

**HEALTH EDUCATION AND LITERACY  
PROGRAMME**

**KARACHI**

**Financial Statements  
For the year ended June 30, 2016**

**AUDITORS' REPORT TO THE TRUSTEES**

We have audited the annexed balance sheet of the **HEALTH EDUCATION AND LITERACY PROGRAMME** as at June 30, 2016 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).

It is the responsibility of the Trustees to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. 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 of material misstatement. 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 the financial statements present fairly in all material respects the financial position of the **HEALTH EDUCATION AND LITERACY PROGRAMME** as at June 30, 2016 and of its Surplus for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

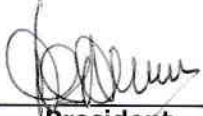
Date: **17 OCT 2016**  
Place: Karachi

  
**S. M. REHAN & CO**  
Chartered Accountants  
S. M. Rehan

**HEALTH EDUCATION AND LITERACY PROGRAMME  
BALANCE SHEET  
AS AT JUNE 30, 2016**

	Note	2016 Rupees	2015 Rupees
<b>ASSETS</b>			
<b>Tangible fixed assets</b>			
At cost less depreciation	3	27,289,039	21,509,134
<b>In-tangible assets</b>			
Softwares	4	75,742	100,989
<b>Non Current assets</b>			
Investments - held to maturity	5	600,000	600,000
<b>Current assets</b>			
Prepayments		112,349	310,596
Advances, Receivables & other prepayments		3,557,025	95,027
Cash and Bank balances	6	3,740,790	15,261,905
		7,410,164	15,667,528
<b>Total assets</b>		<u>35,374,945</u>	<u>37,877,651</u>
<b>Curren Liabilities</b>			
Accrued Expenses & Other Liabilities	7	166,594	846,822
Un-earned Project Fund		3,138,599	3,874,831
<b>Net assets</b>		<u><u>32,069,752</u></u>	<u><u>33,155,998</u></u>
<b>REPRESENTED BY</b>			
Accumulated Surplus	8	32,069,752	33,155,998
<b>Total Accumulated Surplus</b>		<u><u>32,069,752</u></u>	<u><u>33,155,998</u></u>

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

  
\_\_\_\_\_  
President


  
\_\_\_\_\_  
General Secretary

**HEALTH EDUCATION AND LITERACY PROGRAMME  
INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDING JUNE 30, 2016**

	Note	2016 Rupees	2015 Rupees
<b>Revenue</b>	<b>9</b>	19,973,844	27,036,849
<b>Operating expenses</b>			
Administrative expenses	<b>10</b>	20,931,398	24,801,861
Financial charges	<b>11</b>	128,692	24,848
		21,060,090	24,826,709
Surplus/(Deficit) for the year		<u>(1,086,246)</u>	<u>2,210,140</u>

*Comp*

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

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
General Secretary

**HEALTH EDUCATION AND LITERACY PROGRAMME  
CASH FLOW STATEMENT  
FOR THE YEAR ENDING JUNE 30, 2016**

	<b>2 0 1 6</b>	<b>2 0 1 5</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Surplus/(Deficit) for the year</b>	(1,086,246)	2,210,140
<b>Adjustment for non-cash charges and other items:</b>		
Amoritzation	25,247	
Depreciation	1,973,816	1,948,804
	<u>912,817</u>	<u>5,540,944</u>
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Prepayments	198,247	1,528,149
Advances, Receivables & other prepayments	(3,461,998)	89,851
<b>Increase / (decrease) in current liabilities</b>		
Accrued Expenses & Other Liabilities	(680,228)	97,804
Un-earned Project Fund	(736,232)	(623,061)
	<u>(4,680,211)</u>	<u>1,092,743</u>
<b>Net cash used in operating activities</b>	(3,767,394)	6,633,687
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(7,753,721)	(6,232,307)
Capital work in progress	-	1,382,000
<b>Net cash used in investing activities</b>	(7,753,721)	(4,850,307)
<b>Net increase in cash and cash equivalents</b>	(11,521,115)	401,380
Cash and cash equivalents at the beginning of the year	15,261,905	14,860,525
Cash and cash equivalents at the end of the year	<u>3,740,790</u>	<u>15,261,905</u>

