368	99,567	995,750	32,700	1,712,351	-	7,413,654	964,545
Accumulated depreciation		(2,809,246)	(344,943)	(1,548,603)	(1,660)	(876,342)	(5,551)	(1,527,262)	-	(6,761,453)	(352,154)
Net book value		216,939	487,335	130,765	97,907	119,408	27,149	185,089	-	652,201	612,391
Additions during the year		21,300	250,460	43,500	-	5,200	-	1,235,600	-	1,305,600	250,460
Transfers during the year	5.1										
Cost		18,400	(18,400)	99,567	(99,567)	-	-	-	-	117,967	(117,967)
Depreciation		(2,556)	2,556	(8,298)	8,298	-	-	-	-	(10,854)	10,854
		15,844	(15,844)	91,269	(91,269)	-	-	-	-	107,113	(107,113)
Deletions during the year											
Cost		(539,189)	-	(520,644)	-	(29,150)	-	-	-	(1,088,983)	-
Depreciation		539,167	-	519,416	-	29,135	-	-	-	1,087,718	-
Depreciation charge for the year		(187,231)	(316,134)	(80,340)	(6,638)	(38,603)	(3,272)	(237,543)	-	(543,717)	(326,044)
Closing net book value		66,830	405,817	183,966	-	85,990	23,877	1,183,146	-	1,519,932	429,694
As at 30 June 2017											
Cost		2,526,696	1,064,338	1,301,791	-	971,800	32,700	2,947,951	-	7,748,238	1,097,038
Accumulated depreciation		(2,459,866)	(658,521)	(1,117,825)	-	(885,810)	(8,823)	(1,764,805)	-	(6,228,306)	(667,344)
Net book value		66,830	405,817	183,966	-	85,990	23,877	1,183,146	-	1,519,932	429,694
Depreciation rates (% per annum)		33.33%		20%		15%	10%	20%			

5.1 These represent assets transferred to the organisation from various projects completed during the year.

6 Loans, advances & other receivable

	2018 Unrestricted	2018 Restricted	2018 Total	2017 Unrestricted	2017 Restricted	2017 Total
	------ Rupees ------			------ Rupees ------		
Staff Loans	-	59,000	59,000	-	169,000	169,000
Advances to staff - considered good						
- for expenses	-	59,000	59,000	204,090	33,470	237,560
- against salary	-	-	-	1,565	260	1,825
	-	59,000	59,000	205,655	33,730	239,385
Prepayments	655,960	-	655,960	318,226	-	318,226
Other receivables	6,773	-	6,773	41,604	454,027	495,631
	662,733	118,000	780,733	565,485	656,757	1,222,242

7 Short-term investments - unrestricted

	2018	2017
	------ Rupees ------	
NAFA Income Opportunity Fund - 480,488 units @ 11.14 (2017: 585,326 @ 10.4)	5,352,965	6,084,745
Accumulated unrealized gain on remeasurement of investments classfied as availabale for sale	283,136	176,141
	5,636,101	6,260,886

8 Cash & bank balances

	Note	2018 Unrestricted	2018 Restricted	2018 Total	2017 Unrestricted	2017 Restricted	2017 Total
		------ Rupees ------			------ Rupees ------		
Cash in banks - current accounts		19,500	-	19,500	19,500	-	19,500
Cash in banks - PLS saving accounts	8.1	28,327,343	27,114,642	55,441,985	20,509,060	30,495,648	51,004,708
Cash In hand		340,050	-	340,050	296,212	-	296,212
		28,686,893	27,114,642	55,801,535	20,824,772	30,495,648	51,320,420

8.1 Represents balance of PLS saving account with a commercial bank, carrying interest rate at the rate of 3.75% to 4.5% (2017: 4.00% to 4.5%) per annum.

