

**CONCERN FOR CHILDREN TRUST**

ACCOUNTS FOR THE YEAR  
ENDED JUNE 30, 2003

***A.F.FERGUSON & CO.***  
CHARTERED ACCOUNTANTS  
KARACHI  
A member firm of  
***PRICEWATERHOUSECOOPERS***

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*PRICEWATERHOUSECOOPERS*

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## **AUDITORS' REPORT TO THE TRUSTEES**

We have audited the annexed balance sheet of the Concern for Children Trust as at June 30, 2003 and the related income and expenditure account together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the year then ended.

These financial statements are the responsibility of the Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the expenditure incurred during the year was for the purpose of the approved objects of the trust;
- (b) there were no funds received for a specific stated purpose; and
- (c) the financial statements give a true and fair view of the Trust's affairs as at June 30, 2003 and of the results of its operations for the year then ended.

Chartered Accountants

## CONCERN FOR CHILDREN TRUST

### BALANCE SHEET AS AT JUNE 30, 2003

|  | Note | 2003<br>Rupees   | 2002<br>Rupees   |
|--|------|------------------|------------------|
| <b>FUND ACCOUNT</b>  |      |                  |                  |
| Balance at July 1, 2002  |      | 7,228,091        | 7,914,635        |
| Surplus / (Deficit) transferred from income<br>and expenditure account |      | <u>293,017</u>   | <u>(686,544)</u> |
|  |      | <u>7,521,108</u> | <u>7,228,091</u> |
| <b>REPRESENTED BY:</b>   |      |                  |                  |
| Operating assets   | 2    | 147,743          | 262,310          |
| <b>INVESTMENTS – at cost</b>   |      |                  |                  |
| Special Savings Certificates   |      | -                | 4,500,000        |
| Term Finance Certificates-Unlisted<br>Dawood Leasing Company Limited   |      | 500,000          | 500,000          |
| WAPDA Bonds  |      | 2,500,000        | -                |
|  |      | 3,000,000        | 5,000,000        |
| <b>CURRENT ASSETS</b>  |      |                  |                  |
| Advances and other receivables   |      | 94,599           | 411,069          |
| Accrued return on investments  |      | 45,792           | 360,000          |
| Taxation   |      | 70,323           | 45,816           |
| Cash and bank balances   |      | 4,162,651        | 1,268,896        |
|  |      | 4,373,365        | 2,085,781        |
| <b>CURRENT LIABILITIES</b>   |      |                  |                  |
| Creditors, accrued and other liabilities                               |      | -                | (120,000)        |
| <b>NET CURRENT ASSETS</b>  |      | <u>4,373,365</u> | <u>1,965,781</u> |
|  |      | <u>7,521,108</u> | <u>7,228,091</u> |

The annexed notes form an integral part of these accounts.

Trustee

Trustee

## CONCERN FOR CHILDREN TRUST

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2003

|   | Note | 2003<br>Rupees  | 2002<br>Rupees   |   |           |
|---|------|---|------------------|---|-----------|
| <b>INCOME</b>   |      |   |                  |   |           |
| Donations   |      | 1,909,550   | 1,262,350        |   |           |
| Return on Investments                                     |      | 471,765   | 709,092          |   |           |
| Income from sale of greeting cards                        | 4    | 201,080   | 88,041           |   |           |
| Income from bank deposits                                 |      | <u>81,026</u>   | <u>137,595</u>   |   |           |
|   |      | 2,663,421   | 2,197,078        |   |           |
| <b>EXPENDITURE</b>  |      |   |                  |   |           |
| Operating expenses  | 5    | <table border="1"><tr><td>2,264,790</td></tr></table> | 2,264,790        | <table border="1"><tr><td>2,739,533</td></tr></table> | 2,739,533 |
| 2,264,790   |      |   |                  |   |           |
| 2,739,533   |      |   |                  |   |           |
| Bank charges  |      | 7,917   | -                |   |           |
| Legal and professional charges                            |      | <table border="1"><tr><td>5,607</td></tr></table>     | 5,607            | <table border="1"><tr><td>96,089</td></tr></table>    | 96,089    |
| 5,607   |      |   |                  |   |           |
| 96,089  |      |   |                  |   |           |
|   |      | <u>2,278,314</u>                                      | <u>2,835,622</u> |   |           |
| SURPLUS/(DEFICIT)BEFORE TAX                               |      | 385,107   | (638,544)        |   |           |
| Taxation  |      |   |                  |   |           |
| - current   |      | <table border="1"><tr><td>80,000</td></tr></table>    | 80,000           | <table border="1"><tr><td>48,000</td></tr></table>    | 48,000    |
| 80,000  |      |   |                  |   |           |
| 48,000  |      |   |                  |   |           |
| - prior   |      | <table border="1"><tr><td>12,090</td></tr></table>    | 12,090           | <table border="1"><tr><td>-</td></tr></table>         | -         |
| 12,090  |      |   |                  |   |           |
| -   |      |   |                  |   |           |
|   |      | 92,090  | 48,000           |   |           |
| Surplus(Deficit) for the year transferred to Fund Account |      | <u>293,017</u>  | <u>(686,544)</u> |   |           |
|   |      | =====   | =====            |   |           |

