

**Auditors' Report  
of**

**KHOJ SOCIETY FOR  
PEOPLE'S EDUCATION**

**for the year ended  
June 30, 2014**

## KHOJ SOCIETY FOR PEOPLE'S EDUCATION

### AUDITORS' REPORT TO THE MANAGEMENT COMMITTEE

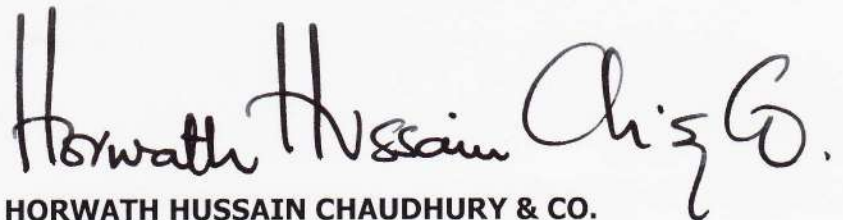
We have audited the annexed balance sheet of the **Khoj Society For People's Education** as at June 30, 2014 and the related income and expenditure account together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

It is the responsibility of the management committee to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the **Khoj Society For People's Education** as at June 30, 2014 and of its profit for the year then ended on the basis of accounting as described in note 2.1 to the financial statements.

Lahore  
Dated 31 DEC 2014



**HORWATH HUSSAIN CHAUDHURY & CO.**  
*Chartered Accountants*

(Engagement Partner: Muhammad Nasir Muneer)



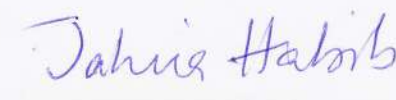
# KHOJ SOCIETY FOR PEOPLE'S EDUCATION

BALANCE SHEET AS AT JUNE 30, 2014

		<b>2014</b>	<b>2013</b>
	Note	Rupees	Rupees
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Operating fixed assets	3	4,240,996	4,485,637
Intangible asset	4	-	6,300
		4,240,996	4,491,937
<b>Current Assets</b>			
Advances and prepayments	5	558,627	4,313
Cash and bank balances	6	2,569,564	938,418
		3,128,191	942,731
<b>Less: Current Liabilities</b>			
Accrued expenses		(45,000)	(40,930)
Provision for taxation		(83,021)	-
		(128,021)	(40,930)
<b>Net Current Assets</b>		3,000,170	901,801
<b>Net Assets</b>		7,241,166	5,393,738
<b>REPRESENTED BY:</b>			
<b>Surplus Fund</b>			
Opening balance		5,393,738	5,935,964
Surplus / (Deficit) for the year		1,847,428	(542,226)
		7,241,166	5,393,738

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

  
**PRESIDENT**

  
**GENERAL SECRETARY**

  
**MANAGER ACCOUNTS**



## KHOJ SOCIETY FOR PEOPLE'S EDUCATION

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>INCOME</b>			
Donations:			
- In cash		2,990,096	1,808,207
- In kind		240,000	240,000
Consultancy fee from JICA		8,302,144	545,800
Sale of medicines		29,219	-
Admission fee and fines		13,400	-
Profit on bank accounts		146,709	61,721
		11,721,568	2,655,728
<b>EXPENDITURE</b>			
Salaries and benefits		804,373	998,527
Consultants' cost		6,136,720	403,520
Travelling and conveyance		848,266	837,041
Office rent		240,000	240,000
Communication and web development		46,543	119,377
Utilities		238,284	112,880
Repairs and maintenance		152,431	68,383
Printing and stationery		17,060	44,147
Audit fee		45,000	40,000
Legal and professional charges		27,000	11,570
Student related activities		42,243	21,795
Art and design		883,110	-
Medicines		36,110	12,315
Bank charges		23,038	8,009
Depreciation	3	244,641	261,490
Amortization	4	6,300	18,900
		9,791,119	3,197,954
<b>Surplus / (Deficit) before Taxation</b>		1,930,449	(542,226)
Taxation		(83,021)	-
<b>Surplus / (Deficit) for the Year Transferred to the Balance Sheet</b>		<u>1,847,428</u>	<u>(542,226)</u>

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

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*Handwritten signature: Zahira Habib Moina*

## KHOJ SOCIETY FOR PEOPLE'S EDUCATION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Note 1

#### The Society and its Activities

Khoj Society for People's Education (the Society) was registered under the Societies Registration Act, (XXI of 1860) on January 24, 2002. The objective of the Society is development of women and children in particular and of deprived and discriminated sections of the population in general. The Society is supported by private and personal donations. The registered office of the Society is located at W-53, Doctor's Colony, Thokar Niaz Beg, Lahore.

Note 2

#### Summary of Significant Accounting Policies

##### 2.1 Accounting convention

These financial statements have been prepared under the "receipts and expenditures basis of accounting". Income is recognized when received and expenditures are recognized when incurred i.e. on accrual basis.

