HADEEDIAN ASSOCIATION

(Formed under section 42 of the Companies Ordinance, 1984)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Nadeem Safdar & Co.
Chartered Accountants

Office No. 2, 1st Floor,
Vip Square, I-8 Markaz
Islamabad, Pakistan
Direct: +92 (51) 8431604
Ph: +92 (51) 8431609
Email: nsafdar66@gmail.com

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Hadeedian Association ("the Company") as at June 30, 2016 and the related income and expenditure account, cash flow statement and statement of changes in funds together with the notes forming part thereof, for the year then ended 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 purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted the audit in accordance with the auditing standards applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis of our opinion and, after due verification, we report that:

a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion-

   i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and statement of changes in funds together with notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give true and fair view of the state of the Company's affairs as at June 30, 2016 and of the deficit, its cash flow and changes in funds for the year then ended; and

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

The financial statements of the Company for the year ended June 30, 2015 were audited by another firm of Chartered Accountants whose report dated October 07, 2015 expressed an un- modified opinion thereon.

Nadeem Safdar & Co
Chartered Accountants
Engagement Partner: Nadeem Safdar

Islamabad.
Date: 30 SEP 2016

HADEEDIAN ASSOCIATION
(A Company incorporated under section 42 of the Companies Ordinance, 1984)
BALANCE SHEET
AS AT JUNE 30, 2016

	Note	2016	2015
		(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**48,676**	54,084
CURRENT ASSETS			
Loans and advances - considered good	5	**68,475**	50,000
Cash and bank balances	6	**421,960**	1,196,243
		490,435	1,246,243
TOTAL ASSETS		**539,111**	1,300,327
FUNDS AND LIABILITIES			
General Fund		**125,566**	221,824
CURRENT LIABILITIES			
Accrued and other payable		**86,000**	86,000
Restricted grant	7	**278,876**	928,986
Provision for taxation	8	**48,669**	63,517
		413,545	1,078,503
TOTAL FUNDS AND LIABILITIES		**539,111**	1,300,327
CONTINGENCIES AND COMMITMENTS	9		

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

HADEEDIAN ASSOCIATION
(A Company incorporated under section 42 of the Companies Ordinance, 1984)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		(Rupees)	
Income	10	**1,319,510**	1,538,110
Expenditure:			
Program expenses	11	**(977,380)**	(1,097,710)
Administrative expenses	12	**(438,388)**	(438,133)
		(1,415,768)	(1,535,843)
(Deficit) / surplus before taxation		**(96,258)**	2,267
Taxation	13	-	(15,381)
(Deficit) for the year		**(96,258)**	(13,114)

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

HADEEDIAN ASSOCIATION
(A Company incorporated under section 42 of the Companies Ordinance, 1984)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus / (deficit) before taxation		**(96,258)**	2,267
Adjustments for non-cash items:			
Depreciation		**5,408**	6,009
Cash generated from operations before working capital changes		**(90,850)**	8,276
Working capital changes:			
(Increase)/decrease in current assets			
Loans and advances - considered good		**(18,475)**	325,500
Increase/(decrease) in current liabilities			
Accrued and other payable		-	60,000
Restricted grant		**(650,110)**	(139,014)
		(668,585)	246,486
Cash (used in) / generated from operations		**(759,435)**	254,762
Income tax paid/deducted at source		**(14,848)**	(7,596)
Net cash (used in) / from operations		**(774,283)**	247,166
Net (decrease)/ increase in cash and cash equivalent		**(774,283)**	247,166
Cash and cash equivalents at the beginning of year		**1,196,243**	949,077
Cash and cash equivalents at the end of year	6	**421,960**	1,196,243

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

HADEEDIAN ASSOCIATION
(A Company incorporated under section 42 of the Companies Ordinance, 1984)
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	(Rupees)
Balance as at June 30, 2014	234,938
Surplus / (deficit) for the year	(13,114)
Balance as at June 30, 2015	221,824
Surplus / (deficit) for the year	(96,258)
Balance as at June 30, 2016	125,566

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

1 THE COMPANY AND ITS ACTIVITIES

Hadeedian Association (the "Association") was incorporated on January 11, 2011 under section 42 of the Companies Ordinance, 1984 as a company limited by guarantee. The Association's objectives primarily focus on establishing and managing educational institutions to provide facilitate and support education for needy and deserving students. To provide scholarships and gave grants, awards, medals, medicines, educational career support and other incentives for the purposes of advancement of knowledge, education and literacy. During the period the Association received donations from its promoters and directors for its operational requirements. The registered office of the Company is situated at office No. 475 - D, Street 58 - A, I-8/3, Islamabad, Pakistan.

