AKHUWAT BALANCE SHEET AS AT JUNE, 2001

	Notes	2001
		Rupees
LONG TERM ASSETS		
Long term Micro credit loan portfolio - unsecured, considered good	3	216,000
CURRENT ASSETS		
Cash and bank balances	4	58,100
TOTAL ASSETS		274,100
CURRENT LIABILITIES		
Creditors, accrued and other liabilities		NIL
Contingencies & Commitments	5	
NET ASSETS		274,100
REPRESENTED BY:		
GENERAL RESERVE		-
Opening balance		NIL
Surplus for the year		274,100
		274,100

Executive Director

⁻These accounts should be read in conjunction with the annexed notes.

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

We have audited the accompanying balance sheet as at **June 30, 2001** of **Akhuwat** and the related revenue account for the year then ended. These financial statements are the responsibility of the director's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. These 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 the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We state that we have obtained all the information and explanations which we have required and report that in our opinion the annexed Balance Sheet and Income and Expenditure Account exhibit respectively a true and fair view of the state of the affairs of the organization at June 30, 2001 and of the surplus/(deficit) for the year then ended according to the best of our information and the explanations given to us and as shown by the books of the organization.

August 07, 2001 Lahore

Chartered Accountants

Lahore Office: #155, St.# 4, Cavalry Ground, Lahore Cantt Tel: 6661927-6671903 Fax: 6661946. E-mail: aleimran@nexlinx.net.pk
Other Office: 15, 3rd Floor, Namco Centre, Campbell Street Karachi-74000 Tel: 021-2623411 Fax: 021-2628341

AKHUWAT STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE, 2001

	Notes	(Rupees)
Grants recognized as income	6	289,989
		289,989
General and administration expenses	7	15,889
		15,889
Surplus for the year transferred to general reserve		274,100

Executive Director

⁻These accounts should be read in conjunction with the annexed notes.

1 The Company and its operations

Akhuwat is a non-profit organization established to provide interest-free micro credit and to launch ancillary programmes of various short and long term nature. The society is principally engaged to carry on the following objectives: -

- Organizing women, in particular, and men in general into socially viable community groups, called Self Help Groups (SHG's).
- Providing interest free micro finance services to the poor organized through SHG's and to individuals
- Capacity building/training of the poor in urban slums with a view to make them self-reliant
- Creating avenues for self-employment and broadening scope of opportunities available to the poors.
- Identifying people/organizations desirous of planning and executing such programs elsewhere and providing them with necessary support and resources.

2 Significant Accounting Policies

2.1 Accounting Convention

The accounts are prepared under the historical cost convention.

2.2 Basis of Preparation

These accounts have been prepared in accordance with the requirements of International Accounting Standards issued by the International Accounting Standards Committee (IASC) and interpretations issued by the Standard Interpretations Committee of the IASC as applicable in Pakistan.

AKHUWAT NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 2001

	2001
	(Rupees)
3 MICRO CREDIT LOAN PORTFOLIO - unsecured, considered good	216,000
Represents interest free loan given to an enterprise cum training institute in a village to be repaid in five y	years.
4 Cash and Bank Balances	
Cash at Bank Cash in Hand	24.000 34.100
Cash in Fland	58,100
5 Contingencies & Commitments	
The Contingencies and Commitments as on June 30, 2001 stands at Nil (2000 : Nil).	
6 Grants recognized as Income	289,989
	289,989

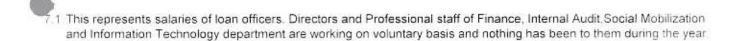
Grants represents funds provided by the Board of Directors of Akhuwat and local philanthropist to disburse interest free micro credit loans to the poor in urban slums and to subsidize the operating and administrative expense of Akhuwat

7 General Administration Expense

Salaries and Benefits Stationery 7.1

10,500 5,389

15,889



8 General

- Figures have been rounded off to the nearest rupee.
- Prior year figures have been rearranged wherever necessary for comparison purposes.

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Executive Director