

INDEPENDENT AUDITORS REPORT TO THE BOARD OF DIRECTORS

We have audited the accompanying financial statements of **Poverty Eradication Initiatives**, which comprise of the balance sheet as at **June 30, 2014**, and the income and expenditure account, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The financial statements of Poverty Eradication Initiative for the year ended June 30, 2013 were audited by another auditor who expressed an unmodified opinion on those statements on March 22, 2014.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.


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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the balance sheet of **Poverty Eradication Initiatives as at June 30, 2014**, and its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

AH/CF



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Engagement Partner: **Nauman Mahmood**

Date: **August 13, 2015**
Islamabad.

Poverty Eradication Initiative
 Balance Sheet
 As At June 30, 2014

| | Note | 2014 Rupees | 2013 Rupees |
|------------------------------------|------|----------------------|----------------------|
| Assets | | | |
| Non Current Assets | | | |
| Operating Fixed Assets | 3 | 1,428,536 | 1,497,276 |
| Security Deposits | 4 | 104,500 | 104,500 |
| | | 1,533,036 | 1,601,776 |
| Current Assets | | | |
| Advances, Deposits and Prepayments | 5 | 1,264,061 | 10,357,651 |
| Inventory | 6 | 3,904,870,819 | 2,570,692,350 |
| Cash and bank balances | 7 | 20,448,200 | 28,546,594 |
| | | 3,926,583,080 | 2,609,596,595 |
| | | <u>3,928,116,116</u> | <u>2,611,198,371</u> |
| Liabilities and Funds | | | |
| Current Liabilities | | | |
| Accrued and other payables | 8 | 4,284,121 | 1,612,348 |
| Funds | | | |
| General Fund | 9 | 9,985,575 | 9,176,440 |
| Restricted Fund | 10 | 3,913,846,420 | 2,600,409,583 |
| | | 3,923,831,995 | 2,609,586,023 |
| | | <u>3,928,116,116</u> | <u>2,611,198,371</u> |

The annexed notes 1 to 19 form an integral part of these Financial Statements.


 EXECUTIVE DIRECTOR




 FINANCE SECRETARY

**Poverty Eradication Initiative
Income and Expenditure Account
For The Year Ended June 30, 2014**

| | Note | 2014 Rupees | 2013 Rupees |
|--|------|-----------------------|-------------------------|
| INCOME | | | |
| Grant income | 11 | 1,813,636,809 | 2,692,016,878 |
| EXPENDITURE | | | |
| Cost of Relief activities | 12 | 454,580,290 | 617,594,680 |
| Operating expenses | 13 | 40,942,844 | 31,189,092 |
| Administrative expenses | 14 | 4,676,837 | 2,777,847 |
| Bank charges | | 137,024 | 92,755 |
| | | 500,336,995 | 651,654,374 |
| Surplus | | <u>1,313,299,814</u> | <u>2,040,362,505</u> |
| Other income | 15 | 946,158 | 433,316 |
| Surplus before Transferred to Restricted Fund | | <u>1,314,245,972</u> | <u>2,040,795,820</u> |
| Transferred to Restricted Fund | | (1,313,436,837) | (2,030,975,833) |
| Surplus for the year | | <u><u>809,135</u></u> | <u><u>9,819,987</u></u> |

ANNEX

The annexed notes 1 to 19 form an integral part of these Financial Statements.


EXECUTIVE DIRECTOR




FINANCE SECRETARY