



**HEADS: HEALTH EDUCATION AND DEVELOPMENT SOCIETY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING



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## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

### Opinion

We have audited the financial statements of HEADS: Health Education and Development Society (the Organization), which comprise the statement of financial position as at June 30, 2024, income and expenditure account and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2024, and its financial performance and cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board of

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Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Place: Peshawar  
Date: December 16, 2024  
UDIN: AR202410513DgdqUVsav

*RSM Avais Hyder Liaquat Nauman*  
**RSM Avais Hyder Liaquat Nauman**  
**Chartered Accountants**  
Engagement Partner: Muhammad Arif Saeed



**HEADS (HEALTH, EDUCATION AND DEVELOPMENT SOCIETY)  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	1,035,568	183,632
<b>CURRENT ASSETS</b>			
Receivable from donors		458,325	834,323
Other receivables	6	389,293	40,566
Cash and bank balances	7	21,210,741	117,223
		22,058,359	992,112
		<u>23,093,927</u>	<u>1,175,744</u>
<b>FUND AND LIABILITIES</b>			
General fund	8	88,931	43,046
<b>CURRENT LIABILITIES</b>			
Payables and accrued liabilities	9	23,004,996	1,132,698
		<u>23,093,927</u>	<u>1,175,744</u>

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



**Executive Director**




**Director Operation**

**HEADS (HEALTH, EDUCATION AND DEVELOPMENT SOCIETY)  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
<b>INCOME</b>			
Grant			
Restricted	10	76,297,017	81,492,913
Unrestricted-Contribution		530,973	-
		<u>76,827,990</u>	<u>81,492,913</u>
<b>EXPENDITURE</b>			
Program cost	11	76,297,017	81,492,913
General and administrative expenses	12	485,088	176,267
		<u>76,782,105</u>	<u>81,669,180</u>
Surplus / (Deficit) for the year		<u>45,885</u>	<u>(176,267)</u>

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

  
Executive Director



  
Director Operation

**HEADS (HEALTH, EDUCATION AND DEVELOPMENT SOCIETY)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
Note		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Surplus / (Deficit) for the year	45,885	(176,267)
Adjustment for depreciation	<u>115,063</u>	<u>20,403</u>
Cash flow before working capital changes	160,948	(155,864)
Working capital changes		
(Increase)/decrease in current assets:		
Receivable from donors	375,998	85,851
Other receivables	(348,727)	(40,566)
Increase/(decrease) in current liabilities		
Payables and accrued liabilities	21,872,298	162,650
	<u>21,899,569</u>	<u>207,935</u>
Net cash generated from/ (used in) operating activities	<u>22,060,517</u>	<u>52,071</u>
<b>b) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Additions in property and equipment	<u>(967,000)</u>	-
Net cash (used in) in investing activities	<u>(967,000)</u>	-
Net increase/(decrease) in cash and cash equivalents	21,093,517	52,071
Cash and cash equivalent at the beginning of the year	117,223	65,152
Cash and cash equivalent at the end of the year	<u>21,210,741</u>	<u>117,223</u>

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

  
Executive Director



  
Director Operation

**HEADS (HEALTH, EDUCATION AND DEVELOPMENT SOCIETY)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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**1 Status and operation**

HEADS (Health, Education and Development Society) hereinafter referred as "the Society" was established on August 08, 2013 is a Non Government, non profit Society. The Head office of the Society is situated at House 219, Street #01, Sector F/9 Phase 6, Hayatabad, Peshawar. The principal areas of operations of the Society are human development, provision/ improvement of livelihood, protection, WASH facilities, environmental sanitation, education, health and nutrition and disaster management in the province of Khyber Pakhtunkhwa.

