

**Technical Training Institute and
Industrial Home, Primary School and
Primary Health Care Centre**

**Audited Accounts
For the year ended December 31, 2010**

Auditors' Report to the Project Management

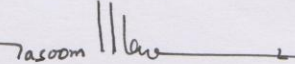
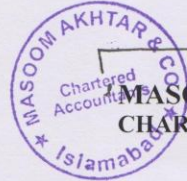
We have audited the annexed balance sheet of the **Technical Training Institute and Industrial Home, Primary School and Primary Health Care Centre** as at December 31, 2010 and the related revenue and expenditure account together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

It is the responsibility of the managements of Rahma Islamic Relief and Rifah Trust, the implementers of the project 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. Both the entities has therefore maintained the record of project books according to the funds allocated to Rahma Islamic Relief and Rifah Trust amounting to Rs. 250,030/= and Rs. 2,348,997/= respectively by Rahma Islamic Relief Fund, Norway. 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, and we report that:

In our opinion the financial position of the **Technical Training Institute and Industrial Home, Primary School and Primary Health Care Centre** as at December 31, 2010 and of its deficit for the year then ended in accordance with the books of accounts and record maintained by the project management.

Place: **Islamabad**
Dated: **February 25, 2011**

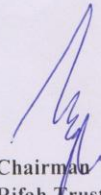


MASOOM AKHTAR & CO.
CHARTERED ACCOUNTANTS

**Technical Training Institute and Industrial Home, Primary School
and Primary Health Care Centre
Statement of Affairs as at December 31, 2010**

	<u>Notes</u>	<u>2010</u> <u>(Rupees)</u>	<u>2009</u> <u>(Rupees)</u>
Fund account	3	949,113	1,673,627
Accrued & other liabilities			
Other payables	4	25,000	35,000
Contingencies and commitments	5	-	-
		<u>974,113</u>	<u>1,708,627</u>
<u>Property & assets</u>			
Non- current assets			
Property & assets	6	864,363	1,045,440
Current assets			
Cash at bank	7	109,750	663,187
		109,750	663,187
Net assets		<u>974,113</u>	<u>1,708,627</u>



**Chairman
Rahma Islamic Relief**



**Chairman
Rifah Trust
WING COMD (R)
ENG. PROF. M. ASGHAR
ACTING CHAIRMAN RIFAH TRUST**

**Technical Training Institute and Industrial Home, Primary School
and Primary Health Care Centre
Revenue and Expenditure Account
For the year ended December 31, 2010**

		<u>2010</u> (Rupees)	<u>2009</u> (Rupees)
Revenue	8	2,599,027	6,691,515
Less: Expenditures			
Rifah Tech Training Institute	9	1,757,250	3,893,217
Rifah Model School	10	264,000	264,891
Rifah Primary Health Care	11	420,000	545,699
Project Management expenses	12	275,030	88,816
Depreciation	6	181,077	225,265
		2,897,357	5,017,888
Excess of expenditure over revenue/(revenue over expenditure) carried forward to the fund account		(298,330)	1,673,627

Chairman
Rahma Islamic Relief

Chairman
Rifah Trust
WING COMD (R)
ENG. PROF. M. ASGHAR
ACTING CHAIRMAN RIFAH TRUST

**Technical Training Institute and Industrial Home, Primary School
and Primary Health Care Centre**
Notes to the Accounts
For the year ended December 31, 2010

1. The project

Rahma Islamic Relief Fund (RIRF) is a not-for-profit organization established on January 24, 2005 in Norway, has undertaken to carry out the Technical Training Institute and Industrial Home, Primary School and Primary Health Care Centre Project with the collaboration of local Partner **M/s Rifah Trust (RT)**, a trust registered under the **Trusts Act, 1882** through a project agreement executed on July 22, 2010. The period for the implementation of project was from January 01, 2010 to December 31, 2010, earlier agreement executed on May 10, 2009 for the period from January 01, 2009 to December 31, 2009, with the main object to provide education, technical training , health care and general relief works.

