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AAHUNG

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
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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 statement of financial position as at **30 June 2019**, 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 2019** 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.

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: 19 December 2019

Place: Karachi

Audit Engagement Partner: Omer Chughtai

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AC/RZ/236/19
13 December 2019

The Board Members
Aahung (the "Organization")

Dear Sirs / Madams

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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	307,700
- investments made during the year	1,774,940
- proceeds from sale of investment in mutual fund	458,845
- transfers of property, plant and equipment - carrying value	422,183
- provision for gratuity	2,107,721
- allocation of staff cost incurred on various projects	14,711,204

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

1. 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.

2. 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) **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.

b) **Registration with Economic Affairs Division for foreign donations**

We noted that the Organization is still in the process of obtaining registration with the Economic Affairs Division of the Government of Pakistan for receiving foreign economic assistance which includes donations. The case is under process and management is confident that the registration will be approved in due time.

3. 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.

4. 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:RZ:MA.

AAHUNG
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 Unrestricted	2019 Restricted	2019 Total	2018 Unrestricted	2018 Restricted	2018 Total
		---- Rupees ----			---- Rupees ----		
Assets							
Non-current assets							
Operating fixed assets	5	1,811,466	417,312	2,228,778	2,114,071	694,077	2,808,148
Security deposits		375,100	-	375,100	365,100	-	365,100
		2,186,566	417,312	2,603,878	2,479,171	694,077	3,173,248
Current assets							
Loans, advances & other receivables	6	2,757,786	176,802	2,934,588	662,733	118,000	780,733
Short-term investments	7	6,358,942	-	6,358,942	5,636,101	-	5,636,101
Interfund balances	16	483,025	17,458,819	17,941,844	2,838,215	5,107,355	7,945,570
Cash and bank balances	8	39,312,354	7,755,138	47,067,492	28,686,893	27,114,642	55,801,535
Total current assets		48,912,107	25,390,759	74,302,866	37,823,942	32,339,997	70,163,939
Current liabilities							
Interfund balances	16	17,099,583	842,261	17,941,844	4,896,279	3,049,290	7,945,569
Accrued and other liabilities	12	162,720	403,482	566,202	188,463	2,348,515	2,536,978
Deferred capital grants	10	-	417,312	417,312	-	694,077	694,077
Deferred liability - gratuity	11	9,107,470	-	9,107,470	7,881,492	-	7,881,492
		9,107,470	417,312	9,524,782	7,881,492	694,077	8,575,569
Net assets		24,728,900	24,145,016	48,873,916	27,336,880	26,942,192	54,279,072
Represented by:							
Restricted fund balances	9	-	24,145,016	24,145,016	-	26,942,192	26,942,192
Accumulated unrestricted surplus		24,728,900	-	24,728,900	27,053,741	-	27,053,741
Unrealized gain on short term investment		-	-	-	283,139	-	283,139
		24,728,900	24,145,016	48,873,916	27,336,880	26,942,192	54,279,072
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 30 JUNE 2019

	Note	2019 Unrestricted	2019 Restricted	2019 Total	2018 Unrestricted	2018 Restricted	2018 Total
		---------- Rupees ----------			---------- Rupees ----------		
Income							
Restricted funds utilized	9.1	-	36,107,152	36,107,152	-	55,668,632	55,668,632
Deferred capital grants released	10	-	153,281	153,281	-	356,047	356,047
Other income	13	7,044,699	5,024,920	12,069,619	10,058,145	1,859,253	11,917,398
Total income		7,044,699	41,285,353	48,330,052	10,058,145	57,883,931	67,942,077
Expenses							
Operating expenses	14	10,075,577	9,350,418	19,425,995	9,905,880	6,339,373	16,245,253
Program and project expenses	15	-	31,934,935	31,934,935	-	51,544,558	51,544,558
Total expenses		10,075,577	41,285,353	51,360,930	9,905,880	57,883,932	67,789,811
(Deficit) / surplus for the year		(3,030,878)	-	(3,030,878)	152,265	-	152,265

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 30 JUNE 2019

	2019	2018
(Deficit) / surplus for the year	**(3,030,878)**	152,265
Items that may be reclassified subsequently to income and expenditure account in subsequent periods		
Unrealised gain on short term investment classified as available for sale	-	106,998
Items that will not be reclassified subsequently to income and expenditure account in subsequent periods		
Remeasurement gain pertaining to deferred liability gratuity	**422,898**	203,876
	422,898	310,874
Total comprehensive (loss) / income for the year	**(2,607,980)**	463,139

