

## AUDITORS' REPORT TO THE TRUSTEES

We have audited the annexed Balance Sheet of **THE HELP CARE SOCIETY** as at **June 30, 2008** 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.

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.

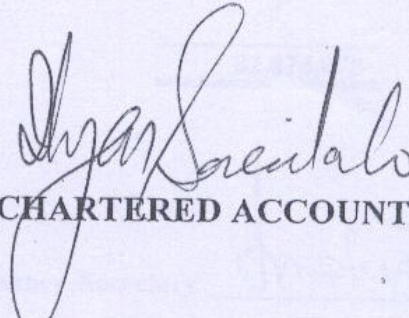
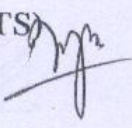
We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting 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 reasonable basis for our opinion.

As described in Note 2.1 the financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion: -

- a) the payments made and / or the expenditure incurred during the year were for the purpose of the approved objects of the organization;
- b) where funds were received for a specific stated purpose, these have been spent for that purpose only; and
- c) the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of **THE HELP CARE SOCIETY** for the year ended **June 30, 2008** on the basis of accounting described in Note 2.1.

Lahore: 29 DEC 2008

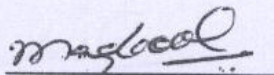
  
(CHARTERED ACCOUNTANTS) 



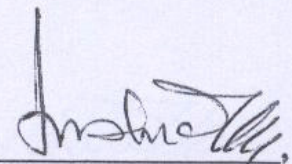
**THE HELP CARE SOCIETY**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2008**

<b>PROPERTY AND ASSETS</b>	Note	2008 Rupees	2007 Rupees
<b>FIXED ASSETS</b>			
Property plant & equipment	3	13,852,186	13,880,286
Capital work in progress	4	45,534,684	12,400,517
Long term deposits	5	190,000	190,000
<b>CURRENT ASSETS</b>			
Short term investments	6	8,350,229	2,756,063
Advances deposits & prepayments	7	381,052	237,850
Cash & bank balances	8	14,565,923	25,953,140
		23,297,204	28,947,054
		82,874,075	55,417,857
<b>FUNDS AND LIABILITIES</b>			
<b>CAPITAL FUND</b>			
Opening balance		18,341,409	16,702,232
Surplus for the year		251,562	1,639,177
		18,592,971	18,341,409
Fund for CWIP	9	59,203,739	35,257,700
Endowment fund	10	2,100,000	-
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities	11	2,977,365	1,818,748
		82,874,075	55,417,857

President



Finance Secretary



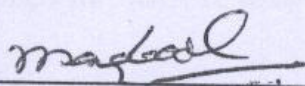




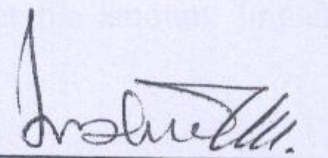
**THE HELP CARE SOCIETY**  
**INCOME & EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Note	2008 Rupees	2007 Rupees
<b>INCOME</b>	12	11,312,675	8,562,542
<b>EXPENSES</b>			
Salaries		6,033,496	3,949,184
Utilities		210,465	279,339
Telephone bill		40,971	62,070
Rent rate & taxes		972,125	951,744
E.O.B.I.		79,058	170,895
Office repair & maintenance		75,967	237,950
Printing & stationary		210,734	240,952
Food & nourishment		25,473	190,215
Periodicals/charts/photocopies		202,584	137,477
Advertisement/news paper		41,184	68,503
Uniform & other wears		47,948	67,654
Carriage/fare charges		34,338	-
Postage/internet		50,967	55,029
Functions & delegations		40,137	55,730
Prizes/rewards & benefits		46,310	35,745
Photographic		24,727	11,362
Audit fee		20,000	-
Medical		8,098	22,678
Study tours / training workshops		29,860	36,735
Bank charges		18,744	7,753
Generator fuel		59,589	-
Science lab		-	12,289
Miscellaneous		8,399	62,049
Loss on Market Value of NIT		2,514,894	-
Loss on sale of fixed assets		-	413
Depreciation		265,045	267,599
		<b>11,061,113</b>	<b>6,923,365</b>
<b>Excess of Income over Expenditure</b>		<b>251,562</b>	<b>1,639,177</b>

President



Finance Secretary







**THE HELPCARE SOCIETY**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**1- The Organization and Its Activities**

The Help Care Society is a charitable not-for-profit and a non-commercial organization registered in Lahore under the Societies Registration Act 1860 (XXI of 860), duly approved by Income Tax Commissioner u/s 2(36), 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- Accounting Policies**

**2.1- Accounting Convention**

These accounts have been prepared under the historical cost convention on cash receipt and disbursement basis. On this basis revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred.

**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.

Full year depreciation is charged in the year of purchase. No depreciation is charged in the year of disposal. Normal repairs and maintenance are charged to Income.

Gain or loss on disposal of fixed assets is accounted for as income or loss respectively from business in the year in which it arises.

**2.3- 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 such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit & loss account.





## 2.10- Revenue Recognition

Revenue is recognized on receipt basis.

## 2.11- Taxation

The Society's income is exempt from income tax u/s 2(36) of Income Tax Ordinance, 2001. Hence, no taxation is charged.

## 2.12- Staff Retirement Benefits

The Society does not operate any funded staff retirement benefit scheme.