9 Restricted Fund Balances

Project Name	Balance as at July 1, 2017	Funds received/ (paid)	Other Income Note 14	Funds utilized	Balance as at June 30, 2018
	------	------	Rupees	------	------
Aga Khan University Research Project	-	539,280	-	548,964	(9,684)
Provincial Institute for Teacher Education	-	746,000	-	746,000	-
Public Health Institute - Youth Champion Initiative	-	632,185	1,568	514,197	119,557
Right Here Right Now - I	-	571,875	-	571,875	-
Right Here Right Now - II	-	198,438	-	198,438	-
World Population Foundation	(226,681)	-	1,032	34	(225,684)
PLAN International	(127,494)	3,840,357	-	3,712,863	-
Amplify Change	735,619	7,385,032	1,084,670	5,455,561	3,749,760
Patient Welfare	1,177,629	-	40,456	15,099	1,202,986
Novib Development Project	1,022,865	-	79,397	95,602	1,006,660
Packard Foundation	10,049,267	-	155,505	10,204,772	-
Pathfinder	-	2,265,273	-	2,165,646	99,627
Saaf	(3,934,680)	3,120,488	-	(814,192)	-
Sukh	6,343,835	19,112,231	139,404	21,729,099	3,866,371
International Women Health Coalition July 2017 to 15 May 201	6,958,242	2,303,700	249,291	9,511,233	-
International Women Health Coalition 16 May 18 to 30 June 2C	-	20,595,115	107,932	3,570,448	17,132,599
	21,998,602	61,309,974	1,859,255	58,225,639	26,942,192

Restricted Fund Balances

Project Name	Balance as at July 1, 2016	Funds received/ (paid)	Other Income Note 14	Funds Utilized	Balance as at June 30, 2017
	------	------	Rupees	------	------
Aman (Sukh) Project	889,639	20,938,334	78,871	15,563,009	6,343,835
Netherlands Organization for International Development	918,777	-	115,654	11,565	1,022,865
United Nations Fund for Population Activities - III	-	274,900	-	274,900	-
Patient Welfare	1,138,561	-	39,068	-	1,177,629
World Population Foundation	(227,665)	-	1,093	109	(226,681)
Public Health Initiative - Neelam	326,145	609,000	-	935,145	-
Public Health Initiative - Neha	1,153,823	-	-	1,153,823	-
Amplify Change	2,393,436	-	-	1,657,817	735,619
Saaf	2,125,695	-	(68,178)	5,992,198	(3,934,680)
Plan	(2,548,738)	5,703,693	-	3,282,449	(127,494)
International Women Health Coalition	4,336,353	10,328,708	244,140	7,950,959	6,958,242
Packard Foundation	25,448,102	-	791,355	16,190,190	10,049,267
International Centre for Research on Women	-	1,179,936	-	1,179,936	-
Pathfinder	-	252,800	-	252,800	-
RIZ Consultancy	-	616,080	-	616,080	-
	35,954,128	39,903,451	1,202,003	55,060,980	21,998,602

9.1 Movement in restricted funds

	Note	2018	2017
		------ Rupees ------	
Total utilization		58,225,639	55,060,980
Net capital expenditure	5	(697,752)	(250,460)
Gross restricted funds utilized		57,527,887	54,810,520
Other income shown separately	13	(1,859,255)	(1,202,003)
Net restricted funds utilized for expenses reflected in the income and expenditure account		55,668,632	53,608,517

10 Deferred capital grants

Opening balance		429,694	612,391
Add: net capital expenditure during the year	5	697,752	250,460
Less: deferred capital grants released (net)		(356,047)	(317,362)
Less: deferred capital grant on assets transferred to Aahung		(77,322)	(115,795)
Closing balance		694,077	429,694

11 Deferred Liability-gratuity

	2018	2017
	Un-Restricted	
	----------- Rupees -----------	
		Restated
Opening balance	8,463,906	7,488,777
Provision during the year	2,133,536	2,111,943
Charged to other comprehensive income	(203,876)	(151,275)
	10,393,566	9,449,445
Less: payments to employees	(2,512,074)	(985,539)
Closing balance	7,881,492	8,463,906

1.1 The Organization operates an unfunded gratuity scheme which covers all employees with a minimum qualifying service period of six months. During the current year, Management has appointed an actuary for valuation of its defined benefit obligations in accordance with the requirements of IAS 19 "Employee benefits". The transitional libalility due to adoption of the standard is as follows:

	30 June 2016
Present value of defined benefit obligation already recognized as at 30 June 2016	4,502,041
Additional liability recognized	2,986,736
Present value of defined benefit obligation as at 30 June 2016	7,488,777

11.2 Staff retirement benefits

11.2.1 Charge for the year in respect of defined contribution plan amounted to Rs. 2,133,536 ((2017: Rs. 2,111,943 (restated)).

