

HADEEDIAN ASSOCIATION

Set up under section 42 of Companies Ordinance, 1984

FINANCIAL STATEMENTS

**FOR THE YEAR
ENDED**

June 30, 2013

Khan Waheed & Co.
Chartered Accountants

Office No. 6, 3rd Floor, Rose Arcade, G-11 Markaz, Islamabad.
Ph: (051) 2214385-6, 2111227, Fax: 2214387, E-mail: kwco@live.com

AUDITORS' REPORT TO THE MEMBER

We have audited the annexed balance sheet of **Hadeedian Association (Set up under section 42 of Companies Ordinance, 1984)** as at 30 June 2013, receipt and disbursement accounts and cash flow statement with the notes forming part thereof for the year ended 30 June 2013 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 financial 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 financial statements based on our audit.

We conducted the 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 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 accounts have been kept by the company as required by the Companies Ordinance, 1984.
- b) In our opinion;
 - i) the balance sheet and profit and loss account together with the notes forming part thereof have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of accounts and further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the period was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the period 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 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 30 June 2013 and of the excess of expenditure over income for the year ended 30 June 2013; and
- d) In our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Date:

Place: Islamabad

Engagement Partner: Muhammad Abdur Rub Khan, FCA

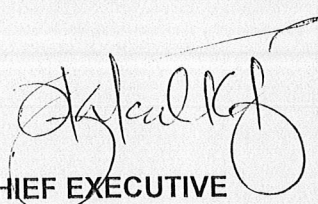
Khan Waheed & Co.
Chartered Accountants

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**HADEEDIAN ASSOCIATION
BALANCE SHEET
AS AT JUNE 30, 2013**

	Note	2013 Rupees	2012 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	66,770	74,189
CURRENT ASSETS			
Cash and bank balances	6	239,915	213,937
CURRENT LIABILITIES			
Accrued and other payables		35,000	25,000
Provision for taxation		58,922	53,485
		93,922	78,485
COTINGENCIES AND COMMITMENTS			
		-	-
TOTAL ASSETS		212,763	209,641
REPRESENTED BY			
General Reserves	7	212,763	209,641
		212,763	209,641

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


CHIEF EXECUTIVE

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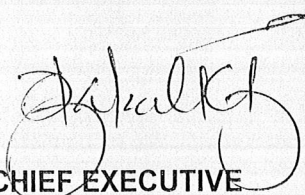
DIRECTOR

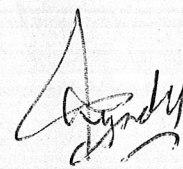
**HADEEDIAN ASSOCIATION
RECEIPTS AND DISBURSEMENT ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	2013 Rupees	2012 Rupees
Income	8	1,087,512	502,988
Administrative expenses	9	1,078,616	348,964
Bank charges		337	1,211
		<u>1,078,953</u>	<u>350,175</u>
Surplus for the year before taxation		8,559	152,813
Taxation		(5,438)	(53,485)
Surplus for the year transferred to general fund		<u><u>3,122</u></u>	<u><u>99,328</u></u>

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

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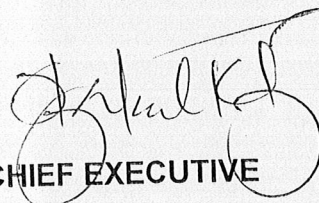

CHIEF EXECUTIVE


DIRECTOR

**HADEEDIAN ASSOCIATION
CASH FLOW STATEMENT
AS AT JUNE 30, 2013**

	2013 Rupees	2012 Rupees
a) Cash flows from operating activities		
Surplus before taxation	8,559	152,813
Adjustments for:		
Depreciation on equipment	7,419	8,243
	<u>15,978</u>	<u>161,056</u>
Changes in working capital		
(Increase) in advances to employees	10,000	(17,950)
Increase in accrued and other payables	10,000	(17,950)
	<u>25,978</u>	<u>143,106</u>
Cash generated from operations		
Provision Written off		-
Net cash generated from operating activities	<u>25,978</u>	<u>143,106</u>
b) Cash flows from investing activities		
Additions in equipment	-	(82,432)
Net cash (used in) investing activities	<u>-</u>	<u>(82,432)</u>
Net increase in cash and cash equivalents (a+b)	25,978	60,674
Cash and cash equivalents at the beginning of the year	213,937	153,263
Cash and cash equivalents at the end of the year	<u><u>239,915</u></u>	<u><u>213,937</u></u>

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CHIEF EXECUTIVE


DIRECTOR

**HADEEDIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

1 THE COMPANY AND ITS 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 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 Limited by Guarantee 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 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 5. 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 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.

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HADEEDIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

4.3 Deferred grant

Grants received in kind or related to capital expenditures are presented in balance sheet by setting up the grant as deferred income and recognised as income on systematic basis over the useful life of the related capital asset.

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.

4.5 Provisions

Provisions are recognised 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 reflect the current best estimate.

4.5 (i) Provision for the last year has been reinstated.

4.6 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IASs / IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies 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 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. 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.

4.7 General donations are recognised on receipt basis.

5 PROPERTY, PLANT AND EQUIPMENT

Particulars	C O S T				D E P R E C I A T I O N			W.D.V.
	As at July 01, 2012	Additions	As at June 30, 2013	Rate %	As at July 01, 2012	For the year	As at June 30, 2013	As at June 30, 2013
Furniture and fixtures	82,432	-	82,432	10	8,243	7,419	15,662	66,770
Rupees	82,432	-	82,432		8,243	7,419	15,662	66,770
Rupees 2012	82,432	-	82,432		-	8,243	8,243	74,189

HADEEDIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

	2013 Rupees	2012 Rupees
6 CASH AND BANK BALANCES		
Cash in hand	3,000	2,206
Cash at banks	236,915	211,731
	<u>239,915</u>	<u>213,937</u>
7 GENERAL RESERVES		
Opening balance	209,641	110,313
Surplus/(deficit) for the year	3,122	99,328
	<u>212,763</u>	<u>209,641</u>
8 INCOME		
Membership Fee	23,000	199,000
Registration of Seminar	-	3,220
Campaign Income	-	13,000
Funds from Members	1,064,512	-
Donations	-	287,768
	<u>1,087,512</u>	<u>502,988</u>
9 ADMINISTRATIVE EXPENSES		
Communication Expenses	17,365	9,270
Entertainment Expense	5,841	2,544
Legal Professionals Charges	30,000	40,500
Postage Expense	1,506	1,630
Office Supplies	-	190
Printing & Stationary	19,700	20,670
Donation	84,815	-
Scholarship expenses	612,824	-
Audit fee	35,000	25,000
Advertisement and Promotional Expense	22,516	7,956
Seminar Expense	210,000	194,111
Travelling and Conveyance	31,630	38,850
Depreciation	7,419	8,243
	<u>1,078,616</u>	<u>348,964</u>

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**HADEEDIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS**

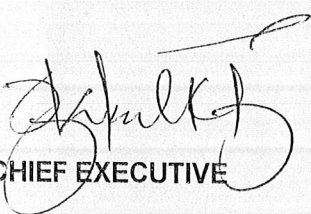
10 AUTHORIZATION DATE

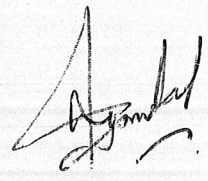
The financial statements were authorized for issue on _____ 2013 by the Board of Directors.

11 GENERAL

- Figures have been rounded off to the nearest rupee.

Figures have been re-grouped / re-arranged wherever necessary for the purpose of comparison.


CHIEF EXECUTIVE


DIRECTOR