**2 Projects**

Following projects were undertaken by the Organization during the year:

- 2.1.1 Pakistan Flood Response, Disasters Emergency Committee Phase-2 (DEC-II) signed with International Rescue Committee (IRC).
- 2.1.2 Building Climate Resilience through Rehabilitation/Reconstruction of Green Infrastructure in Flood Affected Areas of Punjab and Khyber Pakhtunkhwa (BCR) signed with Pakistan Poverty Alleviation Fund (PPAF)
- 2.1.3 Consultancy Services Long Term (LTA) For Services of Engineering Consultancy, Firm Stabilization and Development Programmer (SDP) Signed with
- 2.1.4 Establishment of Women Development Centers (WDC) signed with Cherat Cement Company Limited (CCCL)
- 2.1.5 Establishment of Gyne Section/General OPD (GYNE) signed with Cherat Cement Company Limited (CCCL)
- 2.1.6 Access to Clean Energy Project, Construction of Mini/Micro Hydropower Projects (ACEP) signed with Pakhtunkhwa Energy Development Organisation (PEDO)

**3 Statement of compliance**

These financial statements have been prepared in accordance with the 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.

**4 Summary of significant accounting policies**

**4.1 Accounting convention**

These financial statements have been prepared under the historical cost convention.

**4.2 Functional and presentation currency**

These financial statements are prepared in Pakistani Rupees which is the Society's functional and presentation currency.



### **4.3 Property and equipment**

Property and equipment are carried at cost less accumulated depreciation and impairment in value, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in the property and equipment note.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

### **4.4 Impairment**

The Society assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether these are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income and expenditures account, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognized for the assets in prior years. A reversal of an impairment loss is recognized immediately in income and expenditures account, unless the relevant assets are carried at revalued amounts, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **4.5 Receivables**

Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified. Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

### **4.6 Cash and cash equivalents**

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks and highly liquid short term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

### **4.7 Payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether billed to the Society or not.

#### **4.8 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered in the normal course of business.

- Profit on investments / bank deposits is recognized on time proportionate basis.

##### **- Restricted grants**

Grants received for specific purposes and interest thereon are classified as restricted grants. Such grants are transferred to income as grants to the extent of actual expenditure incurred against them. Unspent portion of such grants are reflected as restricted grants in the balance sheet. Expenditure incurred against grant committed but not received is accrued and recognized in income and is reflected as receivable from donors.

##### **- Unrestricted grants**

Unrestricted grants, if any, received from donor without any conditions are recognized as income during the year of receipt.

#### **4.9 Use of estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards require management to make judgment, estimates and assumptions that affect the application of reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and provision for doubtful receivables. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

#### **4.10 Provision for taxation**

Provision for taxation is based on taxable income at the current tax rates after taking into account applicable tax credits, rebates and exemptions available under Income Tax Ordinance, 2001.

5 Property and equipment

2024								
PARTICULARS	COST			DEPRICIATION			W.D.V.	RATE
	As at July 01, 2023	Additions	As at June 30, 2024	As at July 01, 2023	For the year	As at June 30, 2024	As at June 30, 2024	
-----Rupees-----								
Furniture and fixtures	148,400	-	148,400	70,942	7,746	78,688	69,712	10%
Computer equipment	179,330	-	179,330	87,506	9,182	96,688	82,642	10%
Office equipment	30,000	967,000	997,000	15,651	98,135	113,786	883,214	10%
	<u>357,730</u>	<u>967,000</u>	<u>1,324,730</u>	<u>174,098</u>	<u>115,063</u>	<u>289,161</u>	<u>1,035,568</u>	
2023								
PARTICULARS	COST			DEPRICIATION			W.D.V.	RATE
	As at July 01, 2022	Additions	As at June 30, 2023	As at July 01, 2022	For the year	As at June 30, 2023	As at June 30, 2023	
-----Rupees-----								
Furniture and fixtures	148,400	-	148,400	62,336	8,606	70,942	77,458	10%
Computer equipment	179,330	-	179,330	77,302	10,203	87,506	91,824	10%
Office equipment	30,000	-	30,000	14,057	1,594	15,651	14,349	10%
	<u>357,730</u>	<u>-</u>	<u>357,730</u>	<u>153,695</u>	<u>20,403</u>	<u>174,098</u>	<u>183,632</u>	

