

AUDITOR'S REPORT TO THE BOARD OF GOVERNORS

We have audited the annexed balance sheet of the Society for the Advancement of Community, Health, Education and Training – Pakistan (SACHET) (“the Trust”) as at June 30, 2004 and the related statement of income and expenditure and cash flow statement together with the notes forming part thereof, (here-in-after referred to as the financial statements for the year then ended).

It is the responsibility of the Board of Governors of the Trust 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.

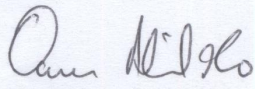
We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting 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 SACHET (“the Trust”) as at June 30, 2004, its excess of expenditure over income for the year then ended and cash flow statement along with the annexed notes in accordance with the approved accounting standards as applicable in Pakistan.

The financial statements for the year ended June 30, 2003 were audited by another firm of chartered accountants whose report dated January 20, 2004 expressed unqualified opinion thereon.

AKS

Islamabad,


OMER ADIL & Co.
Chartered Accountants

31 MAY 2005

**SOCIETY FOR THE ADVANCEMENT OF COMMUNITY HEALTH,
EDUCATION AND TRAINING - PAKISTAN
BALANCE SHEET
AS AT JUNE 30, 2004**

	Notes	2004 Rupees	2003 Rupees
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	3	40,324,582	44,051,561
Investments	4	<u>91,300,000</u>	<u>91,300,000</u>
		131,624,582	135,351,561
CURRENT ASSETS			
Inventory	5	181,855	363,505
Loans and advances	6	91,267	243,941
Trade deposits and short term prepayments	7	252,145	230,645
Other receivables	8	142,365	4,100
Accrued income	9	1,317,001	1,425,812
Cash and bank balances	10	<u>9,479,300</u>	<u>9,789,274</u>
		11,463,933	12,057,277
TOTAL ASSETS		<u><u>143,088,515</u></u>	<u><u>147,408,838</u></u>
FUNDS AND LIABILITIES			
FUNDS			
General fund	11	<u>110,182,382</u>	<u>111,911,716</u>
DEFERRED INCOME	12	31,399,489	33,244,200
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	13	1,506,644	2,252,922
CONTINGENCIES AND COMMITMENTS			
	14	-	-
TOTAL FUNDS AND LIABILITIES		<u><u>143,088,515</u></u>	<u><u>147,408,838</u></u>

The auditor's report is set out on page 1.

The annexed notes on pages 5 to 12 form an integral part of these financial statements.

amir
PRESIDENT

Rashid
EXECUTIVE VICE PRESIDENT

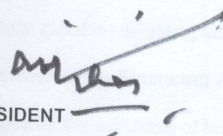
**SOCIETY FOR THE ADVANCEMENT OF COMMUNITY HEALTH,
EDUCATION AND TRAINING - PAKISTAN
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2004**

	Note	2004 Rupees	2003 Rupees
INCOME			
Donations and voluntary contributions	15	1,202,844	1,311,042
Profit on investments	16	8,829,689	11,999,656
Amortization of deferred income	12	1,844,711	3,650,025
Profit on bank deposits	17	108,237	436,617
Other income	18	20,860	8,159
		<u>12,006,341</u>	<u>17,405,499</u>
EXPENDITURE			
Direct Program Cost			
Health Program	19	5,284,668	5,573,757
Education Program	20	549,407	589,921
AGEHI Resource Centre	21	952,747	3,060,169
SACHET Gallery	22	410,428	490,614
Training Program	23	95,426	416,908
		<u>7,292,676</u>	<u>10,131,369</u>
Management and support services cost (Deficit) for the year	24	6,436,218 <u>(1,722,553)</u>	7,355,476 <u>(81,346)</u>
Financial charges	25	6,780	192,451
Other charges	26	-	14,000
		<u>6,780</u>	<u>206,451</u>
Net (deficit) for the year		<u>(1,729,333)</u>	<u>(287,797)</u>

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EA/ko.


PRESIDENT


EXECUTIVE VICE PRESIDENT