

**SABA MEDIA ORGANIZATION
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2006**



An Independent Member Firm of
Morison International

ZEESHAN ALI & CO.
CHARTERED ACCOUNTANTS

SABA MEDIA ORGANIZATION, KABUL
ANNUAL STATEMENT OF ACCOUNTS
TABLE OF CONTENTS

PART I	-	FINANCIAL STATEMENTS ALONGWITH AUDITORS' REPORT
A	-	BALANCE SHEET AS AT DECEMBER 31, 2006
B	-	INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2006
C	-	NOTES TO THE ACCOUNTS FOR THE PERIOD FROM JANUARY 01, 2006 TO DECEMBER 31, 2006
PART II	-	DONOR WISE DETAIL OF EXPENDITURE

**PART I - FINANCIAL STATEMENTS ALONGWITH AUDITORS'
REPORT**

AUDITORS' REPORT TO GENERAL ASSEMBLY

We have audited the annexed balance sheet of the **"SABA MEDIA ORGANIZATION"** as at December 31, 2006 and the related income and expenditure account together with the notes forming part thereof (hereinafter referred to as the "financial statements for the year then ended").

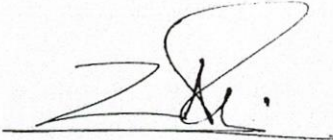
It is the responsibility of the management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the generally approved accounting standards. Our responsibility is to express an opinion on these financial statements based on our audit.

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 and we report that:

1. We have not physically verified cash in hand stated at USD 8,355 as at December 31, 2006, since that date was prior to our appointment as auditors;
2. We have not been provided with the supporting documents relating to project wise Funds transferred by Donor. As a result project wise fund received from the donor could not be verified. Moreover, we have circularized Fund confirmation to the donors, response to which is still awaited.

Except for the matters reflected in paragraphs 1 & 2 and their possible effects on financial statements, in our opinion the financial statements present fairly in all material respects the financial position of the **"SABA MEDIA ORGANIZATION"** as at December 31, 2006 and of results of its operations for the year then ended in accordance with approved accounting standards.

PESHAWAR
July 01, 2007


ZEESHAN ALI & CO.,
CHARTERED ACCOUNTANTS

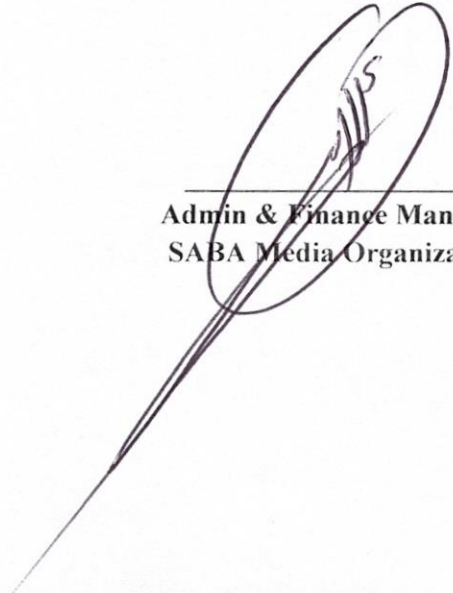
**SABA MEDIA ORGANIZATION
BALANCE SHEET
AS AT DECEMBER 31, 2006**

	NOTE	<u>2006</u> USD	<u>2005</u> USD
PROPERTY AND ASSETS			
Capital Assets	3	360,368	315,760
CURRENT ASSETS			
Advances, Deposits and Prepayments	4	139,327	120,780
Other Receivable	5	5,900	-
Cash and Bank Balances	6	330,729	70,411
		<u>836,325</u>	<u>506,953</u>
FUNDS AND LIABILITIES			
Donor Funds	7	410,010	-
Endowment Fund	8	422,814	433,983
CURRENT LIABILITIES			
Accrued and Other Liabilities	9	3,501	72,970
		<u>836,325</u>	<u>506,953</u>

Auditors' Report Annexed
Note 1 to 16 form integral part of these accounts



Director
SABA Media Organization



Admin & Finance Manager
SABA Media Organization


**SABA MEDIA ORGANIZATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2006**

	NOTE	<u>2006</u> USD	<u>2005</u> USD
INCOME			
Project Income	10	202,688	199,127
Currency exchange gain/ (loss)		(6,534)	32,591
		<u>196,154</u>	<u>231,718</u>
EXPENDITURE			
Salaries, wages and benefits	11	298,094	320,615
Repair and maintenance	12	22,262	20,476
Vehicle running expenses	13	58,190	26,915
Other expenses	14	428,751	409,927
Expendable tools	15	34,654	17,634
		<u>841,951</u>	<u>795,566</u>
Surplus of Income Over Expenditure		<u>(645,797)</u>	<u>(563,849)</u>
Carried Forward to Endowment Fund		<u>(645,797)</u>	<u>(563,849)</u>