11.2.2 During the year, actuarial valuations of the defined benefit obligations were carried out under the Projected Unit Credit Method using following significant assumptions:

	2018	2017
Withdrawal rates	Moderate	Moderate
Mortality rates	SLIC 2001-2005	SLIC 2001-2005
Valuation discount rate (p.a.)	9.00% p.a	7.75% p.a
Valuation discount rate for PnL (p.a.)	7.75% p.a	7.25% p.a
Salary increase rate (p.a.)	9.00% p.a	7.75% p.a
Duration (Years)	9.95 years	9.92 years.
Next year salary increase date	01 July 2018	01 July 2017

	2018	2017
	Un-Restricted	
	----------- Rupees -----------	
11.2.3 Payable to defined benefit plan	7,881,492	8,463,906
Fair value of any plan assets	-	-
	7,881,492	8,463,906

11.2.4 Change in present value of defined benefit obligation

	2018	2017
	Un-Restricted	
	----------- Rupees -----------	
		Restated
Opening net liability	8,463,906	7,488,777
Current service cost	1,574,926	1,604,732
Net interest	558,610	507,211
Actuarial remeasurement at the begining of the year	-	-
Actuarial remeasurement during the year	(203,876)	(151,275)
Benefits paid	(2,512,074)	(985,539)
Closing net liability	7,881,492	8,463,906

11.2.4.1 Amount recognised in the statement of comprehensive income

	2018	2017
	Un-Restricted	
	----------- Rupees -----------	
		Restated
Actuarial remeasurement during the year	203,876	151,275

11.2.4.2 Amount recognised in the income and expenditure account

	2018	2017
	Un-Restricted	
	---------- Rupees ----------	
		Restated
Current service cost	1,574,926	1,604,732
Net interest	558,610	507,211
	2,133,536	2,111,943

12 Accrued and other liabilities

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Rupees			Rupees	
Staff medical	99,478	-	99,478	247,188	-	247,188
Staff annual leaves	10,652	-	10,652	-	-	-
Audit fee	33,800	156,200	190,000	-	176,000	176,000
Accruals	22,641	2,142,676	2,165,317	-	2,745,582	2,745,582
Withholding tax payable	-	45,571	45,571	3,373	-	3,373
Suppliers & contractors	-	1,583	1,583	-	-	-
Other payable	21,892	2,485	24,377	178,388	1,800	180,188
	188,463	2,348,515	2,536,978	428,949	2,923,382	3,352,331

13 Other Income

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Rupees			Rupees	
Profit on saving bank accounts	931,780	773,016	1,704,796	991,523	1,270,181	2,261,703
Exchange gain	56,074	1,086,237	1,142,311	68,178	(68,178)	-
Management fee	3,170,596	-	3,170,596	2,103,911	-	2,103,911
Consultancy fee	4,362,746	-	4,362,746	2,152,603	-	2,152,603
Donation	186,669	-	186,669	125,000	-	125,000
Profit on sale / transfer of fixed assets	1,248,000	-	1,248,000	154,386	-	154,386
Board membership fee	5,500	-	5,500	4,500	-	4,500
Gain on sale of investments	96,780	-	96,780	65,323	-	65,323
Dividend income	-	-	-	138,451	-	138,451
Other income	-	-	-	380,345	-	380,345
	10,058,145	1,859,253	11,917,398	6,184,220	1,202,003	7,386,223

14 Operating Expenses

	Note	2018			2017		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
			Rupees			Rupees	
						Restated	
Salaries & benefits		7,744,321	3,557,049	11,301,370	4,525,268	2,373,177	6,898,445
Support and administration	14.1	2,161,559	3,168,676	5,330,235	2,309,109	2,885,718	5,194,827
		9,905,880	6,725,725	16,631,605	6,834,377	5,258,895	12,093,272

