

THE HELP CARE SOCIETY

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

ILYAS SAEED & CO
(CHARTERED ACCOUNTANTS)



A member firm of Midsnell Group International

THE HELP CARE SOCIETY

SOCIETY INFORMATION

Board of Governors

Lt. Gen (R) Muhammad Maqbool (President)
Mr. Mubashar A. Siddique (Secretary General)
Mr. Abdul Wahid Khan (Finance Secretary)
Pir Farid Ahsanuddin
Mr. Yahya Mir
Mrs. Farida Maqbool
Mr. Qazi Imran Hussain
Mr. Masood Ali Kan
Dr. Tahir Mahmood Hayat
Mr Shabbir Hashmi
Miss Ayla Majid

Auditors

Ilyas Saeed & Co
Chartered Accountants

Principal Banker

Faysal Bank Limited
Soneri Bank Limited
Askari Bank Limited

Registered Office

95-A, Block A/3, Johar Town, Lahore


AUDITORS' REPORT TO THE BOARD OF GOVERNORS

We have audited the annexed Statement of Financial Position of the *THE HELP CARE SOCIETY* as at *June 30, 2012* and the related Income and Expenditure Account and cash flow statement and statement of changes in funds 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 board of governors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the cash receipts and expenditure incurred basis of preparation as described in note 2.1 to the annexed financial statements. 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 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.

As described in the note 2.1, the financial statements have been prepared on the cash receipts and expenditure basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. In our opinion the financial statements present fairly in all material respects, the cash receipts and expenditure of *The Help Care Society* for the year ended *June 30, 2012* on the basis of accounting as described in note 2.1 to the statements.

Lahore: 28 NOV 2012


(CHARTERED ACCOUNTANTS)
Engagement Partner: Irfan Ilyas

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THE HELP CARE SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2012

PROPERTY AND ASSETS	Note	2012 Rupees	2011 Rupees
FIXED ASSETS			
Property, plant & equipment	3	70,511,831	76,736,198
Long term deposits	4	262,000	262,000
CURRENT ASSETS			
Short term investments	5	39,069,325	18,982,459
Advances, deposits & prepayments	6	198,250	177,379
Cash & bank balances	7	3,482,990	3,344,460
		42,750,565	22,504,298
		<u>113,524,397</u>	<u>99,502,496</u>
FUNDS AND LIABILITIES			
Capital fund	8	90,763,712	93,084,058
Endowment fund	9	20,284,790	4,200,000
CURRENT LIABILITIES			
Accrued and other liabilities	10	2,475,895	2,218,438
		<u>113,524,397</u>	<u>99,502,496</u>



The annexed notes from 1 to 14 form an integral part of these accounts

President

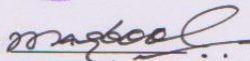
Finance Secretary

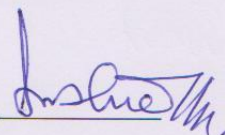
THE HELP CARE SOCIETY
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012

	Note	Rupees	Rupees
INCOME	11	17,428,388	12,771,684
EXPENSES			
Salaries		10,021,562	8,240,513
Utilities		362,441	372,409
Telephone bill		76,914	68,931
Rent rate & taxes		114,315	-
E.O.B.I.		131,460	117,540
Office repair & maintenance		361,817	423,775
Educational	12	609,399	286,545
Printing & stationary		377,197	265,151
Food & nourishment		27,337	23,652
Periodicals / News papers		18,713	17,467
Photocopies		415,749	336,620
Advertisement/news paper		27,170	19,470
Uniform & other wears		90,400	77,221
Carriage/fare charges		43,589	51,948
Postage		33,549	16,709
Computer accessories/internet		61,803	64,903
Functions & delegations		102,032	67,820
Prizes/rewards & benefits		86,200	26,531
Audit fee		35,000	34,000
Medical		217	3,806
Study tours / training workshops		35,705	39,887
Bank charges		9,187	4,950
Generator fuel		116,639	69,415
Science lab		34,544	12,650
Security Services		-	27,484
Sports game		21,304	7,661
Photocopier expense		8,500	19,790
Miscellaneous		815	1,275
		13,223,558	10,698,123
<i>Excess of Income over Expenditure</i>		4,204,830	2,073,561
Depreciation	3	(6,525,177)	(7,074,028)
Impairment loss		-	(270,050)
		(6,525,177)	(7,344,078)
<i>Retained Deficit</i>		(2,320,346)	(5,270,517)



