Pakistan Centre *for* Philanthropy

2019

CHOOSE TO BE TRUSTED

ANNUAL **REPORT** 2019

CHOOSE TO BE TRUSTED

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ACRONYM

AKDN	Aga Khan Development Network
AML	Anti Money Laundering
CFT	Counter Finance Terrorism
CPS	Corporate Philanthropy Survey
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
CSOSI	Civil Society Organisations Sustainability Index
FBR	Federal Board of Revenue
FATF	Financial Action Task Force
HEC	Higher Education Commission
KSE	Karachi Stock Exchange
NACTA	National Counter Terrorism Authority
NPO	Not for Profit Organisation
MOU	Memorandum of Understanding
PCP	Pakistan Centre for Philanthropy
PTV	Pakistan Television
SECP	Securities and Exchange Commission of Pakistan
SLIC	State Life Insurance Corporation
UNDP	United Nations Development Programme

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COMPANY PROFILE

PCP BOARD OF DIRECTORS

Mr. Zaffar A. Khan
Chairperson

Mr. Badaruddin
Fatehali Vellani
(Vice Chair)

Mr. Mueen Afzal

Dr. Attiya Inayatullah

Mr. Iqbal Walji
represents Aga Khan Foundation (Pakistan)

Mr. Syed Hyder Ali

Mr. Arif Habib
represents Arif Habib Securities Ltd

Mr. Sohail Ghulamali Khoja
represents The Aga Khan University

Dr. Arshad Ahmed
represents Lahore University of Management Sciences

Ms. Khawar Mumtaz

Mr. Ahsan M. Saleem
represents Crescent Steel And Allied Products Ltd.

Mr. Haroon Rashid
represents Shell Pakistan Ltd.

Mr. Ahmad Zuberi

Mr. Syed Farhan Bokhari

PCP BOARD COMMITTEES 2018-2021

Program Development & Research Committee

- Dr. Attiya Inayatullah (Chairperson)
- Ms. Khawar Mumtaz
- Mr. Mueen Afzal
- Dr. Arshad Ahmed
- Mr. Ahmad Zuberi

Budget, Finance and Investment Committee

- Mr. Zaffar A. Khan (Chairperson)
- Mr. Arif Habib
- Ms. Khawar Mumtaz
- Mr. Badaruddin Vellani
- Mr. Ahmad Zuberi

Audit Committee

- Mr. Iqbal Walji (Chairperson)
- Mr. Syed Farhan Bokhari
- Mr. Sohail G. Khoja
- Mr. Haroon Rashid
- Syed Hyder Ali

Certification Committee

- Mr. Syed Farhan Bokhari (Chairperson)
- Mr. Mueen Afzal
- Dr. Attiya Inayatullah
- Mr. Haroon Rashid

H.R & Governance Committee

- Mr. Zaffar A. Khan (Chairperson)
- Mr. Ahsan M. Saleem
- Mr. Iqbal Walji
- Dr. Arshad Ahmed
- Mr. Badaruddin Vellani

Resource Development & Communication Strategy Committee

- Mr. Ahsan M. Saleem (Chairperson)
- Mr. Arif Habib
- Syed Hyder Ali
- Mr. Sohail Khoja

ED, is ex-officio member of all Board Committees

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PAKISTAN CENTRE FOR PHILANTHROPY

Directors' Report
Financial Year ended 30 June 2019

DIRECTORS' REPORT FINANCIAL YEAR ENDED 30 JUNE 2019

The Board of Directors of Pakistan Centre for Philanthropy (PCP) is pleased to present its report on the Financial Year ended 30 June 2019. During the year, PCP continued its path towards the enhancement of indigenous philanthropy for social development in Pakistan. Since its inception in 2001, PCP has been successful in carving a niche role in Pakistan as an independent support organisation for civil society and the Government.

Over the years, through its Certification Programme, PCP has endeavoured to build trust and credibility in the Pakistani Civil Society Organizations (CSOs) by evaluating and certifying them. PCP's certification is considered as a "seal of good housekeeping" by institutions within the sector, as well as by government agencies, including federal regulatory bodies e.g. Federal Board of Revenue (FBR), Securities & Exchange Commission of Pakistan (SECP) and National Counter Terrorism Authority (NACTA). As the regulations for CSOs have tightened in the country in light of the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) guidelines, PCP's role has become more important and relevant not only in the building credibility but in also creating awareness about the guidelines and its compliance. With more than fifteen years of experience under its belt, PCP has met the expectations as an accreditation body which can cater to the needs to the current regulatory regime for CSOs. PCP conducted thirteen information sessions with relevant stakeholders including Social Welfare, Industries, SECP, NACTA and RTOs in thirteen cities across Pakistan. PCP has thus far certified more than 1100 organisations from all across Pakistan since its inception. The organisations evaluated by PCP during the year (2018-19) stood at 244 which includes 9 INGOs and 2 Universities.

On account of changes in the regulatory environment and to bring its certification standards in conformity with recent developments, PCP reviewed and modified its certification standards. The scoring regime which previously covered three categories of financial management, internal governance and program delivery, were upgraded to seven broad categories including legal and regulatory compliance, general public utility compliance, tax law compliance and policies. These revised certification standards were notified by Federal Board of Revenue in October last year. As a result of this modification, a section on public utility was added to the criteria which has proven very useful in assessing organisations in terms of the benefits it has to offer to general public. Moreover, PCP is also working on the development of a Certification Management System with hopes to digitize parts of the certification process, making it more efficient and user-friendly.

PCP, in collaboration with Securities and Exchange Commission of Pakistan (SECP), National Counter Terrorism Authority (NACTA) and Federal Board of Revenue (FBR) have initiated a series of awareness workshops and sessions targeting NPOs which were conducted in major cities of Pakistan. Another avenue of Certification Program is to create awareness amongst the CSOs and other stakeholders of the compliance responsibilities and requirements arising from the commitments related to anti money laundering and terrorist financing under FATF and resolutions passed by United Nations Security Council (UNSC).

In order to reinforce knowledge of the income tax officers and bring them up to date with taxation laws, a special session was held with newly inducted tax officers in Department of Taxation and Training, Lahore. Moreover, in order to make the taxation laws easily comprehendible, and to reduce the NPO dependence of tax experts, PCP has published a series of tax guides to facilitate the NPOs with taxation issues. These guidebooks have been disseminated to CSOs and Regional Tax Offices and are also available on PCP website. It is planned that these guidebooks will also be translated into Urdu in the coming year to expand its readership.

One of the biggest barrier in the Pakistani philanthropic sector is the lack of dialogue. Only through effective dialogue, exchange of ideas and intent to collaborate, can we bring a positive change in the philanthropic arena of Pakistan. Realising this need, PCP convened its first Pakistan Philanthropy Forum last year, which was a huge success. This year, the second forum was held in collaboration with Institute of Business Administration Karachi. The theme of the forum was 'Unlocking Philanthropy's Potential: The Power of Partnerships'. Three plenaries were organized this year around the topics of "innovating traditional philanthropy", "philanthropy and impact investment in Pakistan", and "good governance for an effective civil society". The forum was very well-attended by donors, social investors, social and tech entrepreneurs, multilateral agencies, policymakers, Government and business leaders, and visionaries from across the world to offer pragmatic insight and constructive responses to pressing global challenges. The event was well received by the participants, media and civil society representatives who believed that such events are necessary for an effective philanthropic sector.

PCP's Communication Unit remained active throughout the year, with the objective of improving PCP's visibility, and creating awareness about its key services. PCP's representatives appeared in different TV talk shows to discuss different aspects of philanthropy in Pakistan and the role PCP is playing for enhancement of its volume. Furthermore, PCP in collaboration with IBA Karachi, organized a media workshop, where journalists from the mainstream media were briefed about the work and role of PCP for the effectiveness and enhancement of philanthropy in Pakistan. Print media also covered some aspects of PCP work and published articles on Local Support Organizations, Impact financing, and individual giving in Pakistan.

PCP is the only organisation in Pakistan undertaking cutting edge research on philanthropy and civil society, generating national level data for all stakeholders. Through its research undertakings, PCP provides updated information on magnitude of giving in different forms and examines the patterns and motivations of philanthropic behavior that captures new dimensions of philanthropy. During FY 2018-19, PCP's Research Unit undertook and completed Corporate Philanthropy Survey, which was a result of collaboration between PCP and UNDP Pakistan. In addition to its usual content around quantum of giving by Corporates, for the very first time, PCP tried to map out corporate philanthropy/corporate social responsibility programs of Public Listed Companies (PLCs) around Sustainable Development Goals (SDGs). This survey was launched in March this year.

PCP collaborated with the Centre for Asian Philanthropy and Society (CAPS), which is an independent, action-oriented research and advisory organisation committed to improving both the quantity and the quality of private social investment in Asia. An analysis was conducted to shed light on the policies and best practices that enable the domestic chartable sectors in each of these economies to thrive. Another collaboration this year was where with fhi360, PCP completed and disseminated Civil Society Organization Sustainability Index (CSOSI) 2016/17 Report in the latter half of year 2018. The CSOSI is led by a diverse group of partners in each of the 71 countries that conduct this index and its goal was to assess the sustainability environment of the CSO sector within the country along seven dimensions: legal environment, organisational capacity, financial viability, advocacy, service provision, sectoral infrastructure, and public image.

Philanthropy Support Services was one of the weakest link of PCP for the first few years since it lacked in linking its network of certified organizations to the donors. However, in the recent past, PCP has made great efforts by making this an area of priority. PCP now builds long-term connections between donors and PCP certified organizations by fostering trust and accountability on both sides of the relationship. During FY 2018/19, we facilitated donations/ grants of over US$ 397,363 in Pakistan. With its Advised Grant Making services, PCP handles all the operational requirements of grant making while providing donors with an effective way of achieving their philanthropic goals. PCP tracks every grant from start to finish and provides a clear report on the impact donors have made with their giving. As a result of first round of call for proposals, two PCP Certified NPOs namely Association for Academic Quality (AFAQ) - working on “Women Empowerment through Skill Development Trainings in Early Childhood Education (ECE) & Diploma in Education (Primary)” in Sukkur Region, Sindh; and Courage Development Foundation (CDF) - working on “Training of Birth Attendants and Para-medics for the Provision of Access to Health Facilitators” in District Tharparker have availed the grants amounted to Rs. 5 million.

Due to the currently tight regulations around cross-border financing, PCP has partnered with Give2Asia (G2A) for better funding opportunities for our certified network under their Fiscal Sponsorship Program (FSP). The PCP certification stamp has provided our certified network with a special offer by G2A, where they are offering the registration to their FSP at a discount of 80% i.e. US $ 200. So far 08 PCP certified organizations got registered with G2A’s FSP while cases of 05 PCP certified organizations are in the process.

The wide network of our national and international partners enables us to leverage complementarities to offer broader portfolio of services and mobilize resources quickly. Our associates include academic and research entities, think tanks, corporates & private sector, INGOs and others. This year PCP went into the partnership with Global Donors Forum, Shaheed Zulfikar Ali Bhutto Institute of Science and Technology (SZABIST), and Packages Foundation. The objectives of these partnerships are to (i) promote joint research; (ii) enhance knowledge on issues surrounding philanthropy; and (iii) facilitate corporate in directing their CSR funds to the transparent, credible and high-impact CSOs/ NPOs.

The financial performance of PCP showed an improvement as compared to last year and this year a deficit of Rs. 4 million was reported as compared to Rs.14 million last year. Against the total income of Rs.74m earned during FY 2018-19, PCP spent Rs.68.6m on program activities, Rs.8.9m on its operational & administrative expenses, and Rs.0.9m on management of its Endowment Fund. Over the past few years, the endowment earnings are showing an ominously declining trend due to considerable loss in KSE index. This has put additional pressure on PCP to diversify and increase its revenue streams to ensure financial sustainability of the organization. Owing to the sharp increase in inflation and hence the NPO evaluation expenses, PCP was constrained to raise the certification fee effective from July 1st, 2019.

During the year, the Board met every quarter and provided guidance and direction to PCP's programmatic and policy initiatives. Mr. Mahomed J. Jaffer, a founder member of PCP, tendered his resignation as member of PCP on account of his ailing health. The BOD of PCP wishes to express its appreciation for the service provide by Mr. Jaffer not only in the founding of Pakistan Centre for Philanthropy but also throughout its early years, both in terms of the advice and guidance given and the support provided for all its activities and events, which helped in the growth and development of the Centre. Moreover, Mr. Kamran Lashari also resigned from the directorship of PCP because of his pressing commitments. We greatly appreciate the contributions he made towards the progress of PCP.

The Board of Directors, on the advice of the Audit Committee, has recommended the appointment of A.F. Ferguson & Co. Chartered Accountants, as auditors of PCP for Year ending 30 June 2020.

PCP's success and achievements for the year would not have been possible without the dedication and commitment of its management and employees. The Board wishes to express its appreciation and confidence in the PCP team. The Board also wishes to thank the Federal & Provincial Governments, the Civil Society Sector and PCP Donors for their continued support to PCP.

Zaffar A. Khan, S.I.
Chairman, Board of Directors

OUR VISION, MISSION AND GOALS

OUR VISION

The three sectors of society-business, civil society and the government work in a strengthened partnership for social development in Pakistan.

OUR MISSION

To increase the volume and effectiveness of indigenous philanthropy for social development in Pakistan.

OUR GOALS

- Creating a policy, legal and fiscal environment that enables giving for development and promotes the growth and development of citizen organizations.
- Facilitating linkages between corporate philanthropists, citizen organizations and government for increased social investment.
- Enhancing citizen organizations" capabilities as reliable and effective implementing partners of grant makers through a certification system.
- Assisting philanthropists (corporations, foundations, Diaspora communities) in increasing the volume and impact of their giving.
- Raising broad societal understanding of philanthropy through research.

