



**CADET COLLEGE HASANABDAL
ENDOWMENT FUND TRUST**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2021**

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, 2021, 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, 2021 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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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: 1.1 FEB 2022

Bdo ebrahim & Co.
CHARTERED ACCOUNTANTS

Engagement Partner: Iffat Hussain


Iffat Hussain

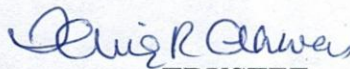
CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
CURRENT ASSETS			
Advance tax		6,722,325	4,967,306
Cash and bank balances	4	210,928,687	194,720,634
TOTAL ASSETS		<u>217,651,012</u>	<u>199,687,940</u>
FUND AND LIABILITIES			
FUND			
Endowment Fund		170,937,194	166,467,139
LIABILITIES			
NON-CURRENT LIABILITIES			
Restricted grant	5	45,813,818	31,891,738
CURRENT LIABILITIES			
Retention money	6	610,000	929,063
Accrued liabilities	7	290,000	400,000
		900,000	1,329,063
TOTAL LIABILITIES		<u>46,713,818</u>	<u>33,220,801</u>
TOTAL FUND AND LIABILITIES		<u>217,651,012</u>	<u>199,687,940</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

Advised.



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 24th Jan, 2022

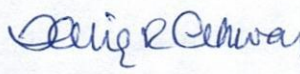

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**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
INCOME			
Transfer from restricted grant	5	34,217,214	23,521,114
EXPENDITURE			
Charged to Endowment Fund			
Scholarships and awards	8	395,693	822,279
Reimbursement to the college in respect of :			
Consultancy charges	9	960,806	450,000
Teachers training expenses		1,403,679	1,004,432
Legal and professional expenses	10	152,500	158,000
Automation / Digitization		695,903	-
Repair and maintenance	11	1,542,000	-
Installation of air conditioners		224,861	-
Bank charges		1,856	2,378
		5,377,298	2,437,089
Charged to Restricted Grant			
Transferred to the college on account of scholarships		22,042,660	11,804,094
Salaries, wages and benefits (Career Counselor)		378,839	-
Misc Patty Works		454,500	-
Renovation of Library		16,000	-
Renovation of Faculty Houses		-	2,384,202
Installation of air conditioning system	12	-	6,892,365
Bank charges		6,438	3,364
Renovation of Mosque	13	5,345,546	-
Renovation of Main Gate		199,000	-
Renovation of Class IV Quarters		396,933	-
		28,839,916	21,084,025
		34,217,214	23,521,114
SURPLUS/(DEFICIT) FOR THE YEAR		-	-

The annexed notes from 1 to 18 form an integral part of these financial statements.


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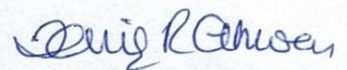
**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST
STATEMENT OF CHANGES IN ENDOWMENT FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	Endowment fund -----Rupees-----	Accumulated Surplus/(Deficit)	Total
Balance at July 01, 2019		149,936,794	-	149,936,794
Funds received during the year	13	431,742	-	431,742
Profit on saving accounts - net	5.1	16,098,603	-	16,098,603
Surplus/(deficit) for the year		-	-	-
Balance at June 30, 2020		<u>166,467,139</u>	<u>-</u>	<u>166,467,139</u>
Funds received during the year	14	587,757	-	587,757
Profit on saving accounts - net	5.2	3,882,298	-	3,882,298
Surplus/(deficit) for the year		-	-	-
Balance at June 30, 2021		<u><u>170,937,194</u></u>	<u><u>-</u></u>	<u><u>170,937,194</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

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24th Jan, 2022



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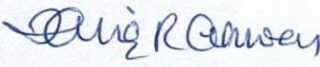
CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit) for the year		-	-
Change in advance tax		(1,755,019)	(2,033,892)
Change in accrued liabilities		(110,000)	100,000
Change in retention money		(319,063)	(430,563)
		<u>(2,184,082)</u>	<u>(2,364,455)</u>
Net cash used in operating activities		(2,184,082)	(2,364,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Restricted grant utilized		13,922,080	2,989,479
Endowment fund received		4,470,055	16,530,345
Net cash generated from financing activities		18,392,135	19,519,824
		<u>16,208,053</u>	<u>17,155,369</u>
Net increase in cash and cash equivalents during the year		194,720,634	177,565,265
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><u>210,928,687</u></u>	<u><u>194,720,634</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

Review.