Auditors' Report Annexed
Note 1 to 16 form integral part of these accounts



Director
SABA Media Organization



Admin & Finance Manager
SABA Media Organization

SABA MEDIA ORGANIZATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2006

1. Status of Organization

SABA Media Organization (the organization) is a cultural, social and not-for-profit media organization. The Organization is registered with the Ministry of Culture and Information of Islamic Republic of Afghanistan. In addition each component of the organization is registered with MoCI.

2. Significant Accounting Policies

2.1 Accounting Convention

Accounts are prepared under the Historical cost convention.

2.2 Accrual Basis

Accounts are prepared on accrual basis i.e. significant assets, liabilities, income and expenses are accounted for as and when they actually occur and not when they are paid for.

2.3 Capital Assets

Non expendable items with a value exceeding USD 100 having useful life more than one year are capitalized in the year of purchase. Minor repair and maintenance of these items are charged against income of the year while the cost incurred on major repair and maintenance is included in the cost of that item. Depreciation is charged on straight line method at rates mentioned in "Fixed Asset Schedule".

2.4 Stock and Stores

Stores purchased during the year are treated as having been consumed during the year.

2.5 Exchange Rates

Exchange Gain Realized

Funds received/ Income earned and expenditure incurred there against during the year in currencies other than USD are converted into reporting currency on the basis of open market conversion rate. As a result of such treatment no realized exchange gain is appearing in the financial statements.

Exchange Gain Unrealized

Funds received / Income earned from various sources in currencies other than the reporting currency are directly received into the bank accounts maintained with different banks. The same is incorporated into the books of accounts (system) at the conversion rate on which the receiving currency has been converted into USD in the open market and the same rate is then used for the conversion of expenditure incurred in AFGs into USD. At the year end, the balance appearing in the balance sheet items in different currencies are converted into USD at the conversion rate as at December 31 and the difference so worked out at the date of balance sheet is considered as unrealized exchange gain/loss.

SABA MEDIA ORGANIZATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2006

2.6 Donation in kind

Donation in kind received from the donor is reflected in the accounts at either prevailing market value of the asset received or value determined by the Donor.

	NOTE	<u>2006</u> USD	<u>2005</u> USD
3 Capital Assets			
Schedule annexed		360,368	315,760
4 Advances , Deposits and Prepayments			
Advance Against Expenses	4.1	54,924	84,900
Advances to field offices	4.2	73,942	17,444
Prepayments	4.3	4,662	18,437
Other Advances	4.4	5,800	-
		<u>139,327</u>	<u>120,780</u>
4.1 Advances against expenses			
Advance Fajar Printing Press		22,306	29,730
Advance Handi crafts		30,921	50,827
Employees against Expenses		1,697	4,343
		<u>54,924</u>	<u>84,900</u>
4.2 Advances to field offices			
Logistic units		73,942	17,444
		<u>73,942</u>	<u>17,444</u>
4.3 Prepayments			
Office Rent		4,561	18,337
Rent of Training Centers		100	100
		<u>4,662</u>	<u>18,437</u>

SABA MEDIA ORGANIZATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2006

	NOTE	<u>2006</u> USD	<u>2005</u> USD
4.4 Other Advances			
Advance to AMMC		5,800	-
		<u>5,800</u>	<u>-</u>
5 Other Receivable			
Receivable from AMMC		5,900	-
		<u>5,900</u>	<u>-</u>
6 Cash and Bank Balances			
Cash in Hand		8,355	6,233
Cash at Bank	6.1	322,374	64,178
		<u>330,729</u>	<u>70,411</u>
6.1 Cash at Bank			
Kabul Bank (AFN)		502	498
Kabul Bank (USD)		321,872	63,680
		<u>322,374</u>	<u>64,178</u>
7 Donor Funds			
Coordination of Humanitarian Assistance		128,381	
Rights & Democracy		1	-
Netherland Embassy		280,182	-
Oxfam		1,445	-
		<u>410,010</u>	<u>-</u>
8 Endowment Fund (Contribution)			
Opening balance		1,153,143	182,635
Funds transferred during the year		634,628	970,508
Closing balance	8.1	1,787,771	1,153,143
Reserves	8.2	(1,364,957)	(719,160)
Closing Endowment fund		<u>422,814</u>	<u>433,983</u>

