

Khan Waheed & Co.
Chartered Accountants

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AUDITOR'S REPORT TO THE PROJECT MANAGEMENT

We have audited the annexed income and expenditure account of the "Rahma Office Turkey" as at December 31, 2013, together with the notes forming part thereof (here-in-after referred to the financial statements) for the year then ended.

It is the responsibility of the trustees 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.

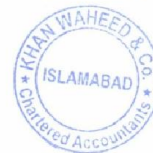
We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence 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 "Rahma Office Turkey" as at December 31, 2013 and of its surplus for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Date: September 14, 2014
Place: Islamabad

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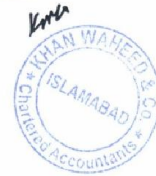
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RAHMA OFFICE TURKEY
INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD FROM JANUARY 2013 TO DECEMBER 2013

| | 2013 (Rupees) |
|---|-----------------------|
| Add : Income | |
| opening | - |
| Amount received | 1,956,386 |
| | <u>1,956,386</u> |
| Less: Expenditures | |
| Staff salaries | 170,000 |
| Office rent | 303,955 |
| Utilites | 70,198 |
| Equipment and supplies | 18,391 |
| Air travelling | 70,000 |
| Printing and stationery | 12,109 |
| Communication | 73,246 |
| Publicity material | 6,800 |
| Office repair and maintenance | 1,855 |
| office supplies/food | 89,690 |
| Legal and professional fee | 276,874 |
| Registration fee | 560,570 |
| Traveling | 87,451 |
| | <u>1,741,139</u> |
| Excess of revenue over expenditure | <u><u>215,247</u></u> |
| Represented by | |
| Cash and bank balance | 215,247 |
| | <u>215,247</u> |


 CHAIRMAN


 SENIOR PROGRAM MANAGER



RAHMA OFFICE TURKEY
NOTES TO THE ACCOUNTS
FOR THE PERIOD FROM JANUARY 2013 TO DECEMBER 2013

1 Legal status

RAHMA Islamic Relief was registered in 2009 under Trust Act 1882 in Pakistan. It has extended cooperation to RAHMA Islamic Relief Fund Norway for establishment and registration of the representative office in Turkey. The registered office of RAHMA Islamic Relief Pakistan situated at 314, Poonch House Complex, Saddar, Rawalpindi. The objectives of RAHMA Islamic Relief Pakistan is to establish, manage, maintain, own, administer, promote and subsidize educational institutions, computer literacy centers, school, colleges, institutions for study and research, centres of learning, reading rooms, and other institution for the basic education, adult literacy etc. The area of operations of the trust shall be all over the country, FATA, AJK, Northern Area and also abroad. RAHMA Islamic Relief is in the process of registration in Turkey. A temporary representative office was established to coordinate with the line departments for the registration and also to network with other humanitarian organizations. The representative office was also responsible to establish a network of volunteers to intervene in disasters and to involve them in development activities.

2 Statement of Compliance and Significant Accounting Estimates

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan.

2.2 Basis of Measurement

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

3 Significant accounting Policies

The principal accounting policies which have been adopted in the preparation of these accounts are summarized below.

3.1 Revenue Recognition

Revenue from donation and hospital is recognized on actual receipts basis while expenses have been incorporated on accrual basis.

3.2 Cash and Cash equivalents

Cash in hand and at banks are carried at cost.

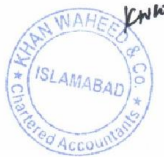
3.3 Donation-in-kind

Donation in kind received has been valued and recorded at their estimated fair value as provided by the donor or, in absence of donor's valuation, at wholesale values estimated by organization, at the time of goods are received from the donor.

3.4 Volunteer Services

The efforts of volunteer workers are not reflected in the companying financial statement, in as much as no objective base is available to measure the value of such services; however, substantial number of volunteers have donated significant amount of their time to the organization.


CHAIRMAN




SENIOR PROGRAM MANAGER