

KHOJ SOCIETY FOR PEOPLE'S EDUCATION

AUDITORS' REPORT TO THE MANAGEMENT COMMITTEE

We have audited the accompanying financial statements of **Khoj Society for People's Education** which comprise of the balance sheet as at June 30, 2016 and the income and expenditure account, cash flows statement and the statement of changes in accumulated funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management Committee, as well as evaluating the overall presentation of the financial statements.

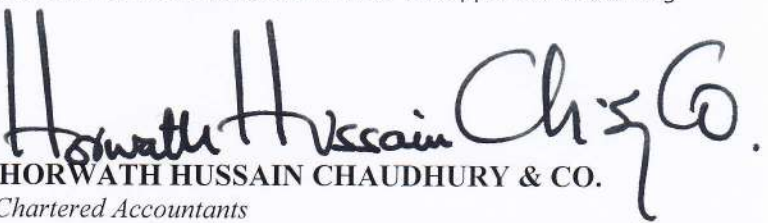
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present a true and fair view of the balance sheet of **Khoj Society for People's Education** as at June 30, 2016 and the income and expenditure account, its cash flows statement and its statement of changes in accumulated funds for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Lahore
Dated

31 DEC 2016


HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants
(Engagement Partner: Amin Ali)

KHOJ SOCIETY FOR PEOPLE'S EDUCATION

BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
Non Current Assets			
Operating fixed assets	3	4,172,373	4,091,631
Current Assets			
Advances	4	436,224	425,606
Cash and bank balances	5	1,250,405	982,777
		1,686,629	1,408,383
Less: Current Liabilities			
Accrued expenses		(56,074)	(50,000)
Accounts payable		(24,702)	-
		(80,776)	(50,000)
Net Current Assets		1,605,853	1,358,383
Net Assets		<u>5,778,226</u>	<u>5,450,014</u>
REPRESENTED BY:			
Accumulated Fund			
Opening balance		5,450,014	7,241,166
Surplus / (deficit) for the year		328,212	(1,791,152)
		<u>5,778,226</u>	<u>5,450,014</u>

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



PRESIDENT



GENERAL SECRETARY



MANAGER ACCOUNTS

KHOJ SOCIETY FOR PEOPLE'S EDUCATION

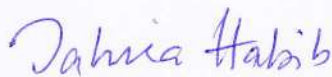
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
INCOME			
Donations:			
- In cash		3,150,767	3,077,284
- In kind		240,000	240,000
Income on fund raising activities		426,080	-
Sale of medicines		68,314	20,452
Admission fee and fines		90,215	16,924
Profit on bank accounts		68,350	110,077
		4,043,726	3,464,737
EXPENDITURE			
Salaries and benefits		1,128,683	1,033,567
Travelling and conveyance		792,850	869,768
Salaries PAN AP - Project Participants		-	852,000
Accommodation of PAN AP - Project Participants		-	617,736
Consultant's cost		130,000	594,484
Office rent		240,000	240,000
Repairs and maintenance		184,954	208,869
Training		48,712	208,214
Utilities		158,373	133,798
Communication and web development		187,620	61,232
Printing and stationery		35,001	52,690
Audit Fee		52,500	50,000
Legal and professional charges		114,370	35,089
Art and design		-	25,000
Medicines		75,655	19,785
Bank charges		5,174	15,572
Expense on fund raising activities		304,850	-
Depreciation	3	256,772	238,085
		3,715,514	5,255,889
Surplus / (Deficit) for the Year		328,212	(1,791,152)

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



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MANAGER ACCOUNTS

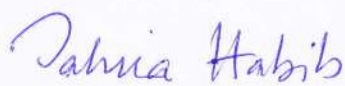
KHOJ SOCIETY FOR PEOPLE'S EDUCATION

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) for the year	328,212	(1,791,152)
Adjustments for:		
- Depreciation	256,772	238,085
	256,772	238,085
Operating profit before working capital changes	584,984	(1,553,067)
Changes in the working capital		
(Increase) / decrease in current assets		
- Advances	-	133,021
Increase / (decrease) in current liabilities		
- Accrued expenses	6,074	5,000
- Accounts Payable	24,702	-
Cash Generated from Operations	30,776	138,021
Income tax paid	(10,618)	(83,021)
Net Cash Generated from / (Used in) Operating Activities	605,142	(1,498,067)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(337,514)	(88,720)
Net Cash Used in Investing Activities	(337,514)	(88,720)
CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in Cash and Cash Equivalents	267,628	(1,586,787)
Cash and cash equivalents at the beginning of the year	982,777	2,569,564
Cash and Cash Equivalents at the End of the Year	1,250,405	982,777