The annexed notes from 1 to 14 form an integral part of these accounts

President 

Finance Secretary 

THE HELP CARE SOCIETY
STATEMENT OF CASH FLOWS
AS ON JUNE 30, 2012

	<u>2012</u> <u>Rupees</u>	<u>2011</u> <u>Rupees</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Deficit for the Year	(2,320,346)	(5,270,517)
Non cash adjustments		
Depreciation for the year	6,525,177	7,074,028
Impairment loss	-	270,050
Surplus/ (deficit) before changes in working capital	<u>4,204,830</u>	<u>2,073,561</u>
Changes in working capital		
(Increase) / Decrease in receivables	<u>(16,999)</u>	<u>(18,000)</u>
Increase / (Decrease) in accounts payable	<u>257,457</u>	<u>(816,246)</u>
	<u>240,458</u>	<u>(834,246)</u>
Net cash used in operating activities	<u>4,445,288</u>	<u>1,239,315</u>
Income Tax (Paid) / Refunded	<u>(3,871)</u>	<u>41,853</u>
	<u>4,441,417</u>	<u>1,281,168</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in investment	<u>(20,086,866)</u>	<u>(7,000,001)</u>
Additions of fixed assets	<u>(300,810)</u>	<u>(1,592,849)</u>
Additions in long term deposits	<u>-</u>	<u>(190,000)</u>
Net cash from investing activities	<u>(20,387,676)</u>	<u>(8,782,850)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Endowment fund	16,084,790	650,000
Net Increase / (Decrease) in Cash and Cash Equivalent	138,530	(6,851,682)
Cash and cash equivalent at the beginning of the year	3,344,460	10,196,142
Cash and cash equivalent at the end of the year	<u><u>3,482,990</u></u>	<u><u>3,344,460</u></u>



The annexed notes from 1 to 14 form an integral part of these accounts

President

[Signature]

Finance Secretary

[Signature]

**THE HELP CARE SOCIETY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

Particulars	Capital	CWIP Fund	Endowment Fund	Total
Balance as at July 01, 2010	97,604,575	-	3,550,000	101,154,575
Donations received during the year	-	750,000	650,000	1,400,000
Transfer from / (to) CWIP	750,000	(750,000)	-	-
(Deficit) / Surplus for the year	(5,270,517)	-	-	(5,270,517)
Balance as at June 30, 2011	<u>93,084,058</u>	<u>-</u>	<u>4,200,000</u>	<u>97,284,058</u>
Donations received during the year				-
Transfer from / (to) CWIP	-	-	16,084,790	16,084,790
Deficit for the year	(2,320,346)			(2,320,346)
Balance as at June 30, 2012	<u><u>90,763,712</u></u>	<u><u>-</u></u>	<u><u>20,284,790</u></u>	<u><u>111,048,502</u></u>



The annexed notes from 1 to 14 form an integral part of these accounts

President

Finance Secretary

HELP CARE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

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 the 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 the 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- Property, Plant & Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises acquisition and other directly attributable costs.

Depreciation is provided on reducing balance basis so as to write off the cost of an asset over its estimated useful life without taking into account any residual value. Depreciation on all additions / deletions is being charged on monthly basis. Full month's depreciation is charged on normal additions, while no depreciation is charged on items deleted during the month.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant. Normal repairs and maintenance are charged to income, while major renewals and improvements are capitalized.

Gain and loss on disposal of fixed assets are included in other income.

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.



**HELP CARE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

2.4- Long Term Deposits

Long term deposits are stated at cost and are refundable or adjustable on maturity.

2.5- Investments

All investments are initially recorded at cost, which is the fair value of the consideration given for its purchase / acquisition.

Investments made by the fund are classified as held to maturity. These are held by the Fund with the positive intent and ability to hold till maturity. These are valued at cost plus accrued profit. Premium paid, if any, on acquiring such investments is reduced from its cost.

