



CADET COLLEGE HASANABDAL
ENDOWMENT FUND TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2020

BDO Ebrahim & Co. Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST

Opinion

We have audited the financial statements of **Cadet College Hasanabdal Endowment Fund Trust** (the Trust), which comprise the statement of financial position as at June 30, 2020, statement of income and expenditure, the statement of changes in endowment fund and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at June 30, 2020 and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust 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 Those Charged with Governance for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, trustees are responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is

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Auditors' 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 auditors' 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 Trust'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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- 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 those charged with governance 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.

ISLAMABAD

DATED: 1.4 NOV 2020

Bdo ebrahim & Co.
CHARTERED ACCOUNTANTS

Engagement Partner: Iffat Hussain

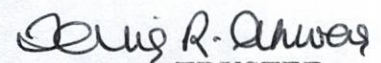
Iffat Hussain

CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
CURRENT ASSETS			
Advance tax		4,967,306	2,933,414
Cash and bank balances	4	194,720,634	177,565,265
TOTAL ASSETS		<u>199,687,940</u>	<u>180,498,679</u>
FUND AND LIABILITIES			
FUND			
Endowment Fund		166,467,139	149,936,794
LIABILITIES			
NON-CURRENT LIABILITIES			
Restricted grant	5	31,891,738	28,902,259
CURRENT LIABILITIES			
Retention money	6	929,063	1,359,626
Accrued liabilities	7	400,000	300,000
		<u>1,329,063</u>	<u>1,659,626</u>
TOTAL LIABILITIES		<u>33,220,801</u>	<u>30,561,885</u>
TOTAL FUND AND LIABILITIES		<u>199,687,940</u>	<u>180,498,679</u>

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


SECRETARY

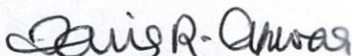

TRUSTEE

**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees
INCOME			
Transfer from restricted grant	5	23,521,114	29,696,367
EXPENDITURE			
Charged to Endowment Fund			
Scholarships and awards	8	822,279	3,023,905
Reimbursement to the college in respect of :			
Consultancy charges	9	450,000	-
Teachers training expenses		1,004,432	-
Legal & professional expenses	10	158,000	409,650
Bank charges		2,378	1,624
		2,437,089	3,435,179
Charged to Restricted Grant			
Transferred to the college on account of scholarships		11,804,094	16,056,463
Reimbursement to the college in respect of :			
Participation in conference		-	44,964
Renovation of college's mosque		-	40,000
Renovation of Faculty Houses		2,384,202	-
Consultancy charges		-	1,200,000
Installation of watering system	11	-	8,611,270
Installation of air conditioning system	12	6,892,365	-
Bank charges		3,364	8,491
Miscellaneous		-	300,000
		21,084,025	26,261,188
		23,521,114	29,696,367
SURPLUS/(DEFICIT) FOR THE YEAR			
		-	-

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


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TRUSTEE

**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST
STATEMENT OF CHANGES IN ENDOWMENT FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	Endowment fund	Accumulated Surplus/(Deficit)	Total
-----Rupees-----				
Balance at July 01, 2018		139,997,537	-	139,997,537
Funds received during the year	13	3,197,824	-	3,197,824
Profit on saving accounts - net Surplus/(deficit) for the year	5.1	6,741,433 -	- -	6,741,433 -
Balance at June 30, 2019		<u>149,936,794</u>	<u>-</u>	<u>149,936,794</u>
Funds received during the year	13	431,742	-	431,742
Profit on saving accounts - net Surplus/(deficit) for the year	5.1	16,098,603 -	- -	16,098,603 -
Balance at June 30, 2020		<u><u>166,467,139</u></u>	<u><u>-</u></u>	<u><u>166,467,139</u></u>

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


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TRUSTEE

**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit) for the year		-	-
Change in advance tax		(2,033,892)	(1,620,094)
Change in accrued liabilities		100,000	200,000
Change in retention money		(430,563)	430,563
		<u>(2,364,455)</u>	<u>(989,531)</u>
Net cash used in operating activities		(2,364,455)	(989,531)
CASH FLOWS FROM FINANCING ACTIVITIES			
Restricted grant utilized		2,989,479	(5,919,986)
Endowment fund received		16,530,345	9,839,257
Net cash generated from financing activities		19,519,824	3,919,271
		<u>17,155,369</u>	<u>2,929,740</u>
Net increase in cash and cash equivalents during the year		177,565,265	174,635,525
Cash and cash equivalents at beginning of the year		<u>194,720,634</u>	<u>177,565,265</u>
Cash and cash equivalents at end of the year	4	<u>194,720,634</u>	<u>177,565,265</u>

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

signed.

SECRETARY

Ali R. Anwar
TRUSTEE

**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1 THE TRUST AND ITS OPERATIONS

Cadet College Hasanabdal Endowment Fund Trust ("the Trust") is a non-profit organization and was registered in Pakistan on May 24, 2014 under the Trust Act, 1882. The primary objective of the Trust is to establish, manage, maintain, own and administer funds to primarily promote and subsidize all activities of the Cadet College Hasanabdal ("the College"). The registered office of the Trust is located at Cadet College Hasanabdal, District Attock, Pakistan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small Sized Entities (SSEs) and the Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP). In case requirements differ, the provisions of the AFRS shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the Trust's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Endowment fund

Endowment contributions are recognized as direct increase in net assets.

3.2 Restricted grant

Restricted grants which are specific to a particular project / expense are recognized as income when the related terms and conditions are fulfilled and the Trust has no remaining performance obligation.

3.3 Interest income on endowment contribution

Interest income on endowment contribution is initially recognized as restricted fund and then applied towards meeting the operating and / or capital expenses of the College. Any unspent interest income is recognized as endowment contributions.