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RESEARCH

Creating Knowledge and Driving Decisions

RESEARCH

Research Program forms an integral part of the Pakistan Centre for Philanthropy (PCP). In fact, the idea of establishing PCP – as an institution that can promote philanthropy in the country – was drawn from a research study conducted in 1998 by AKDN that highlighted the enormous generosity within the country as a potential resource to supplement efforts for social development. With a mandate to generate research based evidence and thereby bridge the knowledge gap on the discourse of philanthropy, Research Unit of PCP has undertaken researches in areas such as corporate philanthropy, individual philanthropy, philanthropy by foundations, and philanthropy by Pakistani diaspora. Few of the activities of Research Unit for the period of July 2018 – June 2019 are as under.

CORPORATE PHILANTHROPY REPORT – 2017

Corporate Philanthropy Survey (CPS) has been a regular feature of PCP since 2003. These surveys not only try to ascertain the volume of giving by the business community in the country but also highlight the trends and patterns shaping over the years. The reports also provide a ranking of companies based on their giving which serves as the basis of recognizing their good work at PCP's annual Corporate Philanthropy Awards.

For CPS 2017, PCP in collaboration with UNDP Pakistan, tried to map out corporate philanthropy/corporate social responsibility programs of Public Listed Companies (PLCs) around sustainable development goals (SDGs). This investigation served dual objectives; firstly, how far companies' philanthropic programs are aligned with SDGs, and secondly, what areas in terms of individual goals have been priority sectors for the corporate sector. Moreover, continuing to follow the pattern of CPS for the last few years, CPS 2017 covered giving by a sample from Public Unlisted Companies (PUCs) and Private Limited Companies (PvLCs) along with PLCs.

In addition to the usual content of CPS including annual quantum of giving by PLCs, PUCs and PvLCs, philanthropy by individual companies in terms of absolute volume as well as percentage of profit-before-tax (PBT) and ranking of top givers, CPS 2017 presents interesting findings with regard to companies' understanding of and their commitment towards SDGs, how they are channeling their CSR spending, and where their initiatives are located.

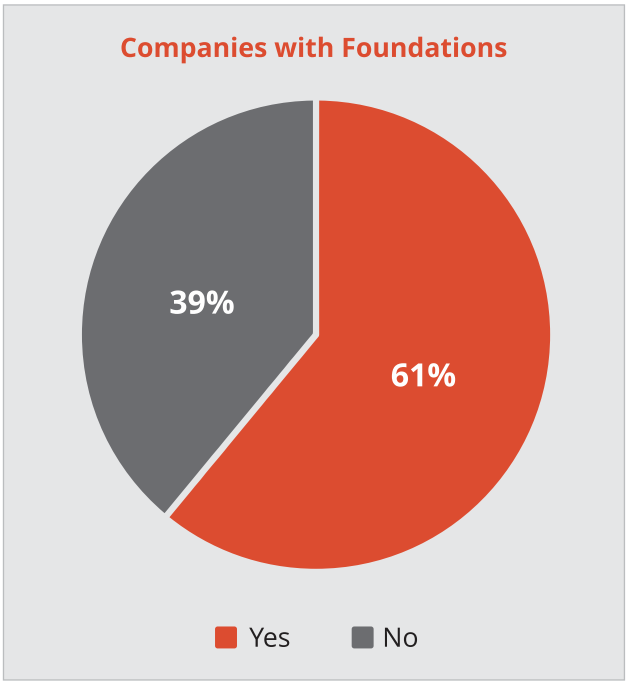
KEY FINDINGS

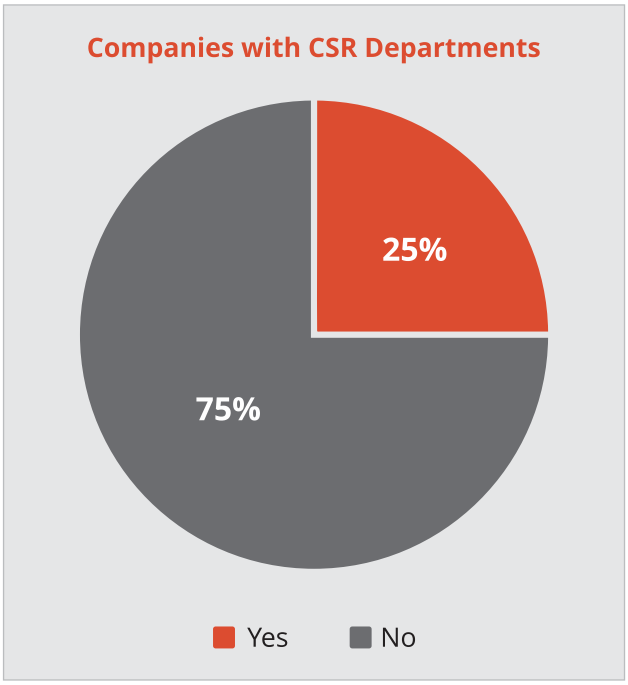
- Corporate Philanthropy by PLCs increased 33 fold from PKR 228 million in year 2000 to PKR 7.56 billion in 2017,
- Giving by PLCs is PKR 7.56 billion in 2017 as compared to PKR 7.31 billion in 2016,
- PLCs contributed around 7 percent of their Profit before Tax (PBT) for social development causes,
- 53 percent of PLCs took part in CP as compared to 51 percent in the preceding year,
- Top 25 giving PLCs shared 79 percent of total giving,
- Oil and gas exploration is the largest contributor sub-sector followed by Fertilizer,
- 48 percent (99/204) of the sample from PUCs contributed PKR 1.03 billion, and
- 40 percent (84/208) of the sample from PvLCs contributed PKR 1.5 billion.
- 61 percent of PLCs have their own foundations while only 25 percent of them have separate CSR departments,
- Giving back to society, ethical business practice, and building company's image are the top motivations behind CP/CSR,
- 62 percent of the companies who responded to our survey are aware of SDGs.

SESSION AT UNDP PAKISTAN

COMPANIES WITH FOUNDATIONS AND SEPARATE CSR DEPARTMENTS

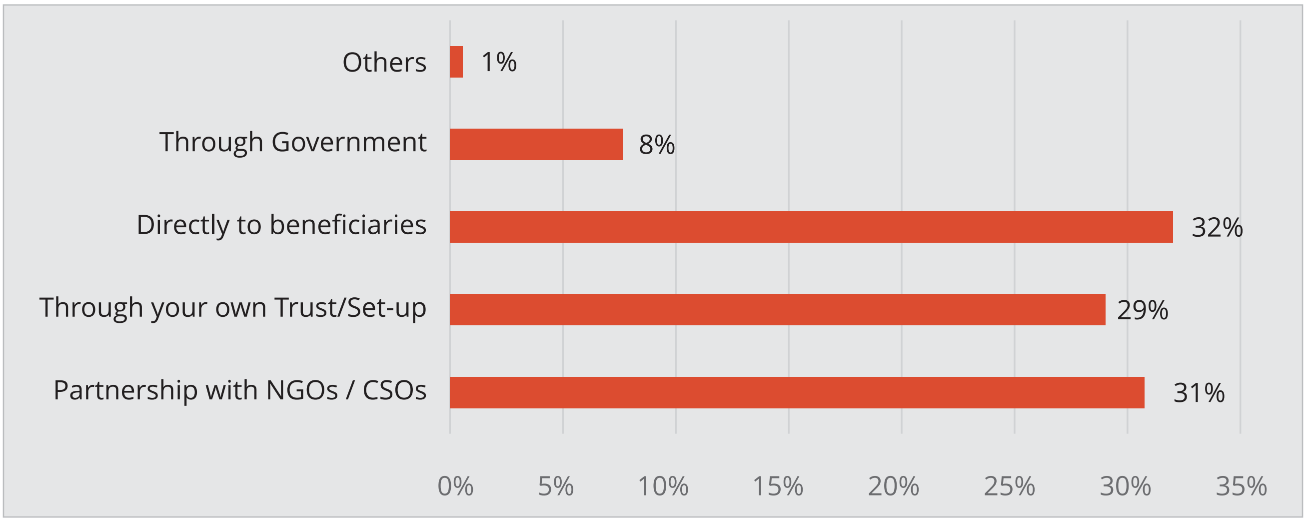
There has been an upward trend in companies forming their own foundations by implementing their CSR programs. As shown in the chart below, about two-thirds of companies have established their own foundations. On the other hand, just one-fourth of the companies have established separate CSR departments to manage their social responsibility affairs. For rest of the companies, departments such as finance, administration, and communications take care of philanthropic activities.





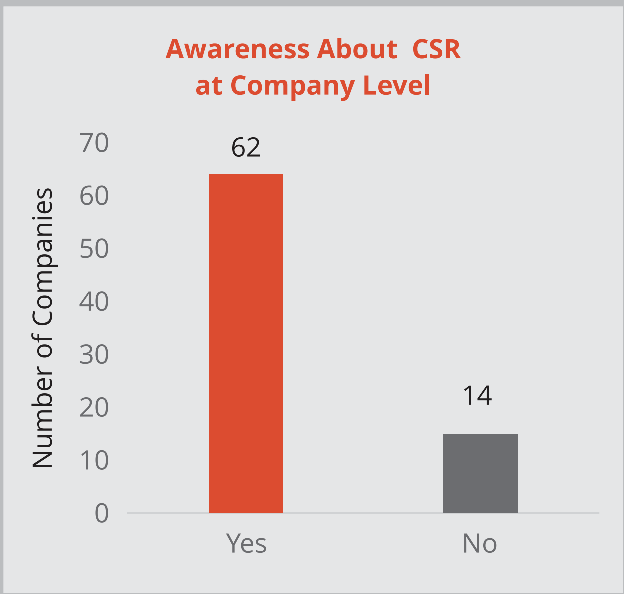
PREFERRED CHANNELS OF COMPANIES TO IMPLEMENT CSR PROGRAMS

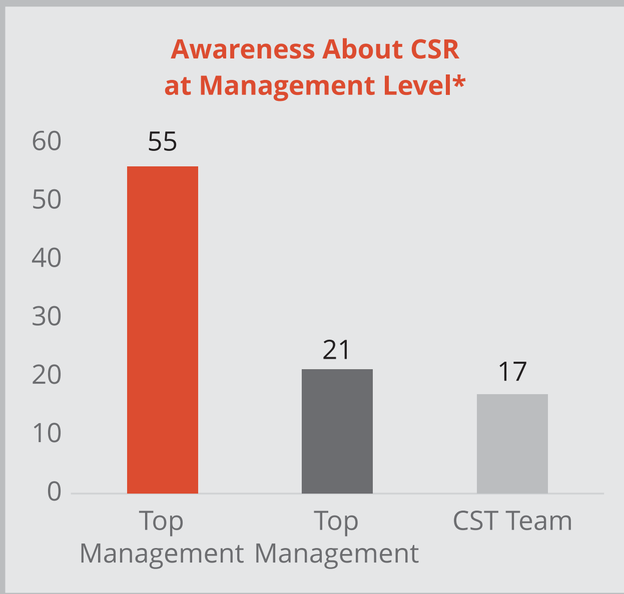
Three channels, i.e., directly delivered to beneficiaries, through own foundation, and partnership with CSOs are almost equally used by companies to deliver their CSR programs. The highest number of companies prefer their philanthropy to reach the beneficiaries directly.



AWARENESS ABOUT SDGs AT COMPANY AND MANAGEMENT LEVELS

Questions on awareness about SDGs were asked at two levels; i) at organizational level and ii), at management level. Majority of companies are aware of SDGs at organizational level while over half of the top management know about them.