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


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MANAGER ACCOUNTS

KHOJ SOCIETY FOR PEOPLE'S EDUCATION
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Particulars	General fund Rupees
Balance as at June 30, 2014	7,241,166
Net deficit for the year	<u>(1,791,152)</u>
Balance as at June 30, 2015	5,450,014
Net surplus for the year	328,212
Balance as at June 30, 2016	<u><u>5,778,226</u></u>

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


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MANAGER ACCOUNTS

KHOJ SOCIETY FOR PEOPLE'S EDUCATION**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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 Basis of Preparation

These financial statements have been prepared in accordance with the guideline for Accounting and Finance Reporting by non-governmental / non-profit organisation as issued by the Institute of Chartered Accountants of Pakistan.

2.2 Accounting convention

These financial statements has been prepared under the historical cost convention.

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees which is the Society's functional and presentation currency. All the figures have been rounded off to nearest rupees unless stated otherwise.

2.4 Income

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

2.5 Provisions

A provision is recognized in the balance sheet when the Society has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and of which a reliable estimate can be made.

2.6 Impairment

The carrying amounts of the Society's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment loss is recognized in the income and expenditure account.

2.7 Operating fixed assets

These are stated at written down value except land which is stated at cost.

Depreciation on operating fixed assets has been provided by using the reducing balance method at the rates specified in Note 3. Full year's depreciation on additions is charged in the year of purchase and no depreciation is charged in the year of disposal.

2.8 Taxation

Under section 100C of the Income Tax Ordinance, 2001, income of the Society is subject to zero rate of tax, being tax credit equal to 100% of tax payable including minimum tax and final taxes payable under any of the provisions of the above said ordinance.

Note 3
Operating Fixed Assets

Description	Cost			Rate	Depreciation			Book Value As at June 30, 2016
	As at July 1, 2015	Additions	Total as at June 30, 2016		As at July 1, 2015	Charge for the	Total as at June 30, 2016	
	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	755,342	97,052	852,394	1,843,991
- Health centre	2,578,821	-	2,578,821	5	872,718	85,305	958,023	1,620,798
School furniture	53,000	103,672	156,672	10	109,076	4,760	113,836	42,836
Medical equipment	204,014	-	204,014	10	78,543	12,547	91,090	112,924
Office equipment	241,168	233,842	475,010	10	31,451	44,356	75,807	399,203
Playground equipment	76,800	-	76,800	10	17,571	5,923	23,494	53,306
Laptops	104,200	-	104,200	20	70,056	6,829	76,885	27,315
Total 2016	6,026,388	337,514	6,363,902		1,934,757	256,772	2,191,529	4,172,373
Total 2015	5,937,668	88,720	6,026,388		1,696,672	238,085	1,934,757	4,091,631

Note 4
Advances

	2016	2015
	Rupees	Rupees
Income tax deducted at source	436,224	425,606

Note 5
Cash and Bank Balances

	2016	2015
	Rupees	Rupees
Cash in hand	14,646	23,841
Balances at banks - saving accounts	1,235,759	958,936
	<u>1,250,405</u>	<u>982,777</u>

Note 6
Number of Employees

	2016	2015
	Number	Number
Employees as at June 30,	10	7

Note 7
Authorization of Financial Statements

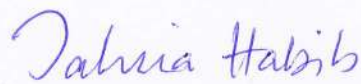
These financial statements have been authorized for issuance by the Management Committee of the Society as on

31 DEC 2016

Note 8
General

Comparative figures are rearranged / reclassified, whenever necessary, to facilitate comparison. No rearrangements / reclassifications have been made in these financial statements.


PRESIDENT


GENERAL SECRETARY


MANAGER ACCOUNTS