2 BASIS OF OPERATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small Sized Entities issued by the Institute of Chartered Accountants of Pakistan and Provisions of and directives issued under the companies Ordinance, 1984. In case the requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Accounting Convention

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

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires 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 are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value 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. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, If any. Depreciation is charged on the reducing balance method at the rates specified in note 8. Full month's depreciation is charged on the assets in the month of acquisition while no depreciation is charged for the month in which asset is disposed off. Cost of equipment comprises of purchase price, non-refundable local taxes and other directly attributable cost.

Renewals and replacements are recognized in the carrying amount of the equipment if it is probable that future embodied economic benefits will flow to the Association. Other maintenance and repairs are charged to the income and expenditure account. Gain or loss on disposal is taken to the income and expenditure account.

Subsequent costs are included in the assets carrying amount and recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Committee and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income as and when incurred.

3.2 Impairment

The carrying amounts of the Association's non-monetary assets are reviewed at each balance sheet date to determine weather there is any indication of impairment loss. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognized in the receipts and disbursement account. Subsequent reversals in impairment losses. if any, are recognized as income

3.3 Restricted grant

Funds received in kind or related to capital expenditures/ specific programs are presented in statement of financial position by setting up the grant/fund as restricted fund and recognized as income on systematic basis over the useful life of the related capital asset/specific on the program.

3.4 Taxation

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit, rebates and exemptions available, If any under provisions of Income Tax Ordinance, 2001.

3.5 Provisions

Provisions are recognized when the Association has a legal or constructive obligation as or result of 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 amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflected the current best estimate.

NSW

4 Property and equipment

Particulars	Cost			Rate %	Depreciation			Carrying value as at June 30, 2016
	As at July 01, 2015	Additions	As at June 30, 2016		As at July 01, 2015	For the year	As at June 30, 2016	
	----------(RUPEES)----------				----------(RUPEES)----------			(Rupee)
Furniture and fixture	82,432	-	82,432	10%	28,348	5,408	33,756	48,676
Year ended June 30, 2016:	**82,432**	**-**	**82,432**		**28,348**	**5,408**	**33,756**	**48,676**
Year ended June 30, 2015:	82,432	-	82,432		22,339	6,009	28,348	54,084

		2016	2015
5	**Loans and advances - considered good**	(Rupees)	
	Advance against expenses	**56,475**	50,000
	Advance against salary	**12,000**	-
		68,475	50,000
6	**Cash and bank balances**		
	Cash in hand	**46,807**	25,878
	Cash at bank - current account	**375,153**	1,170,365
		421,960	1,196,243
7	**Restricted grants**		
	Balance at the beginning of year	**928,986**	1,068,000
	Grants received during the year	-	958,696
	Program expenses during the year	**650,110**	1,097,710
	Balance at the end of year	**278,876**	928,986

7.1 Restricted fund represents the grants/donations received for student scholarships program.

		2016	2015
8	**Provision for taxation**		
	Balance at beginning of year	**63,517**	**55,732**
	Add: provision made during the year	-	**15,381**
		63,517	**71,113**
	Less: income tax paid/deducted at source during the year	**(14,848)**	**(7,596)**
	Balance at the end of the year	**48,669**	**63,517**

9 Contingencies and commitments

There are no significant contingencies and commitments as at balance sheet date (2015 : NIL).

NSW

		Note	2016	2015
			(Rupees)	
10	**Income**			
	Membership fee		**54,600**	58,000
	Donations		**1,264,910**	1,480,110
			1,319,510	1,538,110
11	**Program expenses**			
	Student scholarships		**650,110**	833,970
	Student supplies		**74,830**	74,150
	Student annual function		-	51,060
	Travelling and pocket money		**252,440**	138,530
			977,380	1,097,710
12	**Administrative expenses**			
	Salaries and benefits		**144,000**	144,000
	Communication expense		**16,660**	19,450
	Postage expense		**640**	840
	Printing and stationery		**14,483**	10,459
	Entertainment		**1,490**	4,520
	Legal and professional fee		**95,915**	123,795
	Advertising and promotion		-	10,700
	Travelling, boarding and lodging		**15,950**	700
	Medical expense		**142,000**	100,000
	Certification fee		-	16,500
	Depreciation	4	**5,408**	6,009
	Bank charges		**1,842**	1,160
			438,388	438,133

13 Taxation

During the current year, due to gross loss before set-off of depreciation, no provision of minimum tax under Section 113 of the Income Tax Ordinance 2001 has been made in these financial statements.

14 General

- Figures have been rounded off to the nearest Pakistani Rupee, unless otherwise stated.
- Comparative figures have been rearranged / reclassified, wherever, necessary for the purpose of comparison.

15 Date of authorization

These financial statements were authorized for issue on 30 SEP 2016 by the Board of Directors of the Company.

NEW

CHIEF EXECUTIVE **DIRECTOR**