

LODHIRAN PILOT PROJECT
AUDITED ACCOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

RIAZ AHMAD, SAQIB, GOHAR & COMPANY

Chartered Accountants

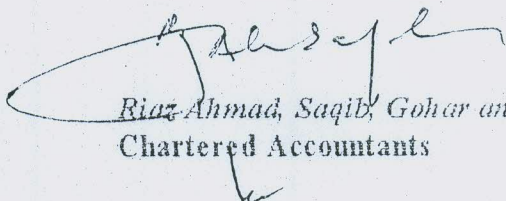
AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of the **Lodhran Pilot Project** as at June 30, 2003 and the related income and expenditure account and cash flow statement together with the notes forming part thereof.

It is the responsibility of the management committee 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 the **Lodhran Pilot Project** as at June 30, 2003 and of its surplus and cash flow for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.


Lahore: 10.10.2003

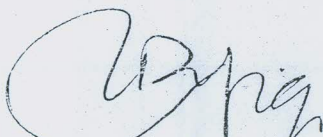
Riaz Ahmad, Saqib, Gohar and Co.
Chartered Accountants

LODHRAN PILOT PROJECT
BALANCE SHEET
AS AT JUNE 30, 2003

FUND AND LIABILITIES	NOTE	2003 RUPEES	2002 RUPEES	ASSETS	NOTE	2003 RUPEES	2002 RUPEES
Accumulated Surplus		939,682	684,572	Fixed Assets (At cost less accumulated depreciation)	5	669,669	407,730
Current Liabilities				Current Assets			
Accrued and Other Liabilities	3	103,711	-	Other Receivables		3,000	-
Contingencies and Commitment:	4	-	-	Cash and Bank Balances	6	370,724	276,842
		1,043,393	684,572			373,724	276,842
						1,043,393	684,572

The annexed notes form an integral part of these accounts


PRESIDENT


FINANCE SECRETARY

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**LODHRAN PILOT PROJECT
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2003**

INCOME	2003 Rupees	2002 Rupees
Grants	1,843,859	1,940,165
Less: Expenditure		
Direct Projects Costs	167,741	699,085
Salaries and Allowances	659,256	562,600
Travelling and Conveyance	44,293	14,025
Rent Rates and Taxes	34,400	24,900
Staff Welfare	4,346	-
Printing and Stationery	59,243	33,241
Postage, Stamps and Courier Charges	2,860	3,901
Entertainment	31,262	19,031
Electricity, Gas and Water	41,238	60,822
Repair and Maintenance Building	39,317	-
Repair and Maintenance Vehicle	63,776	47,030
Vehicle Running Expenses (POL)	91,253	46,619
Computer Expenses	9,694	-
Newspaper Expenses	5,253	-
Telephone Expenses	101,647	-
Medical Expenses	848	-
Auditor's remuneration	59,000	-
Bank Charges	558	-
Depreciation	143,045	89,413
Miscellaneous	29,719	1,271
	<u>1,588,749</u>	<u>1,601,938</u>
Surplus for the year	255,110	338,227
Accumulated Surplus Brought Forward	684,572	346,345
Accumulated Surplus Carried Forward	<u>939,682</u>	<u>684,572</u>

The annexed notes form an integral part of these accounts


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**LODHRAN PILOT PROJECT
CASHFLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2003**

	2003	2002
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	255,110	338,227
Adjustments for:		
Depreciation	143,045	89,413
	398,155	427,640
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES		
CHANGES IN WORKING CAPITAL		
(Increase)/decrease in current assets		
Other Receivables	(3,000)	-
Increase/(decrease) in current liabilities		
Accrued and other liabilities	103,711	-
	100,711	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	498,866	427,640
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(404,984)	(159,803)
	(404,984)	(159,803)
Net increase in cash and cash equivalents	93,882	267,837
Cash and cash equivalents at the beginning of the year	276,842	9,005
Cash and cash equivalents at the end of the year	370,724	276,842


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