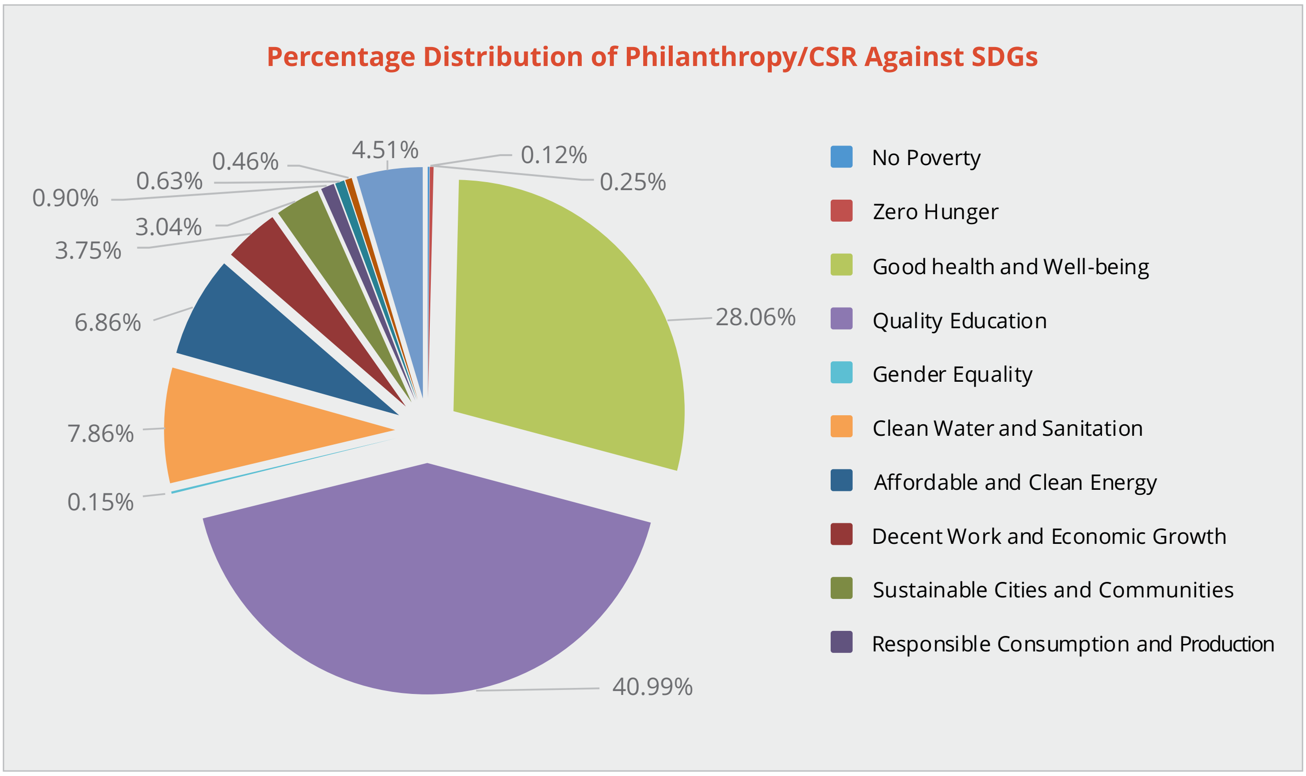




*multiple responses

SUSTAINABLE DEVELOPMENT GOALS VS CORPORATE PHILANTHROPY

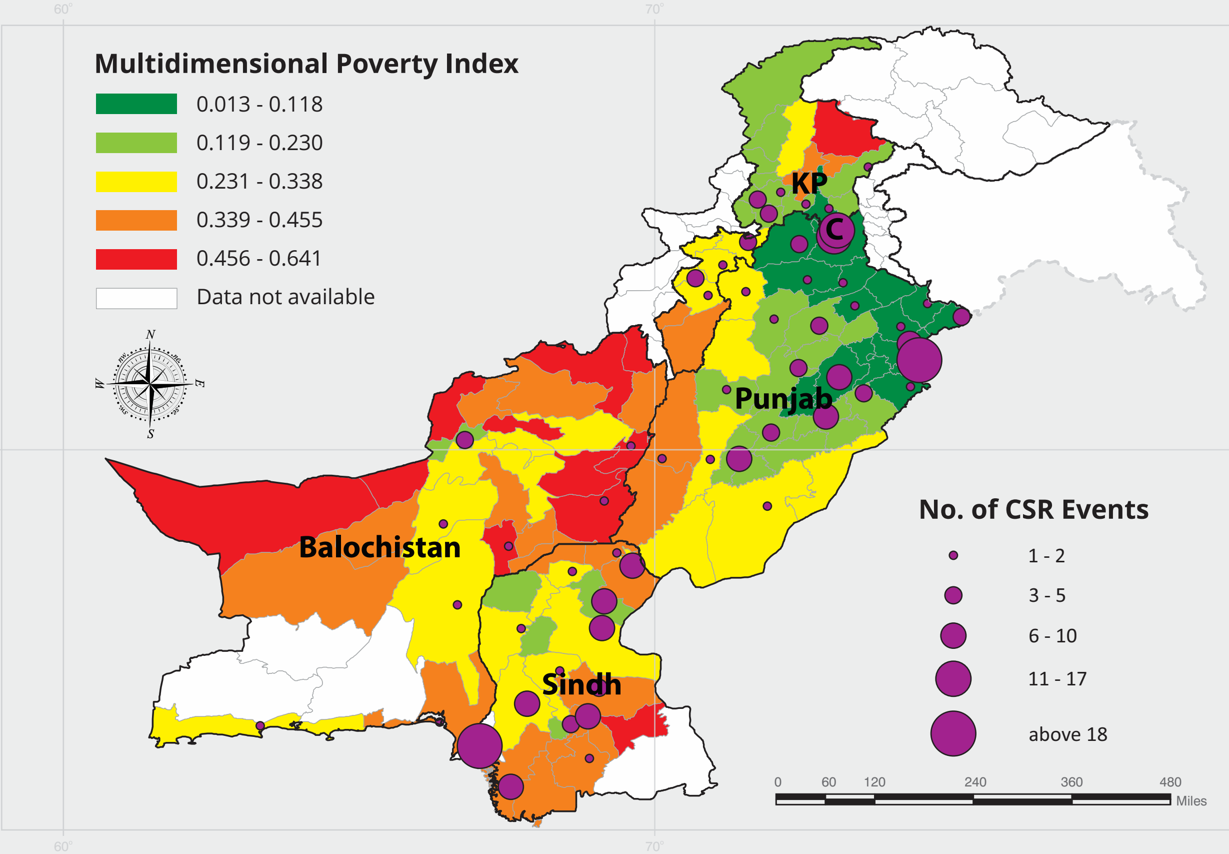
Education and health sectors are mostly preferred by philanthropists in Pakistan. CPS 2017 reveals that corporations too have an inclination to spend on the said two sectors. As depicted by the below graph, more than two-thirds (69%) of the overall spending by companies are received by education and health jointly. The least focused Sustainable Goal is “No Poverty” which only gets 0.12% share from the total annual giving.



MULTIDIMENSIONAL POVERTY INDEX (MPI) VS. CORPORATE PHILANTHROPY

In order to see to what extent companies focus on the needy areas, CSR initiatives by the corporate sector were placed on the Multidimensional Poverty Index (MPI) map as given below. Punjab and parts of the KP provinces are getting more CSR interventions despite the fact that they are less deprived. Same is the case with Sindh province. Majority of the CSR initiatives are located in districts that are performing relatively better on MPI. Balochistan, the province with the highest deprivation level, receives the lowest number of CSR interventions. Overall, the map exhibits two main scenarios: (i) CSR initiatives are clustered around districts with relatively better socioeconomic conditions, and (ii) these districts are also getting higher number of interventions.

CSR Interventions vs. MPI



Multidimensional Poverty Index and Corporate Social Responsibility

DOING GOOD INDEX – 2018

PCP continued to work on Doing Good Index (DGI) 2018 as a part of its collaboration with Centre for Asian Philanthropy and Society (CAPS), a Hong Kong based not-for-profit research institution. DGI is a first-of-its-kind study to investigate and report on institutional infrastructure enabling or impeding philanthropic giving in around 15 countries of the region. It examines fiscal, cultural and social incentives to donate; the regulatory environment that can facilitate or hinder systematic investment; factors that affect the establishment and operations of organizations that deliver services or products to address a societal need; and their ability to access funds. In Pakistan, PCP along with Sustainable Development Policy Institute (SDPI) works on the project as implementing partner of CAPS.

PCP collected data through an online questionnaire from more than 60 Civil Society Organizations (CSOs) throughout the country during February to May 2019. Also, a meeting with experts from development sector was conducted to discuss a set of questions in detail. Moreover, an 'economy brief' describing the contextual details of the country with regard to the environment for civil society sector has also been submitted to CAPS. The report is expected to be published early next year.

CIVIL SOCIETY ORGANISATIONS SUSTAINABILITY INDEX (CSOSI) STUDY 2017

As a part of its collaboration with fhi360, PCP not only completed and disseminated CSOSI 2016/17 report in the latter half of year 2018 but also signed an MoU to conduct the survey for 2018 as well. PCP has been doing this survey in Pakistan since 2014.

Under the new assignment, a panel meeting of CSO sector experts was convened in May 2019 to discuss progress and setbacks in seven interrelated dimensions of CSO sustainability: legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image. Based on the scores assigned to each dimension by the experts and the ensuing discussion, a detailed report describing changes or the status quo in CSO sector sustainability has been submitted. The report is in final stages of review and editing and is scheduled to be published and disseminated before the end of the current year.

CHAPTER ON PHILANTHROPY IN PAKISTAN FOR A PROPOSED BOOK, PHILANTHROPY IN THE MUSLIM WORLD

The proposed book, Philanthropy in the Muslim World, by Dr. Shariq Siddiqui (ARNOVA/Indiana University) and Prof. David Campbell of Binghampton University as its editors would cover the nature, extent, and other dynamics of philanthropy in Muslim countries. An outline of the topics and other guidelines was shared by the Editors. The first draft of the chapter has already been submitted to the editors.

4

PHILANTHROPY SUPPORT SERVICES

Bringing the Stakeholders Together

PHILANTHROPY SUPPORT SERVICES

PCP connects corporations, foundations, and individuals with the transparent, credible and high-impact local nonprofits (NPOs) across the country. The objective is to support its certified organizations in addressing critical issues such as healthcare, education, livelihood, and the environment. We build long-term connections between donors and PCP certified organizations by fostering trust and accountability on both sides of the relationship. Since 2016, we have facilitated donations/ grants of over US$ 397,636 in Pakistan.

ADVISED GRANT MAKING

PCP's network of certified nonprofits throughout Pakistan makes it possible for donors to reach almost any community and support a wide range of causes. With its Advised Grant Making services, PCP handles all the operational requirements of grant making while providing donors with an effective way of achieving their philanthropic goals. PCP tracks every grant from start to finish and provides a clear report on the impact donors have made with their giving. Currently PCP is advising leading corporates in making grants to its certified NPOs. Keep watch as we float CALL FOR PROPOSALS (CFP) TWICE A YEAR with:

1. Budget Ceiling: Up to PKR 2 million. However, projects with larger scope/ impact can also be considered depending on quality of proposals

2. Thematic/ Focus Areas: (i) Health; (ii) Education; and (iii) Poverty Eradication

3. Eligibility Criteria: (i) Active PCP Certificate and (ii) Active NPO Approval Certificate under ITO 2001.

As a result of First Round of CFP, two PCP Certified NPOs namely Association for Academic Quality (AFAQ) - working on "Women Empowerment through Skill Development Trainings in Early Childhood Education (ECE) & Diploma in Education (Primary)" in Sukkur Region, Sindh; and Courage Development Foundation (CDF) - working on "Training of Birth Attendants and Para-medics for the Provision of Access to Health Facilitators" in District Tharparker have availed the grants amounting to Rs. 5 million.

After the successful completion of First Round of CFP, Second CFP was issued in May this year where a number of organizations have submitted their proposals, and currently we are awaiting decision to be made by the corporate donor. With every CFP, PCP aims to reach larger pool of NPOs and increase the number of grantees. PCP aims to send out Third CFP by November of this year.

GIVE2ASIA'S FISCAL SPONSORSHIP PROGRAM

PCP has collaborated with Give2Asia (G2A) for better funding opportunities for our certified network under their Fiscal Sponsorship Program (FSP). The PCP certification stamp has provided our certified network with a special offer by G2A, where they are offering registration to FSP at a discount of 80%, i.e., US $ 200. So far 08 PCP certified organizations have been registered with G2A's FSP while cases of 05 PCP certified organizations are in process.

NEW PARTNERS

The wide network of our national and international partners enables us to leverage complementarities to offer broader portfolio of services and mobilize resources quickly. Our associates include academic and research entities, think tanks, corporates & private sector, INGOs and others. This year PCP went into the partnership with:

- Global Donors Forum
- Shaheed Zulfikar Ali Bhutto Institute of Science and Technology
- Packages Foundation

The objectives of these partnerships are to (i) promote joint research; (ii) enhance knowledge on issues surrounding philanthropy; and (iii) facilitate corporate sector in directing their CSR funds to the transparent, credible and high-impact CSOs/ NPOs.


SPORTS WEEK

5

CERTIFICATION

Setting Standards and Building Capacity of Non-profit Sector

CERTIFICATION

PCP is the first and only certification agency authorized by Federal Board of Revenue (FBR), Government of Pakistan to undertake performance evaluation of non-profit organisations in Pakistan. PCP's certification programme is aimed at fostering an enabling environment for philanthropy and thereby supporting social development. PCP's certification programme promotes best practices across not for profit sector and is a kind of credibility index signifying seal of good housekeeping. Moreover, it also aims at minimizing the trust deficit between non-profit organisations, donors, and the government.

PCP Certification is entirely a voluntary process involving a detailed, thorough and objective evaluation against set standards aimed at promoting best practices among non-profit sector in areas of internal governance, financial management and programme delivery. All required documents pertaining to application procedure, guidelines and FAQs are available on PCP's website; www.pcp.org.pk.

Certification helps to bridge the information and credibility gap between grant makers and grant recipients, build CSOs' capacity to meet international standards of governance, transparency and accountability and last but not the least, build a credible pool of CSOs that are reliable and effective development partners.

The FBR recognizes certification as a basis for grant of various tax benefits. PCP Certification facilitates in obtaining tax benefits from the Government of Pakistan under Section 2 (36) read with Section 61, 100 (C) and Section 159 of the Income Tax Ordinance, 2001.

Considering the quality and utility of PCP's performance evaluation, various donors tend to accord preference while making grants to non-profit organisations. PCP's certification model acts as a due diligence process and helps to identify credible partners. Give2Asia is one such organisation which regards PCP's performance evaluations as an important credibility assessment tool for making a decision about grants to local non-profit organisations.

Various other government agencies recognize PCP Certification including State Life Insurance Corporation for CSOs assisting them in distribution of heath cars, Pakistan Telecommunication Authority (PTA) for organizations seeking short code, Higher Education Commission for Universities operating as non-Profits and Ministry of Interior for promotion of safer charity. PCP has also signed an MoU with National Counter Terrorism Authority (NACTA) with an aim to promote philanthropy and safer charity through PCP's network of Certified NPOs and showcasing of PCP's Certified NPOs as 'Trusted' and 'Transparent' ones.

Record of certified organisations is continuously being updated on PCP's website. The profiles (also placed at PCP website) include a brief history of the organization, major programme activities, achievements and all such information that projects the organization as a credible and effective partner.

PCP EVALUATION FRAMEWORK AND THE PROCESS

Non-Profit Organizations are evaluated for certification against standardized parameters in Internal Governance, Financial Management and Programme Delivery as contained in the Certification Model. The evaluation comprises of a detailed desk review of organizational documents and visit to its programme areas. Each category contains a certain number of parameters with each being assigned a score against which a non-profit organization is assessed.