SECRETARY
 24th Jan, 2022


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**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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. The accounting and reporting standards 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.

Advised

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	2021 Rupees	2020 Rupees
4 BANK BALANCES			
Cash at bank in local currency:			
Saving accounts	4.1	<u>210,928,687</u>	<u>194,720,634</u>
4.1 Local currency saving accounts, which comprise of two daily progressive accounts and an Islamic Sharia account, carry interest rate at 5.5% to 8% (2020 6.55% to 12.53%) per annum.			

Review

5 RESTRICTED GRANT

Note	Balance as at July 01, 2020	Received during the year	Recognized during the year	Transferred to endowment fund	Balance as at June 30, 2021
-----Rupees-----					
Donor					
1	15,094,000	-	-	-	15,094,000
2	378,839	-	378,839	-	-
3	1,472	-	-	-	1,472
4	1,798,943	19,193,810	19,498,730	-	1,494,023
5	-	2,543,930	2,543,930.00	-	-
6	-	5,586,950	5,345,546	-	241,404
7	-	2,000,000	199,000	-	1,801,000
8	-	10,196,736	16,000	-	10,180,736
9	-	570,000	396,933	-	173,067
10	42,602	-	-	-	42,602
11	34,883	-	-	-	34,883
12	1,107,635	-	-	-	1,107,635
13	9,442,731	2,440,570	6,438	-	11,876,863
14	-	9,259,596	5,377,298	3,882,298	-
15	3,990,633	230,000	454,500	-	3,766,133
	31,891,738	52,021,592	34,217,214	3,882,298	45,813,818

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-----					
Donor					
1	2,384,202	-	2,384,202	-	-
2	15,094,000	-	-	-	15,094,000
3	378,839	-	-	-	378,839
4	1,472	-	-	-	1,472
5	1,311,045	12,291,992	11,804,094	-	1,798,943
6	42,602	-	-	-	42,602
7	34,883	-	-	-	34,883
8	-	8,000,000	6,892,365	-	1,107,635
9	5,664,583	3,781,512	3,364	-	9,442,731
10	-	18,535,692	2,437,089	16,098,603	-
11	3,990,633	-	-	-	3,990,633
	28,902,259	42,609,196	23,521,114	16,098,603	31,891,738

5.1 As per Trust deed, entity recognises interest income as restricted fund and then applies it towards meeting the operating /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. *Pervez*

6 RETENTION MONEY

Retention money was withheld at the rate of 5% of the amount paid to the party against the construction of roads.

	2021	2020
	Rupees	Rupees
7 ACCRUED LIABILITIES		
Audit fee payable	<u>290,000</u>	<u>400,000</u>

8 SCHOLARSHIPS AND AWARDS

This represents scholarship awarded to students on need basis as approved by scholarship award meeting.

9 CONSULTANCY CHARGES

This comprises of payments to the consultant hired as software manager to deal with student related data and admission process. Further salary of Funds accountant is also being charged here.

	2021	2020
	Rupees	Rupees
10 LEGAL & PROFESSIONAL EXPENSES		
Audit fee	100,000	100,000
Tax services	52,500	89,250
	<u>152,500</u>	<u>189,250</u>

11 REPAIR AND MAINTENANCE

This includes renovation of College squash court and other minor repairs.

12 INSTALLATION OF AIR CONDITIONING SYSTEM

Last year this included the amount incurred for the installation of air conditioning facility at Naeem Hall of the college.

13 RENOVATION OF MOSQUE

Funds were expended on the renovation and beautification of cadet college Hassan Abdal's mosque.

Present

14 ENDOWMENT FUND

This represent amount donated by ex-students of the college and other individuals for welfare of the Cadet College.

15 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:

	2021 Rupees	2020 Rupees
Payments during the year to the College on account of:		
Scholarships	(22,438,353)	(12,626,373)
Teachers training expenses	(1,403,679)	(1,004,432)
Renovation of faculty houses	-	(2,384,202)
Consultancy Charges	(960,806)	(450,000)

16 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.


17 DATE OF AUTHORIZATION

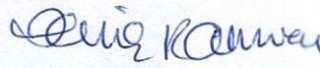
These financial statements were approved by the Board of Trustees on 1.1 FEB 2022.

18 GENERAL

Figures have been rounded off to the nearest rupee.

Rs/00


SECRETARY
24th Jan, 2022


TRUSTEE
11/2/22