



AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **M/S PAKISTAN WATER OPERATIONS NETWORK** as at **June 30, 2021** and the related income and expenditure statement, together with the notes forming part thereof, for the year then ended.

It is the responsibility of the management to establish and maintain a system of internal control, and prepare and present the above said financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the **M/S PAKISTAN WATER OPERATIONS NETWORK** as at **June 30, 2021** and of its deficit for the year then ended as per information/record provided to us for our verification.

FAISALABAD:
October 08, 2021

A. Sattar & Co.
A. SATTAR & CO.
CHARTERED ACCOUNTANTS



PAKISTAN WATER OPERATORS NETWORK
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON CURRENT ASSETS			
Equipments		185,333	-
		185,333	-
CURRENT ASSETS			
Receiveables		1,156,708	1,900,000
Cash and bank balances		362,688	245,790
Tax refunds due from Government		104,186	158,190
		1,623,582	2,303,980
TOTAL ASSETS		1,808,915	2,303,980
FUNDS AND LIABILITIES			
General fund	SOCIF	1,540,500	2,035,565
CURRENT LIABILITIES			
Accrued liabilities	4	268,415	268,415
		1,808,915	2,303,980

The annexed notes from 1 to 14 form an integral part of these financial statements.

CHAIRMAN



FINANCE SECRETARY

**PAKISTAN WATER OPERATORS NETWORK
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
INCOME			
Membership fee		1,600,000	1,600,000
EXPENDITURE			
Operating expenses	11	<u>2,095,065</u>	<u>(3,535,596)</u>
Provision for taxation		-	-
Surplus/(Deficit) for the year		<u><u>(495,065)</u></u>	<u><u>(1,935,596)</u></u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



CHAIRMAN

FINANCE SECRETARY

PAKISTAN WATER OPERATORS NETWORK
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Particulars	General Fund RUPEES
Balance at July 01, 2019	3,971,161
Surplus for the year	(1,935,596)
Balance at June 30, 2020	2,035,565
Balance at July 01, 2020	2,035,565
Deficit for the year	(495,065)
Balance at June 30, 2021	1,540,500

The annexed notes from 1 to 14 form an integral part of these financial statements.



CHAIRMAN

FINANCE SECRETARY

PAKISTAN WATER OPERATORS NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. The organization and its operations

Pakistani Water Operators Network (here-in-after referred to as "The Society") was incorporated as a Society with the Registrar, Joint Stock Companies, City District Government, Faisalabad; on March 20, 2015 under The Societies Registration Act, XXI of 1860. The registered office is situated at WASA Head Office, Jail Road, Faisalabad.

The Society is mainly responsible to promote water operators partnerships culture between Water and Sanitation Operators in Pakistan. The objectives of the Society include:

- Providing a platform to members for collective thinking, raising voice on policy issues, efficiency gains, research and actions.
- Promoting lateral learning amongst members and capacity building through twinning & other programs.
- To coordinate and link the members with regional and global networks.
- Networking on best practices and knowledge sharing to improve member's performance.
- Facilitating the members to become socially accountable and transparent in their processes.

At the beginning, the society kept its membership stick to major urban utilities but to meet the aforesaid objectives society is currently connecting utilities from all over Pakistan.

2. Significant accounting judgments and estimates

These financial statements have been prepared in conformity with the approved accounting standards which require the use of certain critical accounting estimates. These standards also require management to exercise its judgment in the process of applying the society's accounting policies.

Estimates and judgments are continuously evaluated and are based on historic experience and other factors, including expectations of 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 accounting policies, management has made the estimates and judgments with reference to the useful life of equipment.

3. Basis of preparation

3.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of Accounting and Financial Reporting Standard (AFRSs) for Small-Sized Entities (SSEs) issued by Institute of Chartered Accountants of Pakistan (ICAP).

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

3.3 Functional and presentational currency

These Financial Statements are presented in Pakistani Rupees which is the Society's functional and presentation currency.