Under the arrangement Rahma Islamic Relief Fund shall disburse an amount of Rs. 2,551,000/= (2009: 6,671,518/=) to Rifah Trust according to the project budget. These financial statements represents the amount received and payments made for the specific project carried on through Rifah Trust as defined in agreement executed on July 22, 2010 (2009: May 10, 2009) and subsequent budget submitted.

2. Significant accounting policies

The principle accounting policies adopted in the preparation of these accounts are as follows:

2.1) Basis of accounting:

These accounts have been prepared under the historical cost convention without any adjustments for the effects of inflation or current values.

2.2) Property, plant & equipment

- i) These are stated at cost less accumulated depreciation and impairment, if any;
- ii) Depreciation on operating assets is charged on reducing balance method;
- iii) No depreciation is provided on assets in the year in which these are sold and depreciation is charged for full year in the year of purchase;
- iv) Gain or loss, if any, on disposal of fixed assets is included in current years' income;
- v) Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized;

2.3) Revenue recognition:

Revenue is recognized on donations.

2.4) Cash and cash equivalents

Cash in hand and at banks are carried at fair value.

3. Fund account

	<u>2010</u> (Rupees)	<u>2009</u> (Rupees)
Opening balance	1,673,627	-
Funds transfer to Rahma Islamic Relief	(426,184)	-
Excess of expenditure over revenue /(revenue over expenditure)	(298,330)	1,673,627
	<u>949,113</u>	<u>1,673,627</u>

4. Accrued and other liabilities

Audit fee	25,000	35,000
	<u>25,000</u>	<u>35,000</u>

5. Contingencies and commitments

- **Contingencies**

Management confirmed that there are no contingencies against the project.

- **Commitments**

Management confirmed that there are no commitments made by the project.

WING COME (R)
ENG. PROF. M. ASGHAR I
ACTING CHAIRMAN RIFAH TRUST

6. **Property & assets**

Particulars	C o s t			Rate %	Depreciation			W.D.V.
	As at 01.01.2010	Addition	As on 31.12.2010		As on 01.01.2010	For the year	As at 31.12.2010	As at 31.12.2010
Furniture & fixtures	383,124	-	383,124	15	57,468.60	48,848	106,317	276,807
Electrical equipments	41,760	-	41,760	15	6,264.00	5,324	11,588	30,172
Library books	57,311	-	57,311	15	8,596.65	7,307	15,904	41,407
Computers & accessories	139,135	-	139,135	30	41,740.50	29,218	70,959	68,176
Multimedia system	91,925	-	91,925	30	27,577.50	19,304	46,882	45,043
Sewing machines	52,000	-	52,000	15	7,800.00	6,630	14,430	37,570
Office equipments	105,000	-	105,000	15	15,750.00	13,388	29,138	75,863
Medical equipments	180,450	-	180,450	15	27,067.50	23,007	50,075	130,375
Generator	220,000	-	220,000	15	33,000.00	28,050	61,050	158,950
Rupees - 2010	1,270,705	-	1,270,705		225,265	181,077	406,342	864,363

Particulars	C o s t			Rate %	Depreciation			W.D.V.
	As at 01.01.2009	Addition	As on 31.12.2009		As on 01.01.2009	For the year	As at 31.12.2009	As at 31.12.2009
Furniture & fixtures	-	383,124	383,124	15	-	57,469	57,469	325,655
Electrical equipments	-	41,760	41,760	15	-	6,264	6,264	35,496
Library books	-	57,311	57,311	15	-	8,597	8,597	48,714
Computers & accessories	-	139,135	139,135	30	-	41,741	41,741	97,395
Multimedia system	-	91,925	91,925	30	-	27,578	27,578	64,348
Sewing machines	-	52,000	52,000	15	-	7,800	7,800	44,200
Office equipments	-	105,000	105,000	15	-	15,750	15,750	89,250
Medical equipments	-	180,450	180,450	15	-	27,068	27,068	153,383
Generator	-	220,000	220,000	15	-	33,000	33,000	187,000
Rupees - 2009	-	1,270,705	1,270,705		-	225,265	225,265	1,045,440

