



**FINANCIAL STATEMENTS
OF**

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

**FOR THE YEAR ENDED
JUNE 30, 2010**

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.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)** ("the Company") as at June 30, 2010 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, except for the changes in accounting policies as stated in note 3 to the annexed financial statements, with which we concur;
 - (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, 2010 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: *Del: 08.10.2010**Abdul Qadeer*
CHARTERED ACCOUNTANTS
Engagement Partner: Abdul Qadeer*Abul***BDO Ebrahim & Co. Chartered Accountants**

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CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)
BALANCE SHEET AS AT JUNE 30, 2010

	Note	2010 Rupees	2009 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	42,780,620	45,656,615
Long term security deposits		261,800	574,100
		<u>43,042,420</u>	<u>46,230,715</u>
CURRENT ASSETS			
Consumable store		4,123	66,455
Receivable from donor agencies	7	2,948,959	1,453,674
Due from related party	8	617,402	766,487
Advances	9	233,176	300,164
Interest accrued	10	252,788	-
Other Receivables	11	680,581	1,790,690
Short term investment	12	5,000,000	-
Taxation -net	13	147,338	1,595
Cash and bank balances	14	36,136,999	31,000,392
		<u>46,021,366</u>	<u>35,379,457</u>
		<u>89,063,786</u>	<u>81,610,172</u>
TOTAL ASSETS			
FUNDS AND LIABILITIES			
FUNDS			
General fund		22,649,369	17,770,546
Endowment fund		33,956,235	33,956,235
		<u>56,605,604</u>	<u>51,726,781</u>
NON CURRENT LIABILITIES			
Long term deposits	15	47,000	267,000
Liabilities against assets subject to finance lease	16	311,329	1,104,447
Deferred taxation	17	-	6,448
Gratuity payable		2,302,282	1,227,166
Deferred capital grant	18	3,768,735	5,056,212
		<u>6,429,346</u>	<u>7,661,273</u>
CURRENT LIABILITIES			
Restricted grant	19	19,987,696	18,076,815
Current portion of liabilities against assets subject to finance lease	16	789,881	682,567
Accrued and other liabilities	20	5,251,259	3,462,736
		<u>26,028,836</u>	<u>22,222,118</u>
CONTINGENCIES AND COMMITMENTS			
	21	-	-
TOTAL FUNDS AND LIABILITIES		<u>89,063,786</u>	<u>81,610,172</u>

The annexed notes from 1 to 48 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, 2010

	Note	2010 Rupees	2009 Rupees
INCOME			
Grants	22	94,285,614	59,384,139
Amortization of deferred income	18	1,589,518	2,192,814
Other donations		-	364,080
Consultancy fee		-	3,855,682
Management fee	23	10,744,552	-
Income from CHIP Training and Consulting (Pvt) Ltd	24	2,119,200	1,788,044
Interest income	25	1,426,024	642,541
Other income	26	2,149,323	1,555,139
		<u>112,314,230</u>	<u>69,782,439</u>
EXPENDITURE			
Programme implementation cost:			
Muslim Care	27	15,176,662	15,681,349
Misereor	28	13,792,454	7,542,796
Sight Savers International	29	973,223	4,225,257
Dark & Light Blind Care Foundation and Light for the World	30	9,083,753	5,725,994
Sight Savers	31	13,834,174	12,855,047
United Nations Office For Project Services-UNOPS	32	1,802,968	3,297,532
Gavi Alliance	33	9,533,908	286,884
Support for swat IDPs-CWS	34	2,011,055	-
Misereor emergency support to swat	35	25,486,468	-
Emergencies and Humanitarian-Individual Philonthropist	36	1,144,114	126,260
Scholarship scheme-SPMF	37	524,250	746,334
Community Centre Fund-Muslim Care	38	922,585	49,850
CHIP contribution to Ujala Trust		50,184	-
Administrative cost	39	12,508,621	10,168,206
Consultancy cost		-	4,102,361
CHIP emergency and humanitarian		-	329,570
Exchange loss		295,853	753,391
		<u>107,140,272</u>	<u>65,890,831</u>
Surplus before taxation		5,173,958	3,891,608
Taxation	40	295,135	219,225
Surplus after taxation		<u>4,878,823</u>	<u>3,672,383</u>

The annexed notes from 1 to 48 form an integral part of these financial statements.


