

AUDITOR'S REPORT TO THE BOARD OF GOVERNERS

We have audited the annexed balance sheet of M/S THE HELPCARE SOCIETY as at June 30, 2005 and the related income and expenditure account together with the notes forming part thereof (herein after referred to as the "financial statements") for the year then ended.

These financial statements are the responsibility of the Board of Governors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. 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: -

- a) the payments made and the expenditure incurred during the year was for the purpose of the approved objects of the Society.
- b) where funds were received for a specific stated purpose, these have been spent for that purpose only; and
- c) the financial statements give a true and fair view of the Society's affairs as at June 30, 2005 and of the results of its operations for the year then ended.

Date: 22 DEC 2005

Place: Lahore


SAJID IQBAL & COMPANY
CHARTERED ACCOUNTANTS

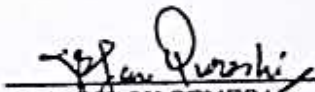


**THE HELPCARE SOCIETY
BALANCE SHEET
AS AT JUNE 30, 2005**

| | Note | 2005 Rupees | 2004 Rupees |
|--|------|-------------------|-------------------|
| FUNDS AND LIABILITIES | | | |
| CAPITAL FUND | | | |
| Opening Balance | | 10,998,155 | 9,994,126 |
| Surplus for the Year | | 8,538,347 | 1,004,029 |
| | | <u>19,536,502</u> | <u>10,998,155</u> |
| CURRENT LIABILITIES | | | |
| Creditors, Accrued & Other Liabilities | 3 | 423,572 | 323,782 |
| | | <u>19,960,074</u> | <u>11,321,937</u> |
| PROPERTY AND ASSETS | | | |
| FIXED ASSETS | | | |
| | 4 | 13,370,217 | 1,701,763 |
| SHORT TERM INVESTMENT | | | |
| | 5 | 1,497,279 | 1,051,450 |
| CURRENT ASSETS | | | |
| Stores | 6 | - | 62,483 |
| Advances, Deposits & Prepayments | 7 | 261,452 | 381,042 |
| Cash & Bank Balances | 8 | 4,831,126 | 8,125,199 |
| | | 5,092,578 | 8,568,724 |
| | | <u>19,960,074</u> | <u>11,321,937</u> |

Note: The annexed notes from 1 to 10 form an integral part of these accounts.

PLACE : LAHORE
DATE: 22 DEC 2005


SECRETARY GENERAL

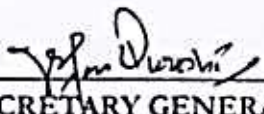

PRESIDENT

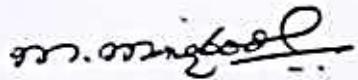
THE HELPCARE SOCIETY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED ON JUNE 30, 2005

| | Note | 2,005 | 2004 |
|-----------------------------|------|------------------|------------------|
| | | Rupees | Rupees |
| INCOME | 9 | 13,357,064 | 4,932,634 |
| EXPENDITURE | | | |
| Staff Salaries & Benefits | | 2,104,210 | 1,875,260 |
| Rent, Rates & Taxes | | 772,740 | 729,000 |
| Utilities | | 186,921 | 117,393 |
| Printing and Stationary | | 225,967 | 178,975 |
| Uniform and Children Wear | | 110,791 | 63,432 |
| Photographic Expense | | 583 | 2,975 |
| Study Tour expenses | | 19,925 | - |
| Food & Nourishment | | 246,164 | 190,856 |
| Office Repair & Maintenance | | 248,950 | 246,863 |
| Advertisement | | 75,475 | 45,483 |
| Medical | | 15,126 | 16,428 |
| Telephone & Postage | | 64,423 | 50,027 |
| Gifts | | 18,725 | 7,614 |
| Bank Charges | | 9,791 | 10,593 |
| Books & Periodicals | | 429,090 | 59,981 |
| Training | | - | 6,900 |
| Depreciation | | 289,836 | 326,824 |
| | | <u>4,818,717</u> | <u>3,928,605</u> |
| SURPLUS FOR THE YEAR | | <u>8,538,347</u> | <u>1,004,029</u> |

Note: The annexed notes from 1 to 10 form an integral part of these accounts.

PLACE : LAHORE

DATE: 22 DEC 2005 
SECRETARY GENERAL



PRESIDENT

THE HELPCARE SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2005

1- The Organization And Its Activities

The Helpcare Society is a charitable, not-for-profit and a non-commercial organization registered under the Societies Registration Act, 1860 (XXI of 1860) committed to undertake projects (educational, health, and other social services program) for the under-privileged segment of the populace irrespective of race, creed, sex and language.