7. **Cash at bank**

This represents the unutilized amount of the proposed budget kept in following bank accounts. The bank account maintained with Standard Chartered Bank is operated by M/s Rahma Islamic Relief for its overall activities and the amount represents the portion of balance related to the project:

	<u>2010</u> (Rupees)	<u>2009</u> (Rupees)
Rifah Trust		
MCB Bank Limited, Account # 061201010027752	82,799	202,003
MCB Bank Limited, Account # 061201010032539	26,951	-
Rahma Islamic Relief		
Standard Chartered Bank (Pakistan) Ltd., Account # 01146594901	-	461,184
	<u>109,750</u>	<u>663,187</u>

8. **Revenue**

This represents the donations from Rahma Islamic Relief for:

- Support the projects working in Rifah Trust	(8.1)	2,348,997	4,376,515
- Project management expenses		250,030	515,000
- Relief aid to refugees		-	1,800,000
		<u>2,599,027</u>	<u>6,691,515</u>

- 8.1) Total amount received for the project working in Rifah Trust was amounting to Rs. 2,551,000/= but during the year Rahma transferred amount of Rs. 2,348,997/= and decided to transfer balance of cash at bank amounting to Rs. 202,003/= to the project to meet the budget.

WING COMMAND (R)
ENG. PROF. M. ASGHAR
ACTING CHAIRMAN RIFAH TRUST

	<u>2010</u>	<u>2009</u>
	(Rupees)	(Rupees)
9. Rifah Technical Training Institute		
Institution operational expenses (9.1)	1,757,250	2,093,217
Relief work (9.2)	-	1,800,000
	<u>1,757,250</u>	<u>3,893,217</u>
9.1) Institution operational expenses		
Staff salaries	1,504,000	1,521,000
Electricity bills	72,000	47,584
Computer Lab - Male	48,000	35,125
RAC consumables	24,000	36,700
Mobile phone Lab	24,000	-
Electric consumables	24,000	11,143
Industrial home expense	24,000	7,005
Telephone bills	26,690	22,940
Gas Charges	8,060	9,920
Water Charges	2,500	-
Office renovation	-	159,500
Repair & maintenance- (general)	-	98,862
Legal & professional charges	-	42,000
Welfare expenses (sewing machines)	-	25,000
Printing, stationery & photocopy	-	18,226
Miscellaneous	-	15,259
Crockery	-	11,655
Traveling & conveyance	-	10,559
Fee and subscriptions	-	10,000
Advertisement	-	8,900
Entertainment	-	1,839
	<u>1,757,250</u>	<u>2,093,217</u>

9.2) This represents the food packages distributed among 170 families of refugees in Gul Pur Kotli, Azad Kashmir, Pakistan. This package consist of floor, sugar, rice, cooking oil and pulses etc.

10. Rifah Primary Model School

Staff salaries	264,000	234,000
Stationery & photocopy	-	30,891
	<u>264,000</u>	<u>264,891</u>

11. Rifah Primary Health Care Centre


Staff salaries	300,000	330,000
Medicines	120,000	210,099
General expense	-	5,600
	<u>420,000</u>	<u>545,699</u>

WING COMD (R)
 ENG. PROF. M. ASGHAR
 ACTING CHAIRMAN RIFAH TRUST

	<u>2010</u> (Rupees)	<u>2009</u> (Rupees)
12. <u>Project Management expenses</u>		
Staff salaries	144,000	41,320
Video / visual material	80,000	-
Audit fee	25,000	35,000
Travelling	13,030	-
Computer and printer rent	12,000	-
Postage and courier	1,000	-
Computer & accessories	-	10,400
Bank charges	-	1,771
Printing & stationery	-	325
	<u>275,030</u>	<u>88,816</u>

13. General

The figures in comparison are for the period from January 01, 2009 to December 31, 2009 and was arrived in accordance with the agreement executed on May 10, 2009.


Chairman
Rahma Islamic Relief


Chairman
Rifah Trust
WING CMD (R)
ENG. PROF. M. ASGHAR
ACTING CHAIRMAN RIFAH TRUST