

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

We have audited the annexed balance sheet of Leadership for Environment and Development (LEAD) Pakistan (the Society) as at 31 December 2012 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 Guideline for Accounting and Financial Reporting by Non-Government Organisations (NGOs)/ Non-Profit Organisations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. 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 2012, and of its surplus, its cash flows and changes in funds for the year then ended, in accordance with the Guideline for Accounting and Financial Reporting by Non-Government Organisations (NGOs)/ Non-Profit Organisations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan.

Ernst + Young Ford Rhodes Sidat Hyder

Chartered Accountants

Audit Engagement Partner: Khayyam Mushir

Date: 19 February 2013

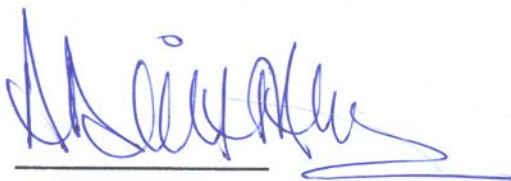
Place: Islamabad

EYFR04

LEADERSHIP FOR ENVIRONMENT AND DEVELOPMENT (LEAD) PAKISTAN
BALANCE SHEET
AS AT DECEMBER 31, 2012

	Note	2012 -----Rupees-----	2011
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property and equipment	4	57,661,116	50,575,663
CURRENT ASSETS			
Stock		333,291	507,537
Receivable from donors	5	19,598,333	30,340,309
Advances	6	6,423,485	13,157,058
Deposits and prepayments	7	703,637	1,305,889
Accrued interest		97,992	76,713
Other receivables	8	67,334	343,742
Short-term investment	9	30,790,892	38,621,445
Cash and bank balances	10	45,290,886	15,851,220
		103,305,850	100,203,913
TOTAL ASSETS		160,966,966	150,779,576
<u>FUNDS AND LIABILITIES</u>			
Funds			
Unrestricted funds	11	131,443,921	115,771,367
Restricted funds	11	7,343,434	11,260,236
Carbon set-off fund	11	1,306,877	969,515
		140,094,232	128,001,118
NON-CURRENT LIABILITIES			
Deferred grants	12	8,239,475	7,805,286
CURRENT LIABILITIES			
Trade and other payables	13	12,633,259	14,973,172
CONTINGENCIES			
	14		
TOTAL FUNDS AND LIABILITIES		160,966,966	150,779,576

The annexed notes from 1 to 22 form an integral part of these financial statements.


CHAIRMAN

EUPROH

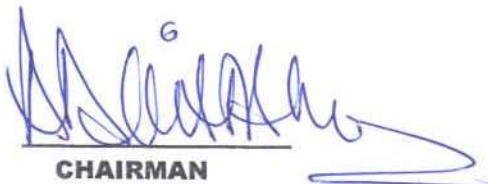
**CEO / NATIONAL
PROGRAMME DIRECTOR**

**LEADERSHIP FOR ENVIRONMENT AND DEVELOPMENT (LEAD) PAKISTAN
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Note	2012 -----Rupees-----	2011
INCOME			
Contracted services income		137,386,385	135,002,450
Public service development initiatives income	15	55,000	72,620
Other income	16	8,005,925	4,073,253
		145,447,310	139,148,323
EXPENDITURE			
Contracted services expenditure	17	(112,192,286)	(120,393,687)
Public service development initiatives expenditure	18	(7,809,662)	(3,556,992)
Research, development and sustainability	19	(13,352,248)	(13,259,969)
		(133,354,196)	(137,210,648)
Surplus for the year		12,093,114	1,937,675

The annexed notes from 1 to 22 form an integral part of these financial statements.

Eyfa


CHAIRMAN


**CEO / NATIONAL
PROGRAMME DIRECTOR**