

**AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF  
LEADERSHIP FOR ENVIRONMENT AND DEVELOPMENT PAKISTAN**

We have audited the annexed balance sheet of the Leadership for Environment and Development (LEAD) Pakistan (the Society) as at 31 December 2011 and the related income and expenditure account, statement of cash flows and statement of changes in funds 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 management 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 Society as at 31 December 2011, and of its surplus, cash flow and changes in funds for the year then ended, in accordance with the approved accounting standards as applicable in Pakistan.



Chartered Accountants  
Audit Engagement Partner: Sajjad Hussain Gill  
Date: 30 March 2012  
Place: Islamabad

**LEADERSHIP FOR ENVIRONMENT AND DEVELOPMENT (LEAD) PAKISTAN**

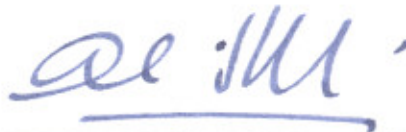
**BALANCE SHEET  
AS AT DECEMBER 31, 2011**

	Note	2011 ----- Rupees -----	2010
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	50,575,663	47,224,499
<b>CURRENT ASSETS</b>			
Consumable stock		507,537	388,914
Receivable from donors	5	30,340,309	39,988,159
Advances	6	13,157,058	2,178,773
Deposits and prepayments	7	1,305,889	446,269
Accrued interest		76,713	124,077
Other receivables	8	343,742	402,576
Short-term investment	9	38,621,445	-
Cash and bank balances	10	15,851,220	73,031,226
<b>TOTAL ASSETS</b>		<b>100,203,913</b>	<b>116,559,994</b>
		<b>150,779,576</b>	<b>163,784,493</b>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
Unrestricted funds		115,771,367	94,148,100
Restricted funds		11,260,236	31,137,063
Carbon set-off fund	11	969,515	778,280
<b>NON-CURRENT LIABILITIES</b>		<b>128,001,118</b>	<b>126,063,443</b>
Deferred grants	12	7,805,286	27,175,462
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	14,973,172	10,545,588
<b>CONTINGENCIES</b>			
	14		
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>150,779,576</b>	<b>163,784,493</b>

The annexed notes 1 to 23 form an integral part of these financial statements.

EM

  
Chairman

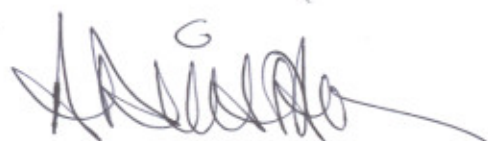
  
CEO / National Programme  
Director

**LEADERSHIP FOR ENVIRONMENT AND DEVELOPMENT (LEAD) PAKISTAN**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Note	2011 ----- Rupees -----	2010
<b>INCOME</b>			
Contracted services income	12	135,002,450	150,354,440
Public service development initiatives income	15	72,620	-
Other income	16	4,073,253	3,366,594
		<b>139,148,323</b>	<b>153,721,034</b>
<b>EXPENDITURE</b>			
Contracted services expenditure	17	(120,393,687)	(93,564,783)
Public service development initiatives expenditure	18	(3,556,992)	(1,020,383)
Research, development and sustainability	19	(13,259,969)	(6,197,986)
		<b>(137,210,648)</b>	<b>(100,783,152)</b>
<b>SURPLUS FOR THE YEAR</b>		<b>1,937,675</b>	<b>52,937,882</b>

The annexed notes 1 to 23 form an integral part of these financial statements.

  
Chairman

  
CEO / National Programme  
Director