



Umer Farooq & CO

CHARTERED ACCOUNTANTS

Auditor's Report

We have audited the annexed Balance Sheet of **M/S SEED OUT, LAHORE** registered under Societies Act 1860, as at financial year ended on June 30, 2015 and the related income and expenditure account, together with the notes forming part thereof, for the year then ended. We state that we have obtained all the information and explanation which to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the management to establish and maintain a system of internal Control, and to prepare and present the above said statements in conformity with the approved Accounting standards. 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 amount and disclosures in the above said statements. An audit shall also include 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, after due verification. We report that:

- a) In our opinion, proper books of accounts have been kept as required by the accounting standards:
- b) in our opinion:
 - i) The balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the accounting standards, and are in agreement with the books of account and accounting policies are consistently applied.
 - ii) the expenditure incurred during the year was for the purpose of Society ; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Society:
- c) in our opinion and to the best of our information and according to the explanation given to us. the Balance Sheet, income and expenditure account, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, in the manner so required and respectively give a true and fair view of the state of the Societies' affairs as at financial year ended on June 30, 2015.

DATED: 22-10-2015
PLACE: GUJRANWALA



UMER FAROOQ & CO.
CHARTERED ACCOUNTANTS


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**SEED OUT
BALANCE SHEET
AS OF JUNE 30, 2015**

	NOTES	JUNE 2015 RUPEES
<u>FUNDS & LIABILITIES</u>		
<u>FUNDS</u>		
Donated Funds		4,131,289
General Funds		47,585
		4,178,874
<u>Current Liabilities</u>		
Creditors and other payables	4	368,380
		4,547,254
<u>ASSETS & PROPERTIES</u>		
Non-Current Assets	5	219,735
Micro loans portfolio - Interest Free	6	2,534,814
<u>CURRENT ASSETS</u>		
Micro loans portfolio - Current Maturity	6	738,000
Other Receivables		75,000
Cash and cash equivalents	7	979,705
		1,792,705
		4,547,254

 *[Signature]*
Chairman


 *[Signature]*
Secretary

[Signature]



Auditor's Report is attached herewith.
Annexed notes form an integral part of these financial statements.


SEED OUT
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

*For the year
 ended
 June 30, 2015*

	NOTES	Rupees
<u>INCOME</u>		
 Operating Donations		167,740
Surplus from event management	8	1,222,119
<u>EXPENDITURES</u>		
General and other administrative expenses	9	1,250,314
Marketing and promotional expenses		94,410
Bank charges	10	10,958
		(1,355,682)
Surplus for the period		<u><u>34,177</u></u>


 Chairman


 Secretary



*Auditor's Report is attached herewith.
 Annexed notes form an integral part of these financial statements.*

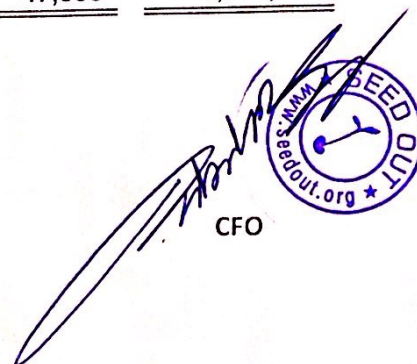

SEED OUT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

(All amounts in rupees)

	DONATED FUNDS	GENERAL FUNDS	TOTAL
Balance as of June 30, 2014	747,323	13,408	760,731
Donations received during the year	3,383,966	-	3,383,966
Surplus for the year		34,177	34,177
Balance as of June 30, 2015	<u>4,131,289</u>	<u>47,585</u>	<u>4,178,874</u>


 Chairman 


 Secretary 


 CFO 

SEEDOUT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. Legal status and nature of business

SEEDOUT (hereinafter referred as "The NGO") was registered under the Societies Registration Act, XXI of 1860 on December 17, 2013 by the Registrar of Joint Stock Company, Lahore vide Registration No. RP/8448/L/S13/2263. The registered office the NGO is situated in Lahore at Plaza#285, 6/CCA, Block-FF, Phase-IV, DHA. The main object of the NGO is to provide interest free loan for establishment/raising of entrepreneur.

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 Sizes Entities issued by Institute of Chartered Accountants of Pakistan.

3. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these general purpose financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1. Accounting Convention

These financial statements have been prepared under the historical cost convention unless otherwise stated in the respective policies and notes given hereunder.

3.2. Critical Accounting Estimates and Judgments

The preparation of Financial Statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It requires the management to exercise its judgment in the process of applying the entity's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable in the circumstances.

The estimates and the underlying assumptions are reviewed on a going concern basis. Revision to accounting estimates are recognized in the period in which estimates are revised.

Significant areas requiring the management exercise in these financial statements relate to the useful life of depreciable assets and allowance for doubtful receivables. However assumptions used and judgments made by the management in the application of accounting policies, that have the significant effect on the financial statements, are not expected to result in material adjustment to the carrying amounts of assets and liabilities.

