

HADEEDIAN FOUNDATION

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of "HADEEDIAN ASSOCIATION" ("the Company") as at 30th June, 2015 and the related receipts and disbursement 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 purposes 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 our audit in accordance with the auditing standards as 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 a 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 for our opinion and, after due verification, we report that:

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

b) in our opinion:

- (i) the balance sheet and receipts and disbursement 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 the 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, receipts and disbursement account, cash flow statement and statement of changes in funds together with the 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 a true and fair view of the state of the Company's affairs as at 30 June, 2015 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

7th Oct, 2015



FAISAL LATIF & COMPANY
CHARTERED ACCOUNTANTS
FAISAL LATIF, FCA

**HADEEDIAN ASSOCIATION
BALANCE SHEET
AS AT 30 JUNE 2015**

	NOTE	June 30,2015 (RUPEES)	June 30,2014 (RUPEES)
<u>FUND & LIABILITIES</u>			
FUND BALANCE			
General Fund		221,824	234,938
		<u>221,824</u>	<u>234,938</u>
CURRENT LIABILITIES			
Accrued and other payable		86,000	26,000
Restricted grant	5	928,986	1,068,000
Provision for taxation		63,517	55,732
		<u>1,078,503</u>	<u>1,149,732</u>
		<u>1,300,327</u>	<u>1,384,670</u>
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed assets-tangible	6	54,084	60,093
		<u>54,084</u>	<u>60,093</u>
CURRENT ASSETS			
Advances, deposits, prepayments and other receivables	7	50,000	375,500
Cash and bank	8	1,196,243	949,077
		<u>1,246,243</u>	<u>1,324,577</u>
		<u>1,300,327</u>	<u>1,384,670</u>
CONTINGENCIES & COMMITMENTS	9		

The annexed notes form an integral part of these financial statements.

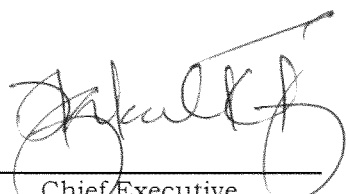

Chief Executive


Director

**HADEEDIAN ASSOCIATION
RECEIPTS & DISBURSEMENT ACCOUNT
FOR THE YEAR ENDED 30 JUNE, 2015**

	NOTE	June 30,2015 (RUPEES)	June 30,2014 (RUPEES)
Income	10	1,538,110	551,690
Program expenses	11	<u>1,097,710</u> 440,400	<u>266,113</u> 285,577
Administrative expenses	12	<u>438,133</u>	<u>260,408</u>
Surplus for the year before taxation		2,267	25,169
Taxation		(15,381)	(6,292)
Surplus / (Deficit) for the year transferred to general fund		<u>(13,114)</u>	<u>18,877</u>

The annexed notes form an integral part of these financial statements.



Chief Executive

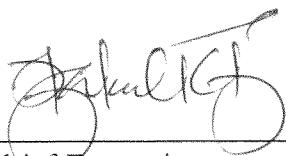


Director

**HADEEDIAN ASSOCIATION
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	GENERAL FUND
	(R u p e e s)
Balance as at June 30, 2013	212,763
Surplus / (deficit) for the year	18,877
Prior year adjustment	3,298
Balance as at June 30, 2014	234,938
Surplus / (deficit) for the year	(13,114)
Balance as at June 30, 2015	221,824

The annexed notes form an integral part of these financial statements.



Chief Executive

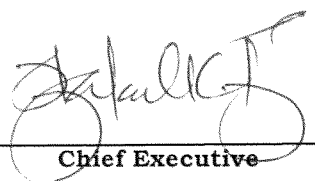


Director

HADEEDIAN ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2015

	June 30,2015 (RUPEES)	June 30,2014 (RUPEES)
<u>Cash flows from operating activities</u>		
Surplus / (Deficit) before taxation	2,267	25,169
Adjustments for non cash items :		
Depreciation	6,009	6,677
	<u>8,276</u>	<u>31,846</u>
(Increase)/decrease in current assets		
Advances, deposits, prepayments and other receivables	325,500	(375,500)
Increase/(decrease) in current liabilities		
Restricted grant	(139,014)	1,068,000
Accrued expenses	60,000	(9,000)
	<u>246,486</u>	<u>683,500</u>
Tax paid	(7,596)	(9,482)
Interest paid	-	-
	<u>(7,596)</u>	<u>(9,482)</u>
Net cash from operations	A <u><u>247,166</u></u>	<u><u>705,864</u></u>
<u>Cash flows from investing activities</u>		
Acquisition of assets	-	-
Net cash from investing activities	B <u><u>-</u></u>	<u><u>-</u></u>
<u>Cash flows from financing activities</u>		
General fund	-	3,298
Net cash from financing activities	C <u><u>-</u></u>	<u><u>3,298</u></u>
Net Increase/ decrease in cash and cash equivalent	(A+B+C) <u><u>247,166</u></u>	<u><u>709,162</u></u>
Cash and cash equivalents at the beginning of period	<u><u>949,077</u></u>	<u><u>239,915</u></u>
Cash and cash equivalents at the end of period	<u><u>1,196,243</u></u>	<u><u>949,077</u></u>

The annexed notes 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 30 JUNE 2015

1. Legal status and operations

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.

