



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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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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** (the company) as at **June 30, 2008** and the related income and expenditure account and cash flow statement 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 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, 2008 and of the surplus and 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:

17 OCT 2008

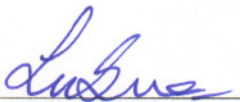
Ford Rhodes Sidat Hyder
Chartered Accountants

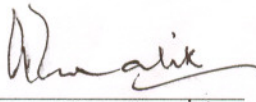
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CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
BALANCE SHEET
AS AT JUNE 30, 2008

	<u>Note</u>	<u>2008</u> <u>(Rupees)</u>	<u>2007</u> <u>(Rupees)</u>
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	45,246,034	45,347,224
Long term deposits		312,300	-
CURRENT ASSETS			
Receivable from donor agencies	5	151,380	-
Advances, deposits and other receivables	6	660,862	1,089,208
Cash and bank balances	7	20,877,210	12,925,206
		21,689,452	14,014,414
TOTAL ASSETS		<u>67,247,786</u>	<u>59,361,638</u>
FUNDS AND LIABILITIES			
FUNDS			
Endowment fund	8	30,385,857	17,674,214
Fund balance	9	7,760,504	8,022,134
		38,146,361	25,696,348
NON CURRENT LIABILITIES			
Long term payable		220,000	-
Deferred taxation		6,448	59,504
Gratuity payable		1,011,888	658,346
Deferred income	10	11,206,462	12,652,402
Liabilities against assets subject to finance lease	11	1,013,872	-
CURRENT LIABILITIES			
Short term borrowings	12	-	8,393,044
Payable to donor agencies	13	12,761,326	6,033,811
Accrued and other liabilities	14	2,448,521	5,240,336
Current maturity of liabilities against assets subject to finance lease	11	369,621	-
Provision for taxation		63,287	627,847
		15,642,755	20,295,038
CONTINGENCIES AND COMMITMENTS	15	-	-
TOTAL FUNDS AND LIABILITIES		<u>67,247,786</u>	<u>59,361,638</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.


Chief Executive

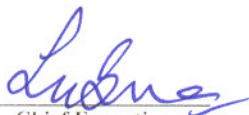

Director

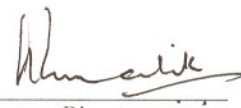
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**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Note</u>	<u>2008</u> <u>(Rupees)</u>	<u>2007</u> <u>(Rupees)</u>
INCOME			
Project implementation	16	43,347,886	57,620,417
Amortization of deferred income	10	1,643,790	3,626,746
Grants	17	12,711,643	7,342,280
Training fee		330,480	3,439,458
Consultancy fee		9,516,612	6,230,347
Interest income		233,352	425,760
Other income	18	2,872,783	1,418,514
		70,656,545	80,103,522
EXPENDITURE			
Grants to partners	19	7,276,280	13,358,375
Project management cost			
- Muslim Care	20	3,986,372	6,051,870
- MISEREOR	21	6,388,393	6,339,312
- Sight Savers International	22	5,472,764	4,373,979
- Dark & Light Blind Care Foundation	23	3,766,658	4,948,881
IID - Support to partners	24	4,306,454	5,912,663
CHIP organizational development activities	25	3,667,253	4,264,174
Running and donor supported capital cost	26	8,483,712	12,371,163
Own expenses	27	8,429,760	5,904,991
Training cost		72,575	1,470,192
Consultancy cost		6,179,861	2,057,806
Interest expense		166,220	316,910
		58,196,301	67,370,316
Surplus before taxation		12,460,244	12,733,206
Taxation	28	(10,231)	(483,390)
Surplus for the year		12,450,013	12,249,816

The annexed notes from 1 to 31 form an integral part of these financial statements.


