


CONCERN FOR CHILDREN TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2007

A. F. FERGUSON & CO.
CHARTERED ACCOUNTANTS
KARACHI

A member firm of

PRICEWATERHOUSECOOPERS 

AUDITORS' REPORT TO THE TRUSTEES

We have audited the annexed balance sheet of The Trust for Health and Medical Sciences as at June 30, 2007 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 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, 2007 and of its surplus for the year then ended.

Chartered Accountants

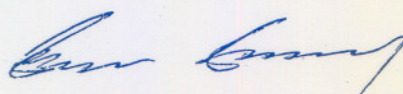
Karachi
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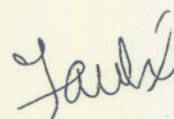
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CONCERN FOR CHILDREN TRUST
BALANCE SHEET AS AT JUNE 30, 2007

	Note	2007 Rupees	2006 Rupees
FUND ACCOUNT			
Balance at July 1		13,368,432	6,697,929
Add: (Deficit) / Surplus transferred from income and expenditure account		(2,479,401)	6,670,503
		<u>10,889,031</u>	<u>13,368,432</u>
REPRESENTED BY:			
Fixed assets	3	422,750	2
INVESTMENTS			
Term Finance Certificates - Listed First Dawood Investment Bank Limited		-	500,000
WAPDA Bonds		-	2,500,000
10 years' Pakistan Investment Bonds Provision for diminution in the value	4	2,835,750 (539,880) 2,295,870 2,295,870	2,835,750 (565,960) 2,269,790 5,269,790
CURRENT ASSETS			
Investments - WAPDA Bonds	4	2,500,000	-
Advances, prepayments and other receivables	5	277,220	283,478
Accrued return on investments		111,941	105,408
Taxation		77,767	-
Cash and bank balances	6	5,330,672 8,297,600	7,809,319 8,198,205
CURRENT LIABILITIES			
Accrued and other liabilities		(127,189)	(65,135)
Taxation		-	(34,430)
		(127,189)	(99,565)
		<u>10,889,031</u>	<u>13,368,432</u>

The annexed notes form an integral part of these financial statements.


Trustee


Trustee


CONCERN FOR CHILDREN TRUST

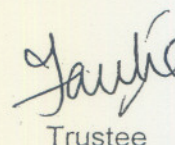
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2007

	Note	2007 Rupees	2006 Rupees
INCOME			
Donations		720,108	14,210,589
Consultancy fee		96,630	92,769
Return on investments	7	686,050	494,685
Income from sale of greeting cards	8	182,767	-
Income from bank deposits		77,372	16,154
Gain on disposal of fixed assets		175,000	-
Reversal of provision for diminution in value of PIBs		26,080	-
		<u>1,964,007</u>	<u>14,814,197</u>
EXPENDITURE			
Operating expenses	9	4,436,189	7,843,448
Provision for diminution in value of PIBs		-	139,876
Bank charges		15,600	40,620
		<u>4,451,789</u>	<u>8,023,944</u>
(Deficit) / Surplus before tax		(2,487,782)	6,790,253
Taxation			
- current		-	117,638
- prior year		(8,381)	2,112
		<u>(8,381)</u>	<u>119,750</u>
(Deficit) / Surplus for the year transferred to fund account		<u>(2,479,401)</u>	<u>6,670,503</u>

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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, 2007

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 financial statements have been prepared under the historical cost convention.

(b) Fixed assets and depreciation

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

Depreciation on assets is charged at the normal rates from the month of addition up to the month of disposal.

(c) Investments

Investments are valued at lower of cost and market value. 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 tax after taking into account tax credit and 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 as at July 1, 2006	Addition / (Disposals)	Cost as at June 30, 2007	Accumulated depreciation as at July 1, 2006	Charge for the year / (Depreciation on disposal)	Accumulated depreciation as at June 30, 2007	Book value as at June 30, 2007	Annual rate of depreciation (% of cost)
	← Rupees →							
Vehicles	422,000	471,503 (422,000)	471,503	421,999	78,584 (421,999)	78,584	392,919	25
Equipment	36,269	30,890	67,159	36,268	1,060	37,328	29,831	10 - 33
	458,269	502,393 (422,000)	538,662	458,267	79,644 (421,999)	115,912	422,750	
2006	458,269	-	458,269	458,267	-	458,267	2	

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4. INVESTMENTS

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

	Rate of interest per annum	Maturity
WAPDA Bonds	9.25%	April 2008
10 years Pakistan Investment Bonds	8%	October 2013

5. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	2007 Rupees	2006 Rupees
Advance to employees	49,122	268,324
Prepaid insurance	-	2,252
Others	228,098	12,902
	<u>277,220</u>	<u>283,478</u>

6. CASH AND BANK BALANCES

Balances with banks on :

- PLS Savings accounts	2,330,672	7,636,244
- Term deposits	3,000,000	-
Cash in hand	-	173,075
	<u>5,330,672</u>	<u>7,809,319</u>

7. RETURN ON INVESTMENTS

On

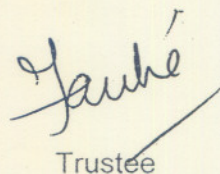
- Term Finance Certificate – Listed First Dawood Investment Bank Limited	13,593	67,869
- WAPDA Bonds	225,839	225,719
- 10 years' Pakistan Investment Bonds	199,851	201,096
- Income on Term Deposits	246,767	-
	<u>686,050</u>	<u>494,684</u>

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	2007 Rupees	2006 Rupees
8. INCOME FROM SALE OF GREETING CARDS		
Sale of greeting cards	471,000	-
Less: Cost of greeting cards	288,233	-
	<u>182,767</u>	<u>-</u>
9. OPERATING EXPENSES		
Staff salaries and benefits	3,058,505	1,963,869
Children welfare	202,659	53,079
Donations – Earthquake relief	405,624	5,290,029
Medical supplies	32,776	50,223
Utility expenses	11,286	8,509
Cleaning and house keeping	2,907	2,387
Depreciation	79,644	-
Rent, rates and taxes	28,284	27,723
Repairs and maintenance	40,141	43,323
Travelling	76,816	22,022
Entertainment	37,154	52,154
Car running	304,566	254,679
Insurance	7,770	5,404
Communication	61,200	38,946
Printing and stationery	37,596	26,626
Photocopies	-	749
Employee training	39,080	-
Postage and subscription	2,781	3,726
Public relations	7,400	-
	<u>4,436,189</u>	<u>7,843,448</u>

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