

HADEEDIAN ASSOCIATION

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Hadeedian Association ("the Company") as at June 30, 2017 and the related statement of comprehensive income, 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and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984 (as directed by Securities and Exchange Commission of Pakistan (SECP) vide circular no. 17 dated July 20, 2017). 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- a) in our opinion, proper books of accounts have been kept by the Company as required by the repealed Companies Ordinance, 1984;
- b) in our opinion-
 - i) the balance sheet and statement of comprehensive income together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;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, statement of comprehensive income, 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 repealed 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, 2017 and of the deficit, its cash flows 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).

Islamabad.

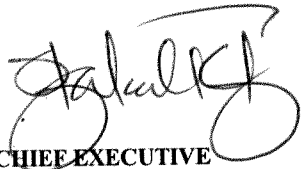
Date: 30 SEP 2017

Nadeem Safdar & Co.
Chartered Accountants
Engagement Partner: Nadeem Safdar

**HADEEDIAN ASSOCIATION
BALANCE SHEET
AS AT JUNE 30, 2017**

	Note	2017 (Rupees)	2016
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	43,808	48,676
CURRENT ASSETS			
Loans and advances - considered good	5	50,000	68,475
Cash and bank balances	6	47,064	421,960
		97,064	490,435
TOTAL ASSETS		<u>140,872</u>	<u>539,111</u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		(9,588)	125,566
Restricted grant	7	-	278,876
CURRENT LIABILITIES			
Trade and other payable		113,000	86,000
Provision for taxation	8	37,460	48,669
		150,460	134,669
TOTAL FUNDS AND LIABILITIES		<u>140,872</u>	<u>539,111</u>
CONTINGENCIES AND COMMITMENTS			
	9		

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

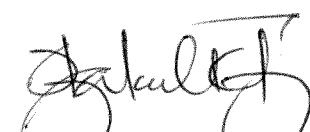

CHIEF EXECUTIVE


DIRECTOR

**HADEEDIAN ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 (Rupees)	2016
Income	10	1,074,876	1,319,510
Expenditure:			
Program expenses	11	(988,325)	(977,380)
Administrative expenses	12	(210,956)	(438,388)
		(1,199,281)	(1,415,768)
Deficit before taxation		(124,405)	(96,258)
Taxation	13	(10,749)	-
		(135,154)	(96,258)
Deficit for the year			
Other comprehensive income		-	-
Total comprehensive income		(135,154)	(96,258)

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


CHIEF EXECUTIVE

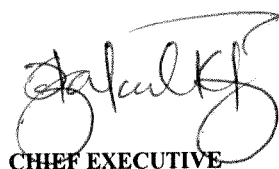

DIRECTOR

**HADEEDIAN ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 (Rupees)	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before taxation		(124,405)	(96,258)
Adjustments for non-cash items:			
Depreciation		4,868	5,408
Cash generated from operations before working capital changes		(119,537)	(90,850)
Working capital changes:			
(Increase)/decrease in current assets			
Loans and advances - considered good		18,475	(18,475)
Increase/(decrease) in current liabilities			
Trade and other payable		27,000	-
		45,475	(18,475)
Cash (used in) / from operations		(74,062)	(109,325)
Income tax paid/deducted at source		(21,958)	(14,848)
Net cash (used in) operations		(96,020)	(124,173)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Restricted grant		(278,876)	(650,110)
Net cash (used in) financing activities		(278,876)	(650,110)
Net (decrease) in cash and cash equivalent		(374,896)	(774,283)
Cash and cash equivalents at the beginning of year		421,960	1,196,243
Cash and cash equivalents at the end of year	6	47,064	421,960

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

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CHIEF EXECUTIVE


DIRECTOR

**HADEEDIAN ASSOCIATION
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	(Rupees)
Balance as at July 1, 2015	221,824
Total comprehensive income	
Deficit for the year	(96,258)
Other comprehensive income	-
Total comprehensive income for the year	(96,258)
Balance as at June 30, 2016	<u>125,566</u>
Balance as at July 1, 2016	125,566
Total comprehensive income	
Deficit for the year	(135,154)
Other comprehensive income	-
Total comprehensive income for the year	(135,154)
Balance as at June 30, 2017	<u><u>(9,588)</u></u>

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


CHIEF EXECUTIVE


DIRECTOR

HADEEDIAN ASSOCIATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1 THE ASSOCIATION AND ITS ACTIVITIES

Hadeedian Association (the "Association") was incorporated on January 11, 2011 under section 42 of the repealed 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 Association 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 International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs) issued by the Institute of International Accounting Standards Board as notified by the Securities and Exchange Commission of Pakistan.