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, 2019

	Unrestricted funds				
	Accumulated unrestricted surplus	Unrealised gain on short term investments	Sub total	Restricted fund balance	Total
	Rupees				
Balance as at 30 June 2017 (Restated)	26,697,600	176,141	26,873,741	21,998,602	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	-	-	-	(56,366,384)	(56,366,384)
	-	-	-	4,943,590	4,943,590
Balance as at 30 June 2018	27,053,741	283,139	27,336,880	26,942,192	54,279,073
Balance as at 01 July 2018	**27,053,741**	**283,139**	**27,336,880**	**26,942,192**	**54,279,073**
Effect due to adoption of IFRS 9 - Net (note 4.1)	**283,139**	**(283,139)**	-	-	-
Restated opening balance under IFRS 9	**27,336,880**	-	**27,336,880**	**26,942,192**	**54,279,073**
Total comprehensive income					
- surplus of income over expenditure of the year	**(2,607,980)**	-	**(2,607,980)**	-	**(2,607,980)**
Change in restricted funds					
Restricted funds received	-	-	-	**33,608,677**	**33,608,677**
Restricted funds utilised	-	-	-	**(36,405,852)**	**(36,405,852)**
	-	-	-	**(2,797,175)**	**(2,797,175)**
Balance as at 30 June 2019	**24,728,900**	-	**24,728,900**	**24,145,016**	**48,873,917**

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, 2019

	2019	2018
	----------- Rupees -----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) / surplus for the year	**(3,030,878)**	152,265
Adjustments for:		
- depreciation	**887,070**	880,872
- unrealised loss on revaluation of investments	**466,567**	-
- provision for gratuity	**2,107,721**	2,133,536
- gain on sale of investments	**-**	(96,780)
	3,461,358	2,917,628
(Increase) / decrease in current assets		
-loans, advances & other receivables	**(2,153,855)**	441,509
-security deposits	**(10,000)**	-
Decrease in current liabilities		
- accrued and other liabilities	**(1,970,776)**	(815,353)
Deferred capital grants - net	**(276,765)**	264,383
Restricted funds - net	**(2,797,175)**	4,943,589
	(3,073,940)	5,207,972
Cash (used in) / generated from operations	**(6,778,091)**	7,904,021
Gratuity paid	**(458,845)**	(2,512,074)
Net cash generated from/(used in) operating activities	**(7,236,936)**	5,391,947
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	**(307,700)**	(1,751,552)
Investment in short term investments - net	**(1,189,407)**	840,720
Net cash used in investing activities	**(1,497,107)**	(910,832)
Net (decrease) / increase in cash and cash equivalents	**(8,734,043)**	4,481,115
Cash and cash equivalents at beginning of the year	**55,801,535**	51,320,420
Cash and cash equivalents at end of the year	**47,067,492**	55,801,535

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, 2019

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, 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.

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 accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Organization has adopted the following amendments to IFRSs which became effective for the current year and those disclosed below:

IAS 7 Statement of Cash Flows - Disclosure initiative - (Amendments)
IFRS 9 - Financial Instruments
IFRS 15 - Revenue from contracts with customers
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any effect on the financial statements other than IFRS 9 as described below:

IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting. The Organization has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP).

Upon adoption of IFRS 9, the Organization has not restated comparative information as allowed by IFRS 9 and impact from the adoption of IFRS 9 have been recognised directly in retained earnings as of 01 July 2018.

(a) Changes to Classification and measurement of financial assets

The IAS 39 measurement categories of financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity and amortised cost) have been replaced by:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition.
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition.
- Financial assets Fair value through profit and loss.

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria: the Organization's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Organization's business models was made as of the date of initial application, 01 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 01 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. As a result of the above assessment, the management has concluded as under.

i) All the investment in mutual funds managed by it are now classified at 'Fair Value through Profit and Loss' as such investments are managed on a fair value basis and are held for trading purposes. Further return on Mutual funds is not considered as solely payments of principal and interest.

As a result of the above change in measurement basis, the opening balance of equity as at 01 July 2018 was restated, resulting in a decrease in surplus on revaluation of investment at fair value through other comprehensive income amounting to Rs. 263,139 with a corresponding change in unappropriated profit. Had IFRS 9 not been adopted, loss for the period would have been lower by Rs. 466,567 and other comprehensive income lower by same amount.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Organization's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL).

