

**JUMPSTART INTERNATIONAL**

**AUDITOR'S REPORT &**  
**FINANCIAL STATEMENTS**  
**AS AT 31<sup>ST</sup> DECEMBER 2004**

**F.H. AL-SALMAN & CO.**  
**PUBLIC ACCOUNTANTS & AUDITORS**  
**COOPERATING FIRM OF**  
**PRICEWATERHOUSECOOPERS**

**JUMPSTART INTERNATIONAL**  
**AUDITOR'S REPORT & FINANCIAL STATEMENTS**  
**AS AT 31<sup>st</sup> DECEMBER 2004**

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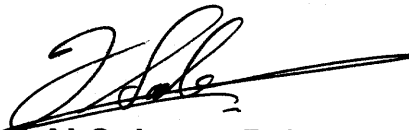
# JUMPSTART INTERNATIONAL

## AUDITOR'S REPORT

We have examined the balance sheet of JumpStart International in Iraq as at 31<sup>st</sup> December 2004, together with the "Income and Expenditure" statement for the year then ended.

We had obtained the necessary information and explanations that were needed to carry out our audit in accordance with the applicable legislations and internationally accepted audit procedures.

In our opinion and subject to our audit, the financial statements are in agreement with the accounting books and records, whereby the attached balance sheet reflects a true and fair view of the financial position as at 31<sup>st</sup> December 2004, and the "Income and Expenditure" statements indicates the results of its operation for the year then ended in that manner.



**Farquid Al-Salman, B.Sc, FCCA  
Chartered Certified Accountant  
F.H.Al-Salman & Co.(Cooperating Firm of  
PricewaterhouseCoopers)  
Public Accountants and Auditors**

**Baghdad - January 21<sup>st</sup> 2006**

**JUMPSTART INTERNATIONAL**  
**BALANCE SHEET AS AT 31<sup>st</sup> DECEMBER 2004**


	<u>Explanatory Notes</u>	<u>Statement (A)</u>  <u>US Dollars (\$)</u>
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Liquid Assets	1	1,103,698
Receivables	2	575,782
Other Current Assets	3	16,652
<b>Total Assets</b>		<b>1,696,132</b>
 <b><u>SOURCES OF FINANCE</u></b>		
Retained Earnings	4	1,696,132
<b>Total SOURCES OF FINANCE</b>		<b>1,696,132</b>

For JUMPSTART INTERNATIONAL

Financial Officer

Chief Executive Officer

Subject To My Report Dated 21st of January 2006



Farquod AL-Salman, B.Sc, FCCA  
Chartered Certified Accountant  
F.H.AI-Salman & Co.( Cooperating Firm of PricewaterhouseCoopers)  
Public Accountants & Auditors

Baghdad - January 21st 2006

**JUMPSTART INTERNATIONAL**  
**Notes to The Accounts**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2004**

<u>Note Number</u>		<u>US Dollars(\$)</u>										
1	<p><b><u>Liquid Assets</u></b>                      The balance of US\$ 1,088,482 for liquid assets represents the following:-                      Cash at bank- Account No. 1738                      Cash at bank- Account No. 5442                      Schwab-Money Market Account No. 5662                      Cash Held in Escrow / Reserve</p>	<p>311,166                      77,098                      498,580                      216,854  <hr/>                     1,103,698</p>										
2	<p><b><u>Receivables</u></b>                      It represents "Accounts Receivables" due as to the activities of JumpStart during the year under audit</p>	<p>575,782  <hr/></p>										
3	<p><b><u>Other Current Assets</u></b>                      Balance of advances to Supermen and foremen</p>	<p>16,652  <hr/></p>										
4	<p><b><u>Retained Earnings</u></b>                      As indicated in Statement (B) attached , that the excess of Income over Expenditure balance, has been transferred to " Retained Earnings" Account in a manner as a "Reserve" after taking into consideration the opening balance, and the balance as at 31.12.2004, shall be carried foreword</p>	<p>1,696,132  <hr/></p>										
5	<p><b><u>Direct Charges To Projects</u></b> \$ 6,725,242 (CA)                      The balance of US\$ <del>6,755,538</del> consists of the following:  <b><u>Direct Charges to Projects in Iraqi Dinars</u></b>                      Direct Labor - General                      Equipment, Tools, and Machinery                      Building Materials                      Building Supplies</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: right;">2,734,096</td></tr> <tr><td style="text-align: right;">2,383,438</td></tr> <tr><td style="text-align: right;">870,226</td></tr> <tr><td style="text-align: right;">722,370</td></tr> <tr><td style="text-align: right;">6,710,130</td></tr> </table> <p><b><u>Direct Charges to Projects in US Dollars</u></b>                      Payroll Expenses                      Employment Benefits                      Other Professional Consultants</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: right;">6,162</td></tr> <tr><td style="text-align: right;">1,050</td></tr> <tr><td style="text-align: right;">7,900</td></tr> <tr><td style="text-align: right;">15,112</td></tr> <tr><td style="text-align: right;">6,725,242</td></tr> </table>	2,734,096	2,383,438	870,226	722,370	6,710,130	6,162	1,050	7,900	15,112	6,725,242
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F. H. Al-Salman & Co.  
Auditors and Public Accountants

