

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

AUDITORS' REPORT TO THE BOARD OF DIRECTORS

We have audited the annexed balance sheet of **Civil Society Human and Institutional Development Programme – (CHIP or “the Company”)** as at June 30, 2014 and the related income and expenditure statement, 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 accounts 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 statement 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 statement, statement of comprehensive income, cash flow statement and the statement of changes in fund 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, 2014 and of the surplus for the year, total 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).

Other Matter

The Financial Statements of the Company for the year ended June 30, 2013 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion on those Statements vide their report dated October 9, 2013.

M. Yousuf Adil Saleem

Chartered Accountants,

Engagement Partner:

Talat Javed


Islamabad

Date: November 14, 2014

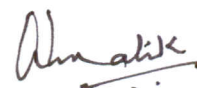
CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)
BALANCE SHEET
AS AT JUNE 30, 2014

	Note	2014	2013
-----Rupees-----			
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	4	52,497,337	42,110,977
Security deposits		188,000	643,500
		<u>52,685,337</u>	<u>42,754,477</u>
CURRENT ASSETS			
Office supplies		-	34,700
Advances	5	846,633	768,664
Due from related parties	6	1,294,931	832,861
Advance tax - net	7	1,522,798	1,509,172
Short term investment	8	5,000,000	18,500,000
Receivable from donor agencies	9	4,990,295	4,239,913
Cash and bank balances	10	53,866,092	47,653,364
		<u>67,520,749</u>	<u>73,538,674</u>
TOTAL ASSETS		<u>120,206,086</u>	<u>116,293,151</u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		31,344,026	29,766,245
Endowment fund		34,956,235	34,956,235
		<u>66,300,261</u>	<u>64,722,480</u>
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	11	296,111	1,226,408
Deferred liability	12	4,149,777	4,323,803
Deferred capital grant	13	6,693,276	7,512,242
Restricted grant	9	38,478,425	35,056,751
		<u>49,617,589</u>	<u>48,119,204</u>
CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	11	428,385	350,810
Accrued and other liabilities	14	3,859,851	3,100,657
		<u>4,288,236</u>	<u>3,451,467</u>
TOTAL FUNDS AND LIABILITIES		<u>120,206,086</u>	<u>116,293,151</u>
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR


**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014 -----Rupees-----	2013 -----Rupees-----
INCOME			
Grants	9	<u>77,656,837</u> 77,656,837	<u>132,249,711</u> 132,249,711
EXPENDITURE			
Programme cost	19	<u>(77,656,837)</u>	<u>(132,249,711)</u>
Administrative cost	16	<u>(10,576,095)</u>	<u>(11,529,879)</u>
Financial charges	17	<u>(278,015)</u>	<u>(313,642)</u>
		<u>(88,510,947)</u>	<u>(144,093,232)</u>
Other income	15	12,755,051	14,933,474
SURPLUS			
Surplus before taxation		<u>1,900,941</u>	<u>3,089,953</u>
Taxation	18	<u>(323,160)</u>	<u>(235,590)</u>
Surplus for the year		<u><u>1,577,781</u></u>	<u><u>2,854,363</u></u>

