

POVERTY ERADICATION INITIATIVE

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **POVERTY ERADICATION INITIATIVE** as at 30 June 2012 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 management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. 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 **POVERTY ERADICATION INITIATIVE** the as at 30 June 2012 and of its deficit for the period then ended in accordance with the approved accounting standards as applicable in Pakistan.

LAHORE:
DATE: 11.0 OCT 2012



HORWATH HUSSAIN CHAUDHURY & Co.
Chartered Accountants

**POVERTY ERADICATION INITIATIVE
BALANCE SHEET
AS AT 30 JUNE 2012**

| | Notes | 2012 Rupees | 2011 Rupees |
|-------------------------------------|-------|---------------------------|---------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 3 | 1,382,689 | 1,266,002 |
| Current Assets | | | |
| Advances, deposits and prepayments | 4 | 1,026,858 | 875,363 |
| Inventory | 5 | 558,608,611 | 376,627,765 |
| Cash and bank balances | 6 | 7,954,176 | 4,432,456 |
| | | <u>567,589,645</u> | <u>381,935,584</u> |
| | | <u><u>568,972,334</u></u> | <u><u>383,201,586</u></u> |
| GENERAL FUND AND LIABILITIES | | | |
| General fund | 7 | (643,547) | (349,484) |
| Restricted fund | 8 | 569,433,750 | 383,261,642 |
| | | <u>568,790,203</u> | <u>382,912,158</u> |
| Current Liabilities | | | |
| Accrued and other payables | 9 | 182,131 | 289,428 |
| Contingencies and commitments | 10 | - | - |
| | | <u><u>568,972,334</u></u> | <u><u>383,201,586</u></u> |

- The annexed notes (1-14) form an integral part of these financial statements.



Director



Finance Secretary



**POVERTY ERADICATION INITIATIVE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012**

| | Notes | 2012 Rupees | 2011 Rupees |
|--|-------|--------------------|----------------------|
| INCOME | | | |
| Grants | 11 | 732,864,197 | 1,542,149,030 |
| EXPENDITURE | | | |
| Staff salaries | | 14,705,976 | 6,040,787 |
| Cost of relief activities | 12 | 521,621,265 | 1,148,626,364 |
| Meeting and seminars | | 366,498 | 131,615 |
| Travelling and conveyance | | 643,751 | 372,104 |
| Repair and maintenance | | 107,108 | 38,010 |
| Rent, rates and taxes | | 3,106,213 | 1,852,000 |
| Utilities | | 270,066 | 98,618 |
| Printing and stationary | | 260,992 | 834,698 |
| Communication expenses | | 196,849 | 138,458 |
| Transportation and vehicle running costs | | 3,901,473 | 2,077,655 |
| Entertainment expenses | | 424,988 | 42,509 |
| Legal and professional charges | | 522,437 | 132,540 |
| Auditors remuneration | | 75,000 | 90,000 |
| Bank charges | | 106,518 | 27,982 |
| Depreciation | 3 | 294,063 | 221,524 |
| Miscellaneous | | 382,955 | 119,026 |
| | | <u>546,986,152</u> | <u>1,160,843,890</u> |
| | | 185,878,045 | 381,305,140 |
| Transferred to restricted fund | 8 | (186,172,108) | (383,261,642) |
| (Deficit) for the year | | <u>(294,063)</u> | <u>(1,956,502)</u> |

- The annexed notes (1-14) form an integral part of these financial statements.



Director





Finance Secretary