Chief Executive

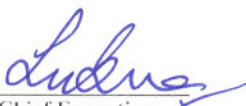

Director

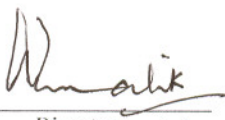
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**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Note</u>	<u>2008</u> <u>(Rupees)</u>	<u>2007</u> <u>(Rupees)</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year before taxation		12,460,244	12,733,206
Adjustment to reconcile surplus before tax to net cash flows:			
Depreciation		4,217,885	3,904,080
Amortization of deferred income		(1,643,790)	(3,626,746)
Loss on disposal of property, plant and equipment		-	25,600
Exchange gain		(1,260,717)	(698,231)
Interest income		(233,352)	(425,760)
Interest expense		166,220	316,910
		1,246,246	(504,147)
Interest received		233,352	425,760
Tax paid		(310,029)	(682,019)
Surplus before working capital changes		13,629,813	11,972,800
Working capital changes			
Decrease in advances, deposits and other receivables		312,690	382,969
(Decrease) / increase in accrued and other payables		(2,791,816)	1,020,934
		(2,479,126)	1,403,903
Net cash generated from operating activities		11,150,687	13,376,703
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,555,195)	(22,010,996)
Increase in long term deposits		(312,300)	-
Increase in long term payables		220,000	-
Sale proceeds from disposal of property, plant and equipment		-	350,000
Net cash used in investing activities		(2,647,495)	(21,660,996)
CASH FLOW FROM FINANCING ACTIVITIES			
Grant received for the acquisition of capital assets		197,850	287,367
Short term borrowings		(8,393,044)	8,393,044
Payment of finance lease liability		(178,006)	-
Interest paid		(166,220)	(316,910)
Net grant paid to Swiss Agency for Development Corporation		(169,290)	(4,164,258)
Net grant paid to Dark & Light Blind Care Foundation		(906,021)	(296,478)
Net grant received paid to Sight Saver International		(72,059)	(403,928)
Net grant paid to MISEREOR		(832,597)	(733,300)
Net grant received from / (paid to) Muslim Care		8,707,482	(780,045)
Net cash (used in) / generated from financing activities		(1,811,904)	1,985,492
Net increase / (decrease) in cash and cash equivalents		6,691,288	(6,298,801)
Exchange gain on foreign currency accounts		1,260,717	698,231
Net increase / (decrease) in cash and cash equivalents		7,952,004	(5,600,570)
Cash and cash equivalents at the beginning of the year		12,925,206	18,525,776
Cash and cash equivalents at the end of the year	7	20,877,210	12,925,206

The annexed notes from 1 to 31 form an integral part of these financial statements.


Chief Executive


Director



2007	COST				DEPRECIATION				Book value as at June 30, 2007	Depreciation rates
	As at July 01, 2006	Additions	Disposals	As at June 30, 2007	Accumulated as at July 01, 2006	Charge for the year	Disposal	Accumulated as at June 30, 2007		
	(Rupees)									
Owned										
Land	7,000,000	17,000,000	-	24,000,000	-	-	-	-	24,000,000	-
Building	12,728,220	3,489,255	-	16,217,475	977,961	1,334,262	-	2,312,223	13,905,252	5 to 20
Electricity and gas equipment	1,175,754	1,256,674	-	2,432,428	172,865	243,243	-	416,108	2,016,320	10
Furniture and fixture	697,542	7,200	-	704,742	99,713	70,474	-	170,187	534,555	10
Computer and accessories	2,281,250	128,750	-	2,410,000	969,225	723,000	-	1,692,225	717,775	30
Vehicles	7,100,967	-	(469,500)	6,631,467	1,960,193	1,326,293	(93,900)	3,192,586	3,438,881	20
Books	7,152	-	-	7,152	1,931	1,431	-	3,362	3,790	20
Office equipment	897,768	129,117	-	1,026,885	90,857	205,378	-	296,235	730,651	20
Total	31,888,653	22,010,996	(469,500)	53,430,149	4,272,745	3,904,080	(93,900)	8,082,925	45,347,224	

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3/1/11

4 PROPERTY PLANT AND EQUIPMENT

2008	COST				DEPRECIATION				Book value as at June 30, 2008 (Rupees)	Depreciation rates
	As at July 01, 2007	Additions	Disposals	As at June 30, 2008	Accumulated as at July 01, 2007	Charge for the period	Disposal	Accumulated as at June 30, 2008		%
	(Rupees)									
Owened										
Land	24,000,000	-	-	24,000,000	-	-	-	-	24,000,000	-
Building	16,217,475	1,514,755	-	17,732,230	2,312,223	1,532,758	-	3,844,981	13,887,249	5 to 20
Electricity and gas equipment	2,432,428	319,185	-	2,751,613	416,108	263,343	-	679,451	2,072,162	10
Furniture and fixture	704,742	660,255	-	1,364,997	170,187	109,199	-	279,386	1,085,611	10
Computer and accessories	2,410,000	-	-	2,410,000	1,692,225	723,000	-	2,415,225	(5,225)	30
Vehicles	6,631,467	-	-	6,631,467	3,192,586	1,326,293	-	4,518,879	2,112,588	20
Books	7,152	-	-	7,152	3,362	1,430	-	4,792	2,360	20
Office equipment	1,026,885	61,000	-	1,087,885	296,235	209,810	-	506,045	581,840	20
Total	53,430,149	2,535,195	-	55,985,344	8,082,925	4,165,835	-	12,248,760	43,736,584	
Assets held under finance lease										
Vehicles	-	1,561,500	-	1,561,500	-	52,050	-	52,050	1,509,450	
Total Assets	53,430,149	4,116,695	-	57,546,844	8,082,925	4,217,885	-	12,300,810	45,246,034	

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