PCP certification/evaluation process examines the operations of the organization in the light of objectives as stated in the governing document of the organization and certifies that the organization meets the requirements as per the set standards agreed with the FBR. Certification is based on an objective, professional, and critical evaluation. It is aimed at enhancing an organization's credibility as a non-profit organization, increasing its organizational capacity to streamline and improve its systems, helping in diversifying its resource base and facilitating in obtaining tax benefits from the Government of Pakistan (under section 2 (36) read with section 61, 100 (C) and section 159 of the Income Tax Ordinance, 2001). The profiles of certified organizations (placed at PCP website) include a brief history of the organization, major Program activities, achievements and all such information that projects the organization as a credible/safer NPO/charity. Non-Profit Organizations (NPOs) are evaluated for certification against standardized parameters in;

1. Legal & Regulatory Compliance
2. General Public Utility Compliance
3. Institutional Mechanisms of Oversight
4. Compliance with Tax Laws
5. Financial Management
6. Policies
7. Program Delivery

Each category of the Certification Model contains a certain number of parameters with each being assigned a score against which a non-profit organization is assessed. An NPO can attain a

maximum score of 1000. The category-wise minimum score which an NPO must achieve to be finally certified is 50%. In addition, the NPO has to score an aggregate of 600 marks out of 1000 to be certified. This scoring system aims to ensure that an NPO must possess institutionalized capacity to perform through systems and processes.

Legal & Regulatory Compliance: The objective of this category is to assess whether the NPO has established a comprehensive legal compliance system to ensure that the organization's operations are conducted in accordance with relevant legal registration regime, and to ensure compliance with annual reporting and compliance requirements of its relevant registration authority.

General Public Utility Compliance: The objective of this category is to assess whether the NPO provides free/partially free benefit to the general public, as provided in the taxation framework.

Institutional Mechanisms of Oversight: The objective of this category is to assess whether the NPO has a clearly drawn out framework for effective NPO governance

Compliance with Tax Laws: The objective of this category is to assess whether the NPO have ensured compliance with tax laws in force so as to avail tax benefits, as specified in the Income Tax Ordinance, 2001.

Policies: The objective of this category is to assess whether the NPO has availability of a comprehensive policy framework and its effective implementation.

Financial Management: The objective of this category is to assess whether the NPO has systems and procedures in place for ensuring effective internal control.

Program Delivery: The objective of this category is to assess whether the NPOs have ensured effective achievement of its aims and objectives.

Applications for PCP Certification are presented to the independent Certification Panel which is a Body independent of PCP's Board. The Panel consists of representatives from civil society, government (FBR) and eminent citizens. Decision of certification Panel with regards to grant of PCP certification is final.

CERTIFICATION PROGRAM – UPDATE 2018-19

A key activity of PCP is its certification programme which benefits Not-for-Profit Sectors which includes various types of organizations including I-NGOs, NGOs, Universities, Microfinance Institutions (MFIs) and Local Support Organizations (LSOs). PCP certified organisations can use the standards set by PCP to build on and improve their operations. Certification has a direct impact on the overall capacity of the CSO since it urges them to comply to modern and effective governance, regulatory compliance, policy framework, taxation and financial management and program delivery practices. Furthermore, only certified CSOs are entitled to receive income tax benefits hence whenever a CSO applies for tax benefits from the Federal Board of Revenue it needs to submit a certificate of good governance from PCP with respect to its declared mission and objectives.

Certification has been beneficial for not only CSOs but also other stakeholders involved such as the civil society, government and donors. Considering the quality and utility of PCP's performance evaluation report, various public and private agencies including NACTA have recognized PCP Certified organisations as ''Credible' ones.

PCP EVALUATIONS DURING 2018-19

Given PCP's unique mandate to facilitate institutional strengthening of Civil Society Organisations for promoting social development, PCP has thus far certified more than 1100 organisations from all across Pakistan since its inception. The organisations evaluated by PCP during the year (2018-19) stood at 244 including 9 INGOs and 2 Universities. The organisations certified by PCP during the year stood at 135 which includes 2 INGOs. The following is the list of CSOs certified by PCP during last year.

Sr. No.	Names of Organisations
1	Khan Trust Eye Hospital
2	People's Primary Health Care Initiative Balochistan
3	Human Development Organization (HDO)
4	Sunny Trust
5	Veer Development Organization (VDO)
6	Madinah Foundation
7	Cadet College Hasanabdal Endowment Fund Trust
8	Research and Development Foundation (RDF)
9	Baanhn Beli
10	Sindh Agricultural and Forestry Workers Coordinating Organization
11	Trust for Democratic Education and Accountability (TDEA)
12	Vision Pakistan
13	Shifa Tameer-e-Millat University
14	National Cleaner Production Centre Foundation (NCPCF)
15	Center for Social Education and Development (CSED)
16	Pakistan Foundation Fighting Blindness
17	Human Development Foundation (HDF)
18	SAHIL
19	Medical Emergency Resilience Foundation (MERF)
20	Pakistan Alliance for Girls Education (PAGE)
21	Real Medicine Foundation
22	Population Association of Pakistan
23	Pakistan Welfare Society
24	Rural Support Programmes Network (RSPN)
25	Rozan
26	NORI Patients Welfare Society (NPWS)
27	Community Resilience Initiative (CRI)
28	Human Development Research Foundation – Pakistan (HDRF)

Sr. No.	Names of Organisations
29	Pak Aid Welfare Trust
30	Medicsi Benevolent Trust
31	Pakistan Myasthenic Welfare Organization
32	The Kaghan Memorial Trust
33	Peace and Justice Network
34	The Hashoo Trust
35	Strengthening Participatory Organisation (SPO)
36	Mian Muhammad Bukhsh Trust (MMBT)
37	Karachi Down Syndrome Programe
38	Patient Aid Foundation
39	Sina Health, Education & Welfare Trust
40	Memon Health and Education Foundation
41	Aman Health Care Services (AHCS)
42	Panjwani Charitable Foundation (PCF)
43	Basicneeds Pakistan
44	Eye Sight Trust
45	Society for I Am Karachi
46	Green Crescent Trust
47	National Textile Foundation
48	Aman Institute for Vocational Training (AIVT)
49	Fatimid Foundation
50	Karigar Training Institute (KTI)
51	Konpal – Child Abuse Prevention Society (KONPAL)
52	Alamgir Welfare Trust International
53	Abdullah Foundation
54	The Layton Rahmatulla Benevolent Trust (LRBT)
55	Al Umeed Rehabilitation Association (AURA)
56	Shirkat Gah Women Resource Centre

Sr. No.	Names of Organisations
57	Habib University
58	The Oxford & Cambridge Society, Karachi Educational Trust
59	Karachi Vocational Training Centre for Intellectually Challenged
60	Hidayat Jumani Welfare Trust (HJWT)
61	Habib University Foundation (HUF)
62	Society for Educational Welfare (SEW)
63	Injaz Pakistan
64	Agha Welfare Trust
65	Packages Foundation
66	Commecs Educational Trust (CET)
67	The Indus Hospital (TIH)
68	The Ilm Foundation
69	Future Trust
70	Bank Al-Habib Staff Benefit Trust
71	ChildLife Foundation
72	Durbeen
73	PPHI Sindh
74	Dr. A.Q. Khan Hospital Trust
75	Shaukat Khanum Memorial Trust (SKMT)
76	Fatima Memorial Hospital (FMH)
77	Alif Laila Book Bus Society (ALBBS)
78	Health and Education Foundation
79	Foundation of the Faithful
80	Free Media Foundation
81	Surraya Azeem Hospital Welfare Society
82	Agahe Pakistan
83	Medicare Health Foundation
84	Al-Shaukat Foundation (ASF)

Sr. No.	Names of Organisations
85	Akhuwat Islamic Microfinance
86	Ameer Begum Welfare Trust
87	CSC Empowerment and Inclusion Programme
88	Bunyad Literacy and Community Council (BLCC)
89	Community Support Concern (CSC)
90	Child Care Foundation of Pakistan (CCF)
91	Fatima Latif Welfare Trust
92	Lahore Association Pakistan for the welfare of Mentally Handicapped Persons (LAP)
93	Rural Community Development Programmes
94	Pakistan Children's Heart Foundation
95	Mojaz Support Program
96	Furniture Pakistan
97	Foundation for Health Care Improvement
98	Qurban and Surayya Educational Trust
99	Namal Education Foundation (NEF)
100	Participatory Village Development Programme (PVDP)
101	Thardeep Microfinance Foundation
102	Mian Mukhtar A. Sheikh Trust
103	Women's Rights Association
104	The NGO World Foundation
105	Al Muqaddim Foundation
106	National Net-work for Social Services
107	The Sultan Foundation
108	Social Youth Council of Patriots
109	Rural Aid Pakistan
110	Fazal Din Welfare Foundation
111	Khyber Eye Foundation (KEF)
112	Pakistan Village Development Programme (PVDP)

Sr. No.	Names of Organisations
113	Society for Human& Environmental Development (SHED)
114	Khwendo Kor (KK)
115	Society for Community Strengthening and Promotion of Education, Baluchistan (SCSPEB)
116	Balochistan Rural Support Programme (BRSP)
117	Balochistan Education Endowment Fund
118	The Legends Society
119	Attia Welfare Society
120	Sir Syed Education Committee
121	Jamila Sultana Foundation
122	Al Mustafa Trust (AMT)
123	Dr. Sadiq Foundation
124	Attock Sahara Foundation
125	Al Mujtaba Education Trust (AMET)
126	Fauji Foundation
127	Mishkat Welfare Trust
128	Ali Trust Pakistan (ATP)
129	The Education Board of the Roman Catholic Diocese of Rawalpindi (DBE)
130	Livestock and Dairy Development Board
131	FFO Support Program
132	Baidarie
133	Swat Relief Initiative (SRI)
134	HUJRA Village Support Organization
135	Thardeep Rural Development Programme (TRDP)

CAPACITY BUILDING OF NGOs

Another avenue of Certification Program is to inform and sensitize Government Departments and NPOs about PCP Certification standards, their responsibilities, and compliance requirements regarding the taxation laws in Pakistan. In keeping with this, PCP conducted orientation sessions at various Regional Tax Offices in Pakistan. These were attended by representatives of CSOs working all across Pakistan. PCP also conducted consultative sessions with Social Welfare Officers of Punjab, Khyber Pakhtunkhwa and Sindh in their respective training institutes. A special session was also held with newly inducted tax officers in Department of Taxation and Training, Lahore.

AWARENESS SESSIONS WITH NPOS ON AML-CFT

In order to apprise NPOs about the matters pertaining to Pakistan's commitments related to anti money laundering and terrorist financing (AML-TF) under FATF and resolutions passed by United Nations Security Council (UNSC), PCP, SECP, NACTA and FBR have initiated a series of awareness workshops targeting NPOs. During the year, awareness sessions were conducted in major cities of Pakistan. This initiative of PCP is part of the MOU it has signed with NACTA.

PUBLICATION AND DISSEMINATION OF TAXATION COMPLIANCE GUIDEBOOKS

During the year PCP continued to disseminate Tax Guidebook Series with the objective of supporting NPOs with regards to tax benefits available to them. These have been disseminated to CSOs and Regional Tax Offices and are also available on PCP website. The objective of this Tax Guidebook Series is to support NPOs with regard to tax benefits pertinent to them. In keeping with this, the following four Guides have been published and more than three thousand copies of the same have been disseminated to CSOs and Regional Tax Offices. (The guidebooks are also available on PCP's website):

i. Applying for Approved NPO Status Under Section 2 (36) of Income Tax Ordinance, 2001

ii. Applying for Tax Benefits on Charitable Donations Under Section 61 of Income Tax Ordinance, 2001

iii. Applying for 100% Tax Credit Under Section 100 C of Income Tax Ordinance, 2001

iv. Applying for Lower Tax Rates Under Section 159 of Income Tax Ordinance, 2001

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COMMUNICATION AND OUTREACH

COMMUNICATION AND OUTREACH

PAKISTAN PHILANTHROPY FORUM 2019

Pakistan Philanthropy Form 2019 has been a flagship initiative of PCP. Communication and Outreach that plays a key role in the convening of such national level event. This year Forum was held in collaboration with Institute of Business Administration Karachi. The theme of the Forum was 'Unlocking Philanthropy's Potential: The Power of Partnerships'. It convened donors, social investors, social and tech entrepreneurs, multilateral agencies, policymakers, government and business leaders, and visionaries from across the world to offer pragmatic insight and constructive responses to pressing global challenges. Panelists and speakers examined how philanthropy works most productively when it supplements the welfare agenda of the State. In his welcome address, Mr. Zaffar A. Khan, Chairman, PCP Board of Directors said, that Pakistan is a giving country even though

we rate poorly as tax payers. This sentiment to give to the needy is a national strength that needs to be further encouraged and to the extent possible channelized to build credible institutions that can then leverage the giving by creating high end social impact. He mentioned that civil society has stepped forward and has been using philanthropy to build some outstanding NGOs. Such CSOs are to be lauded and encouraged. PCP supports the rules and regulations that bring good governance but would also like to say that rules and regulations designed to thwart the bad actors should not at the same time damage or restrict the good ones. Mr. Michael Mapstone, Director of International, Charities Aid Foundation, UK, opined that governments shall ensure that civil society organisations are regulated in a fair, consistent and open way. On the other side organizations shall ensure good governance and be honest about impact to win build public trust. He was of the view that traditional forms of giving shall be recognized and further built upon. Comparing regulation globally is challenging as local context differs from country to country said Tim Hopkins of Charities Commission, UK. He further said that virtually all countries have various forms of regulation of CSOs. There is no right answer as to what works best, its' all dependent on the risks for each jurisdiction. He said that we are seeing more of an appetite for 'self-regulatory' bodies where conduct and behavioural standards are set and accredited. Richard Hawkes, Chief Executive Officer, British Asian Trust UK highlighted the importance of social finance and regarded it as an efficient way to finance and manage development goals, especially for programmes that i) can produce measurable outcomes, ii) can produce outcomes in a short period of time, iii) have previous evidence of success, and iv) located in an appropriate political and legal environment. PCP also launched its survey on corporate philanthropy, followed by an awards distribution ceremony.