3.3. Revenue Recognition

3.3.1. Grants/Donations related to income

Donations related to income are recognized on a systematic basis as income over the periods necessary to match them with related expenses incurred in accordance with terms of the respective project agreements.

3.3.2. Grants/Donations related to assets

Donations related to asset are recognized as deferred income under the head Capital Grant. An amount equivalent to the depreciation for each year on such assets is credited to income and expenditure account in the same year in which depreciation is charged. Amount equal to book value of the assets relating to grant is also transferred to income and expenditure account in the same year in which asset is disposed off.

3.4. Property plant and Equipment

Property plant and equipment other than free hold land are stated at cost less accumulated depreciation and any identified impairment loss. Free hold land is stated at cost.

Depreciation for the year is calculated using reducing balance method of depreciation.

Day to day repairs and maintenance charges are charged to Income and Expenditure Account. Gain or loss on disposal of Property plant and equipment is taken to Income and Expenditure Account.

Donated assets are stated at fair value at the time of acquisition.

3.5. Debts and other Receivables

Trade debts and other receivables are carried at original amount as per agreement less any amount of allowance for doubtful receivables based on review of all outstanding amounts at the year end. Bad debts are written off when identified.

3.6. Payables

Amounts for payables are recognized at cost value which is normally the fair value of the transaction to be paid in future for the goods and/or services received, whether or not billed to the NGO.

3.7. Accrued and other payables.

Amounts for trade payables are recognized at cost value which is normally the fair value of the transaction to be paid in future for the goods and services.

3.8. Cash and Cash Equivalents

Cash and cash equivalents are carried at cost in the balance sheet. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash at bank.

3.9. Provisions

Provisions are recognized when the NGO has a present obligation as a result of past event and it probable that the outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

3.10. Allocation of common cost

Common costs are the cost used by more than one activity and cannot be allocated to single project activity. Common costs are allocated to the activities on a basis consistent, to the extent possible, with the actual use of the resources by the activities from relevant projects/program budgets.

3.11. Taxation:

Current Tax

Provision for current tax is based on taxable surplus for the year determined in accordance with the prevailing law for the taxation of income after taking into account available tax credits, rebates and exemptions (if any).

SEED OUT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015

June 30, 2015
 RUPEES

4	<u>Creditors and other payables</u>	
	Creditors, Accrued and Other payables	368,380
		<u>368,380</u>
5	<u>Non-Current Assets</u>	
	As per schedule attached	<u>219,735</u>
6	<u>Micro loans portfolio - Interest free</u>	
	Recoverable - Not later than one year	738,000
	Recoverable - Later than one year but not later than five years	2,534,814
		<u>3,272,814</u>
6.1		
	Opening Balance	530,100
	Micro loans granted during the year	3,111,700
	Micro loans recovered during the year	(368,986)
	Closing Balance	3,272,814
6.2	<i>This represents the interest free loans given to individuals for the establishment of business of entrepreneur. These loans are recoverable in equal monthly installments ranging from 36 to 50.</i>	
7	<u>Cash and cash equivalents</u>	
	Cash in hand	12,007
	Cash at banks	967,698
		<u>979,705</u>
8	<u>Surplus from event management</u>	
	Event sponsorship	4,000,000
	Event management & holding expenses	(2,777,881)
		<u>1,222,119</u>
8.1	<i>This represents a POLO CUP tournament has been arranged by SEED OUT. Main participants of the tournament were SAN ANTONION, AMERICA and PAKISTAN POLO TEAM, PAKISTAN. Event was mainly sponsored by New Lahore City Pakistan, WARID</i>	
9	<u>General and other Administrative Expenses</u>	
	Staff Salaries and benefits	743,736
	Legal and professional Charges	21,792
	Audit Fee	20,000
	Communication expenses	27,850
	Office rent	269,100
	Transportation expenses	7,184
	Printing and stationary	28,280
	Repairs and maintenance expenses	4,280
	Entertainment expenses	4,406
	Utilities	74,328
	Depreciation	28,065
	Miscellaneous expenses	21,293
		<u>1,250,314</u>
10	<u>Financial charges</u>	
	Bank charges	10,958
		<u>10,958</u>



Chairman



Secretary

CFO



Annexure-A
FIXED ASSETS

(All amounts in rupees)

PARTICULARS	COST			ACCUMULATED DEPRECIATION/AMORTISATION				Book Value as at June 30, 2015
	As at July 01, 2014	ADDITION/ (DELETION)	As at June 30, 2015	As at July 01, 2014	Rate	Charge for the year	As at June 30, 2015	
TANGIBLE								
Furniture & Fixture	-	45,500	45,500	-	15%	3,413	3,413	42,088
Office Equipment		25,400	25,400	-	20%	2,540	2,540	22,860
Computer & Accessories	-	51,900	51,900	-	25%	6,488	6,488	45,413
INTANGIBLE								
Website		35,000	35,000	-	25%	4,375	4,375	30,625
Seedout Software	-	90,000	90,000	-	25%	11,250	11,250	78,750
Total		247,800	247,800	-	-	28,065	28,065	219,735