

HADEEDIAN ASSOCIATION
(A company set up under section 42 of the
repealed Companies Ordinance, 1984)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Nadeem Safdar & Co.
Chartered Accountants

Office No 2, 1st Floor,
VIP Square, I-8 Markaz,
Islamabad, Pakistan
Tel: +92(51)8431604-5
Email: nsafdar@nsco.com.pk
nsafdar66@gmail.com
URL: www.nSCO.com.pk

INDEPENDENT AUDITORS' REPORT

**To the members of Hadeedian Association
Report on the Audit of the Financial Statements**

Opinion

We have audited the annexed financial statements of Hadeedian Association ("the Company"), which comprise the statement of financial position as at June 30, 2023, and the statement of income and expenditure and other comprehensive income, the statement of changes in general fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of income and expenditure and comprehensive income, the statement of changes in general fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the surplus and other comprehensive surplus, the changes in general fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

N.S.C.S.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

NSC

Nadeem Safdar & Co.
Chartered Accountants

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in general fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Safdar.

Nadeem Safdar & Co.
Chartered Accountants

Place: Islamabad

Date: 14 FEB 2024

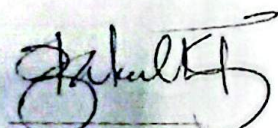
UDIN: AR202310594Vz7d0bAsB

**HADEEDIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

	Note	2023 (Rupees)	2022
ASSETS			
Non-current assets			
Property and equipment	4	27,196	30,474
Current assets			
Cash and bank balances	5	414,375	39,301
		<u>414,375</u>	<u>39,301</u>
		<u>441,571</u>	<u>69,775</u>
FUNDS AND LIABILITIES			
General fund		(377,828)	(453,609)
Restricted fund	6	330,990	330,990
Current liabilities			
Trade and other payable	7	443,000	183,000
Current tax liability	8	45,409	9,394
		<u>488,409</u>	<u>192,394</u>
Contingencies and commitments	9		
		<u>441,571</u>	<u>69,775</u>

The annexed notes, from 1 to 17, form an integral part of these financial statements.

NSCS


CHIEF EXECUTIVE


DIRECTOR

HADEEDIAN ASSOCIATION
 STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022
Income	10	358,648	584,700
Expenditure:			
Program expenses	11	-	(340,217)
Administrative expenses	12	(235,588)	(283,472)
		(235,588)	(623,689)
Surplus/(deficit) before income tax		123,060	(38,989)
Income tax expense	13	(47,279)	(8,771)
Surplus/(deficit) for the year		75,781	(47,760)
Other comprehensive income		-	-
Total comprehensive surplus/(deficit) for the year		75,781	(47,760)

The annexed notes, from 1 to 17, form an integral part of these financial statements.

NCS


 CHIEF EXECUTIVE


 DIRECTOR

HADEEDIAN ASSOCIATION
 STATEMENT OF CHANGES IN GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2023

	(Rupees)
Balance as at July 1, 2021	(405,849)
Total comprehensive income	
Deficit for the year	(47,760)
Other comprehensive income	-
Total comprehensive deficit for the year	(47,760)
Balance as at June 30, 2022	(453,609)
Balance as at July 1, 2022	(453,609)
Total comprehensive income	
Surplus for the year	75,781
Other comprehensive income	-
Total comprehensive surplus for the year	75,781
Balance as at June 30, 2023	(377,828)

The annexed notes, from 1 to 17, form an integral part of these financial statements.

ASCS


 CHIEF EXECUTIVE


 DIRECTOR

**HADEEDIAN ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees)	2022
Cash flows from operating activities			
Surplus (deficit) before income tax		123,060	(38,989)
Adjustment for non-cash items:			
Depreciation of property and equipment	4	3,278	3,657
		<u>126,338</u>	<u>(35,302)</u>
Changes in working capital:			
Trade and other payable		260,000	55,400
		<u>260,000</u>	<u>55,400</u>
Cash generated from operations		386,338	20,098
Income tax paid		(11,264)	-
Net cash inflow from operating activities		<u>375,074</u>	<u>20,098</u>
Net increase in cash and cash equivalents		375,074	20,098
Cash and cash equivalents at the beginning of the year		39,301	19,203
Cash and cash equivalents at the end of the year	5	<u>414,375</u>	<u>39,301</u>

The annexed notes, from 1 to 17, form an integral part of these financial statements

NSCA


CHIEF EXECUTIVE


DIRECTOR

**HADEEDIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Hadeedian Association (the Association) incorporated in Pakistan on January 11, 2011 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) with the name of Hadeedian Association.

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.

The Association's registered office is situated at office No. 475 - D, Street 58 - A, I-8/3, Islamabad.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the institute of Chartered Accountants of Pakistan as notified under companies Act, 2017; and
- Provisions of and directives issued under Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Association's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.4 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Association's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment -Note 3.1 & 4
- Estimation of contingent liabilities - Note 3.9 & 9
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) Note 3.6 & 13

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is 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.

