



JUMPSTART INTERNATIONAL

AUDITOR'S REPORT &
FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2003

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

JUMPSTART INTERNATIONAL
AUDITOR'S REPORT & FINANCIAL STATEMENTS
AS AT 31st DECEMBER 2003

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JUMPSTART INTERNATIONAL
AUDITOR'S REPORT

We have examined the balance sheet of JumpStart International in Iraq as at 31st December 2003, together with the "Income and Expenditure" statement for the period then ended.

We had obtained the necessary information and explanations that were needed for our audit which was carried in accordance to the applicable legislations and international audit standards.

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 31st December 2003, and the "Income and Expenditure" statement indicates the results of its operation for the period then ended.



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

Baghdad- January 21st 2006

JUMPSTART INTERNATIONAL
BALANCE SHEET AS AT 31st DECEMBER 2003

	<u>Explanatory Notes</u>	<u>Statement (A)</u>
		<u>US Dollars (\$)</u>
<u>ASSETS</u>		
Cash	1	33,893
Total Assets		<u>33,893</u>
 <u>SOURCES OF FINANCE</u>		
Retained Earnings	2	33,893
Total SOURCES OF FINANCE		<u>33,893</u>

For JUMPSTART INTERNATIONAL

Financial Officer

Chief Executive Officer

Subject To My Report Dated 21st of January 2006



Farquad 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 PERIOD ENDING 31ST DECEMBER 2003

Statement (B)

	<u>Explanatory Notes</u>	<u>US Dollars \$</u>
<u>Income Received</u>		
Program Grants		216,450
Benefits in Kinds-re: Goods and Services		7,089
		223,539
<u>Deduct : Expenses</u>		
Direct Charges to Projects	3	200,582
Indirect Charges to Projects	4	8,100
Administrative Charges	5	12,517
		221,199
Excess of Income Over Expenditure		2,340
Add: Other Income	6	31,553
Amount Transferred to Retained Earnings		33,893

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

JUMPSTART INTERNATIONAL
Notes to The Accounts
FOR THE PERIOD ENDING 31st DECEMBER 2003

<u>Note Number</u>		<u>US Dollars(\$)</u>										
1	<p><u>Cash</u> The cash balance of US\$ 33,893 represents (a)- Cash at Bank (IMEIB) -in Iraqi Dinars (b)- Cash at Bank (IMEIB) - in US Dollars (c)- Cash held in Escrow Account in US Dollars</p>	<p>11,842 10,057 11,994 <hr style="border-top: 1px solid black;"/> 33,893</p>										
2	<p><u>Retained Earnings</u> 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".</p>	<p>33,893</p> <hr style="border-top: 1px solid black;"/>										
3	<p><u>Direct Charges to Projects</u> The balance of US\$ 200,582 consists of the following: <u>Direct Charges to Projects in Iraqi Dinars</u> Direct Labor <u>Direct Labor - General</u> Equipment, Tools, & Machinery Building Supplies</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">94,626</td> </tr> <tr> <td></td> <td style="text-align: right;">3,164</td> </tr> <tr> <td></td> <td style="text-align: right;">75,797</td> </tr> <tr> <td></td> <td style="text-align: right;">25,420</td> </tr> <tr> <td></td> <td style="text-align: right;">199,007</td> </tr> </table> <p><u>Direct Charges to Projects in US Dollars</u> Payroll Expenses Employment Benefits</p>		94,626		3,164		75,797		25,420		199,007
	94,626											
	3,164											
	75,797											
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	199,007											
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">1,275</td> </tr> <tr> <td></td> <td style="text-align: right;">300</td> </tr> <tr> <td></td> <td style="text-align: right;">1,575</td> </tr> <tr> <td></td> <td style="text-align: right;">200,582</td> </tr> </table>		1,275		300		1,575		200,582		
	1,275											
	300											
	1,575											
	200,582											
4	<p><u>Indirect Charges to Projects</u> Other Professional Consultants</p>	<p>8,100</p> <hr style="border-top: 1px solid black;"/>										
5	<p><u>Administrative Charges</u> General Office Supplies Telephone & Telecommunication Transportation Expenses-re: Benefits in Kind Bank Charges</p>	<p>278 1,270 3,830 7,089 50 <hr style="border-top: 1px solid black;"/> 12,517</p>										

JUMPSTART INTERNATIONAL
Notes to The Accounts
FOR THE PERIOD ENDING 31st DECEMBER 2003

<u>Note Number</u>		<u>US Dollars(\$)</u>
6	<u>Other Income</u> Due to misallocation of proper documentation, as a result of the deteriorated security situation in Iraq during 2003, the Cash Balance of Escrow Account in US \$ was a "credit balance", so in accordance to the obtained explanation which was given to us, it was considered as "an additional" income not recorded in the books then.	<u>31,533</u>

ACCOUNTING POLICIES

Rate of Exchange applied was that one US \$ equals to 1461.732 Iraqi Dinars

Items such as "Equipment", "Tools", and "Machinery" were considered as durable items, that is why the cost was charged during the year, and was not considered as "Fixed Assets".