2- 2.1- Accounting Convention

These accounts have been prepared under the Historical Cost Convention.

2.2- Operating Fixed Assets & Depreciation

Operating Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged to income and expenditure account applying the Reducing Balance Method at the rates specified in the respective note.

2.3- Investments

These are stated at lower of cost and net realizable value.

2.4- Foreign Currency Transactions

Assets and liabilities are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Transactions are translated into Pak Rupees at the rate of exchange prevailing at the date of their occurrence.

2.5- Revenue Recognition

Revenue is recognized on receipt basis.

3- CREDITORS, ACCRUED & OTHER LIABILITIES

| | 2005 Rupees | 2004 Rupees |
|------------------------|----------------|----------------|
| Security form Staff | 228,277 | 127,927 |
| Salaries Payable | 177,168 | 176,327 |
| Utility Bills Payable: | | |
| Electricity | 14,557 | 11,357 |
| Telephone | 3,440 | 4,120 |
| Sun Gas | 130 | 260 |
| Food & Nourishment | - | 3,791 |
| | 18,127 | 19,528 |
| | 423,572 | 423,782 |

4- FIXED ASSETS

| Particulars | Cost | | | Rate % | Depreciation | | | W.D.V. As on 30-Jun-05 Rupees |
|---------------------|------------------------------|-------------------------------------|------------------------------|-----------|------------------------------|---------------------------|------------------------------|--|
| | As on 01-Jul-04 Rupees | Additions/ (Deletions) Rupees | As on 30-Jun-05 Rupees | | As on 01-Jul-04 Rupees | For the year Rupees | As on 30-Jun-05 Rupees | |
| | Land and Property | - | 11,781,000 | | 11,781,000 | - | - | |
| Furniture & Fixture | 628,104 | 150,784 | 778,888 | 10 | 213,273 | 57,559 | 518,034 | |
| Office Equipment | 360,171 | - | 360,171 | 10 | 76,023 | 28,415 | 255,735 | |
| Computers | 1,453,280 | 26,506 | 1,479,786 | 20 | 414,338 | 213,090 | 812,358 | |
| Books | 3,280 | - | 3,280 | 20 | 1,938 | 268 | 1,074 | |
| Bicycle | 3,000 | - | 3,000 | 20 | 480 | 504 | 2,016 | |
| TOTAL 2005 | 2,447,835 | 11,958,290 | 14,406,125 | | 746,072 | 289,836 | 1,035,908 | |
| TOTAL 2004 | 1,208,115 | 1,242,720 (3,000) | 2,447,835 | | 419,847 | 326,824 (600) | 1,701,763 | |

5- SHORT TERM INVESTMENT

Short Term Investment represents the investment in National Investment Trust Limited (NIT)

6- STORES

It represents children useable i.e., Children Uniform items, Stationery items etc

| | Note | 2005 Rupees | 2004 Rupees |
|--|------|----------------|----------------|
| 7- ADVANCES, DEPOSITS & PREPAYMENTS | | | |
| Advance: | | | |
| Income Tax | | 123,452 | 121,542 |
| Rent | | 78,000 | 198,000 |
| To Staff | | - | 1,500 |
| Security for School Premises | | 60,000 | 60,000 |
| | | <u>261,452</u> | <u>381,042</u> |

8- CASH & BANK BALANCES

| | | | |
|-----------------|-----|------------------|------------------|
| Cash at Bank | | | |
| Saving Accounts | 8.1 | 4,817,844 | 2,056,761 |
| Deposit Account | | - | 6,050,174 |
| | | 4,817,844 | 8,107,235 |
| Cash in Hand | | 13,282 | 17,964 |
| | | <u>4,831,126</u> | <u>8,125,199</u> |

8.1- Saving Accounts are Profit & Loss Saving Accounts and subject to Markup.

9- INCOME

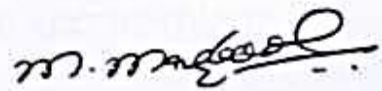
| | | |
|---------------------------|-------------------|------------------|
| Donations | 12,680,062 | 4,654,943 |
| Fee from students | 9,520 | 11,205 |
| Fines from students | 2,940 | 1,405 |
| Profit from Bank Accounts | 218,713 | 265,081 |
| Gain on investment | 445,829 | - |
| | <u>13,357,064</u> | <u>4,932,634</u> |

10- GENERAL

The figures have been rounded off to the nearest of rupee.



SECRETARY GENERAL



PRESIDENT