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

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
General Secretary

**HEALTH EDUCATION AND LITERACY PROGRAMME**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2016**

**1. GENERAL INFORMATION**

The Health Education and Literacy Programme (HE&LP) was registered in Pakistan on 13/01/1991, under the Voluntary Social Welfare Agencies (Registration & Control) Ordinance, 1961. The objective of the HE&LP is to design and implement replicable models of health promotion, health delivery and education for women and children. The registered office of the HE&LP is situated at DHA phase V, 1C commercial lane 3, Flat no. 2, Zamzama Boulevard, Karachi.

The Society has been granted tax exemption by the Commissioner of Income Tax under Section 2(36) of the Income Tax Ordinance, 2001, vide their letter No. C.I.T/Jud-1/(LEGAL DIVISION)/R.T.O/2009 dated June 25th, 2009.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation**

These accounts have been prepared under "historical cost convention".

**2.2 Accounting convention**

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved Accounting Standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

**2.3 Tangible fixed assets**

Fixed assets are stated at written down value, except land and capital work-in-progress, which are stated at cost. Depreciation is charged on reducing balance method applying the rates specified in Note 3. Normal repairs and maintenance are charged off as and when incurred. Depreciation on addition is charged from the month in which the asset is put to use and in case of disposal up to the month immediately preceding the month of disposal.

Useful lives are determined by the management based on expected usage of asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Expenditure incurred subsequent to the initial acquisition of assets is capitalized only when it increases the future economic lives embodied in the items of fixed assets.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
General Secretary

*S.M.*

**2.4 Provisions**

A provision is recognized in the balance sheet when the association has 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.

**2.5 Other payables**

Other payables are stated at their cost.

**2.6 Revenue recognition**

Revenue is recorded on accrual basis, except donations which are recorded on receipts basis.

**2.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balance with banks.

**2.8 Taxation**

The society is a non profit organization and therefore no provision for taxation is made.

*SM*

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
General Secretary


### 3. TANGIBLE FIXED ASSETS

Particulars	W. D. V.			Depreciation For the year	W. D. V. As at June 30, 2016	Rate %
	As at July 01, 2015	Additions/ (Deletions)	As at June 30, 2016			
<b>Owned Assets</b>						
Land Lease hold	100,000		100,000	-	100,000	-
Office Premises on Lease hold Land	978,461	5,091,400	6,069,861	140,754	5,929,107	5%
Building	13,006,597	2,549,700	15,556,297	710,288	14,846,009	5%
Office Equipments	5,707,165	66,632	5,773,797	862,938	4,910,859	15%
Furniture & Fixtures	475,132	45,989	521,121	73,569	447,552	15%
Vehicles	1,241,779		1,241,779	186,267	1,055,512	15%
<b>June 30, 2016</b>	<b>21,509,134</b>	<b>7,753,721</b>	<b>29,262,855</b>	<b>1,973,816</b>	<b>27,289,039</b>	
<b>June 30, 2015</b>	<b>17,225,631</b>	<b>6,232,307</b>	<b>23,457,938</b>	<b>1,948,804</b>	<b>21,509,134</b>	

- 3.1 The above land does not includes the amount of ammuny plots nos. 236-237 F. street old clifton Neelum colony, Karachi., donated for construction of health and education centre thereon:

### 4. INTANGIBLE ASSETS

Particulars	W. D. V.			Ammortization For the year	W. D. V. As at June 30, 2016	Rate %
	As at July 01, 2015	Additions/ (Deletions)	As at June 30, 2016			
Software Licenses	100,989		100,989	25,247	75,742	25%
<b>June 30, 2016</b>	<b>100,989</b>	<b>-</b>	<b>100,989</b>	<b>25,247</b>	<b>75,742</b>	
<b>June 30, 2015</b>	<b>100,989</b>	<b>-</b>	<b>100,989</b>	<b>-</b>	<b>100,989</b>	

  
President

  
General Secretary



	<b>2016</b>	<b>2015</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>5. INVESTMENTS</b>		
Investments - held to maturity	<u>600,000</u>	<u>600,000</u>

This represents investment for 5 years in term deposit - Mudaraba in Al Baraka Bank (Pakistan) Ltd which will mature on 28/03/2018. The net profit shall be distributed amongst the shareholders and depositors on the basis of weightage assigned to each category.

