



A. Salam Jan & Co.

Chartered Accountants



An alliance of independent accountancy firms.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

Introduction

We have audited the annexed statement of financial position (balance sheet) of the **DEVELOPMENT AND HUMANITARIAN SERVICES FOR AFGHANISTAN / THE KILLID GROUP (DHSA/TKG)** as at **DECEMBER 31, 2011** and the related income & expenditure account together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

Management's Responsibility for Financial Statements

It is the responsibility of the management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved generally accepted accounting standards.

Auditors' Responsibility

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 misstatements. 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.

Opinion

In our opinion the financial statements present fairly in all material respects, the financial position of the **DEVELOPMENT AND HUMANITARIAN SERVICES FOR AFGHANISTAN / THE KILLID GROUP (DHSA/TKG)** as at **DECEMBER 31, 2011** and of its surplus for the year then ended in accordance with the approved generally accepted accounting standards and the donors' reporting requirements.

Peshawar
May 03, 2012



A. Salam Jan

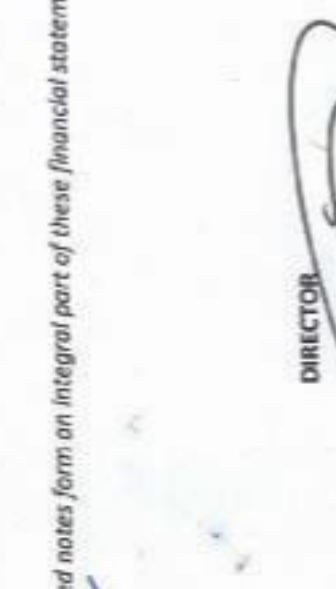
A. Salam Jan & Co.,
Chartered Accountants.
(Abdus Salam Jan - FCA)

DEVELOPMENT AND HUMANITARIAN SERVICES FOR AFGHANISTAN / THE KILLID GROUP (DHSA/TKG)
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AS AT DECEMBER 31, 2011

	NOTES	2011 USD	2010 USD
NON-CURRENT ASSETS			
Property, plant and equipment (Cost-less accumulated depreciation)	4	411,197	434,015
CURRENT ASSETS			
Advances, prepayments and other receivables	5	835,936	662,710
Cash and bank balances	6	944,820	428,979
		1,780,756	1,091,688
TOTAL ASSETS		<u>2,191,953</u>	<u>1,525,703</u>
GENERAL FUND			
Accumulated surplus	7	539,818	407,497
CURRENT LIABILITIES			
Accounts payable	8	826,046	732,201
Due to donors	9	-	37,691
Other liabilities	10	726,089	348,314
		1,552,136	1,118,207
TOTAL FUNDS AND LIABILITIES		<u>2,191,953</u>	<u>1,525,703</u>

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

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GENERAL DIRECTOR


FINANCE MANAGER

**DEVELOPMENT AND HUMANITARIAN SERVICES FOR AFGHANISTAN / THE KILLID GROUP (DHSA/TKG)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2011**

	NOTES	2011 USD	2010 USD
INCOME			
Grants from donors	11	3,205,880	3,668,883
Operating income	12	2,613,294	1,824,122
Other income	13	33,527	157,845
Rana Private Schools	14	671,067	642,771
		6,523,767	6,293,620
EXPENDITURE			
Direct input cost	15	6,291,446	6,788,360
		<u>232,321</u>	<u>(494,740)</u>

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

GENERAL DIRECTOR

DIRECTOR

FINANCE MANAGER

DEVELOPMENT AND HUMANITARIAN SERVICES FOR AFGHANISTAN / THE KILLID GROUP (DHSA/TKG)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. STATUS AND NATURE OF ORGANIZATION

Development and Humanitarian Services for Afghanistan (DHSA) is registered as a non-governmental, non-political and non-sectarian organization working for the rehabilitation of Afghans through implementation of various projects in Afghanistan.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the reporting requirements of donor agencies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention.

3.2 Income Recognition

3.2.1 Income from donors' grants

Income from Donors' grants is recognized up to the extent of expenses incurred excluding expenses which are funded from the DHSA own sources.

3.2.2 Income from own sources

Income from Own Sources is recognized on receipt basis.

3.2.3 Income from services

Income from services is recognized on accrual basis.

3.3 Expenditure

Expenditure is recognized on accrual basis.

3.4 Fixed assets

All fixed assets purchased from donor funds are charged to income, and remain the property of respective donors.

Tangible fixed assets owned by the organization are stated at cost less accumulated depreciation. Depreciation is charged on fixed assets by reducing balance method at the rates specified in Note - 4. Full month depreciation is charged in the month of acquisition while no depreciation is charged in the month of disposal.

Major renewals and improvements are capitalized. Minor replacements, repairs and maintenance are charged to income. Gains/ (losses) on disposal of tangible fixed assets, if any, are taken to income.

3.5 Foreign currency transaction

Foreign currency transactions are recorded using the exchange rate applicable on the date of transaction. Exchange gain or (loss) on foreign currency transaction is credited / charged to Income statement. All monetary assets and liabilities in foreign currencies are converted into dollars at exchange rates prevailing at the date of Statement of Financial Position.