SABA MEDIA ORGANIZATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2006

8.1		Endowment fund represents fund balances in repact of closed/ completed projects implemented by SMO.	
	NOTE	2006	2005
		USD	USD
8.2	Reserves		
	Opening balance	(719,160)	(155,311)
	Transferred from Income & Expenditure account	(645,797)	(563,849)
	Closing balance	<u>(1,364,957)</u>	<u>(719,160)</u>
9	Accrued and Other Liabilities		
	Other payable Handicraft	2,048	72,970
	Other payable against Expenses	1,453	-
		<u>3,501</u>	<u>72,970</u>
10	Project Income		
	Magazine	25,603	54,545
	Production Department	124,279	144,500
	Radio NAWA	51,129	81
	Income from Marketing/Newspaper	1,029	-
	Other Income	647	-
		<u>202,688</u>	<u>199,127</u>
11	Salaries, Wages And Benefits		
	Salaries	233,408	142,462
	Perdium	643	11,355
	Traveling Local/ Abroad	12,256	28,664
	Casual Labor Cost	8,389	18,325
	Consultancy Fees	43,398	119,810
		<u>298,094</u>	<u>320,615</u>
12	Repair And Maintenance		
	Office Repair And Maintenance	6,513	12,328
	Vehicle Repair And Maintenance	7,810	5,002
	Equipment Repair And Maintenance	7,137	973
	Other Repair And Maintenance	802	2,173
		<u>22,262</u>	<u>20,476</u>

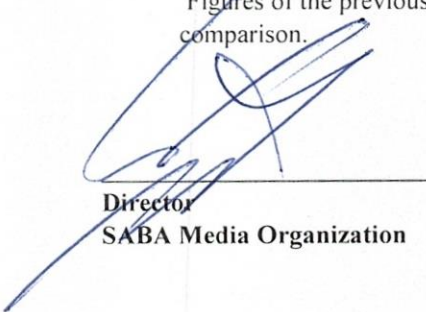
SABA MEDIA ORGANIZATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2006

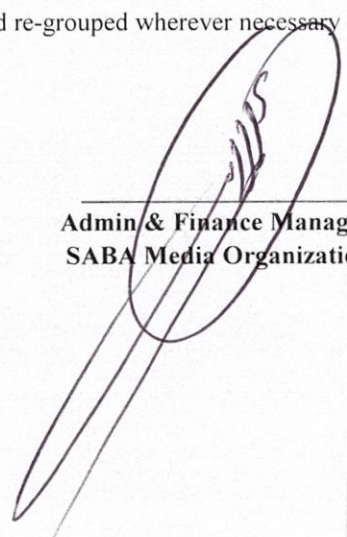
	NOTE	2006 USD	2005 USD
13 Vehicle Running Expenses			
Petrol, Diesel And Lubricants		44,849	19,066
Hired Vehicle		4,360	7,849
Vehicle Tax & Registration		8,981	-
		<u>58,190</u>	<u>26,915</u>
14 Other Expenses			
Printing of Saba Magazine		75,006	154,224
Vehicle Insurance		1,895	6,434
Other Insurance		-	13,284
Tax for Radio and TV		31,751	15,040
Transportation		32,505	7,801
Office Rent		46,733	77,050
Bank Charges		4,814	3,685
Books And Periodicals		23,106	10,975
Photography Cost		1,382	59
Heating cost		6,081	2,694
Telephone Charges		8,970	6,269
Communication and Internet cost		15,892	6,033
Electricity Charges		8,124	5,940
Postage Expense		152	299
Advertisement		1,875	4,529
Depreciation		109,616	78,990
Office Supplies		379	1,832
Stationery		35,949	5,575
Packing expenses		624	1,115
Kitchen Expense		11,856	6,184
Printing Of Text		7,455	273
Misc Expenses		4,585	1,642
		<u>428,751</u>	<u>409,927</u>
15 Expendable Tools			
Computer Accessories		11,503	5,017
Other Expendable Equipments		2,493	3,579
Furniture & Fittings		655	1,191
Vehicle Tool & Equipment		5,039	-
Training Material		14,963	7,847
		<u>34,654</u>	<u>17,634</u>

16 General

Figures in the accounts have been rounded-off to the nearest USD.

Figures of the previous year have been re-arranged and re-grouped wherever necessary for the purpose of comparison.