2.6- Advances, Deposits and Prepayments

Receivables are carried at original invoice amount less on estimates for doubtful receivable balances based on review of outstanding amounts at the year end. Bad debts are written off when identified.

2.7- Cash & Cash Equivalents

Cash and cash equivalents consists of cash in hand and deposits at banks.

2.8- Endowment fund

Endowment fund is a restricted fund. The main objective of the fund is to generate income for operating expenses of Help Care Society.

2.9- Income Recognition

In cash receipts and disbursement basis of accounting, income is recognized when cash is actually received rather than when it earned.

2.10- Payables

Liabilities for payables are initially recognized at fair value which is normally the transaction cost. Payables include securities and retention money.

2.11- Taxation

The income of the Help Care Society is exempt from tax under clause 92 of Part-I the Second schedule to the Income Tax Ordinance, 2001.



THE HELP CARE SOCIETY
Notes to the financial statements for the year ended June 30, 2012
Property, Plant & Equipment

PARTICULARS	COST				Rate %	DEPRECIATION				WRITTEN DOWN VALUE AS AT 30-06-2012
	As at July 01, 2011	Addition	(Deletion)	As at June 30, 2012		As at July 01, 2011	Adjustment	For the Year	As at June 30, 2012	
	Land - Freehold	12,298,305	-	-		12,298,305	-	-	-	
Building - Freehold	63,244,697	-	-	63,244,697	10	6,206,791	-	5,703,791	11,910,582	51,334,115
Furniture & Fixture	3,658,531	164,842	-	3,823,373	10	873,640	-	284,733	1,158,373	2,665,000
Office Equipment	2,135,214	19,049	-	2,154,263	10	488,566	-	165,927	654,493	1,499,770
Electrical Equipment	2,509,383	-	-	2,509,383	10	235,172	-	227,421	462,593	2,046,790
Computers	1,809,556	10,500	-	1,820,056	20	1,437,727	-	75,941	1,513,668	306,388
Books	387,975	52,143	-	440,118	20	196,438	-	42,365	238,803	201,315
Lab. Equipment	140,106	54,276	-	194,382	15	48,755	-	17,095	65,850	128,532
Sports equipment	46,586	-	-	46,586	20	7,066	-	7,904	14,970	31,616
RUPEES 2011	86,230,353	300,810	-	86,531,163		9,494,155		6,525,177	16,019,332	70,511,831

THE HELP CARE SOCIETY
Property, Plant & Equipment

AS AT JUNE 30, 2011

PARTICULARS	COST				Rate %	DEPRECIATION				WRITTEN DOWN VALUE AS AT 30-06-2011
	As at July 01, 2010	Addition	(Deletion)	As at June 30, 2011		As at July 01, 2010	Adjustment	For the Year	As at June 30, 2011	
	Land - Freehold	12,298,305	-	-		12,298,305	-	-	-	
Building - Freehold *	61,670,312	1,574,385	-	63,244,697	10	-	-	6,206,791	6,206,791	57,037,906
Furniture & Fixture	3,457,406	201,125	-	3,658,531	10	573,363	-	300,277	873,640	2,784,891
Office Equipment	1,808,681	326,533	-	2,135,214	10	317,018	-	171,548	488,566	1,646,648
Electrical Equipment	2,322,287	187,096	-	2,509,383	10	-	-	235,172	235,172	2,274,211
Computers	1,801,076	8,480	-	1,809,556	20	1,346,360	-	91,367	1,437,727	371,829
Books	377,024	10,951	-	387,975	20	150,151	-	46,287	196,438	191,537
Lab. Equipment	133,941	6,165	-	140,106	15	32,634	-	16,121	48,755	91,351
Sports equipment	18,472	28,114	-	46,586	20	601	-	6,465	7,066	39,520
RUPEES 2010	83,887,504	2,342,849	-	86,230,353		2,420,127	-	7,074,028	9,494,155	76,736,498



The Help Care Society
Notes to the financial statements for the year ended June 30, 2012