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Organization expects to receive. The financial assets subject to ECL in the case of the Organization are:

i) Interest receivables on PLS accounts
ii) Bank balances

Considering the nature of the financial assets, the adoption of the ECL approach under IFRS 9 resulted in an immaterial impact on the Organization's financial assets.

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 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 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.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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 of non-financial assets

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.

4.6 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.

4.9 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.

4.11 Cash and cash equivalents

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

4.12 Financial instruments - Policy applicable from 01 July 2018

In the current year, the Organization has adopted IFRS 9 Financial Instruments. See section 4.1 for an explanation of the impact. Comparative figures for the year ended 30 June 2018 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments Recognition and Measurement.

Initial recognition and measurement

Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and advances to employees are recognised when funds are transferred to the banks /employees.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

Classification

In accordance with IFRS 9, the Organization classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

Financial assets

The Organization classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:
- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Organization includes in this category only security deposits.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:
(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding, or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets measured at fair value through other comprehensive income

The Organization applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

The Organization does not have any assets classified under this category.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Organization does not have any liabilities classified under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Organization has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Organization has;

(a) Transferred substantially all of the risks and rewards of the asset; or
(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Organization has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Organization's continuing involvement in the asset. In that case, the Organization also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Organization has retained. The Organization derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Organization expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. However, in certain cases, the Organization may also consider a financial asset to be in default when internal or external information indicates that the Organization is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Organization.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Organization may also consider a financial asset to be in default when internal or external information indicates that the Organization is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Organization.

At each reporting date, the Organization assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

The Organization uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Organization has established a provision matrix that is based on the Organization's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

4.13 Financial instruments - Policy effective before 01 July 2018

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.

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 at the reporting date.

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.

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 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
Additions during the year		9,000	94,700	-	-	-	204,000	-	-	9,000	298,700
Transfers during the year	5.1										
Cost		1,325,335	(1,325,335)	-	-	32,700	(32,700)	-	-	1,358,035	(1,358,035)
Depreciation		(923,043)	923,043	-	-	(12,808)	12,808	-	-	(935,851)	935,851
		402,292	(402,292)	-	-	19,892	(19,892)	-	-	422,184	(422,184)
Deletions during the year										-	-
Cost		-	-	-	-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year		(210,205)	(147,365)	(55,617)	-	(38,547)	(5,916)	(429,420)	-	(733,789)	(153,281)
Closing net book value		269,294	218,412	127,645	-	127,277	198,900	1,287,250	-	1,811,466	417,312
As at 30 June 2019										-	-
Cost		4,061,181	305,400	1,367,093	-	1,107,300	204,000	2,281,500	-	8,817,074	509,400
Accumulated depreciation		(3,791,887)	(86,988)	(1,239,448)	-	(980,023)	(5,100)	(994,250)	-	(7,005,608)	(92,088)
Net book value		269,294	218,412	127,645	-	127,277	198,900	1,287,250	-	1,811,466	417,312
Depreciation rates (% per annum)		33.33%		20%		15%		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 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%			

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

6 **Loans, advances & other receivable**

	2019 Unrestricted	2019 Restricted	2019 Total	2018 Unrestricted	2018 Restricted	2018 Total
	Rupees			Rupees		
Staff loans	-	-	-	-	59,000	59,000
Advances to staff for expenses	120	25,000	25,120	-	59,000	59,000
Prepayments	368,880	-	368,880	655,960	-	655,960
Advance withholding tax	1,096,981	-	1,096,981	-	-	-
Advance to suppliers	975,000	-	975,000	-	-	-
Other receivables	316,805	151,802	468,607	6,773	-	6,773
	2,757,786	176,802	2,934,588	662,733	118,000	780,733

7 **Short-term investments - unrestricted**

	Note	2019	2018
		Rupees	
AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)			
NAFA Income Opportunity Fund		6,542,373	-
Accumulated unrealized loss		(183,431)	-
	7.1	6,358,942	-
AVAILABLE FOR SALE			
NAFA Income Opportunity Fund		-	5,352,965
Accumulated unrealized gain		-	283,136
	7.1	-	5,636,101

7.1 **Short-term investments**

	As at 1 July	Purchases / Dividend / Refund re-investment	Redemptions	As at 30 June	Carrying value	Market / fair value
	(Number of units)				Rupees	
NAFA Income Opportunity Fund						
30 June 2019	480,488	170,501	(68,374)	582,615	6,542,373	6,358,942
30 June 2018	585,326	144,689	(249,527)	480,488	5,352,965	283,136

