

AKHUWAT
BALANCE SHEET AS AT JUNE, 2001

	<u>Notes</u>	<u>2001</u> 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

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



Executive Director

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



Ale Imran & Co.
Chartered Accountants

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

	<u>Notes</u>	<u>2001</u> <u>(Rupees)</u>
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		<u><u>274,100</u></u>

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



Executive Director

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 years.

4 Cash and Bank Balances

Cash at Bank
Cash in Hand

24,000

34,100

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.

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

7 General Administration Expense

Salaries and Benefits	7.1	10,500
Stationery		5,389
		<u>15,889</u>

7.1 This represents salaries of loan officers, Directors and Professional staff of Finance, Internal Audit, Social Mobilization and Information Technology department are working on voluntary basis and nothing has been to them during the year.

8 General

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



Executive Director