

CONCERN FOR CHILDREN TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2004

A.F.FERGUSON & CO.

CHARTERED ACCOUNTANTS

KARACHI

A member firm of

PRICEWATERHOUSECOOPERS

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A.F. Ferguson & Co
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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, 2004 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).

It is the responsibility of the trustees to establish and maintain a system of internal control, and prepare and present the financial statements. 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 any 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 the financial statements present fairly in all material respects the financial position of the Trust as at June 30, 2004 and of its deficit for the year then ended.

Chartered Accountants
Karachi.

Dated:

CONCERN FOR CHILDREN TRUST

BALANCE SHEET AS AT JUNE 30, 2004

	Note	2004 Rupees	2003 Rupees
FUND ACCOUNT			
Balance at July 1, 2003		7,521,108	7,228,091
Add: (Deficit) / Surplus transferred from Income and Expenditure Account		(1,151,086)	<u>293,017</u>
		6,370,022	7,521,108
		=====	=====
REPRESENTED BY:			
Operating assets	3	33,176	147,743
INVESTMENTS			
Term Finance Certificates-Unlisted Dawood Leasing Company Limited	4	500,000	500,000
WAPDA Bonds	4	2,500,000	2,500,000
10 years Pakistan Investment Bonds (Market value Rs.2,553,409)	4	2,835,750 (282,341)	- -
Provision for diminution in value		2,553,409	-
		5,553,409	3,000,000
CURRENT ASSETS			
Advances and other receivables		5,643	94,599
Accrued return on investments		97,219	45,792
Taxation		100,316	70,323
Cash and bank balances	5	611,409	4,162,651
		814,587	4,373,365
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		(31,150)	-
		<u>6,370,022</u>	<u>7,521,108</u>
		=====	=====

The annexed notes form an integral part of these financial statements

Trustee

Trustees

CONCERN FOR CHILDREN TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2004

	Note	2004 Rupees	2003 Rupees
INCOME			
Donations		259,564	1,909,550
Return on Investments	6	383,511	471,765
Income from sale of greeting cards	7	125,081	201,080
Income from bank deposits		<u>13,696</u>	<u>81,026</u>
		781,852	2,663,421
EXPENDITURE			
Operating expenses	8	1,511,941	2,264,790
Provision for diminution in value of PIBs		282,341	-
Bank charges		7,401	7,917
Legal and professional charges		96,167	5,607
Advances written off		17,137	-
		<u>1,914,987</u>	<u>2,278,314</u>
(Deficit) surplus before tax		(1,133,135)	385,107
Taxation			
- current		87,514	80,000
- prior years		(69,563)	12,090
		17,951	92,090
(Deficit) / Surplus for the year transferred to fund account		<u>(1,151,086)</u>	<u>293,017</u>
		=====	=====

The annexed notes form an integral part of these financial statements

Trustee

Trustee

CONCERN FOR CHILDREN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

1. THE TRUST AND ITS OPERATIONS

The Concern for Children Trust was formed in October 1997 for the promotion of health and welfare of children in Pakistan.

2. ACCOUNTING POLICIES

(a) These accounts have been prepared under the historical cost convention.

(b) Fixed assets and depreciation

Assets are stated at cost less 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 additions up to the month of disposal.

(c) Investments

Investments are valued at cost. Provision is made for diminution in value of investments other than temporary.

(d) 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.

(e) Income Recognition

Donations are recorded on receipt basis. Income on investments is recorded on accrual basis.

3. OPERATING ASSETS

	Cost at July 1, 2003	Additions/ (deletion)	Cost as at June 30, 2004	Accumulated depreciation as at July 1, 2003	Charge for the year	Accumulated depreciation as at June 30 2004	Book value as at June 30, 2004	Annual rate of depreciation (% of cost)
	←————— Rupees —————→							
Vehicle	422,000	-	422,000	290,125	105,500	395,625	26,375	25
Equipment	36,269	-	36,269	20,401	9,067	29,468	6,801	25
	458,269	-	458,269	301,526	114,567	425,093	33,176	
2003	458,269	-	458,269	195,959	114,567	310,526	147,743	

4. INVESTMENTS

The rates of interest and maturities date of these investments are as follows:

	Rate of interest per annum	Maturity
Term Finance Certificates of Dawood Leasing company Limited	13.5% to 17.5%	September 2006
WAPDA Nonds	7.25%	April 2008
10 Years Pakistan Investment Bonds	8%	October 2013
	2004	2003
	Rupees	Rupees

5. CASH AND BANK

Balance with bank on PLS savings account	586,409	4,137,651
Cash in hand	<u>25,000</u>	<u>25,000</u>
	611,409	4,162,651
	=====	=====

6 RETURN ON INVESTMENTS

Term Finance Certificate – Unlisted Dawood leasing Company Limited	66,216	85,936
WAPDA Bonds	183,825	48,779
10 Years Pakistan investments Bonds	133,470	-
Special Savings Certificates	<u>-</u>	<u>337,050</u>
	383,511	471,765
	=====	=====

7. INCOME ON GREETING CARDS

Sale of greeting cards	475,406	319,900
Less: Cost of greeting cards	<u>(350,325)</u>	<u>(118,820)</u>
	125,081	201,080
	=====	=====

5. OPERATING EXPENSES

Staff salaries and benefits	1,069,999	1,369,626
Children welfare	147,438	566,492
Depreciation	114,567	114,567
Repairs and maintenance	1,226	1,525
Traveling	10,245	11,140
Car running expenses	118,634	150,579
Insurance	12,328	15,200
Communication	28,710	17,400
Printing and stationery	5,389	7,450
Photocopies	1,028	10,411
Others	<u>2,377</u>	<u>400</u>
	1,511,941	2,264,790
	=====	=====

Trustee

Trustee