14.1 Support and administration

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Rupees			Rupees	
Audit fee	33,800	156,200	190,000	-	176,000	176,000
Depreciation	524,825	356,047	880,872	547,312	326,044	873,356
Support & operational expenses	1,602,934	2,656,429	4,259,363	1,761,797	2,383,674	4,145,471
	2,161,559	3,168,676	5,330,235	2,309,109	2,885,718	5,194,827

15 PROGRAM AND PROJECT EXPENSES

	Note	2018			2017		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
			Rupees			Rupees	
Program and project staff salaries	15.1	-	17,573,336	17,573,336	-	15,580,533	15,580,533
Material developmnent		-	4,136,634	4,136,634	-	3,708,280	3,708,280
Workshops, trainings, forums & meetings		-	16,991,571	16,991,571	-	20,410,561	20,410,561
Monitoring, evaluation, survey & research		-	3,224,543	3,224,543	-	4,729,197	4,729,197
Advocacy & communication		-	4,956,558	4,956,558	-	3,404,448	3,404,448
Training & development		-	1,496,926	1,496,926	-	133,973	133,973
Consultancy & management fee		-	2,764,704	2,764,704	-	1,901,995	1,901,995
Other expenses		-	13,934	13,934	-	-	-
		-	51,158,206	51,158,206	-	49,868,987	49,868,987

15.1 Salaries and benefits include Rs. 2,133,536 (2017: Rs. 2,111,943) in respect of staff year end benefits.

16 Interfund Balances

	2018		2017	
Receivable from Projects:	Receivable from Projects	Payable to projects	Receivable from Projects	Payable to projects
Packard Foundation	**298,247**	-	2,216,763	-
Novib	-	-	128,520	-
International Women Health Coalition - I	-	-	736,016	-
International Women Health Coalition - II	**1,735,673**	-	-	-
Aahung consultancy project	-	**71,016**	-	803,048
Provincial Institue of Teachers Education	**55,120**	-	-	-
Patient Welfare	**7,934**	-	-	-
World Population Foundation	**251,383**	-	261,383	-
Pathfinder	-	**310,327**	-	-
Aman (Sukh)	**446,338**		717,774	-
Public Health Institute	-	**119,557**	-	-
SAAF	**43,520**	-	2,845,519	-
PLAN International	-	-	127,494	-
Amplify Change	-	**4,395,380**	-	-
	2,838,215	**4,896,279**	7,033,469	803,048

	2018		2017	
Receivable from Aahung:	Receivable from Aahung	Payable to Aahung	Receivable from Aahung	Payable to Aahung
Aahung Consultancy Project	**4,896,279**	**2,838,215**	803,048	4,187,950
Packard Foundation	-	**112,435**	53,500	194,389
Patient Welfare	-	-	-	20,000
SAAF	-	**43,520**	-	2,939,039
AMAN	-	-	20,000	-
Provincial Institute for Teacher Education	-	**55,120**	-	-
SUKH	-	-		3,500
Public Health Institute	-	-	3,909	-
International Women Health Coalition - I	**167,555**	-	190,480	-
Amplify Change	**43,520**	-	43,520	-
	5,107,354	**3,049,290**	1,114,457	7,344,878

17 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Board Members and key management personnel. The Organisation continues to have a policy whereby all transactions with related parties of the Organization are entered into at negotiated terms and conditions. Remuneration of key management personnel is in accordance with their terms of employment and the Organisation's policy.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Organisation. The Organisation considers its departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:

	2018	2017
	---------- Rupees ----------	
Fees contributed by board members	**5,500**	4,500
Remuneration to key management personnel	**14,778,810**	14,762,649

18 FINANCIAL INSTRUMENTS

The Organization has exposure to the following risks from its investments in financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The board has overall responsibility for the establishment and oversight of Organization's risk management framework. The board is also responsible for developing and monitoring the Organization's risk management policies.