Director
SABA Media Organization


Admin & Finance Manager
SABA Media Organization

**SABA MEDIA ORGANIZATION
FIXED ASSET SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006**

Particulars	COST					DEPRECIATION				WDV 31.12.06
	Balance as on 01-01-2006	Addition	Deletion	Balance as on 31-12-2006	Rate % age	Balance as on 01-01-2006	For the year	Adjustment	Balance as on 31-12-2006	
Vehicles	44,126	-	-	44,126	20	8,825	8,825	-	17,650	26,475
Computers	22,565	7,572	-	30,137	20	4,513	6,027	-	10,540	19,597
Studio lighting	1,150	-	-	1,150	20	230	230	-	460	690
Studio Equipments	262,546	123,220	-	385,766	20	52,509	77,153	-	129,662	256,104
Generators	18,559	4,030	-	22,589	20	3,712	4,518	-	8,230	14,359
Furniture and Fixture	7,106	(264)	-	6,842	20	1,421	1,368	-	2,790	4,052
Office equipments	25,823	2,588	-	28,411	20	5,165	5,682	-	10,847	17,564
Others	12,875	16,185	-	29,060	20	2,575	5,812	-	8,387	20,673
Exchange Difference	-	854	-	854	0	-	-	-	-	854
TOTAL 2006	394,750	154,185	-	548,935	-	78,950	109,616	-	188,566	360,368
TOTAL 2005	9,520	385,230	-	394,750		-	78,990	-	78,990	315,760

7*

PART II - DONOR WISE DETAIL OF EXPENDITURE

SABA MEDIA ORGANIZATION
FUND POSITION OF CHA
AS ON DECEMBER 31, 2006

Project	Project no	Balance as on 01.01.2006	Receipt during the year	Total Funds	Total Expenditure	Unrealized Exchange Gain/Loss	Balance as on 31.12.2006
Comprehensive support of Drought mitigation and Rehabilitation	Novib through CHA	6,232	699051	705,283	573,804		131,479
Agriculture Technical Support	CA through CHA		34,667	34,667	34,667		-
Unrealized Exchange Gain/ (loss)				-		(3,097)	(3,097)
				-			-
Net Fund Position CHA		6,232	733,718	739,950	608,471	(3,097)	128,382

ANNEXURE "A"

SABA MEDIA ORGANIZATION
NOVIB FUNDED PROJECT

MULTI MEDIA PRODUCTION & GENERAL AWARENESS/ SABA PUBLICATIONS
SUMMARY OF EXPENDITURE

PARTICULARS	2006	2005
	USD	USD
Salaries & Wages	184,190	101,880
Studio equipment	49,969	144,450
Studio lighting	-	1,150
Generator	3,213	8,474
Furniture and fixture	-	2,764
Office equipment	1,574	18,824
Store inventory (less then \$100)	9,959	9,634
Computer	3,944	18,807
Vehicle	-	29,508
Vehicle,tool and equipment	2,935	
Books , periodicals resource material	9,050	10,631
Printing of text	4,576	166
Traveling local/ aboard	7,277	22,854
Casual labor cost	5,195	16,147
Office repair & maintenance	2,678	9,876
Vehicle repair and maintenance	4,739	3,799
Other repair and maintenance	285.26	1,709
Equipment repair and maintenance	2,818	858
Recording materials(CD/DVD CAM)	521	
Petrol & diesel	27,254	11,903
Hired vehicle	3,387	4,974
Vehicle insurance	1,895	6,076
Utility -water-electricity	6,903	3,086
Office rent	24,883	24,000
Tax for radio and television	11,424	
Tax and Registration	708	
Transportation of material	5,345	5,236
Heating cost (gas / wood/ fuel)	1,819	730
Advertisement/ exhibition	-	4,529
Packing expenses	40	1,115
Kitchen expenses	7,624	4,576
Mice expenses	2,103	1,279
Telephone expenses	4,263	3,512
Computer accessories	1,047	4,986
Office supplies	183	1,755
Stationery	3,855	4,616
Other insurance	-	9,824

PARTICULARS

	2006	2005
	USD	USD
Communication and internet	12,976	3,897
Other expendable equipment	1,521	3,283
Generator	-	9,563
Bank charges	3,416	3,516
Photography cost	9	
Photo copy charges	710	59
Postage expenses	140	287
Expendable furniture and fixture	393	1,191
Training material	-	7,170
Printing of SABA magazine	75,006	119,030
Coordination of Humanitarian Assistance	56,977	
Per dium	-	11,355
Consultancy fees	27,000	77,713
	573,804	730,795
Expenses Incurred by CHA on behalf of SABA		
Salaries & Wages	-	2105
Bank charges	-	509
Other material	-	23
Vehicle repair	-	5
Equipment repair	-	34
Carriage cost	-	7
Tools and equipments	-	55
Office supplies	-	138
	0	2876