2. 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.

3 Basis of preparation

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

3.1 Functional and presentation currency

The financial statements are presented in Pak Rupee, which is the Association's functional and presentation currency

4 Significant accounting policies

4.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, If any depreciation is charged on written down value at the rates specified in note 8. Cost of equipment comprises of purchase price, non-refundable local taxes and other directly attributable cost. The association charges depreciation on all additions to equipment from the date asset is available for use. Full months depreciation is charged on the assets in the month of acquisition while no depreciation is charged for the month in which equipment is disposed off. 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 receipt and disbursement account. Gain or loss on disposal is taken to the receipt and disbursement account.

4.2 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 receipts and disbursement account. Subsequent reversals in impairment losses, if any, are recognized as income

4.3 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.

4.4 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.

4.5 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.

4.6 Critical accounting estimates and judgments

The preparation of financial statement in conformity with applicable financial reporting framework requires management to make judgment, estimates and assumptions that affect the application of polies and reported amounts of assets and liabilities, receipts 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 judgments about caring 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 on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

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.

	NOTE	June 30,2015 (RUPEES)	June 30,2014 (RUPEES)
5 Restricted grants			
Opening balance	5.1	1,068,000	-
Grants received during the year		958,696	1,246,550
Program expense during the year		1,097,710	178,550
		<u>928,986</u>	<u>1,068,000</u>

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

6 Fixed assets schedule

Particulars	Cost			Rate %	Depreciation			Written down value as at June 30, 2014
	As at July 01, 2013	Additions/ Deletions	As at June 30, 2014		As at July 01, 2013	For the year	As at June 30, 2014	
	(RUPEES)	(RUPEES)	(RUPEES)		(RUPEES)	(RUPEES)	(RUPEES)	(RUPEES)
Furniture and fixture	82,432	-	82,432	10%	22,339	6,009	28,348	54,084
Year ended June 30, 2015:	<u>82,432</u>	<u>-</u>	<u>82,432</u>		<u>22,339</u>	<u>6,009</u>	<u>28,348</u>	<u>54,084</u>
Year ended June 30, 2014:	<u>82,432</u>	<u>-</u>	<u>82,432</u>		<u>15,662</u>	<u>6,677</u>	<u>22,339</u>	<u>60,093</u>

7 Advances, deposits, prepayments and other receivables

Advance against expenses	50,000	50,000
Advances against student scholarships	-	325,500
	<u>50,000</u>	<u>375,500</u>

8 Cash and bank balances

Cash in hand	25,878	3,507
Cash at bank	1,170,365	945,570
	<u>1,196,243</u>	<u>949,077</u>

9 Contingencies and commitments

There are no significant contingencies and commitments as at balance sheet date. (2014 : NIL)

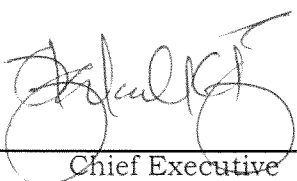
	NOTE	June 30,2015 (RUPEES)	June 30,2014 (RUPEES)
10 Income			
Membership fee		58,000	21,000
Donations		1,480,110	530,690
		<u>1,538,110</u>	<u>551,690</u>
11 Program expenses			
Student scholarships		833,970	178,550
Student supplies		74,150	48,513
Student annual function		51,060	-
Travelling and pocket money		138,530	39,050
		<u>1,097,710</u>	<u>266,113</u>
12 Administrative expenses			
Salaries and benefits		144,000	162,000
Communication expense		19,450	10,395
Postage expense		840	820
Printing and stationery		10,459	11,850
Repair and maintenance		-	4,110
Entertainment		4,520	8,430
Legal and professional fee		123,795	35,000
Office supplies		-	1,340
Advertising and promotion		10,700	14,500
Travelling, boarding and lodging		700	-
Medical expense		100,000	-
Certification fee		16,500	-
Depreciation	6	6,009	6,677
Bank charges		1,160	1,599
Misc. expenses		-	3,687
		<u>438,133</u>	<u>260,408</u>

13 Date of authorization

These financial statements have been authorized for issue by the board of directors of the company on _____.

14 Figures

In these financial statements are rounded - off to the nearest rupees. Figures of the previous year are re-arranged and restated, wherever necessary for the purpose of comparison.


Chief Executive


Director