18.1 Credit risk

Credit risk represents the financial loss that would be recognised at the balance sheet date if counterparties fail completely to perform as contracted / fail to discharge an obligation / commitment that it has entered into with the Organization. It arises principally from loan, investments, bank balances, security deposits and other receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

0	2018	2017
	----------- Rupees	------------
Security deposits	**365,100**	365,100
Short term investments	**5,636,101**	6,260,886
Other receivables	**6,773**	495,631
Bank balances	**55,801,535**	51,320,420
	61,809,509	58,442,037

Security deposit
The Organization has deposited various amounts as securities against provision for different services.Management does not expect to incur material losses on such deposits and consider such amounts as receivable upon termination of service contracts from respective suppliers.

Other receivables:
These comprise of loan to staff and interest receivables and management does not expect to incur material losses against those balances.

Investments:
Investments represent units of open ended mutual fund. Credit rating of the mutual fund in which the Organisation has invested its funds is as follows:

Name of mutual fund	Rating Agency	Rating 2018	Rating 2017
NAFA Income Opportunity Fund	PACRA	**A(f)**	AM2++

Management does not anticipate to incur financial loss owing to credit risk on the aforementioned investment.

Concentration of credit risk
Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Organization believes that it is not exposed to major concentration of credit risk.

Settlement risk
All investing transactions are settled / paid for upon delivery as per the advice of management of the Organization. The Organization's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits. At present no settlement risk exists.

Bank balances
The Organization keeps its surplus funds with a bank having the following credit ratings:-

Banks	Rating 2018		Rating 2017	
	Short term	**Long term**	**Short term**	**Long term**
Soneri Bank Limited	**A1+**	**AA-**	A1+	AA-

18.2 Liquidity risk:

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligation arising from financial liabilities that are settled by delivering cash or another financial asset or that such obligation will have to be settled in a manner disadvantageous to the Organization. The Organization'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 Organization's reputation. Liabilities of the Organization are for short durations and arise from its normal business activites. Management does not anticipate liquidity risk arising on account of settling its obligations.

Following are the contractual maturities of non-interest bearing financial liabilities:

	2018			
	Carrying amount	Contractual cash flows	Six months or less	Upto one year
	---- Rupees ----			
Non-derivative financial liabilities				
Accrued and other liabilities	**2,536,978**	**(2,536,978)**	-	-

	2017			
	Carrying amount	Contractual cash flows	Six months or less	Upto one year
	---- Rupees ----			
Non-derivative financial liabilities				
Accrued and other liabilities	3,352,331	(3,352,331)		-

18.3 Market Risk:

Market risk is the risk that changes in market elements, such as foreign exchange rates, interest rates and equity prices will effect the Organization's income or the value of its holdings of financial instruments. The management monitors the portfolio of its investment and adjust the portfolio in light of changing circumstances.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Organization at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of *a financial instrument will fluctuate because* of change in market interest rates.

The Organization does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect income and expenditure account.

Further the Organization has no floating rate financial assets and financial liabilities that exposes the Organization's cash flow to interest rate risk.

18.4 Other price risk:

Other price risk arises from the Organization's investment in units of mutual funds. A 5% increase / (decrease) in redemption prices and quoted prices at year end would have increased / (decreased) the Organization's fund balances for the year and the value of investments as follows:

	2018 Rupees	2017 Rupees
Effect on surplus for the year	**281,805**	313,044
Effect on investments	**281,805**	313,044

The sensitivity analysis prepared is not necessarily indicative of the effects on income and expenditure and assets of the Organization.

18.5 Fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of financial assets and liabilities reflected in the financial statements approximate their fair values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities considered not significantly different from their book value

Fair value hierarchy

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

	2018		
		Fair Value	
	Level 1	Level 2	Level 3
		(Rupees)	
Financial assets measured at fair value			
Short term investments	**5,636,101**	-	-

There were no transfers amongst levels during the year.

	2017		
		Fair Value	
	Level 1	Level 2	Level 3
		(Rupees)	
Financial assets measured at fair value			
Short term investments	5,542,132	-	-

There were no transfers amongst levels during the year.

None of the financial assets and financial liabilities are offset in the balance sheet.

19 CONTINGENCIES AND COMMITEMENTS

There were no contingencies and commitments as at June 30, 2018

20 GENERAL

20.1 The number of employees of the Organisation as at 30 June 2018 were 25 (2017: 36).

20.2 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.

21 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Members on ______________.

BOARD MEMBER

BOARD MEMBER