8 **Cash & bank balances**

	Note	2019 Unrestricted	2019 Restricted	2019 Total	2018 Unrestricted	2018 Restricted	2018 Total
		Rupees			Rupees		
Cash in banks - current accounts		19,500	-	19,500	19,500	-	19,500
Cash in banks - PLS saving accounts	8.1	38,844,402	7,755,138	46,599,540	28,327,343	27,114,642	55,441,985
Cash in hand		448,452	-	448,452	340,050	-	340,050
		39,312,354	7,755,138	47,067,492	28,686,893	27,114,642	55,801,535

8.1 This represents cash at banks in local currency kept in PLS saving accounts. Profit rates on the same ranges between 8.5% and 12.5% (2018: 3.75% and 4.5%) per annum.

9 **Restricted Fund Balances**

Project Name	Balance as at July 1, 2018	Funds received/ (paid)	Other Income Note 13	Funds utilized	Balance as at June 30, 2019
	Rupees				
Aga Khan University Research Project	(9,684)	539,280	-	529,596	-
Provincial Institute for Teacher Education	-	-	-	-	-
Public Health Institute - Youth Champion Initiative	119,557	632,185	114,192	865,934	-
Right Here Right Now - II	-	877,408	-	877,408	-
Right Here Right Now - III	-	1,750,899	-	1,018,514	732,385
World Population Foundation	(225,684)	225,684	-	-	-
Amplify Change - 1	3,749,760	-	-	3,749,760	-
Amplify Change - LSE	-	6,241,140	860,630	818,777	6,282,993
Amplify Change - SRHM	-	6,103,698	1,002,251	372,476	6,733,473
Patient Welfare	1,202,966	-	82,583	103,909	1,181,639
Novib Development Project	1,006,660	(1,006,660)	52,115	35,000	17,115
Packard Foundation	-	9,000,000	1,731,795	4,478,700	6,253,095
Pathfinder	99,627	10,245,143	-	6,546,918	3,798,852
Sukh	3,866,371	-	264,377	4,130,748	-
International Women Health Coalition July 18 to June 19	17,132,599	-	917,005	17,904,041	145,563
	26,942,192	33,608,677	5,024,920	41,430,772	24,145,015

Restricted Fund Balances

Project Name	Balance as at July 1, 2017	Funds received/ (paid)	Other Income Note 13	Funds Utilized	Balance as at June 30, 2018
	Rupees				
AKU Research Project	-	539,280	-	548,964	(9,684)
PITE	-	746,000	-	746,000	-
PHI - YCI	-	632,185	1,568	514,197	119,556
RHRN - I *	-	571,675	-	571,675	-
RHRN - II	-	198,438	-	198,438	-
WPF	(226,681)	-	1,032	34	(225,684)
PLAN	(127,494)	3,840,357	-	3,712,863	-
Amplify Change - 1	735,619	7,365,032	1,064,670	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	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 2018	6,959,242	2,303,700	248,291	9,511,233	-
International Women Health Coalition 16 May 2018 to 30 June 2018	-	20,595,115	107,932	3,570,448	17,132,599
	21,959,602	61,309,974	1,859,255	58,225,639	26,942,191

		Note	2019	2018
			---------- Rupees ----------	
9.1	**Movement in restricted funds**			
	Total utilization		41,430,773	58,225,639
	Net capital expenditure	5	(298,700)	(697,752)
	Gross restricted funds utilized		41,132,073	57,527,887
	Other income shown separately	15	(5,024,920)	(1,859,255)
	Net restricted funds utilized for expenses reflected in the income and expenditure account		36,107,153	55,668,632
10	**Deferred capital grants**			
	Opening balance		694,077	429,694
	Add: net capital expenditure during the year	5	298,700	697,752
	Less: deferred capital grants released (net)	5	(153,281)	(356,047)
	Less: deferred capital grant on assets transferred to Aahung	5	(422,184)	(77,322)
	Closing balance		417,312	694,077
11	**Deferred Liability - gratuity**			
	Opening balance		7,881,492	8,463,906
	Provision during the year		2,107,721	2,133,536
	Charged to other comprehensive income		(422,898)	(203,876)
			9,566,315	10,393,566
	Less: payments to employees		(458,845)	(2,512,074)
	Closing balance		9,107,470	7,881,492

11.1 The Organization operates an unfunded gratuity scheme which covers all employees with a minimum qualifying service period of six months.

