

KAARVAN CRAFTS FOUNDATION

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **KAARVAN CRAFTS FOUNDATION** as at December 31, 2009 and the related income and expenditure account and statement of changes in funds together with the notes forming part thereof, for the year ended December 31, 2009 and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Foundation's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Foundation as required by the Companies Ordinance, 1984.
- b) in our opinion:
 - (i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Foundation's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Foundation;

- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account and statement of changes in funds together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at December 31, 2009 and of the surplus and changes in funds for the year ended December 31, 2009; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.



HORWATH HUSSAIN CHAUDHURY & CO.

Chartered Accountants

Lahore:

Dated **07 APR 2010**

(Engagement Partner: Muhammad Nasir Muneer)

KAARVAN CRAFTS FOUNDATION

BALANCE SHEET AS AT DECEMBER 31, 2009

	Note	2009 Rupees	2008 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	4	2,701,162	3,222,052
Intangible assets	5	81,000	-
Long term security deposits		488,580	510,300
		3,270,742	3,732,352
CURRENT ASSETS			
Stock in trade	6	882,759	986,612
Trade receivables	7	655,576	643,418
Advances, prepayments and other receivables	8	520,623	836,411
Short term investment	9	8,000,000	8,000,000
Cash and bank balances	10	2,045,594	535,446
		12,104,552	11,001,887
		15,375,294	14,734,239
SHARE CAPITAL AND RESERVES			
Share capital	11	-	-
Accumulated surplus	12	14,169,992	13,399,238
		14,169,992	13,399,238
NON CURRENT LIABILITIES			
Provident fund payable		885,593	957,669
LESS: CURRENT LIABILITIES			
Trade and other payables	13	319,709	377,332
CONTINGENCIES AND COMMITMENTS			
	14	-	-
		15,375,294	14,734,239
		15,375,294	14,734,239

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


CHIEF EXECUTIVE


DIRECTOR

KAARVAN CRAFTS FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2009

	Note	2009 Rupees	2008 Rupees
INCOME			
Grants		333,020	315,600
Gross margin from Enterprise Development Program	15	2,117,766	2,277,589
Net surplus from activities of Mennonite Economic Development Associates	16	1,764,436	2,454,336
Consultancy income		880,701	1,116,426
Profit on bank account		891,169	782,794
Exchange gain		1,860	233,441
Other income		415,948	76,102
		6,404,900	7,256,288
EXPENDITURES			
Salaries, wages and benefits		1,988,031	2,827,367
Rent, rates and taxes		1,933,692	1,571,204
Travelling and conveyance		842,957	1,191,558
Advertisement		77,458	26,637
Postage, telephone and telegram		232,781	225,491
Repairs and maintenance		125,247	110,553
Printing and stationery		12,488	64,464
Utilities		151,951	115,976
Office supplies		-	70,698
Entertainment		50,245	92,883
Commission		3,899	24,503
Auditors' remuneration		60,000	50,000
Legal and professional charges		36,020	66,345
Insurance		23,275	32,422
Bad debts written off - Net		33,336	124,624
Bank charges		22,266	23,513
Amortization of intangible assets	5	40,500	15,000
		5,634,146	6,633,238
Surplus for the year		770,754	623,050

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


CHIEF EXECUTIVE


DIRECTOR