CHIEF EXECUTIVE

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DIRECTOR

CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME (CHIP)
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010 Rupees	2009 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus before taxation		5,173,958	3,891,608
Adjustment for non cash items:			
Depreciation		4,572,611	5,405,060
Amortization of deferred capital grant		(1,589,518)	(2,192,814)
Exchange loss		295,853	753,391
Interest income		(1,426,024)	(642,541)
Financial charges		208,858	271,790
Gain on sale of fixed asset		(859,708)	-
Provision for gratuity		1,243,799	581,687
		<u>2,445,871</u>	<u>4,176,573</u>
Surplus before working capital changes		7,619,829	8,068,181
Working capital changes			
Decrease / (Increase) in current assets:			
Consumable store		62,332	-
Receivable from donor agencies		(1,495,285)	431,892
Due from related party		149,085	(632,587)
Advances		66,988	(1,507,294)
Interest accrued		1,110,109	-
		<u>(106,771)</u>	<u>(1,707,989)</u>
		7,513,058	6,360,192
Increase / (Decrease) in current liabilities:			
Accrued and other liabilities		1,788,523	880,315
Financial charges paid		(208,858)	(271,790)
Gratuity paid		(168,683)	(366,409)
Tax paid		(447,326)	(284,107)
Net cash generated from operating activities		8,476,714	6,318,201
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to operating fixed assets		(2,396,809)	(4,936,640)
Disposal of fixed asset		1,559,901	-
Long term security deposits		312,300	(175,800)
Short term investment		(5,000,000)	-
Long term deposits		(220,000)	47,000
Net cash used in investing activities		(5,744,608)	(5,065,440)
CASH FLOW FROM FINANCING ACTIVITIES			
Grant received for the acquisition of capital assets		302,041	4,072,937
Payment of lease rentals		(685,804)	(475,479)
Interest received		1,173,236	642,541
Increase in restricted grant		1,910,881	5,315,489
Net cash generated from financing activities		<u>2,700,354</u>	<u>9,555,488</u>
		5,432,460	10,808,249
Exchange loss on foreign currency accounts		(295,853)	(753,391)
Net increase in cash and cash equivalents		5,136,607	10,054,858
Cash and cash equivalents at the beginning of the year		31,000,392	20,945,534
Cash and cash equivalents at the end of the year	14	<u>36,136,999</u>	<u>31,000,392</u>

The annexed notes from 1 to 48 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

6 OPERATING FIXED ASSETS

Particulars	C o s t			D e p r e c i a t i o n					Book Value
	As at 01-07-2009	Additions /Deletions	As at 30-06-2010	Rate %	As at 01-07-2009	Deletions / Transfer	For the Year	As at 30-06-2010	As at 30-06-2010
Owned									
Land	24,000,000	-	24,000,000	-	-	-	-	-	24,000,000
Building	17,732,230	1,108,657	18,840,887	10	5,352,221	-	1,884,089	7,236,310	11,604,577
Electricity and gas equipment	2,793,313	89,585	2,882,898	10	958,782	-	441,002	1,399,784	1,483,114
Furniture and fixtures	1,371,637	1,001,817	2,373,454	10	416,550	-	253,621	670,171	1,703,283
Computer and accessories	2,782,600	176,300	2,859,100	30	2,699,760	(99,800)	186,943	2,786,903	72,197
		(99,800)							
Vehicles	11,106,767	(3,390,967)	7,715,800	20	6,740,232	(2,712,774)	1,003,160	5,030,618	2,685,182
Books	7,152	550	7,702	20	6,222	-	1,039	7,261	441
Office equipment	1,128,285	19,900	1,038,185	20	731,702	(88,000)	314,657	958,359	79,826
		(110,000)							
	60,921,984	2,396,809	59,718,026		16,905,469	(2,900,574)	4,084,511	18,089,406	41,628,620
		(3,600,767)							
Leased									
Vehicles	2,440,500	-	2,440,500	20	800,400	-	488,100	1,288,500	1,152,000
Total Rupees - 2010	63,362,484	2,396,809	62,158,526		17,705,869	(2,900,574)	4,572,611	19,377,906	42,780,620
		(3,600,767)							
Total Rupees - 2009	57,546,844	5,815,640	63,362,484		12,300,809	-	5,405,060	17,705,869	45,656,615

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