11.2 **Staff retirement benefits**

11.2.1 Charge for the year in respect of defined contribution plan amounted to Rs. 2,107,721 (2018: Rs. 2,133,536).

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:

	2019	2018
Withdrawal rates	Moderate	Moderate
Mortality rates	SLIC 2001-2005	SLIC 2001-2005
Valuation discount rate (p.a.)	14.25% p.a	9.00% p.a
Valuation discount rate for PnL (p.a.)	9% p.a	7.75% p.a
Salary increase rate (p.a.)	14.25% p.a	9.00% p.a
Duration (Years)	7.70 years	8.56 years
Next year salary increase date	01 July 2020	01 July 2019

		2019	2018
		Un-Restricted	
		---------- Rupees ----------	
11.2.3	Payable to defined benefit plan	9,107,470	7,881,492
	Fair value of any plan assets	-	-
		9,107,470	7,881,492

11.2.4 Change in present value of defined benefit obligation

	2019	2018
	---------- Rupees ----------	
Opening net liability	7,881,492	8,463,906
Current service cost	1,419,035	1,574,526
Net interest	688,686	559,010
Actuarial remeasurement at the beginning of the year	-	-
Actuarial remeasurement during the year	(422,898)	(203,876)
Benefits paid	(458,845)	(2,512,074)
Closing net liability	9,107,470	7,881,492

11.2.4.1 Amount recognised in the statement of comprehensive income

	2019	2018
Actuarial remeasurement during the year	422,898	203,876

11.2.4.2 Amount recognised in the income and expenditure account

	2019	2018
	Rupees	
Current service cost	1,419,035	1,574,926
Net interest	688,686	558,610
	2,107,721	2,133,536

		2019			2018	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Rupees			Rupees	
12 Accrued and other liabilities						
Staff medical	78,427	-	78,427	99,478	-	99,478
Staff annual leaves	2,962	-	2,962	10,652	-	10,652
Audit fee	-	250,000	250,000	33,800	156,200	190,000
Accruals	52,633	151,082	203,715	22,641	2,142,676	2,165,317
Withholding tax payable	-	-	-	21,892	45,571	67,463
Suppliers and contractors	-	-	-	-	1,563	1,563
Other payable	28,698	2,400	31,098	-	2,465	2,465
	162,720	403,482	566,202	188,463	2,348,515	2,536,978

		2019			2018	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Rupees			Rupees	
13 Other income						
Profit on saving accounts	1,551,505	1,735,346	3,286,851	931,780	773,016	1,704,796
Exchange gain	108,402	3,289,574	3,397,976	56,074	1,086,237	1,142,311
Management fee	1,145,532	-	1,145,532	3,170,596	-	3,170,596
Consultancy fee	1,460,882	-	1,460,882	4,382,746	-	4,382,746
Donation from employees	2,109,733	-	2,109,733	166,669	-	166,669
Unrealised loss on revaluation of investments at fair value through profit or loss' - net	(466,567)	-	(466,567)	-	-	-
Profit on sale / transfer of fixed assets	422,183	-	422,183	1,248,000	-	1,248,000
Board membership fee	-	-	-	5,500	-	5,500
Gain on sale of investments	-	-	-	96,780	-	96,780
Dividend income	713,029	-	713,029	-	-	-
	7,044,699	5,024,920	12,069,619	10,058,145	1,859,253	11,917,398

			2019			2018	
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
			Rupees			Rupees	
14 Operating Expenses							
Salaries and benefits		4,938,865	8,240,374	13,179,239	7,744,321	3,170,697	10,915,018
Support and administration	14.1	3,136,712	3,110,044	6,246,756	2,161,559	3,168,676	5,330,235
		8,075,577	11,350,418	19,425,995	9,905,880	6,339,373	16,245,253

		2019			2018	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Rupees			Rupees	
14.1 Support and administration						
Audit fee	-	250,000	250,000	33,800	156,200	190,000
Depreciation	733,789	153,281	887,070	524,825	356,047	880,872
Support & operational expenses	2,402,923	2,706,763	5,109,686	1,602,934	2,656,429	4,259,363
	3,136,712	3,110,044	6,246,756	2,161,559	3,168,676	5,330,235