ANNEXURE "B"

SABA MEDIA ORGANIZATION
CHRISTIAN AID
TECHNICAL SUPPORT UNIT
SUMMARY OF EXPENDITURE

PARTICULARS	<u>2006</u> <u>USD</u>
Salaries	11,609
Traveling local/ aboard	21
Studio equipment	530
Recording Materials (CD/DVD CAM)	13,441
Office equipment	221
Store inventory (less then \$100)	219
Computer accessories	28
Other expandable equipment	139
Office repair & maintenance	27
Vehicle repair and maintenance	710
Vehicle tool & equipment	355
Equipment repair and maintenance	6
Petrol & diesel	4,473
Utility -water-electricity	452
Office supplies	25
Telephone expenses	115
Books, Periodicals and resource materials	1,023
Kitchen expenses	229
Photocopy charges	28
Communication & Internet	168
Casual Labour cost	339
Stationery	346
Miscellaneous	161
	<u>34,667</u>

Handwritten signature

COORDINATION OF HUMANITARIAN ASSISTANCE (CHA)
FUND POSITION OF OTHER DONORS
AS ON DECEMBER 31, 2006

Project	Donor	Balance as on 01.01.2006	Receipt during the year	Total Funds	Total Expenditure	Unrealized Exchange Gain/Loss	Balance as on 31.12.2006
Supporting the Stabilization Process	ND		360,000	360,000	79,818	-	280,182
Awareness Programme on Family Law and Nikkah Nama	R & D		9,896	9,896	9,896	-	-
Public Awareness Programme on Small Arms	MA 019T0		1,445	1,445		-	1,445
Grand Total Others		-	371,341	371,341	89,714	-	281,627

ANNEXURE "C"

SABA MEDIA ORGANIZATION
NETHERLANDS EMBASSY FUNDED PROJECT
SUPPORTING THE STABILIZATION PROCESS IN URUZGAN PROVINCE
SUMMARY OF EXPENDITURE

PARTICULARS	2006
	USD
Salaries	1,948
Studio equipment	60,197
Tax for radio and television	10,673
Transportation of material	4,827
Packing expenses	273
Printing of text	201
Advertisement/ exhibition	1,700

79,818

ANNEXURE "D"

SABA MEDIA ORGANIZATION
RIGHTS & DEMOCRACY FUNDED PROJECT
AWARENESS PROGRAM ON FAMILY LAW AND NIKAH NAMA
SUMMARY OF EXPENDITURE

PARTICULARS	2006
	USD
Salaries	752
Travel & transportation	90
Production radio program	4,500
Broadcasting	2,079
Roundtables	584
Focal points communication	30
Monitoring cost	1,000
Office stationery	213
Admin Cost	647

9,895

ANNEXURE "E"

SABA MEDIA ORGANIZATION
OWN SOURCE INCOME
SUMMARY OF EXPENDITURE

PARTICULARS	2006	2005
	USD	USD
Salaries	34,410	7,500
Traveling local/ aboard	4,867	29
perdium	643	-
Printing of SABA magazine	-	23,600
Tax for radio and television	16,164	5,275
Tax and Registration	1,764	-
Studio equipment	9,439	47,047
Computers	3,574	-
Generators	810	-
Office equipments	1,152	-
Office repair & maintenance	3,808	1,147
Vehicle repair and maintenance	2,361	275
Equipment repair and maintenance	4,830	-
Petrol & diesel	12,905	146
Hired vehicle	973	-
Other insurance	-	361
Consultancy fee	15,731	-
Utility -water-electricity	769	324
Store inventory (less then \$100)	8,770	-
Office rent	21,849	45,082
Food allowance	500	-
Casual Labour cost	2,855	-
Books, Periodicals and resource materials	12,801	-
Transportation of material	22,334	228
Heating cost(Gas/Wood/Fuel)	4,262	-
Bank charges	1,398	-
Photocopy charges	434	-
Postage expenses	12	-
Kitchen expenses	4,003	63
Advertisement/Exhibition	176	-
communication and Internet	2,748	-
Printing of text	2,546	-
Packing expenses	312	-
Depreciation expenses	110,863	-
Miscellaneous expenses	2,144	-
Telephone expenses	4,481	-
Computer accessories	10,427	-

7/8

Vehicle tool and equipment	1,750	-
Expandable equipments	778	-
Furniture and fixture	262	-
Recording materials(CD/DVD CAM)	1,001	-
Office supplies	171	-
Stationery	31,535	223

362,610

131,299

(Handwritten flourish)

(Handwritten mark)