		<u>2012</u> <u>RUPEES</u>	2011 <u>RUPEES</u>
4 Long term deposit			
Security for affiliation - unsecured considered good		260,000	260,000
Security for internet - unsecured considered good		2,000	2,000
		<u>262,000</u>	<u>262,000</u>
5 Short term investments			
NIT - Investment at cost	5.1	13,030,065	11,982,459
Fixed Deposits	5.2	26,039,260	7,000,000
		<u>39,069,325</u>	<u>18,982,459</u>
5.1 NIT - Investment at cost			
Opening Balance		11,982,459	12,252,509
Addition / Impairment during the year		1,047,606	(270,050)
		<u>13,030,065</u>	<u>11,982,459</u>
Investments are stated at cost, the Society holds 298,985 (2011: 261,901) NIT units at market value of Rs.30.26 (2011: Rs.32.14) as on June 30, 2012.			
5.2 Fixed Deposits			
Opening balance		7,000,000	-
Additions during the year		19,039,260	7,000,000
		<u>26,039,260</u>	<u>7,000,000</u>
Fixed deposits kept at Faysal bank @ 10.65% (2011: 11.4%) p.a rate of return.			
6 Advances, deposits & prepayments			
Advance tax	6.1	137,751	133,879
Advances to staff - secured		60,499	43,500
		<u>198,250</u>	<u>177,379</u>
6.1 Tax deducted at source			
Opening balance		133,879	175,732
Deducted during the year		6,122	12,860
Adjustment of advance tax		(2,251)	(54,713)
		<u>137,751</u>	<u>133,879</u>



The Help Care Society

Notes to the financial statements for the year ended June 30, 2012

	<u>2012</u> <u>RUPEES</u>	<u>2011</u> <u>RUPEES</u>
7 Cash & bank balances		
Cash in hand	3,275	1,677
Bank balances - saving accounts	3,479,716	3,342,784
	<u>3,482,990</u>	<u>3,344,460</u>
All banks are saving accounts and subject to Mark-up ranging from 5 to 9 %.		
8 Capital Fund		
Opening balance	93,084,058	97,604,575
Add: deficit during the year	(2,320,346)	(5,270,517)
Transfer from CWIP	-	750,000
	<u>90,763,711</u>	<u>93,084,058</u>
9 Endowment Fund		
Opening balance	4,200,000	3,550,000
Addition during the year	9.1 16,084,790	650,000
	<u>20,284,790</u>	<u>4,200,000</u>
9.1 Addition in Endowment Fund includes Rs 1,350,000/- as Zakat, given to society.		
10 Accrued & other liabilities		
Security staff - un secured	1,907,031	1,649,574
Retention money - un secured	10.1 568,864	568,864
	<u>2,475,895</u>	<u>2,218,438</u>
10.1 Retention money - un secured		
Opening balance	568,864	1,625,887
Deduction during the year	-	43,839
Paid / Adjusted during the year	-	(1,100,862)
	<u>568,864</u>	<u>568,864</u>
11 Income		
Donations	12,913,186	11,515,402
Zakat	1,132,700	-
Fee from children	22,290	32,687
Student fine	47,145	37,948
Profit from bank account / TDRs	380,450	507,793
Dividends on NIT	1,047,606	-
Other incomes	294,579	176,370
Staff securities retained - written off	91,429	62,770
Profit on fixed deposits	1,499,003	436,279
Flood relief fund	11.1 -	2,435
	<u>17,428,388</u>	<u>12,771,684</u>



The Help Care Society

Notes to the financial statements for the year ended June 30, 2012

	<u>2012</u> <u>RUPEES</u>	<u>2011</u> <u>RUPEES</u>
11.1 <u>Flood relief fund</u>		
Receipts	-	236,285
Less:		
Amount donated	-	(233,850)
	<u>-</u>	<u>2,435</u>
12 Educational Expense		
School affiliation and registration fee	15,600	70,000
Students' external examination fee	572,490	185,622
Misc	21,309	30,923
	<u>609,399</u>	<u>286,545</u>

13 Date of Authorization of Issue

These financial statements were authorized for issue on 28 NOV 2012 by the Board of Governors.

14 General

Figures have been rounded off to the nearest rupee.



President

Finance Secretary