

## 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 balance sheet as at June 30, 2015 and the income and expenditure account, statement of cash flows and statement of changes in accumulated funds for the year then ended and a summary of significant accounting policies and other explanatory information.

#### ***Management's 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.

#### ***Auditor's 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.

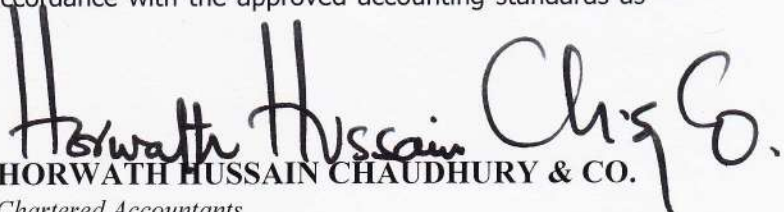
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 give a true and fair view of balance sheet of **KHOJ SOCIETY FOR PEOPLE'S EDUCATION** as at June 30, 2015, and its financial performance, its cash flows and changes in funds for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Lahore  
Dated **31 DEC 2015**

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

(Engagement Partner: Amin Ali)

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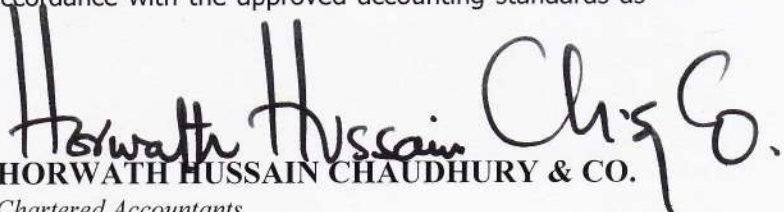
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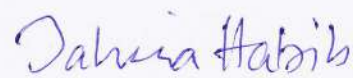
# KHOJ SOCIETY FOR PEOPLE'S EDUCATION

## BALANCE SHEET AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Operating fixed assets	3	4,091,631	4,240,996
Intangible asset	4	-	-
		4,091,631	4,240,996
<b>Current Assets</b>			
Advances and other receivables	5	425,606	558,627
Cash and bank balances	6	982,777	2,569,564
		1,408,383	3,128,191
<b>Less: Current Liabilities</b>			
Accrued expenses		(50,000)	(45,000)
Provision for taxation		-	(83,021)
		(50,000)	(128,021)
<b>Net Current Assets</b>		1,358,383	3,000,170
<b>Net Assets</b>		<u>5,450,014</u>	<u>7,241,166</u>
<b>REPRESENTED BY:</b>			
<b>Surplus Fund</b>			
Opening balance		7,241,166	5,393,738
(Deficit) / surplus for the year		(1,791,152)	1,847,428
		<u>5,450,014</u>	<u>7,241,166</u>

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

  
**PRESIDENT**

  
**GENERAL SECRETARY**

  
**MANAGER ACCOUNTS**

# KHOL SOCIETY FOR PEOPLE'S EDUCATION

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014	
	Rupees	Rupees	Note

## INCOME

Donations:  
- In cash  
- In kind  
Consultancy fee from JICA  
Sale of medicines  
Admission fee and fines  
Profit on bank accounts

2,990,096	3,077,284
240,000	240,000
8,302,144	-
29,219	20,452
13,400	16,924
146,709	110,077
<b>11,721,568</b>	<b>3,464,737</b>

## EXPENDITURE

Salaries and benefits  
Traveling and conveyance  
Salaries PAN AP - Project  
Salaries PAN AP - Project Participants  
Accommodation of PAN AP - Project  
Consultants' cost  
Office rent  
Repairs and maintenance  
Training  
Utilities  
Communication and web development  
Printing and stationery  
Audit fee  
Legal and professional charges  
Art and design  
Medicines  
Bank charges  
Depreciation  
Amortization

804,373	1,033,567
848,266	869,768
-	852,000
-	617,736
6,136,720	594,484
240,000	240,000
152,431	208,869
42,243	208,214
238,284	133,798
46,543	61,232
17,060	52,690
45,000	50,000
27,000	35,089
883,110	25,000
36,110	19,785
23,038	15,572
244,641	238,085
6,300	-
<b>9,791,119</b>	<b>5,255,889</b>

3  
4

## (Deficit) / Surplus before Taxation

1,930,449

(1,791,152)

(83,021)

Taxation

## (Deficit) / Surplus for the Year Transferred to the Balance Sheet

1,847,428

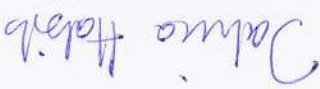
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MANAGER ACCOUNTS