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CHIEF EXECUTIVE



DIRECTOR

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014**

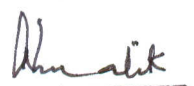
	2014	2013
Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus before taxation	1,900,941	3,089,953
Adjustments for:		
Depreciation	4,080,794	4,589,753
Provision for gratuity	738,757	597,118
Financial charges	189,939	260,315
Interest income	(2,855,719)	(1,409,670)
Gain on sale of fixed asset	(842,880)	-
Amortization of deferred capital grant	(1,856,956)	(1,837,538)
	<u>(546,065)</u>	<u>2,199,978</u>
	1,354,876	5,289,931
Working capital changes:		
(Increase)/decrease in current assets:		
Consumable store	34,700	154,198
Receivable from donor agencies	(750,382)	2,033,049
Due from related parties	(462,070)	1,431,800
Loan and advances	(77,969)	(161,979)
Other receivable	-	247,733
	<u>(1,255,721)</u>	<u>3,704,801</u>
Increase/(decrease) in current liabilities:		
Accrued and other liabilities	759,194	(1,651,111)
Cash generated from operations	<u>858,349</u>	<u>7,343,621</u>
Financial charges paid	(189,939)	(260,315)
Gratuity paid	(912,783)	-
Tax paid	(336,786)	(999,126)
Net cash from/ (used in) operating activities	<u>(581,159)</u>	<u>6,084,180</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to operating fixed assets	(1,037,990)	(7,062,296)
Proceed from sale of fixed asset	862,020	-
Capital work in progress	(13,448,304)	(2,807,933)
Security deposits	147,938	(60,207)
Short term investment	13,500,000	(18,500,000)
Long term deposits	-	(24,000)
Interest received	2,855,719	1,409,670
Net cash from/ (used in) investing activities	<u>2,879,383</u>	<u>(27,044,766)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Grant received for the acquisition of capital assets	1,037,990	7,062,296
Lease rentals	(545,160)	(284,848)
Decrease in restricted grant	3,421,674	(44,982,784)
Net cash from/ (used) in financing activities	<u>3,914,504</u>	<u>(38,205,336)</u>
Net increase/ (decrease) in cash and cash equivalents	<u>6,212,728</u>	<u>(59,165,922)</u>
Cash and cash equivalents at the beginning of the year	<u>47,653,364</u>	<u>106,819,286</u>
Cash and cash equivalents at the end of the year	<u>53,866,092</u>	<u>47,653,364</u>

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The annexed notes 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE

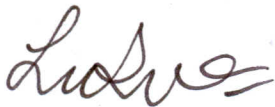


DIRECTOR

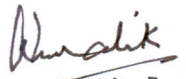
**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Total</u>
	-----Rupees-----		
Balance as at June 30, 2012	26,911,882	34,956,235	61,868,117
Total comprehensive income for the year	<u>2,854,363</u>	-	<u>2,854,363</u>
Balance as at June 30, 2013	29,766,245	34,956,235	64,722,480
Total comprehensive income for the year	<u>1,577,781</u>	-	<u>1,577,781</u>
Balance as at June 30, 2014	<u><u>31,344,026</u></u>	<u><u>34,956,235</u></u>	<u><u>66,300,261</u></u>

The annexed notes 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

	Cost				Depreciation				Book value as at June 30, 2013	Rate of depreciation
	As at July 01, 2012	Additions	Disposals	As at June 30, 2013	As at July 01, 2012	Charge for the year	Disposals	As at June 30, 2013		
	-----Rupees-----				-----Rupees-----				-----Rupees-----	
Owned										
Land	24,000,000	-	-	24,000,000	-	-	-	-	24,000,000	
Building	15,351,632	-	-	15,351,632	8,910,935	1,535,163	-	10,446,098	4,905,534	10%
Electricity and Gas Equipment	2,970,498	490,753	-	3,461,251	1,989,135	305,495	-	2,294,630	1,166,621	10%
Furniture and fixture	2,884,894	829,511	(69,817)	3,644,588	1,205,265	322,506	(8,973)	1,518,798	2,125,790	10%
Computer and Accessories	3,485,100	516,826	(123,000)	3,878,926	3,266,236	308,696	(46,800)	3,528,132	350,794	30%
Vehicles	8,656,300	-	-	8,656,300	7,585,438	1,070,860	-	8,656,298	2	20%
Books	11,430	-	-	11,430	8,973	856	-	9,829	1,601	20%
Office equipment	1,173,485	25,436	(22,000)	1,176,921	1,049,795	44,514	(6,234)	1,088,075	88,846	20%
Vision Center	-	5,199,770	-	5,199,770	-	577,259	-	577,259	4,622,511	20%
Total	58,533,339	7,062,296	(214,817)	65,380,818	24,015,777	4,165,349	(62,007)	28,119,119	37,261,699	
Assets held under finance lease										
Vehicle	2,101,900	-	-	2,101,900	175,158	420,380	-	595,538	1,506,362	20%
Total Assets	60,635,239	7,062,296	(214,817)	67,482,718	24,190,935	4,585,729	(62,007)	28,714,657	38,768,061	