PAKISTAN PHILANTHROPY FORUM 2019

PCP IN THE ELECTRONIC AND PRINT MEDIA

The unit engaged certain media houses and was able to secure some representation in different talk shows for board members and management of PCP. Chairman, Head of Research Committee, Executive Committee and Certification Manager appeared in the talk shows on Aaj TV, PTV News, HEC WebTV and PTV World respectively. Print media also covered some aspects of PCP work and published articles on Local Support Organizations, Impact Financing, and State of Individual Giving in Pakistan.

WORKSHOP ON PHILANTHROPY REPORTING

Through a media workshop, in collaboration with IBA Karachi, journalists from the mainstream media were briefed about the work and role of PCP for the effectiveness and enhancement of philanthropy in Pakistan. It is the media's job to be critical. But as you critique, you must remember to look at the positives too and give suggestions on how things can be improved. This was stated by Zafar Iqbal A. Khan Chairman, of PCP Board of Directors, speaking at the inaugural workshop on Philanthropy Reporting at the Centre for Excellence in Journalism, Institute of Business Administration. Addressing the participants, who comprised journalists from various media outlets, Mr. Khan said that media is the fourth pillar of the state and is getting stronger with each passing day. He added the PCP is trying to engage with journalists as it will help them enhance the volume and effectiveness of philanthropic efforts. PCP Executive Director Shazia Maqsood Amjad highlighted the Center's role in bringing credibility to the sector. Referring to its certification, she said that it was an effective tool to assess the conduct of nonprofit ventures in Pakistan. She was of the view that lot of organizations across Pakistan are doing good work and helping people in bringing positive changes in their lives. The media needs to track these stories so that such activities are encouraged in the society at large. Imkaan Welfare Organisation Director Ms. Tahera Hasan advised journalists visiting underprivileged areas not to impose their ideas on the people living there and instead, ask them about their problems. The workshop concluded with a certificate distribution ceremony among the participants.

PCP STUDIOS

PCP Studios, an initiative of the Centre entered into its second year and produced video documentaries for 3 PCP certified organizations and one corporate sector organization OGDCL. Team effectively utilized social media platform to share PCP and certified network organizations' work with audiences across Pakistan. Hopefully Studios would be introducing more innovative communication products for visibility of not for profit organizations in the country.

MAPPING OF CSOs

Under an MOU with the UNDP, Communication Team launched and successfully completed a mapping exercise aimed at developing a data base of civil society organizations that were involved in SDGs related activities. Over 500 organizations submitted details of their programmes along with the financials. The mapping exercise helped UNDP Pakistan in developing a dash board to highlight the role of civil society towards achieving targets set under SDGs for Pakistan.

NEWSLETTERS (PHILANTHROPY MATTERS/E-LETTER)

Philanthropy Matters, published every six months has been highlighting nonprofits contributions towards the alleviation of poverty and assisting government in its efforts to provide services to the poor in the country. Pakistan's water issues, Diamer Bhasha Dam Fund, awareness sessions on CFT/AML, NPOs capacity building on raising funds, guidebooks on seeking tax exemption, profiles of newly certified organizations were the topics on which information were shared through PCP newsletters.

CERTIFICATES DISTRIBUTION CEREMONY

Certification is a regular activity that happens almost every month. Certification panel reviews cases and decides on whether to grant certification or not. On average, every time more than 25 cases are presented before the panel for certification. Those who are granted certification are then invited to PCP for the distribution of certificates by the Executive Director. Senior management from NGOs and INGOs participated in the distribution ceremonies. During the events, participants were provided with the opportunities to share about their work.

SESSION ON FUNDRAISING FOR NPOs

Capacity building sessions for NPOs is now a regular feature of PCP's outreach progarmme. Usually these sessions would focus on facilitating an interaction between the tax office and NPOs, however, since 2017, PCP started organizing sessions on other topics as well. Fundraising is one new topic that was included in capacity building sessions. During the year under review, Shaukat Khanum Memorial Hospital Trust and Alkhidmat Foundation shared their fundraising models with the PCP certified organizations based in Lahore. The objective was to help CSOs in developing their capacity to design and run fundraising campaigns.

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BOARD MEETINGS
PICTURE GALLERY
OUR PEOPLE
OUR PARTNERS

BOARD MEETINGS

Name of BOD Member	Total Meetings	Attendance	
		Present	Absent
Mr. Zaffar A. Khan	5	5	0
Dr. Attiya Inayatullah	5	3	2
Dr. Arshad Ahmad	5	1	4
Mr. Arif Habib	5	1	4
Mr. Badaruddin F. Vellani	5	5	0
Mr. Ahsan M. Saleem	5	4	1
Mr. Iqbal Walji	5	3	2
Mr. Mueen Afzal	5	2	3
Mr. Haroon Rashid	5	2	3
Mr. Sohail G. Khoja	5	4	1
Syed Hyder Ali	5	1	4
Ms. Khawar Mumtaz	5	1	4
Mr. Syed Farhan Ali Bokhari	5	4	1
Mr. Ahmad Zuberi	5	1	4
Mr. Kamran Lashari	4	1	3

PICTURE GALLERY

SESSIONS WITH SOCIAL WELFARE OFFICERS

SESSIONS WITH FBR OFFICIALS

SESSIONS ON AML/CFT

OUR PEOPLE

Ms. Shazia Maqsood Amjad
Executive Director

Ms. Sania Benjamin
Secretary to Executive Director

FINANCE

Ms. Rabia Jameel
Manager Finance & Company Secretary

Mr. Abdul Malik Nazir Alvi
Finance Officer

Mr. Rashid Rafiq
Senior Officer Finance

CERTIFICATION

Mr. Naveed Yousaf Butt
Programme Manager

Mr. Maaz Ul Bari
Senior Programme Officer

Mr. Raheel Awan
Programme Officer

Ms. Ayesha Qamar
Programme Officer

Mr. Bilal Rasul
Programme Officer

Ms. Mahvish Memon
Financial Analyst

Mr. Syed Muhammad Kamran
Programme Analyst

Ms. Maryam Arshad
Financial Analyst

Ms. Shagufta Mariam
Junior Programme Officer

Mr. Ali
Junior Programme Officer

Mr. Mohsin Aman
Senior Programme Officer

Mr. Sajjad Haider
Programme Officer (MR)

Mr. Faisal Ali
Junior Programme Officer

Mr. Hamza Atiq
Junior Programme Officer

Mr. Ehtesham Yaqoob
Junior Programme Officer

Mr. Nadir Nazar
Junior Programme Officer

Mr. Adil Raza
Junior Programme Officer

Ms. Rabia Mazhar
Junior Programme Officer

Ms. Ayesha Qayyum
Junior Programme Officer

OUR PEOPLE

RESEARCH

Mr. Muhammad Nasir
Head of Research

Mr. Muhammad Ali
Senior Programme Officer

Mr. Muhammad Ali Masood Jadoon
Programme Officer

Mr. Muzzamil Munir
Junior Research Analyst

PHILANTHROPY SUPPORT SERVICES

Mr. Arsalan Kashfi
Senior Programme Officer

COMMUNICATION & OUTREACH

Mr. Ahmad Nadeem
Manager Communication & Outreach

Mr. Husnain Ali
Programme Officer (IT)

Mr. Jawad Ahmed
Programme Officer

Ms. Mehwish Farah
Junior Programme Officer

HUMAN RESOURCES & ADMINISTRATION

Mr. Ahmed Hamid
Senior HR/Administration Officer

Mr. Babar Khan
Front Desk officer

Support Staff
Mr. Rehmat Hussain
Mr. Atif Fayaz
Mr. Yasir Hussain
Mr. Muhammad Fayaz
Mr. Kazim Abbas

OUR PARTNERS

CONTRIBUTORS

Abdullah Foundation; Arif Habib Corporation Limited; Asiatic Group of Companies; A JANEE Tours; Babar Ali Foundation; Crescent Steel & Allied Products; Dawood Hercules Chemicals Ltd.; DESCON; EFU General Insurance Ltd.; Engro Corporation Limited; Shell Pakistan Limited; ICI Pakistan; International Industries; Lucky Cement; Younus Brothers; Malik Auto & Agriculture Industries; Merck Marker; Mumtaz Bakhtawar Memorial Trust Hospital; Muslim Commercial Bank; World Call Telecom; GlaxoSmithKline; Soneri Bank; Packages Limited; Pakistan Cables; Mahvash & Jahangir Siddiqui Foundation; New Jubilee Insurance; Pakistan Petroleum Limited; Sapphire Group; Standard Chartered Bank; Govt. of Pakistan; Hashoo Foundation.

GOVERNMENT

Federal Board of Revenue; Economics Affairs Division; Ministry of Finance; Provincial Social Welfare Departments; Provincial Department of Education, Sindh; Planning Commission; Provincial P&D, SECP, NACTA, Quaid e Azam University, National University of Science and technology (NUST), Islamabad, Shaeed Zulfiqar Ali Bhutto University of Science and Technology, Islamabad Campus.

NETWORKING

Charities Aid Foundation; Give2Asia; GlobalGiving; Global Philanthropy Forum; WINGS Network; World Bank; WWF; PTC; World Congress of Muslim Philanthropists,Democracy Reporting International; DAI; International Centre for Non-profit Law (ICNL), LUMS, PPAF; SDPI;

MEDIA

Aaj TV; APR; Business Recorder; CNBC; Farhan Bokhari; FM 100; Geo News; The Nation; Nawa-e-waqt; PTV Global; PBC; PTV Home

DONORS

Govt. of Sindh; AKF(P) / AKDN; Asian Development Bank; The World Bank; Social Welfare Department, Govt. of the Punjab; UNDP; AKRSP; European Commission; Government of Pakistan, PRP - USAID

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FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

PAKISTAN CENTRE FOR PHILANTHROPY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2019

A·F·FERGUSON & Co.
Chartered Accountants
a member firm of the PwC network

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Independent Auditor's Report to the Members of Pakistan Centre for Philanthropy
Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Centre for Philanthropy (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the deficit and other comprehensive loss, the changes in funds and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's report, but does not include the financial statements of the Company and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, on other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

A.F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows, together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is JehanZeb Amin

A.F.Ferguson & Co.

Chartered Accountants
Islamabad
Date: September 27, 2019

PAKISTAN CENTRE FOR PHILANTHROPY
(a Company under section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
ASSETS			
NON CURRENT ASSETS			
Fixed assets	4	**3,026,882**	3,915,167
Advance for intangible asset	5	**1,260,000**	630,000
Loans to employees	6	**49,294**	337,006
		4,336,176	4,882,173
CURRENT ASSETS			
Grants receivable	15	**129,905**	1,658,511
Loans to employees	6	**297,712**	307,668
Advances, prepayments and other receivables	7	**1,641,544**	1,096,263
Income tax refundable		**7,851,314**	6,825,363
Short term investments	8	**123,410,594**	130,315,538
Cash and bank balances	9	**22,048,646**	18,538,669
		155,379,715	158,742,012
TOTAL ASSETS		**159,715,891**	163,624,185
FUNDS AND LIABILITIES			
FUNDS			
Endowment fund	10	**111,866,095**	110,829,995
Restricted fund	15	**2,971,099**	7,449,162
Unrestricted fund		**10,091,981**	14,272,313
		124,929,175	132,551,470
NON CURRENT LIABILITIES			
Deferred liabilities	11	**8,335,708**	7,043,558
CURRENT LIABILITIES			
Deferred income	12	**24,937,800**	22,387,190
Other payables	13	**1,513,208**	1,641,967
		26,451,008	24,029,157
TOTAL FUNDS AND LIABILITIES		**159,715,891**	163,624,185
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes from 1 to 24 form an integral part of these financial statements.

EXECUTIVE DIRECTOR

DIRECTOR

PAKISTAN CENTRE FOR PHILANTHROPY
(a Company under section 42 of the Companies Act, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019

	Note	Year ended June 30, 2019				Year ended June 30, 2018			
		Endowment fund	Restricted fund	Unrestricted fund	Total	Endowment fund	Restricted fund	Unrestricted fund	Total
		Rupees				Rupees			
INCOME									
Restricted grant income	15	-	15,822,366	-	15,822,366	-	15,847,908	-	15,847,908
Certification fees	16	-	-	55,780,415	55,780,415	-	-	41,276,634	41,276,634
Donations and membership fees	17	1,036,100	-	1,628,750	2,664,850	-	-	1,497,500	1,497,500
Other income	18	(568,893)	-	1,476,558	907,665	1,924,469	-	762,860	2,687,329
		467,207	15,822,366	58,885,723	75,175,296	1,924,469	15,847,908	43,536,994	61,309,371
EXPENDITURE									
Programme expenses	19	-	(14,208,659)	(54,410,944)	(68,619,603)	-	(14,686,101)	(52,068,203)	(66,754,304)
General and administrative expenses	20	-	(1,613,707)	(7,248,847)	(8,862,554)	-	(1,161,807)	(6,227,994)	(7,389,801)
Endowment fund management expenses		(889,363)	-	-	(889,363)	(998,181)	-	-	(998,181)
		(889,363)	(15,822,366)	(61,659,791)	(78,371,520)	(998,181)	(15,847,908)	(58,296,197)	(75,142,286)
SURPLUS / (DEFICIT) BEFORE TAX FOR THE YEAR		(422,156)	-	(2,774,068)	(3,196,224)	926,288	-	(14,759,203)	(13,832,915)
Provision for taxation - current		-	-	-	-	(339,507)	-	-	(339,507)
SURPLUS / (DEFICIT) AFTER TAX FOR THE YEAR		(422,156)	-	(2,774,068)	(3,196,224)	586,781	-	(14,759,203)	(14,172,422)

The annexed notes from 1 to 24 form an integral part of these financial statements.