	Notes	2024 Rupees	2023 Rupees
<b>6 Other receivables</b>			
Employees' advance - Against Expenses		389,293	40,566
		<u>389,293</u>	<u>-</u>
<b>7 Cash and bank balances</b>			
Cash in hand		414	466
Cash at bank			
In current account		21,210,327	116,757
		<u>21,210,741</u>	<u>117,223</u>
<b>8 General Fund</b>			
Opening balance		43,046	219,313
Add: Surplus / (Deficit) for the year		45,885	(176,267)
		<u>88,931</u>	<u>43,046</u>
<b>9 Payables and accrued liabilities</b>			
Restricted Grant Received in Advance		22,493,263	420,168
Salary Payable		-	348,625
GST Payable		183,382	-
Audit fee		170,000	150,000
Income Tax Payable		153,322	9,750
Accrued Liabilities		5,029	204,155
Vendors Payable		476,826	-
		<u>23,004,996</u>	<u>1,132,698</u>
<b>10 Restricted fund</b>			
Grant from IRC (DEC-II)		61,745,912	67,380,624
Grant from PPAF (BCR)		696,856	-
Grant from UNDP (PEPAC)		957,500	2,599,220
Grant from Cherat Cement (WDC)		1,704,667	-
Grant from Cherat Cement (GYNE)		8,696,082	4,413,069
Grant from PEDO (ACEP)		2,496,000	7,100,000
		<u>76,297,017</u>	<u>81,492,913</u>

11 Program cost

2024  
Rupees

2023  
Rupees

76,297,017    81,492,913

Particulars	IRC (DEC-II)	PPAF (BCR)	UNDP (PEPAC)	CCCL (WDC)	CCCL (Gyne)	PEDO (ACEP)	2024
-----RUPEES-----							
Salaries	18,555,883	605,833	800,000	1,704,667	8,696,082	1,722,000	32,084,465
Vehicle Rent	4,000,000	-	-	-	-	498,000	4,498,000
Facilities-rent	1,012,000	-	-	-	-	-	1,012,000
Utilities	210,644	-	-	-	-	-	210,644
Staff Training and Education	95,527	-	-	-	-	-	95,527
Vehicle Fuel	2,825,325	-	-	-	-	276,000	3,101,325
Office Supplies	-	31,020	-	-	-	-	31,020
Repair and Maintenance	91,987	-	-	-	-	-	91,987
Stationary	297,548	-	-	-	-	-	297,548
Travelling Cost	396,682	60,003	-	-	-	-	456,685
Postage and Courier	23,605	-	-	-	-	-	23,605
Bank Fees	23,466	-	-	-	-	-	23,466
Communication	221,033	-	-	-	-	-	221,033
Economic Wellbeing	13,667,083	-	-	-	-	-	13,667,083
Health Sector	6,858,793	-	-	-	-	-	6,858,793
Protection	8,600,065	-	-	-	-	-	8,600,065
Water, Sanitation and Hygiene (WASH)	4,859,861	-	-	-	-	-	4,859,861
Miscellaneous	6,410	-	-	-	-	-	6,410
Professional charges	-	-	157,500	-	-	-	157,500
<b>Total</b>	<b>61,745,912</b>	<b>696,856</b>	<b>957,500</b>	<b>1,704,667</b>	<b>8,696,082</b>	<b>2,496,000</b>	<b>76,297,017</b>

	Notes	2024 Rupees	2023 Rupees
<b>12 General and administrative expenses</b>			
Utilities		-	5,864
Audit fee		170,000	150,000
License Fee		150,025	-
Website Renewal Fee		50,000	-
Depreciation		115,063	18,363
		<u>485,088</u>	<u>174,227</u>

**13 Provision for taxation**

The Organization is approved as a non profit organization under section 2 (36) of the Income Tax Ordinance, 2001 and is claiming 100% tax credit under section 100 C of the Income Tax Ordinance, 2001. Hence no provision for taxation has been made.

**14 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors on 18/12/2024.

**15 GENERAL**

**15.1 Rearrangements**

Prior year figures have been re-arranged /re-grouped wherever considered necessary for the purpose of comparison.

**15.2 Figures have been rounded off to the nearest Rupee.**

  
Executive Director



  
Director Operation