			2019			2018	
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
			Rupees			Rupees	
15 PROGRAM AND PROJECT EXPENSES							
Program and project staff salaries	15.1	-	14,711,204	14,711,204	-	17,781,836	17,781,836
Material development		-	1,618,359	1,618,359	-	4,136,634	4,136,634
Workshops, trainings, forums and meetings		-	7,096,221	7,096,221	-	16,991,571	16,991,571
Monitoring, evaluation, survey and research		-	1,579,059	1,579,059	-	3,224,543	3,224,543
Advocacy and communication		-	5,769,504	5,769,504	-	4,956,558	4,956,558
Training and development		-	-	-	-	1,496,926	1,496,926
Consultancy and management fee		-	1,056,688	1,056,688	-	2,942,556	2,942,556
Other expenses		-	103,900	103,900	-	13,934	13,934
		-	31,934,935	31,934,935	-	51,544,558	51,544,558

15.1 Salaries and benefits include Rs. 2,107,721 (2018: Rs. 2,133,536) in respect of staff year end benefits.

16 Interfund balances

Receivable from Projects:	2019 Receivable from Projects to Aahung	2019 Receivable from Aahung to Projects	2018 Receivable from Projects to Aahung	2018 Receivable from Aahung to Projects
Packard Foundation	108,814	-	298,247	-
Nowb	-	32,931	-	-
International Women Health Coalition - I	-	-	-	-
International Women Health Coalition - II	374,180	359,236	1,735,673	-
Aahung consultancy project	-	-	-	71,016
Provincial Institute of Teachers Education	-	-	55,120	-
Patient Welfare	-	8,315	7,604	-
World Population Foundation	31	-	251,383	-
Pathfinder	-	3,796,852	-	310,327
Aman (Sukh)	-	-	446,336	-
Public Health Institute	-	-	-	119,557
SAAF	-	-	43,520	-
PLAN International	-	-	-	-
Amplify Change	-	151,498	-	4,395,380
Amplify Change - LSE	-	5,642,229	-	-
Amplify Change - SRHM	-	6,733,373	-	-
RHRN II	-	732,385	-	-
	483,025	17,456,819	2,838,215	4,896,280

Receivable from Aahung:

	2019 Payable by Aahung to Projects	2019 Payable by Projects to Aahung	2018 Payable by Aahung to Projects	2018 Payable by Projects to Aahung
Aahung Consultancy Project	17,099,583	483,025	4,896,279	2,838,215
Packard Foundation	-	-	-	112,455
Patient Welfare	-	-	-	-
SAAF	-	-	-	43,520
AMAN	-	-	-	-
Provincial Institute for Teacher Education	-	-	-	55,120
Public Health Institute	-	-	-	-
International Women Health Coalition - II	-	359,236	167,555	-
Amplify Change	-	-	43,520	-
Amplify Change LSE	-	-	-	-
Amplify Change SRHM	-	-	-	-
RHRN II	-	-	-	-
	17,099,583	842,261	5,107,354	3,049,290

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:

	2019	2018
	------- Rupees -------	
Fees contributed by board members	-	5,500
Remuneration to key management personnel	14,778,810	14,778,810

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:

	2019	2018
	---------- Rupees ----------	
Security deposits	375,100	365,100
Short term investments	6,358,942	5,636,101
Other receivables	2,387,787	6,773
Interest receivable	217,566	6,773
Bank balances	39,312,354	55,801,535
	48,651,749	61,816,282

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 staff loans 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 2019	Rating 2018
NAFA Income Opportunity Fund	PACRA	A(f)	A(f)

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 2019 Short term	Rating 2019 Long term	Rating 2018 Short term	Rating 2018 Long term
Soneri Bank Limited	A1+	AA-	A1+	AA-
Advans Pakistan Microfinance Bank Ltd.	A-3	BBB+	A-3	BBB+

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 activities. Management does not anticipate liquidity risk arising on account of settling its obligations.

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

	2019			
	Carrying amount	Contractual cash flows	Six months or less	Upto one year
			Rupees	
Non-derivative financial liabilities				
Accrued and other liabilities	566,202	(566,202)	-	-

	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)	-	-

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:

	2019 Rupees	2018 Rupees
Effect on surplus for the year	317,947	281,805
Effect on investments	317,947	281,805

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	6,358,942	-	-

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	5,636,101	-	-

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, 2019 (2018: nil)

20 GENERAL

20.1 The number of employees of the Organisation as at 30 June 2019 were 25 (2018: 25).

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 19 DEC 2019

BOARD MEMBER

BOARD MEMBER