PAKISTAN WATER OPERATORS NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3.4 Use of Estimate and Judgment

The preparation of financial statements in conformity with approved accounting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Society's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Provision for taxation
- Residual values and useful lives of depreciable assets
- Amortization of deferred grant
- Provisions

4 Significant accounting policies

4.1 Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation is charged to income and expenditure account using the reducing balance method at the rates specified in Note 4 to the financial statements. Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged for the month in which the asset is disposed off. Assets residual values, useful lives and depreciation rates are reviewed, and adjusted, if appropriate at each reporting date.

Maintenance and normal repairs are charged to income and expenditure account as and when incurred, while major renewals and improvements are capitalized. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.2 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Society and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

4.2.1 Recognition of unrestricted contributions:

Unrestricted contributions are recognized as revenue in the period of contribution received.



PAKISTAN WATER OPERATORS NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4.2.1 Recognition of unrestricted contributions:

Restricted contributions for expenses of one or more future periods are deferred and recognize as revenue in the same period or periods as the related expenses are recognized.

4.3 Offsetting of financial asset and financial liability

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Society has a legal enforceable right to offset the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.4 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts.

4.5 Other Receivables

Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future less an estimate made for doubtful receivables based on review of outstanding amounts at the year end.

4.6 Accrued liabilities

Liabilities for creditors, 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, whether or not billed to the Society.

4.7 Taxation

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits and tax rebates available under the law.

4.8 Foreign Currency Transaction

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used. Gains and losses arising on retranslation are included in income and expenditure for the period.

4.9 Provisions

Provisions are recognized in the balance sheet when the Society has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the extent of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.



PAKISTAN WATER OPERATORS NETWORK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

2021										
Particulars	Cost			Useful life (Years)	Accumulated depreciation			Written down value as at June 30, 2021		
	As at July 01, 2020	Additions	Disposals		As at June 30, 2021	As at July 01, 2020	Adjusted on disposals	Charged for the year	As at June 30, 2021	As at June 30, 2021
	----- Rupees -----									
IT EQUIPMENT	-	278,000	-	278,000	3	-	-	92,667	92,667	185,333
----- Rupees -----										
2020										
Particulars	Cost			Useful life (Years)	Accumulated depreciation			Written down value as at June 30, 2021		
	As at July 01, 2020	Additions	Disposals		As at June 30, 2021	As at July 01, 2020	Adjusted on disposals	Charged for the year	As at June 30, 2021	As at June 30, 2021
	----- Rupees -----									
IT EQUIPMENT	35,000	-	(35,000)	-	-	16,528	-	6,805	28,195	-
----- Rupees -----										



PAKISTAN WATER OPERATORS NETWORK
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
2 Receivables		
Membership fee receivable	<u>1,900,000</u>	<u>1,900,000</u>
3 Cash and Bank		
Cash at bank Cash in hand	<u>362,688</u> #	<u>245,790</u>
4 Accrued liabilities		
Legal and professional Payroll liabilities Withholding tax liability	<u>-</u>	<u>268,415</u>
5 Membership fee		
Every member of the society is liable to contribute an annual membership fee of Rs. 100,000/- to the society.		
10 Reimbursement of expenses 2020	2021 Rupees	2020 Rupees
Reimbursement by Ministry of Climate Change	-	-
11 Operating expenses		
Legal and Professional Payroll	1,666,000	3,285,919
Meetings	100,000	100,000
Phone and communication	30,845	35,942
Printing and Stationery	100,000	2,380
Travelling & Entertainment	20,000	1,374
Postage and courier	14,306	10,630
Bank charges	1,187	7,246
Advertisement expenses	70,060	85,300
Depreciation	92,667	6,805
	<u>2,095,065</u>	<u>3,535,596</u>

12 Provision for taxation

The Society has applied for registration as non profit organization under Section 2(36) of the Income Tax

13 Date of authorization

The financial statements were approved and authorized for issue by the Governing Body

14 General

Figures have been rounded off to the nearest Rupee.

CHAIRMAN



FINANCE SECRETARY