

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**



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Chartered Accountants
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AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Civil Society Human And Institutional Development Programme** as at **June 30, 2007** and the related income and expenditure account and cash flow statement together with the notes forming part thereof (herein referred as financial statements), for the year ended June 30, 2007 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 adopted;
 - 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 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, 2007 and of the surplus, its cash flow for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Lahore:

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Ford Rhodes Sidat Hyder
Chartered Accountants

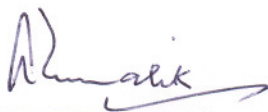
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CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
BALANCE SHEET
AS AT JUNE 30, 2007

	<u>Note</u>	<u>June 30, 2007</u> (Rupees)	<u>June 30, 2006</u> (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	45,347,224	27,615,908
CURRENT ASSETS			
Advances, deposits and other receivables	5	1,298,990	1,296,906
Cash and bank balances	6	12,925,206	18,496,775
		14,224,196	19,793,681
TOTAL ASSETS		<u>59,571,420</u>	<u>47,409,589</u>
FUNDS AND LIABILITIES			
FUNDS			
Endowment fund	7	17,674,214	10,331,934
Fund balance	8	8,022,134	3,114,598
		25,696,348	13,446,532
NON CURRENT LIABILITIES			
Deferred taxation		59,504	66,069
Gratuity payable		658,346	326,283
Deferred income	9	12,652,402	15,991,781
CURRENT LIABILITIES			
Short term borrowings	10	8,393,044	-
Payable to donor agencies	11	6,243,593	12,621,602
Accrued and other liabilities	12	5,240,336	4,219,402
Provision for taxation		627,847	737,920
		20,504,820	17,578,924
TOTAL FUNDS AND LIABILITIES		<u>59,571,420</u>	<u>47,409,589</u>
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes from 1 to 27 form an integral part of these financial statements.


 Director


 Chief Executive

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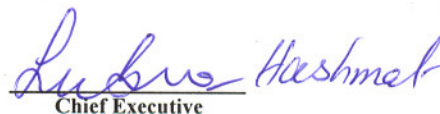
**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Note</u>	<u>June 30, 2007</u> <u>(Rupees)</u>	<u>June 30, 2006</u> <u>(Rupees)</u>
INCOME			
Project implementation	14	57,620,417	61,021,900
Amortization of deferred income	9	3,626,746	842,498
Grants	15	7,342,280	10,331,934
Training fee		3,439,458	2,152,950
Consultancy fee		6,230,347	7,381,755
Interest income		425,760	492,354
Other income		1,344,814	680,818
		80,029,822	82,904,209
EXPENDITURE			
Grants to partners	16	13,358,375	19,442,223
Project management cost - Muslim Care	17	6,051,870	8,084,752
Project management cost - MISEREOR	18	6,339,312	8,210,588
Project management cost - Sight Saver International	19	4,373,979	1,812,024
Project management cost - Dark & Light Blind Care Foundation	20	4,948,881	1,374,321
HID - Support to partners	21	5,912,663	6,038,142
CHIP organizational development activities	22	4,264,174	3,072,559
Running and donor supported capital cost	23	12,371,163	12,987,291
Own expenses	24	5,831,291	4,209,661
Training cost		1,470,192	1,377,021
Consultancy cost		2,057,806	3,279,935
Interest expense		316,910	-
		67,296,616	69,888,517
Surplus before taxation		12,733,206	13,015,692
Taxation	25	483,390	543,025
Surplus after taxation		12,249,816	12,472,667
Transfer to Endowment fund	7	7,342,280	10,331,934
Surplus for the year		4,907,536	2,140,733

The annexed notes from 1 to 27 form an integral part of these financial statements.



Director



Chief Executive

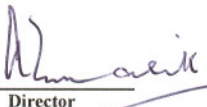



**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Note</u>	<u>June 30, 2007</u> (Rupees)	<u>June 30, 2006</u> (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year before taxation		12,733,206	13,015,692
Adjustment for:			
Depreciation		3,904,080	3,019,516
Amortization of deferred income		(3,626,746)	(842,498)
Loss on disposal of property, plant and equipment		25,600	29,000
Exchange gain		(698,231)	(267,303)
Interest income		(425,760)	(492,354)
Interest expense		316,910	-
		(504,147)	1,446,361
Interest received		425,760	492,354
Tax paid		(682,019)	(202,183)
Surplus before working capital changes		11,972,800	14,752,224
Working capital changes			
Decrease in advances, deposits and other receivables		411,969	4,491,336
Increase / (decrease) in accrued and other payables		1,020,934	(3,891,996)
		1,432,903	599,340
Net cash generated from operating activities		13,405,703	15,351,564
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(22,010,996)	(13,548,061)
Sale proceeds on disposal of property, plant and equipment		350,000	75,693
Net cash used in investing activities		(21,660,996)	(13,472,368)
CASH FLOW FROM FINANCING ACTIVITIES			
Grant received for the acquisition of capital assets		287,367	4,233,706
Short term borrowings		8,393,044	-
Interest paid on short term finance		(316,910)	-
Net grant (paid) / received from Swiss Agency for Development Corporation		(4,164,258)	(10,955,538)
Net grant (paid) / received from Dark & Light Blind Care Foundation		(296,478)	1,202,499
Net grant (paid) / received from Sight Saver International		(403,928)	512,976
Net grant (paid) / received from MISEREOR		(733,300)	3,318,670
Net grant (paid) / received from Muslim Care		(780,045)	845,393
Net cash generated from / (used in) financing activities		1,985,492	(842,294)
Net (decrease) / increase in cash and cash equivalents		(6,269,801)	1,036,902
Exchange gain on foreign currency accounts		698,231	267,303
Net (decrease) / increase in cash and cash equivalents		(5,571,570)	1,304,205
Cash and cash equivalents at the beginning of the year		18,525,776	17,221,570
Cash and cash equivalents at the end of the year	A	12,954,206	18,525,775

A Cash and cash equivalents include cash and bank balances as stated in Note 6.

The annexed notes from 1 to 27 form an integral part of these financial statements.


Director


Chief Executive