Nsee

**HADJEDIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss (if any).

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the reducing balance method at rates specified in note 4 to the financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which the property, plant and equipment is available for use while no depreciation is charged for the month in which the property, plant and equipment is disposed off.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as other income in the statement of comprehensive income.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 Method of preparation of cash flow statement

The cash flow statement is prepared using indirect method.

3.3 Other receivables

Measurement

Other receivables are recognized and carried at transaction price less an allowance for impairment.

Impairment

A provision for impairment of receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognized in the statement of comprehensive income. Bad debts are written-off in the statement of comprehensive income on identification.

Judgments and estimates

The allowance for doubtful debts of the Association is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realization of these receivables, management considers, among other factors, the credit worthiness and the past collection history of each customer.

3.4 Impairment of financial assets other than trade receivables

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the statement of comprehensive income and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

N5501

**HADEEDIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

3.5 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.

3.6 Income tax

Income tax comprises of current tax and deferred tax.

Income tax expense is recognized in the statement of comprehensive income except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), in which case the tax amounts are recognized directly in other comprehensive income or equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, calculated using rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credit and tax rebates, if any, and is inclusive of any adjustment to income tax payable or recoverable in respect of previous years.

Deferred tax

A deferred tax liability is recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and the carry forward of unused tax losses.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the balance sheet date.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

3.7 Off-setting

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

3.8 Provisions

Provisions are recognized when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognized at present value using a pre-tax discount rate. The unwinding of the discount is recognized as finance cost in the statement of comprehensive income.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NJCS

HADEEDIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4 Property and equipment

	Furniture and fixture	IT and Communication Equipment	Total
	-----Rupees-----		
Cost	82,432	7,500	89,932
Accumulated depreciation	(56,564)	(2,894)	(59,458)
Carrying amount at July 01, 2022	25,868	4,606	30,474
Depreciation charge for the year	(2,587)	(691)	(3,278)
Carrying amount at June 30, 2023	<u>23,281</u>	<u>3,915</u>	<u>27,196</u>

The carrying amount at June 30, 2023 is aggregate of:

Cost	82,432	7,500	89,932
Accumulated depreciation	(59,151)	(3,585)	(62,736)
	<u>23,281</u>	<u>3,915</u>	<u>27,196</u>
Rate of depreciation per annum (%)	10	15	-

4.1 Depreciation for the year has been allocated to administrative and general expenses.

NSCS

HADEEDIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022
5 Cash and bank balances			
Cash in hand		19,620	2,659
Cash at bank - current account		394,755	36,642
		<u>414,375</u>	<u>39,301</u>
6 Restricted grants			
Balance at the beginning of year		330,990	330,990
Balance at the end of year		<u>330,990</u>	<u>330,990</u>
		2023	2022
7 Trade and other payable		(Rupees)	
Accrued and other payable		363,000	153,000
Advance from employees		80,000	30,000
		<u>443,000</u>	<u>183,000</u>
8 Current tax liability			
Balance at beginning of year		9,394	623
Add: provision made during the year	13	47,279	8,771
Less: income tax paid/deducted at source during the year		(11,264)	-
Balance at end of year		<u>45,409</u>	<u>9,394</u>
9 Contingences and commitments			
There is no contingency and commitment as at statement of financial position date (2022 : Nil).			
		2023	2022
10 Income		(Rupees)	
Donations/zakat		358,648	584,700
Restricted grants transferred to income	6	-	-
		<u>358,648</u>	<u>584,700</u>
11 Program expenses			
Student scholarships		-	324,217
Travelling and pocket money		-	16,000
		<u>-</u>	<u>340,217</u>

Nscs

**HADEEDIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees)	2022
12 Administrative expenses			
Salaries and benefits		144,000	144,000
Communication expense		-	16,450
Legal and professional fee		87,776	118,085
Depreciation	4	3,277	3,687
Bank charges		535	1,250
		<u>235,588</u>	<u>283,472</u>
13 Income tax expense			
Provision for tax:			
Current year		36,638	8,771
Prior year		10,641	-
	8	<u>47,279</u>	<u>8,771</u>
		2023	2022
14 Number of employees		(Number)	
Total number of employees at the year end		1	1
Average number of employee during the year		1	1

15 Corresponding figures

The corresponding figures have been rearranged and reclassified, wherever, considered necessary, for the purposes of comparison. However, no significant classification has been in these financial statements.

16 General

Subsequent events

There is no any subsequent event after the reporting date which may affect the going concern of the Company

17 Authorization for issue

These financial statements were approved by the Company's board of directors and authorized for issue on -

14 FEB 2024

NSG


CHIEF EXECUTIVE


DIRECTOR