The annexed notes form an integral part of these accounts.

Trustee

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# CONCERN FOR CHILDREN TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2003

### 1. ACCOUNTING POLICIES

- (a) These accounts have been prepared under the historical cost convention.
- (b) Donations are recorded on receipt basis. Return on Special Savings Certificates is accrued on the basis of completion of six months. Income on other investments is recorded on accrual basis.
- (c) Fixed assets and depreciation

Assets are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method whereby the cost of an asset is written off over its estimated useful life.

Depreciation on assets is charged at the normal rate from the month of addition upto the month of disposal.

- (d) Investments

Investments are valued at lower of cost and market value.

- (e) Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit and tax rebates available, if any.

### 2. OPERATING ASSETS

|            | Cost<br>At<br>July 1,<br>2002 | Additions/<br>(disposals) | Cost<br>at<br>June 30,<br>2003 | Accumulated<br>depreciation<br>at<br>July 1,<br>2002 | Charge<br>for the year | Accumulated<br>depreciation<br>at<br>June 30<br>2003 | Book<br>value at<br>June 30,<br>2003 | Annual<br>rate of<br>deprecia-<br>tion (% of<br>cost) |
|------------|-------------------------------|---------------------------|--------------------------------|--|------------------------|--|--------------------------------------|---|
| ← Rupees → |                               |                           |                                |  |                        |  |                                      |   |
| Vehicle    | 422,000                       | -                         | 422,000                        | 184,625  | 105,500                | 290,125  | 131,875                              | 25  |
| Equipment  | 36,269                        | -                         | 36,269                         | 11,334   | 9,067                  | 20,401   | 15,868                               | 25  |
|            | 458,269                       | -                         | 458,269                        | 195,959  | 114,567                | 310,526  | 147,743                              |   |
| 2002       | 458,269                       | -                         | 458,269                        | 81,392   | 114,567                | 195,959  | 262,310                              |   |

|  | 2003<br>Rupees   | 2002<br>Rupees   |
|--|------------------|------------------|
| <b>3. CASH AND BANK</b>                      |                  |                  |
| Cash at bank – on Savings account            | 4,137,651        | 1,243,896        |
| Cash in hand                                 | <u>25,000</u>    | <u>25,000</u>    |
|  | 4,162,651        | 1,268,896        |
|  | =====            | =====            |
| <b>4. INCOME FROM SALE OF GREETING CARDS</b> |                  |                  |
| Sale of greeting cards                       | 319,900          | 219,205          |
| Less: Cost of greeting cards                 | <u>(118,820)</u> | <u>(131,164)</u> |
|  | 201,080          | 88,041           |
|  | =====            | =====            |
| <b>5. OPERATING EXPENSES</b>                 |                  |                  |
| Staff salaries and benefits                  | 1,369,626        | 1,157,325        |
| Business meetings                            | -                | 245,100          |
| Children welfare                             | 566,492          | 953,191          |
| Depreciation                                 | 114,567          | 114,567          |
| Repairs and maintenance                      | 1,525            | 800              |
| Traveling                                    | 11,140           | -                |
| Car running expenses                         | 150,579          | 211,310          |
| Insurance                                    | 15,200           | 15,204           |
| Communication                                | 17,400           | 19,520           |
| Printing / stationery                        | 7,450            | 12,683           |
| Photocopies expenses                         | 10,411           | 4,836            |
| Others                                       | <u>400</u>       | <u>4,997</u>     |
|  | 2,264,790        | 2,739,533        |
|  | =====            | =====            |

6. Corresponding year's figures have been rearranged where necessary for the purposes of comparison.

Trustee

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