

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL
DEVELOPMENT PROGRAMME (CHIP)**

**FINANCIAL STATEMENTS FOR
THE PERIOD ENDED JUNE 30, 2005**



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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Civil Society Human And Institutional Development Programme** as at **June 30, 2005** and the related profit and loss account and cash flow statement together with the notes forming part thereof, for the period from October 20, 2004 to June 30, 2005 and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that-

- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies adopted;
 - ii) the expenditure incurred during the period was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2005 and of the profits, its cash flow for the period then ended, and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Lahore:

22 DEC 2005

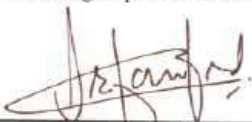
Ford Rhodes Sidat Hyder
Chartered Accountants

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**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
BALANCE SHEET
AS AT JUNE 30, 2005**

	<u>Note</u>	<u>June 30, 2005</u> (Rupees)
NON TANGIBLE ASSETS		
Operating Fixed Assets	3	17,192,057
CURRENT ASSETS		
Advances, deposits and other receivables	4	1,975,042
Cash and Bank Balances	5	17,221,570
		19,196,613
LESS: CURRENT LIABILITIES		
Accrued and Others Payables	6	4,778,186
Provision for taxation		266,444
		5,044,630
WORKING CAPITAL		14,151,983
TOTAL CAPITAL EMPLOYED		31,344,039
NON CURRENT LIABILITIES		
Payable to Swiss Agency for Development Corporation	7	15,289,086
Payable to Muslim Care	8	2,408,516
Deferred Taxation		43,000
		17,740,602
NET CAPITAL EMPLOYED		<u>13,603,437</u>
REPRESENTED BY:		
Fund Balances	9	13,603,437
		<u>13,603,437</u>
Contingencies and Commitments	10	

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



Director Corporate Affairs



Chief Executive

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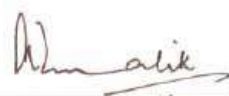
**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD FROM OCTOBER 20,2004 TO JUNE 30, 2005**

	<u>Note</u>	OCTOBER 20,2004 TO JUNE 30, 2005 (Rupees)
INCOME		
Project Implementation	11	19,296,559
Training Fee		370,310
Consultancy Fee		5,892,556
Interest Income		84,116
Other Income		66,785
		<u>25,710,327</u>
EXPENDITURE		
Grants to Partners	12	13,362,527
Project Management Cost-Muslim Care	13	1,371,484
HID- Support To Partners	14	1,134,914
CHIP Organizational Development Activities	15	142,916
Running And Donor supported Capital Cost	16	5,325,754
Training Cost		79,573
Consultancy Cost		2,980,851
		<u>24,398,019</u>
Surplus before taxation		1,312,308
Taxation	17	309,444
Surplus after taxation		<u><u>1,002,864</u></u>

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



Director Corporate Affairs



Chief Executive

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CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
 CASH FLOW STATEMENT
 FOR THE PERIOD FROM OCTOBER 20,2004 TO JUNE 30, 2005

OCTOBER 20,2004
 TO
JUNE 30, 2005
 (Rupees)

CASH FLOW FROM OPERATING ACTIVITIES

Surplus for the period before taxation	1,312,308
Adjustment for:	
Depreciation	1,264,229
Surplus before working capital changes	2,576,537
Working Capital Changes	
Increase in advances, deposits and others receivables	(1,975,042)
Increase in accrued and other payables	4,778,186
	<u>2,803,144</u>
Net Cash Flow from operating activities	<u>5,379,680</u>

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Operating fixed assets	(18,456,285)
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CASH FLOW FROM FINANCING ACTIVITIES

Capital Fund	12,600,573
Net grant received from Swiss Agency for Development Corporation	15,289,086
Net grant received from Muslim Care	2,408,516
Net Cash Flow from financing activities	<u>30,298,175</u>
Net Increase in cash and cash equivalents	<u>17,221,570</u>
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<u><u>17,221,570</u></u>

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



 Director Corporate Affairs



 Chief Executive

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3. TANGIBLE FIXED ASSETS

Following is the statement of operating fixed assets:

	COST		DEPRECIATION		Amounts in Rupees	
	Additions	As at June 30, 2005	Depreciation For the Period	Accumulated Depreciation As At	BOOK VALUE As At June 30, 2005	Rate
OWNED						
Land (Note 3.2)	7,000,000	7,000,000	-	-	7,000,000	0%
Building	6,831,000	6,831,000	341,550	341,550	6,489,450	5%
Electricity and Gas Equipment	662,900	662,900	66,290	66,290	596,610	10%
Furniture and Fixture	299,585	299,585	29,959	29,959	269,627	10%
Computer and Associate	949,500	949,500	284,850	284,850	664,650	30%
Vehicle	2,700,000	2,700,000	540,000	540,000	2,160,000	20%
Books	2,500	2,500	500	500	2,000	20%
Office Equipment	10,800	10,800	1,080	1,080	9,720	10%
Total	18,456,285	18,456,285	1,264,229	1,264,229	17,192,057	

3.1 Additions to fixed assets include fixed assets amounting to Rs. 4,570,200 acquired from Swiss NGO Programme on January 01, 2005 and their respective value on that date has been determined by an independent valuer, Gulf Consultants.

3.2 This represents the amount paid for the purchase of land and building in the month of June 2005 and it was transferred in the name of the company on July 04, 2005 by the Capital Development Authority.