**6. CASH & BANK BALANCES**

Cash in hand	20,000	20,600
Cash at bank	3,720,790	15,241,305
	<u>3,740,790</u>	<u>15,261,905</u>

**7. ACCURED EXPENSES & OTHER LIABILITIES**

Audit fee	157,940	132,500
Salaries payable	-	312,619
Accounts Payable	-	401,703
Other Payable	8,654	-
	<u>166,594</u>	<u>846,822</u>


**8. ACCUMULATED SURPLUS**

Balance July 1,	33,155,998	30,945,858
Surplus / (Deficit) for the year	<u>(1,086,246)</u>	<u>2,210,140</u>
	<u>32,069,752</u>	<u>33,155,998</u>

**9. REVENUE**

**Funds and Donations**


Project Fund from K.Z.E. MISEREOR	11,323,998	10,350,677
Project Fund from P&G	-	289,707
Project Fund from GADAP	-	4,983,746
Project Fund from GAVI	-	4,318,486
Project Fund from Home School	161,783	164,503
Project Fund from SAIFRN	367,923	536,386
Project Fund from ROTARY	-	113,665
PROJECT FUND FROM HANIF	2,487,132	-
Zakat	-	95,000
Donation	3,473,620	3,804,838
	17,814,456	24,657,008
Fees from Students	588,150	570,650
User charges of Clinic	865,805	679,385
Fund raiser play income	-	562,500
Other income	705,433	567,306
	<u>19,973,844</u>	<u>27,036,849</u>

  
President

  
General Secretary

<b>10. ADMINISTRATIVE EXPENSES</b>	<b>2016 Rupees</b>	<b>2015 Rupees</b>
Salaries expenses	12,071,070	15,455,306
Advertisement expenses	-	1,242
Audit fee for special audits	-	129,800
Audit fee	334,160	132,500
Conveyance, Cartage & POL	692,608	1,104,681
Utilities	397,792	460,469
Repair & Maintenance	330,965	289,890
Fund raiser play expenses	-	40,000
Miscellaneous expenses	480,084	381,522
High Density Diet	635,310	-
Insurance	119,929	187,929
Medicine expenses	623,240	401,106
Meeting expenses	187,310	48,110
Monitoring expenses	-	498,281
Printing, Stationary & courier	95,546	317,237
Study material	168,152	280,669
Training expenses	958,896	2,579,926
Rent, Rate & Taxes	525,216	542,955
Withholding tax on Profit	-	1,434
Base Line Survey	69,062	-
Solar Water Pump Expenses	939,495	-
Project Software Expenses	303,500	-
Amortization	25,247	-
Depreciation	1,973,816	1,948,804
	<u>20,931,398</u>	<u>24,801,861</u>

*SMM*

  
 \_\_\_\_\_  
**President**

  
 \_\_\_\_\_  
**General Secretary**

	<b>2016 Rupees</b>	<b>2015 Rupees</b>
<b>11. FINANCIAL CHARGES</b>		
Bank charges	<u>128,692</u>	<u>24,848</u>

**12. NUMBER OF EMPLOYEES**

Number of employees as at year end were 95 (2015: 99).

**13. DATE OF AUTHORIZATION**

These financial statements were authorised for issue on 16 OCT 2016 by the Executive Committee.

**14. GENERAL**

Figures have been rounded off to the nearest rupee.

*same*

  
 \_\_\_\_\_  
 President

  
 \_\_\_\_\_  
 General Secretary