

AUDITORS' REPORT TO THE BOARD OF DIRECTORS

We have audited the annexed balance sheet of the **SOCIETY FOR THE ADVANCEMENT OF COMMUNITY, HEALTH, EDUCATION AND TRAINING – PAKISTAN** as at June 30, 2003 and the related income and expenditure account together with the notes forming part thereof (hereinafter referred to as the "financial statements") for the year then ended.

These financial statements are the responsibility of the management. 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:

- (a) the expenditure incurred during the year was for the purpose of the approved objects of the Society;
- (b) where funds were received for a specific stated purpose, these have been spent for that purpose only; and
- (c) the financial statements referred to above present fairly, in all material respects, state of the Society's affairs as at June 30, 2003 and of the deficit for the year then ended.

The financial statements of the Society for the year ended June 30, 2002 was audited by another firm of Chartered Accountants whose report dated December 31, 2002 expressed unqualified opinion thereon.

ISLAMABAD: January 20, 2004

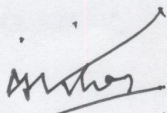
Syed Husain & Co.
SYED HUSAIN & CO.
Chartered Accountants

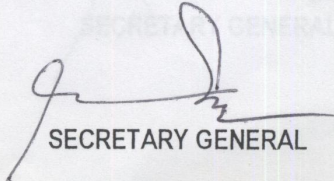
**SOCIETY FOR THE ADVANCEMENT OF COMMUNITY,
HEALTH, EDUCATION AND TRAINING - PAKISTAN**

BALANCE SHEET AS AT JUNE 30, 2003

	Notes	2003 Rupees	2002 Rupees
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	3	44,051,561	14,911,208
Advance for purchase of building		-	13,095,000
Investments	4	91,300,000	91,300,000
Deferred costs	5	-	14,000
		135,351,561	119,320,208
CURRENT ASSETS			
Medicine inventory		363,505	804,077
Advances, deposits, prepayments and other receivables	6	478,686	579,901
Accrued income	7	1,425,812	-
Cash and bank balances	8	9,789,274	10,092,866
		12,057,277	11,476,844
TOTAL ASSETS		147,408,838	130,797,052
FUNDS AND LIABILITIES			
FUNDS			
General Fund	9	111,911,716	129,913,738
Capital Fund	10	33,244,200	-
		145,155,916	129,913,738
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	11	2,252,922	883,314
CONTINGENCIES AND COMMITMENTS			
		-	-
TOTAL FUNDS AND LIABILITIES		147,408,838	130,797,052

The annexed notes form an integral part of these financial statements.


PRESIDENT

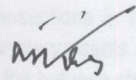

SECRETARY GENERAL

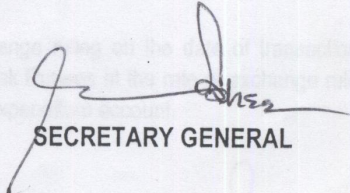
**SOCIETY FOR THE ADVANCEMENT OF COMMUNITY,
HEALTH, EDUCATION AND TRAINING - PAKISTAN**

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2003

	Notes	2003 Rupees	2002 Rupees
INCOME			
Donations and voluntary contributions		1,304,442	9,995,484
Profit on investments		11,999,656	13,640,020
Profit on bank deposits		436,617	460,362
Income from sponsorship		-	320,000
Other income		14,759	3,000
		<u>13,755,474</u>	<u>24,418,866</u>
EXPENDITURE			
Direct Program Cost:			
Health program	12	5,089,981	4,429,057
Education program	13	589,921	77,174
AGEHI resource centre	14	2,723,094	1,088,548
SACHET gallery	15	490,614	795,330
Training program	16	416,908	182,645
		9,310,518	6,572,754
Management and Support Services Cost	17	4,526,302	3,969,277
(DEFICIT) / SURPLUS FOR THE YEAR		(81,346)	13,876,835
OTHER CHARGES			
Foreign exchange loss		189,517	153,948
Amortization of deferred cost		14,000	7,000
Bank charges and commission		2,934	870
		206,451	161,818
NET (DEFICIT)/ SURPLUS FOR THE YEAR		<u>(287,797)</u>	<u>13,715,017</u>

The annexed notes form an integral part of these financial statements.


PRESIDENT


SECRETARY GENERAL