

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, 2005 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, 2005, 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.

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Omer Adil

OMER ADIL & Co.
Chartered Accountants

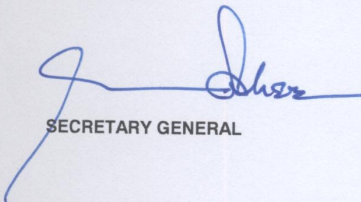
Islamabad,

31 MAR 2006

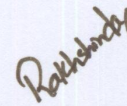
**SOCIETY FOR THE ADVANCEMENT OF COMMUNITY HEALTH,
EDUCATION AND TRAINING - PAKISTAN
BALANCE SHEET
AS AT JUNE 30, 2005**

	Notes	2005 Rupees	2004 Rupees
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	3	36,432,991	40,324,582
Investments	4	94,000,000	91,300,000
		<u>130,432,991</u>	<u>131,624,582</u>
CURRENT ASSETS			
Inventory	5	259,741	181,855
Loans and advances	6	91,267	91,267
Trade deposits and short term prepayments	7	239,228	252,145
Other receivables	8	136,285	142,365
Accrued income	9	985,417	1,317,001
Cash and bank balances	10	4,903,071	9,479,300
		6,615,009	11,463,933
TOTAL ASSETS		<u><u>137,048,000</u></u>	<u><u>143,088,515</u></u>
FUNDS AND LIABILITIES			
FUNDS			
General fund	11	105,876,963	110,182,382
DEFERRED INCOME			
	12	29,554,778	31,399,489
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	13	1,616,259	1,506,644
CONTINGENCIES AND COMMITMENTS			
	14	-	-
TOTAL FUNDS AND LIABILITIES		<u><u>137,048,000</u></u>	<u><u>143,088,515</u></u>

The auditor's report is set out on page 1.
The annexed notes on pages 5 to 11 form an integral part of these financial statements.


SECRETARY GENERAL

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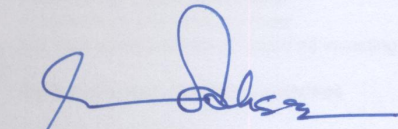

EXECUTIVE VICE PRESIDENT

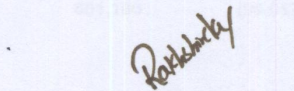
**SOCIETY FOR THE ADVANCEMENT OF COMMUNITY HEALTH,
EDUCATION AND TRAINING - PAKISTAN
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2005**

	Note	2005 Rupees	2004 Rupees
INCOME			
Donations and voluntary contributions	15	734,342	1,202,844
Profit on investments	16	2,993,716	8,829,689
Amortization of deferred income	12	1,844,711	1,844,711
Profit on bank deposits	17	65,710	108,237
Other income	18	1,117,485	20,860
		6,755,964	12,006,341
EXPENDITURE			
Direct Program Cost			
Health Program	19	3,652,047	5,284,668
Education Program	20	330,394	549,407
AGEHI Resource Centre	21	266,001	965,713
SACHET Gallery	22	152,932	410,428
Training Program	23	137,022	95,426
		4,538,396	7,305,642
Management and support services cost (Deficit) for the year	24	6,446,315 (4,228,747)	6,423,252 (1,722,553)
Financial charges	25	76,672	6,780
Net (deficit) for the year		<u>(4,305,419)</u>	<u>(1,729,333)</u>

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


EXECUTIVE VICE PRESIDENT