EXECUTIVE DIRECTOR

DIRECTOR

PAKISTAN CENTRE FOR PHILANTHROPY
(a Company under section 42 of the Companies Act, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

		Year ended June 30, 2019				Year ended June 30, 2018			
		Endowment fund	**Restricted fund**	**Unrestricted fund**	**Total**	Endowment fund	Restricted fund	Unrestricted fund	Total
	Note	Rupees				Rupees			
Surplus / (deficit) after tax for the year		**(422,156)**	-	**(2,774,068)**	**(3,196,224)**	586,781	-	(14,759,203)	(14,172,422)
Other comprehensive income / (loss) for the year									
Items that will not be reclassified to income and expenditure									
Acturial gain / (loss) on defined benefit obligations	11	-	-	**51,992**	**51,992**	-	-	(47,092)	(47,092)
Total comprehensive (loss) / income for the year		**(422,156)**	-	**(2,722,076)**	**(3,144,232)**	586,781	-	(14,806,295)	(14,219,514)

The annexed notes from 1 to 24 form an integral par[illegible]

EXECUTIVE DIRECTOR

DIRECTOR

PAKISTAN CENTRE FOR PHILANTHROPY
(a Company under section 42 of the Companies Act, 2017)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Endowment fund	Restricted fund	Unrestricted fund	Total
	-----------------Rupees-----------------			
Balance as at July 1, 2018	110,829,995	4,321,817	28,491,827	143,643,639
Total comprehensive income / (loss) for the year ended June 30, 2018				
Surplus / (deficit) after tax	586,781	-	(14,759,203)	(14,172,422)
Other comprehensive loss	-	-	(47,092)	(47,092)
	586,781	-	(14,806,295)	(14,219,514)
Transfer to unrestricted fund	(586,781)	-	586,781	-
Net movement in fund	-	3,127,345	-	3,127,345
Balance as at June 30, 2018	110,829,995	7,449,162	14,272,313	132,551,470
Total comprehensive income / (loss) for the year ended June 30, 2019				
Deficit after tax	(422,156)	-	(2,774,068)	(3,196,224)
Other comprehensive gain	-	-	51,992	51,992
	(422,156)	-	(2,722,076)	(3,144,232)
Transfer to unrestricted fund	1,458,256	-	(1,458,256)	-
Net movement in fund	-	(4,478,063)	-	(4,478,063)
Balance as at June 30, 2019	111,866,095	2,971,099	10,091,981	124,929,175

The annexed notes from 1 to 24 form an integral part of these financial statements.

EXECUTIVE DIRECTOR

DIRECTOR

PAKISTAN CENTRE FOR PHILANTHROPY
(a Company under section 42 of the Companies Act, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	Year ended June 30, 2019 Rupees	Year ended June 30, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before tax		**(3,196,224)**	(13,832,915)
Adjustments for:			
Depreciation		**1,424,063**	1,152,451
Gain on disposal of assets and scrap		**(9,021)**	(89,312)
Provision for staff retirement benefits		**1,344,142**	894,293
Income on investments		**545,774**	(1,924,469)
Interest income on savings and deposit bank accounts		**(1,441,768)**	(650,767)
Contributions to endowment fund		**(1,036,100)**	-
Other income		**(2,650)**	(12,222)
		824,440	(630,026)
Changes in:			
Grants receivable		**1,528,606**	(1,492,761)
Loans to employees		**297,668**	(340,509)
Advances, prepayments and other receivables		**(545,281)**	179,025
Deferred income		**2,550,610**	6,534,120
Other payables		**(128,759)**	828,875
Restricted grants (receivable) / payable		**(4,478,063)**	3,127,345
		(775,219)	8,836,095
Cash used in from operating activities		**(3,147,003)**	(5,626,846)
Staff gratuity paid		**-**	-
Income taxes paid		**(1,025,951)**	(2,644,884)
Net cash used in operating activities		**(4,172,954)**	(8,271,730)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		**(550,015)**	(2,459,913)
Sale of fixed assets and scrap		**23,256**	107,460
Advance paid for intangible assets		**(630,000)**	(630,000)
Interest received on saving and deposit bank accounts		**1,444,418**	650,767
Short-term investments - net		**6,359,171**	10,747,741
Net cash from investing activities		**6,646,830**	8,416,055
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions to endowment fund		**1,036,100**	-
		1,036,100	-
Net increase / (decrease) in cash and cash equivalents		**3,509,977**	144,324
Cash and cash equivalents at beginning of the year		**18,538,669**	18,394,344
Cash and cash equivalents at end of the year	9	**22,048,646**	18,538,669

The annexed notes from 1 to 24 form an integral part of these financial statements.

EXECUTIVE DIRECTOR

DIRECTOR

PAKISTAN CENTRE FOR PHILANTHROPY
(a Company under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND OPERATIONS

Pakistan Centre for Philanthropy (the Company), was incorporated on December 27, 2001 under Section 42 of the Companies Act, 2017 as a company limited by guarantee. The main activity of the Company is to enhance the volume and effectiveness of indigenous philanthropy for social development in Pakistan. The registered office of the Company is situated at RDF Centre, 31, Mauve Area, G-9/1, Islamabad, Pakistan.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurements

These financial statements have been prepared on the historical cost basis except for the following:

- obligation under certain employee benefits have been measured at present value; and
- investments at fair value through profit or loss have been measured at fair value.

2.3 Significant accounting judgments and estimates

The preparation of the financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates, judgments and associated assumptions 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 recognized in the period in which the estimate is revised and in any future periods affected.

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

a) Defined benefit plan (note 3.1)
b) Estimated useful life of fixed assets (note 3.2)
c) Fair value estimates of investments (note 3.5)
d) Provision for doubtful receivables (note 3.5.4)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SECP through its SRO 888(1)/2019 dated July 29, 2019 notified certain amendments in disclosure requirements of fifth schedule to the Companies Act, 2017. The SRO has been notified to be applicable on companies preparing financial statements as on June 30, 2019 and onwards by SECP through SRO 961(1)/2019 dated August 23, 2019. Accordingly, the financial statements have been prepared to reflect the amendments of the said SRO.

3.1 Defined benefit plan - staff gratuity

The Company is operating an unfunded defined benefit gratuity scheme for all its regular employees, with the minimum qualifying period of service as specified by the scheme. Annual provision to cover obligation for staff severance liability are based on actuarial valuation. The actuarial valuation is carried out annually by independent actuary using "Projected Unit Credit Method". Provision for the year is recognized in statement of income and expenditure, actuarial gains/losses arising from experience adjustments are charged or credited to equity in other comprehensive income in the year in which they arise. Actuarial assumptions are mentioned in note 11 to these financial statements.

3.2 Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged to the statement of income and expenditure applying the straight line method whereby the cost of an asset is written off over its estimated useful life. The rates of depreciation are stated in note 4 to the financial statements. In respect of additions and disposals of assets, depreciation is charged from the day the asset is available for use and continues to be depreciated until it is derecognized i.e. up to the day preceding the day of disposal.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives and depreciation method is recognized prospectively as a change of accounting estimate.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of the asset is included in the statement of income and expenditure in the year the asset is derecognized.

Maintenance and normal repairs are charged to the statement of income and expenditure as and when incurred, whereas major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

3.3 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to the statement of income and expenditure. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These are subsequently measured at fair value, amortised cost or cost, as the case may be.

3.4 Financial assets

The Company classifies its financial assets in the following categories: loans and receivables, held to maturity investments, available for sale investments and investments at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Company commits to purchase or sell the asset.

3.5 Investments

These are classified as follows:

3.5.1 Investment at fair value through profit or loss

Investments at fair value through profit or loss represent securities acquired with the intention to trade by taking advantage of short-term market / interest rate movements and derivative financial instruments.

Investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value with any resulting gains or losses recognized directly in the income or expenditure statement. The fair value of such investments is determined on the basis of prevailing market prices. Dividend income from these financial assets is recognized in the statement of income and expenditure as part of other income when the Company's right to receive payment is established.

3.5.2 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold up to maturity. If the Company wants to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted.

Held-to-maturity investments are initially recognized at fair value which existed on the trade date, the date on which the Company commits to purchase, plus transaction costs. Such investments are carried at amortised cost, using the effective interest rate method, less impairment, if any.

3.5.3 Available for sale investments

Available for sale investments are non-derivatives that are either designated in this category or cannot be classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the date of statement of financial position.

These investments are recognized at cost and carried at fair value. Fair value of a quoted investment is determined in relation to its market value (current bid prices) at the balance sheet date. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. Adjustment arising from remeasurement of investment to fair value is recorded in equity and taken to income on disposal of investment or when the investment is determined to be impaired. Dividend income from these financial assets is recognized in the statement of income and expenditure as part of other income when the Company's right to receive payment is established.

3.5.4 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the date of statement of financial position. These are classified as non-current assets. The Company's loans and receivables comprise "grant receivable", "advances", "other receivables", "income tax refundable", "term deposit receipt classified as short term instruments" and "Cash and bank balances" in the statement of financial position. Loans and receivables are carried at present value. Where the realisability of grant receivable, advances, other receivables and income tax refundable become doubtful, a provision is made and charged to the statement of income and expenditure.

3.6 Impairment

3.6.1 Impairment of financial assets

The Company assesses at the end of each year whether there is objective evidence that a financial asset or group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

3.6.2 Impairment of non-financial assets

Assets are tested annually for impairment. Assets that are subject to depreciation / amortisation are reviewed for impairment at each date of statement of financial position or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of income and expenditure.

3.7 Accrued and other liabilities

Accrued and other liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.8 Provisions

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

3.9 Employee's benefits

3.9.1 Compensated absences

The Company accounts for compensated absences on the basis of the unavailed earned leave balances of each employee, at the end of the year, based on the last drawn salary.

3.9.2 Medical benefits

Employees of the Company are eligible for reimbursement of actual medical expenses incurred within admissible limits.

3.10 Income recognition

3.10.1 Grants

Grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

a) Grants related to assets

Grants received for purchase of fixed assets are initially recorded as deferred income upon receipt. Subsequently, these are recognized in the statement of income and expenditure, on a systematic basis over the periods necessary to match them with the carrying value of the related assets

b) Grants related to income

Grants of a non-capital nature, are recognized as deferred income at the time of their receipt. Subsequently, these are recognized in the statement of income and expenditure to the extent of expenditure reported to donors during the year. Expenditure incurred against grants, committed but not received, is recognized directly in the statement of income and expenditure and reflected as a receivable from donors.

3.10.2 Pledges and donations

Pledges and donations are recognized on receipt basis.

3.10.3 Membership fee

Membership fee is recognized on accrual basis.

3.10.4 Certification fees

Certification fees is recognized as income in accordance with the stage of service provided on a systematic basis.

3.8 Provisions

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Membership fee is recognized on accrual basis.

3.10.4 Certification fees

Certification fees is recognized as income in accordance with the stage of service provided on a systematic basis.

4 FIXED ASSETS

	COST				DEPRECIATION				WRITTEN DOWN VALUE	
	As at July 1, 2018	Additions	Disposals / written-off	As at June 30, 2019	As at July 1, 2018	Depreciation For the year	Disposals/ written-off	As at June 30, 2019	As at June 30, 2019	Annual rate of depreciation
	Rupees				Rupees				Rupees	%
June 30, 2019										
Computer equipment	2,021,311	417,439	-	2,438,750	1,275,790	477,271	-	1,753,061	685,689	33
Office equipment	2,704,455	132,576	(15,258)	2,821,773	2,083,533	282,910	(1,021)	2,365,422	456,351	33
Vehicles	4,076,017	-	-	4,076,017	2,041,202	495,138	-	2,536,340	1,539,677	20
Furniture and fixtures	1,974,476	-	(43,600)	1,930,876	1,460,567	168,744	(43,600)	1,585,711	345,165	20
	10,776,259	550,015	(58,858)	11,267,416	6,861,092	1,424,063	(44,621)	8,240,534	3,026,882	

	COST				DEPRECIATION				WRITTEN DOWN VALUE	Annual rate of depreciation
	As at July 1, 2017	Additions	Disposals / Written off	As at June 30, 2018	As at July 1, 2017	Depreciation For the year	Disposals / Written off	As at June 30, 2018	As at June 30, 2018	%
	Rupees				Rupees				Rupees	
June 30, 2018										
Computer equipment	1,868,511	489,500	(336,700)	2,021,311	1,318,559	293,931	(336,700)	1,275,790	745,521	33
Office equipment	2,514,527	579,882	(389,954)	2,704,455	2,202,875	252,464	(371,806)	2,083,533	620,922	33
Vehicles	1,600,326	2,475,691	-	4,076,017	1,600,326	440,876	-	2,041,202	2,034,815	20
Furniture and fixtures	1,823,536	164,840	(13,900)	1,974,476	1,309,287	165,180	(13,900)	1,460,567	513,909	20
	7,806,900	3,709,913	(740,654)	10,776,259	6,431,047	1,152,451	(722,406)	6,851,092	3,915,137	

4.1 Depreciation for the year has been allocate to:

	June 30, 2019 Rupees	June 30, 2018 Rupees
Programme expenses - note 19	1,139,250	921,961
General and administrative expenses - note 20	284,813	230,490
	1,424,063	1,152,451

5 ADVANCE FOR INTANGIBLE ASSET

This represents mobilization advance of Rs. 1,260,000 (2018: Rs. 630,000) paid for development of e-philanthropy portal of the Company for a contract price of Rs. 2,100,000.

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	June 30, 2019 Rupees	June 30, 2018 Rupees
6 LOANS TO EMPLOYEES		
Short term salary advance - considered good	**10,000**	33,283
Car loan to staff - secured and considered good - note 6.1	**337,006**	611,391
	347,006	644,674
Current maturity	**(297,712)**	(307,668)
	49,294	337,006

6.1 This represents a car loan given to a staff member in accordance with Company's policy at an interest rate equal to Company's savings bank account interest rate of 4.75% per anum and is repayble in 30 equal installments. The loan is secured against the car purchased through a promissory note.