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 Association'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 believe 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.

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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 4. 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 statement of comprehensive income. 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 Association 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 Trade and other payables

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.3 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statements comprise of cash in hand and bank balances.

3.4 Other receivable

Other receivables are stated at cost less impairment losses, if any.

3.5 Impairment

The carrying amounts of the Association's non-monetary assets are reviewed at each balance sheet date to determine whether 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 statement of comprehensive income. Subsequent reversals in impairment losses, if any, are recognized as income.

3.6 Restricted Grants

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.

3.7 Donations

Member's voluntary contributions, donations, etc. are recognized as income where right to receive is established.

3.8 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.

3.9 Provisions

Provisions are recognized when the Association has a legal or constructive obligation as a 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.

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4 Property and equipment

Particulars	Cost			Rate %	Depreciation			Carrying value as at June 30, 2017
	As at July 01, 2016	Additions	As at June 30, 2017		As at July 01, 2016	For the year	As at June 30, 2017	
	(RUPEES)				(RUPEES)			(Rupee)
Furniture and fixture	82,432	-	82,432	10%	33,756	4,868	38,624	43,808
Year ended June 30, 2017:	82,432	-	82,432		33,756	4,868	38,624	43,808
Year ended June 30, 2016:	82,432	-	82,432		28,348	5,408	33,756	48,676

5 Loans and advances - considered good

Advance against expenses
Advance against salary

2017 2016

(Rupees)

50,000	56,475
-	12,000
<u>50,000</u>	<u>68,475</u>

6 Cash and bank balances

Cash in hand
Cash at bank - current account

47,064	46,807
-	375,153
<u>47,064</u>	<u>421,960</u>

7 Restricted grants

Balance at the beginning of year
Grants received during the year
Program expenses during the year
Balance at the end of year

278,876	928,986
-	-
<u>278,876</u>	<u>650,110</u>
-	<u>278,876</u>

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

8 Provision for taxation

Balance at beginning of year
Add: provision made during the year

48,669	63,517
<u>10,749</u>	-
59,418	63,517
<u>(21,958)</u>	<u>(14,848)</u>
<u>37,460</u>	<u>48,669</u>

9 Contingencies and commitments

There are no significant contingencies and commitments as at balance sheet date (2016 : NIL).

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	Note	2017 (Rupees)	2016
10 Income			
Membership fee		54,000	54,600
Donations		742,000	1,264,910
Restricted grants transferred to income		278,876	-
		<u>1,074,876</u>	<u>1,319,510</u>
11 Program expenses			
Student scholarships		762,825	650,110
Student supplies		-	74,830
Travelling and pocket money		214,000	252,440
Misc. expenses		11,500	-
		<u>988,325</u>	<u>977,380</u>
12 Administrative expenses			
Salaries and benefits		144,000	144,000
Communication expense		15,450	16,660
Postage expense		2,860	640
Printing and stationery		1,603	14,483
Entertainment		3,240	1,490
Legal and professional fee		38,885	95,915
Travelling, boarding and lodging		-	15,950
Medical expense		-	142,000
Depreciation	4	4,868	5,408
Bank charges		50	1,842
		<u>210,956</u>	<u>438,388</u>
13 Taxation			
Provision for tax-current year	13.1	<u>10,749</u>	<u>-</u>

13.1 During the current year, due to taxable loss provision of tax is maintained under Section 113 of the Income Tax Ordinance, 2001.

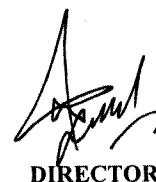
14 General

- 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.
- The Association had 1 employee (2016 : 1) at the year end and average number of employees during the year were 1 (2016 : 1)

15 Date of authorization

These financial statements were authorized for issue on 30 SEP 2017 by the Board of Directors of the Association.


CHIEF EXECUTIVE


DIRECTOR