# KHOJ SOCIETY FOR PEOPLE'S EDUCATION

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	<b>2015</b>	<b>2014</b>
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Deficit) / surplus before taxation	(1,791,152)	1,930,449
Adjustments for:		
- Depreciation	238,085	244,641
- Amortization	-	6,300
- Finance charges	15,572	23,038
	253,657	273,979
<b>Operating (loss) / profit before working capital changes</b>	(1,537,495)	2,204,428
Decrease / (increase) in current assets:		
- Advances and other receivables	133,021	(554,314)
Increase in current liabilities:		
- Accrued expenses	5,000	4,070
<b>Cash generated from / (Used in) operations</b>	138,021	(550,244)
Finance cost paid	(15,572)	(23,038)
Income tax paid	(83,021)	-
<b>Net Cash (Used in) / Generated from Operating Activities</b>	(1,498,067)	1,631,146
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(88,720)	-
<b>Net Cash Used in Investing Activities</b>	(88,720)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	(1,586,787)	1,631,146
Cash and cash equivalents at the beginning of the year	2,569,564	938,418
<b>Cash and Cash Equivalents at the End of the Year</b>	982,777	2,569,564

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**MANAGER ACCOUNTS**

**KHOJ SOCIETY FOR PEOPLE'S EDUCATION**  
**STATEMENT OF CHANGES IN ACCUMULATED FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>Particulars</b>	<b>General fund</b>
	Rupees
<b>Balance as at June 30, 2013</b>	5,393,738
Net surplus for the year	<u>1,847,428</u>
<b>Balance as at June 30, 2014</b>	7,241,166
Net deficit for the year	(1,791,152)
<b>Balance as at June 30, 2015</b>	<u><u>5,450,014</u></u>

These 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, 2015

Note 1

#### **The Society and its Activities**

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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 Baig, Lahore.

Note 2

#### **Summary of Significant Accounting Policies**

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##### **2.1 Basis of preparation**

These financial statements have been prepared in accordance with the Guideline for Accounting and Financial Reporting by Non-governmental / Non-profit Organization as issued by the Institute of Chartered Accountants of Pakistan.

##### **2.2 Accounting convention**

These financial statements have 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 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.

##### **2.5 Income**

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

##### **2.6 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 of which a reliable estimate can be made.

##### **2.7 Impairment**

The carrying amount 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 losses is recognized in the profit and loss account.

Note 3

**Operating Fixed Assets**

Description	Cost			Rate	Depreciation			Book Value As at June 30, 2015
	As at July 1, 2014	Additions	Total as at June 30, 2015		As at July 1, 2014	Charge for the year	Total as at June 30, 2015	
	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	653,182	102,160	755,342	1,941,043
- Health centre	2,578,821	-	2,578,821	5	782,923	89,795	872,718	1,706,103
School furniture	53,000	-	53,000	10	13,634	3,937	17,571	35,429
Medical equipment	204,014	-	204,014	10	98,527	10,549	109,076	94,938
Office equipment	152,448	88,720	241,168	10	60,474	18,069	78,543	162,625
Playground equipment	76,800	-	76,800	10	26,412	5,039	31,451	45,349
Laptops	104,200	-	104,200	20	61,520	8,536	70,056	34,144
<b>Total 2015</b>	<u>5,937,668</u>	<u>88,720</u>	<u>6,026,388</u>		<u>1,696,672</u>	<u>238,085</u>	<u>1,934,757</u>	<u>4,091,631</u>
<b>Total 2014</b>	<u>5,937,668</u>	-	<u>5,937,668</u>		<u>1,452,031</u>	<u>244,641</u>	<u>1,696,672</u>	<u>4,240,996</u>

Note 4

**Intangible Asset**

This represents fully amortized accounting software being used by the Society.

Note 5

**Advances and other receivables**

	2015	2014
	Rupees	Rupees
Advances to employees	-	50,000
Income tax deducted at source	425,606	508,627
	<u>425,606</u>	<u>558,627</u>

Note 6

**Cash and Bank Balances**

	2015	2014
	Rupees	Rupees
Cash in hand	23,841	10,905
Cash at banks - saving accounts	958,936	2,558,659
	<u>982,777</u>	<u>2,569,564</u>

Note 7

**Number of Employees**

	2015	2014
	Numbers	Numbers
Employees as at June 30,	<u>7</u>	<u>7</u>

Note 8

**Authorization of Financial Statements**

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

**31 DEC 2015**

Note 9

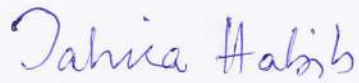
**General**

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Comparative figures are re-arranged / re-classified, wherever necessary, to facilitate comparison. No re-arrangements / re-classifications have been made in these financial statements.



**PRESIDENT**



**GENERAL SECRETARY**



**MANAGER ACCOUNTS**