



FINANCIAL STATEMENTS
OF

CIVIL SOCIETY HUMAN AND
INSTITUTIONAL DEVELOPMENT
PROGRAMME (CHIP)

FOR THE YEAR ENDED
JUNE 30, 2012

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME** ("the Company") as at June 30, 2012 and the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in fund together with the notes forming part thereof, for the year then ended 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 account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion-
 - (i) the balance sheet and income and expenditure 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 account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year 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, income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in fund together with the notes forming part thereof conform with the 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, 2012 and of the surplus, comprehensive income, its cash flows and changes in fund for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

ISLAMABAD

DATED: *12.12.2012*

Abdul Qadeer
CHARTERED ACCOUNTANTS
Engagement Partner: Abdul Qadeer

BDO Ebrahim & Co. Chartered Accountants

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**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)
BALANCE SHEET AS AT JUNE 30, 2012**

	Note	2012 Rupees	2011 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	36,444,304	39,194,689
Capital work in progress	6	534,983	-
		<u>36,979,287</u>	<u>39,194,689</u>
Long term security deposits		583,293	86,000
		<u>37,562,580</u>	<u>39,280,689</u>
CURRENT ASSETS			
Consumable store		188,898	104,283
Receivable from donor agencies	7	6,272,962	12,387,536
Due from related parties	8	2,264,661	38,900
Advances	9	606,685	143,280
Interest accrued		-	6,630
Short term deposits		-	175,800
Other receivables	10	247,733	232,829
Taxation - net	11	745,636	-
Short term investment	12	-	5,000,000
Cash and bank balances	13	106,819,286	168,523,988
		<u>117,145,861</u>	<u>186,613,246</u>
TOTAL ASSETS		<u>154,708,441</u>	<u>225,893,935</u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		26,911,882	26,526,951
Endowment fund		34,956,235	33,956,235
		<u>61,868,117</u>	<u>60,483,186</u>
NON CURRENT LIABILITIES			
Long term deposits		24,000	47,000
Liabilities against assets subject to finance lease	14	1,577,218	-
Deferred liabilities	15	3,726,685	3,320,778
Deferred capital grant	16	2,436,271	3,092,957
		<u>7,764,174</u>	<u>6,460,735</u>
CURRENT LIABILITIES			
Restricted grant	17	80,039,535	152,157,263
Liabilities against assets subject to finance lease	14	284,847	311,329
Due to related party	18	-	2,653,403
Taxation - net	11	-	255,231
Accrued and other liabilities	19	4,751,768	3,572,788
		<u>85,076,150</u>	<u>158,950,014</u>
CONTINGENCIES AND COMMITMENTS	20	-	-
TOTAL FUNDS AND LIABILITIES		<u>154,708,441</u>	<u>225,893,935</u>

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012**

	Note	2012 Rupees	2011 Rupees
INCOME			
Grants		256,389,937	216,399,125
Amortization of capital grant	16	1,244,478	1,199,326
Management fee	21	9,013,688	16,387,720
Income from related party	22	1,800,000	1,200,000
Interest income	23	1,979,341	1,674,980
Other income	24	1,322,806	1,862,539
		<u>271,750,250</u>	<u>238,723,690</u>
EXPENDITURE			
Programme implementation cost:			
Muslim Care	25	2,093,723	2,767,132
Misereor	26	6,111,869	9,382,625
Dark & Light Blind Care Foundation and Light for the World	27	7,958,882	11,365,967
Sight savers International - DIFD	28	18,426,598	14,152,345
Gavi Alliance	29	-	10,739,257
Emergencies and Humanitarian - Individual Philanthropist	30	3,204,685	1,446,624
Scholarship scheme - SPMF	31	498,340	805,150
Community Centre Fund-Muslim Care	32	279,847	556,340
Foundation for Future	33	5,921,592	4,793,390
Emergency relief measures for the flood victims in Pakistan	34	187,689,423	130,789,322
Strengthening Competence Level of existing vaccinator - Gavi Alliance	35	-	29,600,973
PLAN - Reproductive health initiative	36	9,715,527	-
GAVI - Extension MCH project - Jhelum and Skardu	37	2,896,437	-
Misereor bridge funding (Sohawa Extension)	38	2,289,271	-
IDRF - Promoting equity and rehabilitation - Bhakkar	39	3,127,273	-
Light for the World - Bridge funding	40	4,015,025	-
GAVI - Strengthening health system	41	1,865,915	-
Develop Social Enterprise Approach	42	295,530	-
		<u>256,389,937</u>	<u>216,399,125</u>
Administrative cost	43	11,902,538	17,092,959
Other expenses	44	1,744,628	-
		<u>270,037,103</u>	<u>233,492,084</u>
Surplus before taxation		1,713,147	5,231,606
Taxation	45	328,216	1,354,024
Surplus after taxation		<u>1,384,931</u>	<u>3,877,582</u>