##### 2.2 Operating fixed assets and depreciation

Operating fixed assets are stated at cost less accumulated depreciation except freehold land which is stated at cost. Depreciation is provided using the reducing balance method at the rates specified in Note 3. Full year's depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal. Major repairs and maintenance are capitalized while normal repairs and maintenance are charged to the income and expenditure account.

##### 2.3 Intangible

Intangible asset is initially measured at cost and subsequently stated at cost less accumulated amortization and identified impairment loss, if any. Amortization is charged to income on straight line basis at the rate mentioned in note 4.

##### 2.4 Income

Project funding, profit on bank accounts and donations are recognized on receipt basis.

Note 3

#### Operating Fixed Assets

Description	Cost			Rate	Depreciation			Book Value As at June 30, 2014
	As at July 1, 2013	Additions	Total as at June 30, 2014		As at July 1, 2013	Charge for the Year	Total as at June 30, 2014	
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Land								
- School	22,000	-	22,000	-	-	-	-	22,000
- Health centre	50,000	-	50,000	-	-	-	-	50,000
Building								
- School	2,696,385	-	2,696,385	5	545,645	107,537	653,182	2,043,203
- Health centre	2,578,821	-	2,578,821	5	688,402	94,521	782,923	1,795,898
School furniture	53,000	-	53,000	10	9,260	4,374	13,634	39,366
Medical equipment	204,014	-	204,014	10	86,806	11,721	98,527	105,487
Office equipment	152,448	-	152,448	10	50,255	10,219	60,474	91,974
Playground equipment	76,800	-	76,800	10	20,813	5,599	26,412	50,388
Laptops	104,200	-	104,200	20	50,850	10,670	61,520	42,680
<b>Total 2014</b>	<b>5,937,668</b>	<b>-</b>	<b>5,937,668</b>		<b>1,452,031</b>	<b>244,641</b>	<b>1,696,672</b>	<b>4,240,996</b>
<b>Total 2013</b>	<b>5,928,668</b>	<b>9,000</b>	<b>5,937,668</b>		<b>1,190,541</b>	<b>261,490</b>	<b>1,452,031</b>	<b>4,485,637</b>

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	As at July 1, 2013	Additions	Total as at June 30, 2014		As at July 1, 2013	Charge for the Year	Total as at June 30, 2014	
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Land								
- School	22,000	-	22,000	-	-	-	-	22,000
- Health centre	50,000	-	50,000	-	-	-	-	50,000
Building								
- School	2,696,385	-	2,696,385	5	545,645	107,537	653,182	2,043,203
- Health centre	2,578,821	-	2,578,821	5	688,402	94,521	782,923	1,795,898
School furniture	53,000	-	53,000	10	9,260	4,374	13,634	39,366
Medical equipment	204,014	-	204,014	10	86,806	11,721	98,527	105,487
Office equipment	152,448	-	152,448	10	50,255	10,219	60,474	91,974
Playground equipment	76,800	-	76,800	10	20,813	5,599	26,412	50,388
Laptops	104,200	-	104,200	20	50,850	10,670	61,520	42,680
<b>Total 2014</b>	<b>5,937,668</b>	<b>-</b>	<b>5,937,668</b>		<b>1,452,031</b>	<b>244,641</b>	<b>1,696,672</b>	<b>4,240,996</b>
<b>Total 2013</b>	<b>5,928,668</b>	<b>9,000</b>	<b>5,937,668</b>		<b>1,190,541</b>	<b>261,490</b>	<b>1,452,031</b>	<b>4,485,637</b>

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Note 4

**Intangible Asset**

Description	Cost			Rate	Amortization			Book Value
	As at July 1, 2013	Additions	Total as at June 30, 2014		As at July 1, 2013	Charge for the Year	Total as at June 30, 2014	As at June 30, 2014
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Accounting Software:								
<b>Total 2014</b>	63,000	-	63,000	30	56,700	6,300	63,000	-
<b>Total 2013</b>	63,000	-	63,000	30	37,800	18,900	56,700	6,300

Note 5

**Advances and Prepayments**

	2014	2013
	Rupees	Rupees
Advances to employees	50,000	-
Income tax deducted at source	508,627	-
Prepayments	-	4,313
	<u>558,627</u>	<u>4,313</u>

Note 6

**Cash and Bank Balances**

	2014	2013
	Rupees	Rupees
Cash in hand	10,905	10,768
Cash at banks - Saving accounts	2,558,659	927,650
	<u>2,569,564</u>	<u>938,418</u>

Note 7

**General**

Figures have been rounded off to the nearest rupee.

Comparative figures have been rearranged, wherever necessary, to facilitate comparison. No material rearrangements have been made.

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**PRESIDENT**



**GENERAL SECRETARY**



**MANAGER ACCOUNTS**