Base.

5 RESTRICTED GRANT

Donor

Note	Balance as at July 01, 2019	Received during the year	Recognized during the year	Transferred to endowment	Balance as at June 30, 2020
-----Rupees-----					
	2,384,202	-	2,384,202	-	-
	15,094,000	-	-	-	15,094,000
	378,839	-	-	-	378,839
	1,472	-	-	-	1,472
	1,311,045	12,291,992	11,804,094	-	1,798,943
	42,602	-	-	-	42,602
	34,883	-	-	-	34,883
	-	8,000,000	6,892,365	-	1,107,635
	5,664,583	3,781,512	3,364	-	9,442,731
5.1	-	18,535,692	2,437,089	16,098,603	-
5.2	3,990,633	-	-	-	3,990,633
	<u>28,902,259</u>	<u>42,609,196</u>	<u>23,521,114</u>	<u>16,098,603</u>	<u>31,891,738</u>

Donor

Note	Balance as at July 01, 2018	Received during the year	Recognized during the year	Transferred to endowment	Balance as at June 30, 2019
-----Rupees-----					
	2,384,202	-	-	-	2,384,202
	15,094,000	-	-	-	15,094,000
	1,578,839	-	1,200,000	-	378,839
	1,472	-	-	-	1,472
	1,711,085	15,656,423	16,056,463	-	1,311,045
	42,602	-	-	-	42,602
	8,246,153	400,000	8,611,270	-	34,883
	3,466,751	2,206,323	8,491	-	5,664,583
5.1	-	10,176,612	3,435,179	6,741,433	-
5.2	2,297,141	2,078,456	384,964	-	3,990,633
	<u>34,822,245</u>	<u>30,517,814</u>	<u>29,696,367</u>	<u>6,741,433</u>	<u>28,902,259</u>

5.1 As per section VIII clause (2) of the Trust Deed, 50% of the interest income derived from the endowment fund investments for the first five years and thereafter, 20% of the said income shall be applied towards meeting the operating and / or capital expenses of the College. Interest income on endowment contribution is initially recognized as restricted fund and then applied towards meeting the operating and / or capital expenses of the College. Any unspent interest income is transferred to endowment fund at year end.

5.2 These comprises of donations from various individuals to be utilized for the specific purposes as approved or as specified in Trust deed by the Trustees.

3.4 Interest income on restricted fund

Interest income on restricted fund is recognized as a part of restricted fund on accrual basis.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks.

3.6 Accrued and other liabilities

Accrued liabilities are initially recognized at their fair value. Subsequent to initial recognition, these are carried at their amortized cost which approximates the fair value of consideration to be paid in the future for goods and services received.

3.7 Taxation

The Trust has been registered as not for profit organization under section 2(36) of the Income Tax Ordinance, 2001. The Trust income is eligible for tax credit under section 100(c) of the Income Tax Ordinance, 2001 from grants, profits on saving accounts and so much of the income chargeable under the head 'Income from Business' as is expended in Pakistan for the purposes of carrying out welfare activities. Accordingly, provision for taxation has not been made in these financial statements.

	Note	2020 Rupees	2019 Rupees
4 BANK BALANCES			
Cash at bank in local currency:			
Saving accounts	4.1	<u>194,720,634</u>	<u>177,565,265</u>
4.1 Local currency saving accounts, which comprise of two daily progressive accounts and an Islamic Sharia account, carry interest rate at 6.55% to 12.53% (2019: 4.65% to 10.43%) per annum.			

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6 RETENTION MONEY

Retention money is being withheld at the rate of 5% of the amount paid to the parties against the construction work, i.e. installation of stadium lights and construction of roads, done by contractors, i.e. Mudassar & Co. and Karkon & Co., and is repayable on demand after inspection of the donor.

	2020	2019
	Rupees	Rupees
7 ACCRUED LIABILITIES		
Audit fee payable	<u>400,000</u>	<u>300,000</u>

8 SCHOLARSHIPS AND AWARDS

This represents scholarships awarded to top ten board position holders in secondary school certificate examination.

9 CONSULTANCY CHARGES

This comprises of payments to the consultant hired as software manager to deal with student related data and admission process.

	2020	2019
	Rupees	Rupees
10 LEGAL & PROFESSIONAL EXPENSES		
Audit fee	100,000	100,000
Tax services	58,000	89,250
PCP certification	-	220,400
	<u>158,000</u>	<u>409,650</u>

11 INSTALLATION OF WATERING SYSTEM

Last year, this included the amount incurred for the installation of watering system at the College ground, named as Winlaw Ground, to maintain its greenery.

12 INSTALLATION OF AIR CONDITIONING SYSTEM

This includes the amount incurred for the installation of air conditioning facility at Naeem Hall of the College.

13 ENDOWMENT FUND

This represents amount donated by ex-students of the College and other individuals.

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14 RELATED PARTIES TRANSACTIONS

Related parties comprise of board members, key management personnel and entities over which the board members are able to exercise significant influence. Transactions with related parties are as follows:

	2020 Rupees	2019 Rupees
Payments during the year to the college on account of:		
Scholarships	(12,626,373)	(19,080,368)
Teachers training expenses	(1,004,432)	-
Exposure trip	-	-
Participation in conference	-	(44,964)
Renovation of faculty houses	(2,384,202)	-
Consultancy Charges	(450,000)	(1,200,000)

15 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year.

16 DATE OF AUTHORIZATION

These financial statements were approved by the Board of Trustees on 1.4 NOV 2020.

17 GENERAL

Figures have been rounded off to the nearest rupee.


SECRETARY


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