**JUMPSTART INTERNATIONAL**  
**BALANCE SHEET AS AT 31<sup>st</sup> DECEMBER 2004**

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For JUMPSTART INTERNATIONAL

Financial Officer

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Subject To My Report Dated 21st of January 2006



Farquod AL-Salman, B.Sc, FCCA  
Chartered Certified Accountant  
F.H.AI-Salman & Co.( Cooperating Firm of PricewaterhouseCoopers)  
Public Accountants & Auditors

Baghdad - January 21st 2006


**JUMPSTART INTERNATIONAL**  
**INCOME & EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2004**

**Statement (B)**

	<b><u>Explanatory Notes</u></b>	<b><u>US Dollars \$</u></b>
<b><u>Income Received</u></b>		
Individual Contribution		795
Program Grants		6,239,449
Benefits in Kinds-re: Goods and Services		39,312
		6,279,556
<b><u>OTHER INCOME</u></b>		
Income from Securities & Dividends		2,757
Program Contracts		2,591,233
Program Services Fees		4,565
Sale of Scrap		24,366
		2,622,921
<b>TOTAL INCOME RECEIVED</b>		<b>8,902,477</b>
<b><u>Deduct : Expenses</u></b>		
Direct Charges to Projects	5	6,725,242
Administrative Charges	6	480,334
		7,205,576
<b>Excess of Income Over Expenditure</b>		<b>1,696,901</b>

F. H. Al-Salman & Co.  
Auditors and Public Accountants

**JUMPSTART INTERNATIONAL**  
**Notes to The Accounts**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2004**

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**JUMPSTART INTERNATIONAL**  
**Notes to The Accounts**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2004**

<u>Note Number</u>		<u>US Dollars(\$)</u>
6	<b><u>Administrative Charges</u></b>	
	General Office Supplies	1,546
	Telephone & Telecommunications	1,622
	Printing	1,915
	Rent	10,050
	Utilities	69,439
	Transportation	16,145
	Employees Meals & Entertainment	558
	Expenses-re: Benefits in Kind	39,312
	Bank Charges	3,445
	Staff Development	39
	Internet & Other Computer Services	1,795
	Robberies / Thefts	148,737
	Other Miscellaneous Expenses	150,870
	Bad Debts	4,565
	Death Benefits	19,725
	Legal Fees	10,571
		<b>480,334</b>

**The Accounting Policies**

**Rate of Exchange**

The rate of exchange applied was that one US \$ equals to 1439.250Iraqi Dinars

Items such as "Equipment", "Tools" and "Machinery" were considered as durable items, and not considered as "Fixed Assets"- that is why there was no "Depreciation" charges in the accounts.

Charges and Income where in accordance to the U.S Bank Statements, which have obtained a copy of.

All "Benefit in Kind" Contributions where supported by receipts from Credit Card Statement, and missing receipts where supported by a signed affidavit.

Robberies and thefts incurred during the year under audit, were mainly due to the deteriorating security situation in Iraq.