	June 30, 2019 Rupees	June 30, 2018 Rupees
7 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
Staff travel advances - considered good	**116,916**	118,130
Prepayments	**55,623**	-
Membership fee receivable	**100,000**	142,500
Accrued interest	**1,190,334**	648,951
Dividend receivable	-	105,116
Others	**178,671**	81,566
	1,641,544	1,096,263

8 SHORT TERM INVESTMENTS		
Investments at fair value through profit or loss		
Equity securities - note 8.2	**42,115,247**	38,922,333
Term Finance Certificates (TFCs) - note 8.3	**5,500,000**	18,441,946
Pakistan Investment Bonds (PIBs) - note 8.4	**17,295,173**	-
Market Treasury Bills (MTBs) - note 8.5	**5,500,174**	-
	70,410,594	57,364,279
Loans and receivables at fair value through profit or loss		
Term Deposit Receipts (TDRs)	-	72,951,259
Regular Income Certificates - note 8.6	**46,000,000**	-
Defence Savings Certificates - note 8.7	**7,000,000**	-
	123,410,594	130,315,538

8.1 During the year, the Company entered into an agreement with Magnus Investment Advisors Limited (the investment advisor) for the purpose of managing the Company's investments. As per the agreement, the investment advisor is entitled to a quarterly managment fee which would be higher of a) PKR 0.195 million or b) 15 basis points of the closing net assets value at the end of each calendar quarter. These investments are made out of endowment funds as referred to in note 10.

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8.2 Equity Securities

	No. of shares	Cost as at June 30, 2019	Market value as at June 30, 2019	Unrealised Gain / (Loss)
		---Rupees---		
Allied Bank Limited	21,500	2,203,635	2,257,930	54,295
Abbot Laboratories (Pakistan) Limited	700	479,500	332,248	(147,252)
Adamjee Insurance Company Limited	65,500	2,796,550	2,295,775	(500,775)
Attock Petroleum Limited	6,020	2,721,492	1,736,830	(984,661)
Bank Al Habib Limited	46,500	3,652,765	3,644,670	(8,095)
Engro Fertilizers Limited	41,000	2,976,260	2,622,770	(353,490)
Engro Corporation Limited	10,780	3,127,476	2,863,168	(264,308)
Fauji Fertilizer Company Limited	26,200	2,526,473	2,284,640	(241,833)
Habib Bank Limited	21,600	3,337,801	2,446,416	(891,385)
The Hub Power Company Limited	30,352	2,608,189	2,390,220	(217,969)
Indus Motor Company Limited	140	199,004	168,549	(30,456)
Jubilee Life Insurance Company Limited	4,500	2,362,499	1,009,890	(1,352,609)
Lucky Cement Limited	9,200	4,022,816	3,500,324	(522,492)
Mari Petroleum Company Limited	1,620	2,193,876	1,635,115	(558,761)
Meezan Bank Limited	21,450	1,746,190	1,869,582	123,392
MCB Bank Limited	11,600	2,277,403	2,023,620	(253,783)
Oil & Gas Development Company Limited	19,600	2,927,135	2,577,204	(349,931)
Pakistan Oxygen Limited	5,850	1,012,500	877,500	(135,000)
Pakistan Oilfields Limited	3,820	2,045,936	1,550,500	(495,436)
Pakistan Petroleum Limited	16,270	2,951,185	2,349,876	(601,309)
The Searle Company Limited	4,000	952,000	586,240	(365,760)
Thal Limited	3,000	1,304,789	1,092,180	(212,609)
	371,202	50,425,474	42,115,247	(8,310,227)

Equity securities	No. of shares	Cost as at June 30, 2018	Market value as at June 30, 2018	Unrealised Gain/ (Loss)
		---Rupees---		
Allied Bank Limited	16,000	1,517,410	1,650,400	132,990
Abbot Laboratories (Pakistan) Limited	700	678,950	479,500	(199,450)
Askari Bank Limited	20,500	454,070	448,335	(5,735)
Attock Petroleum Limited	850	553,920	501,492	(52,428)
Attock Refinery Limited	1,300	600,197	279,903	(320,294)
Bank Alfalah Limited	42,000	1,716,114	2,196,180	480,066
Bank Al Habib Limited	15,000	923,700	1,182,450	258,750
Cherat Cement Company Limited	2,700	518,400	262,521	(255,879)
D.G. Khan Cement Company Limited	6,300	1,319,052	721,287	(597,765)
Engro Fertilizers Limited	22,500	1,486,340	1,685,475	199,135
Engro Corporation Limited	8,800	3,064,825	2,761,968	(302,857)
Ferozsons Laboratories Limited	1,500	810,000	292,095	(517,905)
Fauji Fertilizers Bin Qasim Limited	7,500	401,090	289,500	(111,590)
Fauji Fertilizer Company Limited	10,000	921,490	988,900	67,410

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Equity securities	No. of shares	Cost as at June 30, 2018	Market value as at June 30, 2018	Unrealised Gain/ (Loss)
		---Rupees---		
Hascol Petroleum Limited	1,600	487,984	502,016	14,032
Habib Bank Limited	16,700	3,470,617	2,779,548	(691,069)
Honda Atlas Cars (Pakistan) Limited	500	391,000	158,195	(232,805)
Habib Metropolitan Bank Limited	12,000	498,785	520,200	21,415
The Hub Power Company Limited	13,400	1,503,570	1,234,944	(268,626)
Indus Motor Company Limited	140	231,000	199,004	(31,996)
International Steel Limited	10,400	1,305,013	1,057,680	(247,333)
Kot Addu Power Company Limited	3,500	283,455	188,685	(94,770)
K-Electric Limited	30,500	252,957	173,240	(79,717)
Kohinoor Textile Mills Limited	1,970	212,054	118,229	(93,825)
Lucky Cement Limited	2,000	1,601,238	1,015,860	(585,378)
Mari Petroleum Company Limited	1,500	2,141,702	2,259,270	117,568
MCB Bank Limited	5,200	1,175,502	1,028,404	(147,098)
Maple Leaf Cement Factory Limited	6,500	493,200	329,810	(163,390)
Millat Tractors Limited	400	501,950	475,224	(26,726)
Nishat (Chunian) Limited	15,000	818,159	712,200	(105,959)
Nishat Mills Limited	10,400	1,726,619	1,465,568	(261,051)
Oil & Gas Development Company Limited	13,200	2,084,171	2,054,184	(29,987)
Pak Elektron Limited	5,800	424,726	205,668	(219,058)
Pioneer Cement Limited	4,700	681,500	220,242	(461,258)
Pakistan Oilfields Limited	2,400	1,106,501	1,612,296	505,795
Pakistan Petroleum Limited	11,100	2,019,461	2,385,390	365,929
Pakistan State Oil Company Limited	4,084	1,430,024	1,311,437	(118,587)
Shell Pakistan Limited	1,000	613,992	316,090	(297,902)
Sui Northern Gas Pipelines Limited	7,000	972,995	701,540	(271,455)
Systems Limited	4,500	459,000	455,490	(3,510)
Thal Limited	450	234,000	214,889	(19,111)
United Bank Limited	8,800	1,814,695	1,487,024	(327,671)
	350,394	43,901,428	38,922,333	(4,979,095)

8.3 Term Finance Certificates (TFCs)

	Number of units	Date of purchase	Coupon rate	Coupon dates	Face value as at June 30, 2019	Ammortized cost as at June 30, 2019	Market value as at June 30, 2019	Unrealised loss on remeasurement	LT Rating
Jahangir Siddiqui and Company Limited	2,200	18-Aug-17	8.67%	24-Jun / 24-Dec	5,500,000	5,573,333	5,500,000	(73,333)	AA+
					5,500,000	5,573,333	5,500,000	(73,333)	

8.4 Pakistan Investment Bonds (PIBs)

	Face value	Date of purchase	Date of maturity	Coupon dates	Effective interest rate per annum	Coupon rate	Ammortised cost as at June 30, 2019	Market value as at June 30, 2019	Unrealised loss on remeasurement
	Rupees						----------Rupees----------		
Tenure									
10 years	900,000	14-Jan-19	19-Jul-22	19-Jan / 19-July	13.85%	12.00%	911,172	859,480	(51,692)
10 years	7,100,000	22-Jan-19	26-Mar-25	26-Mar / 26 Sep	13.81%	10.00%	6,209,624	5,978,942	(230,682)
3 years	12,700,000	29-Jan-19	12-Jul-23	12-Jan / 12-July	13.86%	8.00%	11,002,607	10,456,751	(545,856)
	20,700,000						18,123,403	17,295,173	(828,230)

8.5 Market treasury Bills (MTBs)

	Face value	Date of purchase	Date of maturity	Ammortised cost as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain on remeasurement
	Rupees			----------Rupees----------		
Tenure						
3 months	5,515,000	28-Jun-19	29-Aug-19	5,499,995	5,500,174	179
	5,515,000			5,499,995	5,500,174	179

8.6 These carry interest at rate of 12% (2018: Nil) per annum.

8.7 These carry interest at rate of 12.47% (2018: Nil) per annum.

		June 30, 2019 Rupees	June 30, 2018 Rupees
9	**CASH AND BANK BALANCES**		
	Cash in hand	28,780	10,248
	Cash at bank		
	Current account	-	543,137
	Savings accounts - note 9.1	19,891,363	17,543,300
	National Savings investment bank account	9,878	-
	Savings investment bank account	2,118,625	441,984
		22,048,646	18,538,669

9.1 These carry interest at rates of 4.75% to 10.25% (2018: 4.00% to 4.75%) per annum.

10 ENDOWMENT FUND

This represents fund created pursuant to the Board of Directors objective to finance the Company's activities on a long-term basis. Contributions to the fund are being sought from national and multinational institutions and individuals, under a planned campaign.

		June 30, 2019 Rupees	June 30, 2018 Rupees
11	**DEFERRED LIABILITIES**		
	Staff retirement benefit - note 11.1	7,226,579	5,855,442
	Staff medical payable	394,661	451,456
	Compensated absences	714,468	736,660
		8,335,708	7,043,558
11.1	**Present Value of defined benefit obligation**	7,226,579	5,855,442

a) **Funding**

- The net defined benefit liability in respect of gratuity scheme is unfunded.

- The Company expects gratuity expense for the next financial year to be Rs. 1,067,275.

		June 30, 2019 Rupees	June 30, 2018 Rupees
b)	**Movement in present value of defined benefit obligation is as follows:**		
	Balance at the beginning of the year	5,855,442	4,577,667
	Charge for the year - note 11.1.1	1,423,129	1,230,683
	Actuarial (gain) / loss on gratuity valuation - note 11.1.2	(51,992)	47,092
	Benefits paid during the year	-	-
	Balance at the beginning of the year	7,226,579	5,855,442

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	June 30, 2019 Rupees	June 30, 2018 Rupees
11.1.1 Charge for the year		
Current service cost	**896,139**	807,249
Interest cost	**526,990**	423,434
	1,423,129	1,230,683

11.1.2 Amounts recognised in other comprehensive Income

Actuarial gain from changes in financial assumptions	**84,422**	(3,778)
Experience adjustments	**(136,414)**	50,870
	(51,992)	47,092

11.1.3 Key actuarial assumptions

Valuation discount rate	**14.25%**	9.00%
Salary increase rate	**13.25%**	8.25%
Mortality rates	**SLIC 2001 - 2005 Setback 1 year**	SLIC 2001 - 2005 Setback 1 year

The average duration of the defined benefit obligation is 9 years.

Assumption regarding future mortality has been based on State Life Corporation (SLIC 2001-2005) ultimate mortality rate with 1 year setback as per recommendation of Pakistan Society of Actuaries (PSOA).

11.1.4 Sensitivity analysis

For a change of 100 basis points, present value of defined benefit obligation as at June 30, 2019 would have been as follows:

	Increase Rupees	Decrease Rupees
Discount rate	**6,657,509**	**7,857,144**
Salary increase rate	**7,868,171**	**6,648,114**

11.1.5 Comparison of present values of defined benefit obligation for 3 years is as follows:

	2019	2018	2017
Present value of defined benefit obligation- Rupees	7,226,579	5,855,444	4,577,667

11.1.6 Risk associated with defined benefit plan

Salary Risk - (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic Risks

Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal Risk- The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

		June 30, 2019 Rupees	June 30, 2018 Rupees
12	**DEFERRED INCOME**		
	Deferred membership fee	**806,250**	812,500
	Deferred certification fee	**24,131,550**	21,574,690
		24,937,800	22,387,190
13	**OTHER PAYABLES**		
	Accrued expenses	**358,020**	239,139
	Payable to consultants / employees	**327,317**	495,303
	Sales tax payable	**321,320**	609,600
	Payable to vendors	**506,551**	297,925
		1,513,208	1,641,967
14	**CONTINGENCIES AND COMMITMENTS**		
	Contingencies		
	Claim of a vendor not acknowledged by the Company	**-**	391,500
	Commitments		
	Development of e-philanthropy portal	**840,000**	1,470,000

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15 RESTRICTED FUND

	Community Development Programme (CDP) - Research	Aga Khan Foundation - (USA) for DSP	Sponsorship for Pakistan Philanthropy Forum	Aga Khan Rural Support Programme (AKRSP)	UK-Diaspora Research Study	FHI-360 for CSOSI Study	Give2Asia	Afghan Institute of Civil Society	Film Makig / Documentary Funding	UNDP	Misc. Grants	CAPS	Total
	June 30, 2019												
	----------Rupees----------												
Opening balance													
Unspent grant / funds	543,137	2,713,271	-	-	3,879,199	-	313,566	-	-	-	-	-	7,449,162
Grant / funds receivable	-	-	-	(1,245,518)	-	-	-	(412,993)	-	-	-	-	(1,658,511)
	543,137	2,713,271	-	(1,245,518)	3,879,199	-	313,566	(412,993)	-	-	-	-	5,790,651
Grant / funds received during the year	-	-	4,326,087	1,245,518	1,535,436	1,860,259	465,743	412,993	280,875	2,248,560	383,850		12,759,322
Income on bank deposit	-	113,687	-	-	-	-	-	-	-	-	-		113,687
Amortization of grants / funds recognized in statement of income and expenditure against													
- Programme expenditure	(543,137)	(1,275,392)	(3,911,633)	-	(3,531,083)	(1,397,232)	(779,298)	-	(405,876)	(1,976,253)	(383,850)	(4,905)	(14,208,659)
- General and administrative expenditure	-	(276,171)	(414,454)	-	(187,748)	(463,027)	-	-	-	(272,307)	-	-	(1,613,707)
	(543,137)	(1,551,563)	(4,326,087)	-	(3,718,831)	(1,860,259)	(779,298)	-	(405,876)	(2,248,560)	(383,850)	(4,905)	(15,822,366)
Closing grant / funds receivable	-	-	-	-	-	-	-	-	125,000	-	-	4,905	129,905
	-	1,275,296	-	-	1,695,804	-	-	-	-	-	-	-	2,971,099