## 2.13- 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.





**THE HELP CARE SOCIETY**  
**SCHEDULE OF FIXED ASSETS**  
**AS AT JUNE 30, 2008**

PARTICULARS	COST			Rate %	DEPRECIATION			WRITTEN DOWN VALUE AS AT 30-06-2008
	As at July 01, 2007	Addition	(Deletion)		As at June 30, 2008	Adjustment	For the Year	
Land and Property at Cost	12,298,305	-	-	-	-	-	-	12,298,305
Furniture & Fixture	924,792	52,000	-	10	379,874	59,692	439,566	537,226
Office Equipment	553,576	14,550	-	10	177,641	39,049	216,689	351,437
Computers	1,579,586	79,738	-	20	971,805	137,504	1,109,309	550,015
Books	65,605	90,657	-	20	15,058	28,241	43,299	112,963
Bicycle	3,500	-	-	20	700	560	1,260	2,240
<b>RUPEES 2008</b>	<b>15,425,364</b>	<b>236,945</b>			<b>1,545,078</b>	<b>265,045</b>	<b>1,810,123</b>	<b>13,852,186</b>
<b>RUPEES 2007</b>	<b>15,039,334</b>	<b>389,030</b>	<b>(3,000)</b>		<b>1,278,866</b>	<b>(1,387)</b>	<b>1,545,078</b>	<b>13,880,286</b>

**CAPITAL WORK IN PROGRESS**

	2008 RUPEES	2007 RUPEES
Opening Balance	12,400,517	-
Additions During the Year	33,134,167	12,400,517
	<u>45,534,684</u>	<u>12,400,517</u>



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*The Help Care Society*  
*Notes to the financial statements*  
*for the year ended June 30, 2008*

		2008 <u>RUPEES</u>	2007 <u>RUPEES</u>
<b>5</b>	<b>Long term deposit</b>		
	Security for premises - considered doubtful	60,000	60,000
	Advance to landlord - considered good	130,000	130,000
		<u>190,000</u>	<u>190,000</u>
<b>6</b>	<b>Short term investments</b>		
	NIT - Investment held through profit & loss A/c	6.1 <u>8,350,229</u>	<u>2,756,063</u>
<b>6.1</b>	<i>Market Value</i>		
	Opening Value	<u>2,756,063</u>	<u>2,127,691</u>
	Addition during the year	<u>8,109,060</u>	<u>249,454</u>
		10,865,123	2,377,145
	Market Value as at June 30, 2008	<u>8,350,229</u>	<u>2,756,063</u>
	(Loss) / Profit for the year	<u>(2,514,894)</u>	<u>378,918</u>
	- The Society hold 196,199 (2007: 48,981) NIT units at the closing rate of Rs.42.56 (2007: 58.35) as on June 30		
<b>7</b>	<b>Advances deposits &amp; prepayments</b>		
	Advance Tax	7.1 378,296	233,850
	Advances to staff - considered good	2,756	4,000
		<u>381,052</u>	<u>237,850</u>
<b>7.1</b>	<i>Tax deducted at source</i>		
	Opening balance	233,850	135,576
	<i>Deducted during the year</i>		
	Telephone	<u>2,629</u>	<u>2,650</u>
	NIT units	<u>112,118</u>	<u>88,061</u>
	Bank profits and withdrawals	<u>29,699</u>	<u>7,563</u>
		144,446	98,274
		<u>378,296</u>	<u>233,850</u>
<b>8</b>	<b>Cash &amp; bank balances</b>		
	Cash in hand	5,381	5,743
	Bank balances - saving accounts	14,560,542	25,947,397
		<u>14,565,923</u>	<u>25,953,140</u>
	All banks are saving accounts and subject to Markup ranging from 4.5 to 9 %		
<b>9</b>	<b>CWIP fund</b>		
	Opening balance	35,257,700	8,287,700
	Donation received during the year	23,946,039	26,970,000
		<u>59,203,739</u>	<u>35,257,700</u>



The Help Care Society  
Notes to the financial statements  
for the year ended June 30, 2008

	2008 RUPEES	2007 RUPEES
<b>10 Endowment fund</b>		
Endowment fund	2,100,000	-
	<u>2,100,000</u>	<u>-</u>
Endowment fund is created for the Building renovation and up keep, invested in short term deposits.		
<b>11 Accrued &amp; other liabilities</b>		
Security staff - un secured	1,230,828	903,198
Earnest money	11.1 -	535,316
Retention money - un secured	11.2 1,770,833	375,984
With holding tax	(24,296)	4,250
	<u>2,977,365</u>	<u>1,818,748</u>
<b>11.1 Earnest money</b>		
Opening balance	535,316	911,300
Transferred to retention money	535,316	375,984
	<u>-</u>	<u>535,316</u>
<b>11.2 Retention money - un secured</b>		
Opening balance	375,984	-
Transferred from earnest money	535,316	375,984
Deduction made during the year	859,533	-
	<u>1,770,833</u>	<u>375,984</u>
<b>12 Income</b>		
Donations	9,016,868	6,152,999
Fee from children	7,895	16,570
Student fine	7,942	8,182
Profit from bank account / TDRs	1,158,792	1,535,990
Dividends on NIT	1,121,178	848,801
	<u>11,312,675</u>	<u>8,562,542</u>

**13 Date of authorization of issue**

These financial statements were authorized for issue by the Board of Trustees on 29 DEC 2008

**14 General**

Figures have been rounded off to the nearest rupee.

President

*Maqbool*

Finance Secretary

*Jawad*