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2012**

	2012 Rupees	2011 Rupees
Surplus after taxation	1,384,931	3,877,582
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,384,931</u>	<u>3,877,582</u>

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012**

	Note	2012 Rupees	2011 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated / (used in) from operations	47	6,394,288	(1,025,451)
Financial charges paid		(66,053)	(46,906)
Tax paid		(1,329,083)	(951,455)
		<u>(1,395,136)</u>	<u>(998,361)</u>
Net cash generated from / (used in) operating activities		4,999,152	(2,023,812)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to operating fixed assets		(249,000)	(527,276)
Sale proceeds of operating fixed assets		-	640,000
Capital work in progress		(534,983)	-
Long term security deposits		(497,293)	175,800
Short term investment		5,000,000	-
Long term deposits		(23,000)	-
Net cash generated from investing activities		3,695,724	288,524
CASH FLOW FROM FINANCING ACTIVITIES			
Grant received for the acquisition of capital assets		587,792	523,548
Payment of lease rentals		(848,982)	(789,881)
Interest received		1,979,341	2,219,043
Decrease in restricted grant		(72,117,728)	132,169,567
Net cash (used in) / generated from financing activities		<u>(70,399,577)</u>	<u>134,122,277</u>
Net increase in cash and cash equivalents		(61,704,702)	132,386,989
Cash and cash equivalents at the beginning of the year		168,523,988	36,136,999
Cash and cash equivalents at the end of the year	13	<u>106,819,286</u>	<u>168,523,988</u>

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

5 PROPERTY, PLANT AND EQUIPMENT

The following is the statement of property plant and equipment:

Particulars	Land	Building	Electricity and gas equipment	Furniture and fixtures	Computer and	Vehicles	Books	Office equipment	Leased vehicles	Total
	Rupees									
Net carrying value basis										
Year ended June 30, 2012										
Opening book value	24,000,000	9,720,488	1,250,354	1,651,831	51,584	2,102,422	3,313	63,097	351,600	39,194,689
Additions	-	-	25,900	304,892	418,000	-	-	88,000	2,101,900	2,938,692
Transfers - WDV	5.1	-	-	-	-	351,600	-	-	(351,600)	-
Disposals - WDV	-	(1,744,628)	-	-	-	-	-	-	-	(1,744,628)
Depreciation charge	5.2	(1,535,163)	(294,891)	(277,091)	(250,720)	(1,383,160)	(856)	(27,407)	(175,158)	(3,934,409)
Closing net book value	24,000,000	6,440,697	981,363	1,679,629	218,864	1,070,862	2,457	123,690	1,926,742	36,444,304
Gross carrying value basis										
As at June 30, 2012										
Cost	24,000,000	15,351,632	2,970,498	2,884,894	3,485,100	6,656,300	11,430	1,373,485	2,101,900	60,635,239
Accumulated depreciation	-	(8,910,935)	(1,989,135)	(1,205,265)	(3,266,236)	(7,585,438)	(8,973)	(1,049,795)	(175,158)	(24,190,935)
Net book value	24,000,000	6,440,697	981,363	1,679,629	218,864	1,070,862	2,457	123,690	1,926,742	36,444,304
Net carrying value basis										
Year ended June 30, 2011										
Opening book value	24,000,000	11,604,577	1,483,114	1,703,283	72,197	2,685,182	441	79,826	1,152,000	42,780,620
Additions	-	-	61,700	206,548	208,000	-	3,728	47,500	-	527,276
Transfers - WDV	5.1	-	-	-	-	312,300	-	-	(312,300)	-
Disposals - WDV	-	-	-	-	-	-	-	-	-	-
Depreciation charge	5.2	(1,384,059)	(294,460)	(258,090)	(228,613)	(895,060)	(856)	(64,029)	(488,100)	(4,113,207)
Closing net book value	24,000,000	9,720,488	1,250,354	1,651,831	51,584	2,102,422	3,313	63,097	351,600	39,194,689
Gross carrying value basis										
As at June 30, 2011										
Cost	34,000,000	18,840,887	2,944,598	2,580,002	3,067,100	7,777,300	11,430	1,085,483	879,000	61,185,802
Accumulated depreciation	-	(9,120,399)	(1,694,244)	(928,171)	(3,015,516)	(5,674,878)	(8,117)	(1,022,388)	(527,400)	(21,991,113)
Net book value	24,000,000	9,720,488	1,250,354	1,651,831	51,584	2,102,422	3,313	63,097	351,600	39,194,689
Annual rate of depreciation (%)	-	10	10	10	30	20	20	20	20	

5.1 This represents assets transferred to owned assets on completion of the lease terms.

5.2 Depreciation for the year has been allocated to administrative cost.