	Community Development Programme (CDP) - Research	Aga Khan Foundation - (USA) for DSP	National Study on Individual Indigenous Philanthropy (NSIIP)	Aga Khan Rural Support Programme (AKRSP)	UK-Diaspora Research Study	FHI-360 for CSOSI Study	Give2Asia & Others	Afghan Institute of Civil Society	Film Makig / Documentary Funding	Trustees of Indiana University	Management Systems Int'l (MSI)	Total
	June 30, 2018											
	Rupees											
Opening balance												
Unspent grant / funds	543,137	2,645,121	908,559	225,000	-	-	-	-	-	-	-	4,321,817
Grant / funds receivable	-	-	-	-	-	-	-	-	-	-	(165,750)	(165,750)
	543,137	2,645,121	908,559	225,000	-	-	-	-	-	-	(165,750)	4,156,067
Grant / funds received during the year	-	6,986,139	-	1,608,793	6,235,024	463,098	1,091,167	-	575,690	169,491	165,750	17,295,152
Income on bank deposit	-	187,340	-	-	-	-	-	-	-	-	-	187,340
Amortization of grants / funds recognized in statement of income and expenditure against												
- Programme expenditure	-	(6,647,125)	(908,559)	(2,554,311)	(2,355,825)	(384,947)	(777,612)	(312,541)	(575,690)	(169,491)	-	(14,686,101)
- General and administrative expenditure	-	(458,204)	-	(525,000)	-	(78,151)	-	(100,452)	-	-	-	(1,161,807)
	-	(7,105,329)	(908,559)	(3,079,311)	(2,355,825)	(463,098)	(777,612)	(412,993)	(575,690)	(169,491)	-	(15,847,908)
Closing grant / funds receivable	-	-	-	1,245,518	-	-	-	412,993	-	-	-	1,658,511
	543,137	2,713,271	-	-	3,879,199	-	313,555	-	-	-	-	7,440,162

		June 30, 2019 Rupees	June 30, 2018 Rupees
16	**CERTIFICATION FEES**		
	Certification fee - note 16.1	**66,405,256**	49,021,313
	Sales tax	**(10,624,841)**	(7,744,679)
		55,780,415	41,276,634

16.1 This represents income recognized on account of certification services provided to various organizations, as required by the Federal Board of Revenue.

		June 30, 2019 Rupees	June 30, 2018 Rupees
17	**DONATIONS AND MEMBERSHIP FEES**		
	Donations	**10,000**	20,000
	Membership fees	**1,618,750**	1,477,500
		1,628,750	1,497,500
	Contributions to endowment fund	**1,036,100**	-
		2,664,850	1,497,500
18	**OTHER INCOME**		
	Income from financial assets		
	Return on savings and deposit bank accounts	**1,441,768**	650,767
	Income from investments managed by Magnus - note 18.1	**(568,893)**	1,924,469
	Interest on car loan to staff	**23,119**	10,559
	Income from non-financial assets		
	Gain on disposal of fixed assets and scrap	**9,021**	89,312
	Others	**2,650**	12,222
		907,665	2,687,329

	June 30, 2019 Rupees	June 30, 2018 Rupees
18.1 Income from investments managed by Magnus		
Income on PIBs		
Interest income	**777,467**	-
Amortization Income	**177,473**	-
Unrealised loss on remeasurement	**(828,230)**	-
Income on MTBs		-
Amortization income	**532,896**	386,403
Capital gain / (loss)	**3,676**	(6,809)
Unrealised gain on remeasurement	**179**	-
Income on equity securities		
Dividend income	**2,256,949**	1,904,423
Capital loss	**(2,470,339)**	(2,944,595)
Unrealised loss on remeasurement	**(8,310,227)**	(3,609,270)
Interest income on TDRs	**3,118,559**	4,874,370
Income on TFCs		
Interest income	**876,762**	984,105
Accured interest on TFCs	**13,299**	
Unrealised (loss) / gain on remeasurement	**(73,333)**	81,946
Capital gain / (loss) on NAFA funds		
NAFA Income Opportunity Fund	-	191,853
NAFA Stock Fund	-	(94,906)
NAFA Money Market Fund	-	16,199
Interest income on Regular Income Certificates		
Interest Income	**1,840,000**	-
Accrued Interest	**138,000**	-
Accrued interest income on Defense Saving Certificates	**296,711**	-
Interest income on investment bank account	**1,081,265**	140,750
	(568,893)	1,924,469

18.2 The expense of Rs 889,363 relating to service charges of Magnus is charged to the Statement of Income and Expenditure.

18.3 Other income for the year was attributabed to the funds as follows:

Endowment fund	**(568,893)**	1,924,469
Restricted fund	-	-
Unrestricted fund	**1,476,558**	762,860
	907,665	2,687,329

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19 PROGRAMME EXPENSES

	Note	Restricted funds												Un-restricted fund	Total	Total
		GDP-Research	Aga Khan Foundation - (USA) for DSP	Sponsorship for Pakistan Philanthropy Forum	Agha Khan Rural Support Programme (AKRSP)	UK-Diaspora Study Donations	FHI-360	Give2Asia	CAPS	Film Makig / Documentary	UNDP	Misc. Grants	Sub-total	PCP - own sources	June 30, 2019	June 30, 2018
		Rupees														
Staff salaries		-	446,238	511,887	-	459,940	727,373	324,267	-	73,861	1,279,884	383,850	4,209,300	19,384,849	23,594,149	22,203,748
Programmes oversight cost		-	276,171	414,455	-	187,748	453,028	-	-	-	272,208	-	1,613,710	14,576,981	16,190,691	15,350,238
Printing, stationery and publication		-	-	-	-			24,394	-	-	-	-	24,394	1,056,723	1,080,117	1,535,793
Conference and seminars		543,137		2,385,291	-		206,831	162,400	4,905	-	-	-	3,502,564	1,158,823	4,661,387	2,509,773
Consultancy / Internship		-	542,023	-	-	210,000			-	332,015	295,334	-	1,379,372	2,082,851	3,462,223	6,152,085
Studies and research		-	-	-	-	2,673,396		268,237	-	-	128,727	-	3,070,359	-	3,070,359	2,518,803
Website and Certification Management System		-	-	-	-	-		-	-	-	-	-	-	146,600	146,600	351,436
Travelling		-	8,960	-	-	-	-	-	-	-	-	-	8,960	6,173,887	6,182,847	7,319,057
Membership of institutions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,099
Operational cost		-	-	-	-	-	-	-	-	-	-	-	-	8,693,180	8,693,180	8,118,341
Depreciation	4.1	-	-	-	-	-	-	-	-	-	-	-	-	1,139,260	1,139,260	621,561
		543,137	1,275,392	3,911,833	-	3,531,083	1,397,232	779,298	4,905	405,876	1,976,253	383,850	14,208,659	54,410,944	68,619,603	65,754,304

20 GENERAL AND ADMINISTRATIVE EXPENSES

	Note	Restricted funds												Un-restricted fund	Total	Total
		GDP-Research	Aga Khan Foundation - (USA) for DSP	Sponsorship for Pakistan Philanthropy Forum	Agha Khan Rural Support Programme (AKRSP)	UK-Diaspora Study Donations	FHI-360	Give2Asia	CAPS	Film Makig / Documentary	UNDP	Misc. Grants	Sub-total	PCP - own sources	June 30, 2019	June 30, 2018
		Rupees														
Salaries and benefits	20.1	-	276,171	414,454	-	187,748	463,027	-	-	-	272,307	-	1,613,707	3,790,732	5,404,439	4,700,944
Rent and rates		-	-	-	-	-	-	-	-	-	-	-	-	1,750,328	1,750,328	1,222,153
Utilities		-	-	-	-	-	-	-	-	-	-	-	-	178,645	178,648	160,124
Travelling		-	-	-	-	-	-	-	-	-	-	-	-	26,390	26,390	13,780
Communication		-	-	-	-	-	-	-	-	-	-	-	-	192,628	192,823	159,608
Insurance		-	-	-	-	-	-	-	-	-	-	-	-	15,785	15,785	12,959
Office supplies		-	-	-	-	-	-	-	-	-	-	-	-	78,122	78,122	81,814
Repair and maintenance		-	-	-	-	-	-	-	-	-	-	-	-	61,172	61,172	103,897
Vehicle running expenses		-	-	-	-	-	-	-	-	-	-	-	-	136,835	136,835	88,262
Auditors' remuneration	20.2	-	-	-	-	-	-	-	-	-	-	-	-	148,500	148,500	145,000
Security services		-	-	-	-	-	-	-	-	-	-	-	-	181,050	181,050	147,893
Fees and subscription		-	-	-	-	-	-	-	-	-	-	-	-	145,110	145,110	105,580
BOD meetings expenses		-	-	-	-	-	-	-	-	-	-	-	-	166,277	166,277	157,427
Miscellaneous expenses		-	-	-	-	-	-	-	-	-	-	-	-	99,459	99,459	79,380
Depreciation	4.1	-	-	-	-	-	-	-	-	-	-	-	-	284,813	284,813	220,490
		-	276,171	414,454	-	187,748	463,027	-	-	-	272,307	-	1,613,707	7,248,847	8,862,554	7,369,801

20.1 Salaries and benefits includes staff retirement benefits for an amount of Rs.1,423,129 (2018: Rs. 1,230,683).

		June 30, 2019 Rupees	June 30, 2018 Rupees
20.2	Auditors' remuneration		
	Audit fee	110,000	110,000
	Out of pocket expenses	38,500	35,000
		148,500	145,000

21 REMUNERATION TO DIRECTORS, EXECUTIVE DIRECTOR AND EXECUTIVES

Executives comprise of Executive Director and managers of the Company.

	June 30, 2019		June 30, 2018	
	Chief Executive	Executives	Chief Executive	Executives
	Rupees		Rupees	
Managerial remuneration	8,083,152	13,757,770	7,484,400	12,619,756
Employee benefits	1,235,016	681,250	1,031,855	571,529
	9,318,168	14,439,020	8,516,255	13,191,285
Number of persons	1	5	1	5

21.1 In addition, the Chief Executive has also been provided with a car and a mobile phone.

21.2 The Directors of the Company did not receive any remuneration from the Company.

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22 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, directors and key management employees. Remuneration to executive director and other key management personnel are disclosed in note 21 to the financial statements. Significant transactions with related parties are as follows:

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end	June 30, 2019 Rupees	June 30, 2018 Rupees
Arif Habib Corporation	Member of PCP Board of Directors	Restricted donation for UK-Diaspora research study	-	1,000,000
Fatima Fertilizer Company C/O Mr. Arif Habib	Member of PCP Board of Directors	Sponsorship for Pakitan Philanthropy Forum	1,000,000	
Crescent Steel & Allied Products Limited	Member of PCP Board of Directors	Restricted donation for UK-Diaspora research study	-	1,000,000
Ferozsons Laboratories Limited	Associated company by virtue of common directorship	Restricted donation for UK-Diaspora research study	-	1,000,000
Packages Foundation	Associated company by virtue of common directorship	Restricted donation for UK-Diaspora research study	-	1,000,000
Packages Foundation	Associated company by virtue of common directorship	Fee for M&E services through an MoU	166,866	-
Aga Khan Foundation (USA)	Associated company by virtue of common directorship	Grant for development of digital services plateform	113,587	6,986,139
Community Development Programme (CDP)	Ex-Chairman of CDP, Mr. Shamsh Kassim-Lakha was the Chairman of PCP till April 2015 and now is the member of PCP general body	Grant for Study on Individual Indigenous Philanthropy in Sindh, utilization of balance funds during the period	543,137	-
Aga Kha Rural Support Programme	Associated company by virtue of common directorship	Grant for evaluation of partner LSOs	1,412,832	1,608,793
Board of Directors and General Body Members	Key management	Membership fee	1,618,750	1,477,500

		June 30, 2019 Rupees	June 30, 2018 Rupees
23	**NUMBER OF EMPLOYEES**		
	Employees as on year end (Number)	**37**	27
	Average number of employees	**32**	31

24 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors on____________________.

EXECUTIVE DIRECTOR

DIRECTOR

PCP TEAM

Sitting (L-R): Ms. Mehwish Farah, Ms. Aimen Tayyab, Ms. Saniya Benjamin, Ms. Shazia Maqsood Amjad, Ms. Ayesha Qamar, Ms. Shagufta Mariam, Mr. Arslan Kashfi

Standing (L-R): Mr. Ahmed Hamid, Mr. Ahmad Nadeem, Mr. Raheel Awan, Mr.Faisal Ali, Mr. Rehan Athar, Mr. Ali Khalid, Mr. Mohsin Aman, Mr. Sajjad Haider, Mr. Abdul Malik Nazir Alvi, Mr. Shams, Mr. Bilal Rasool, Mr. Naveed Yousaf Butt, Mr. Rehmat, Mr. Hamza Atiq, Mr. Muhammad Ali, Mr.Fayyaz, Mr. Babar Khan, Mr. Kazim Abbas, Mr. Jawad Ahmed

Pakistan Centre *for* Philanthropy

Pakistan Centre for Philanthropy
RDF Centre, 31 Mauve Area, G-9/1, Islamabad

A Company set up under Section 42 of the Companies Ordinance 1984

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