

**PROJECT COUNSELLING SERVICE**

**FINANCIAL STATEMENTS AND  
ADDITIONAL INFORMATION  
DECEMBER 31, 2006 AND 2005**

## **PROJECT COUNSELLING SERVICE**

### **FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION DECEMBER 31, 2006 AND 2005**

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US\$ = United States dollar

## REPORT OF INDEPENDENT AUDITORS

June 5, 2007

To the Directive Board and The Donor Agencies of the  
**Project Counselling Service**

We have audited the accompanying financial statements of **Project Counselling Service** which comprise the statement of assets, liabilities and general working fund as of December 31, 2006 and December 31, 2005 and the related statements of income and expenditures, of changes in general working fund and of cash flows for the years then ended, expressed in United States dollars, and a summary of significant accounting policies and other explanatory notes.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Peru. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Peru. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

June 5, 2007  
Project Counselling Service

*Opinion*


In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Project Counselling Service** as of December 31, 2006 and December 31, 2005, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in Peru.

*Emphasis on situation*

Without qualifying our opinion, our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information shown in Exhibits I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Douyo-Sonia Lavaglia y Asociados*

Countersigned by



(partner)

Juan M. Arrarte  
Peruvian Public Accountant  
Registration No.20621



## PROJECT COUNSELLING SERVICE

### STATEMENT OF INCOME AND EXPENDITURES

	For the year ended December 31,	
	2006	2005
	US\$	US\$
<b>INCOME</b>		
Discretionary Fund (Note 10)	38,276	234,646
Counselling service Fund (Note 11)	205,157	388,774
Project income (Exhibit I)	857,085	856,036
Interest earned	8	6,359
Other	16,274	35,684
Total income	<u>1,116,800</u>	<u>1,521,499</u>
<b>EXPENDITURES</b>		
<b>Program disbursements</b>		
Discretionary Fund	-	234,646
	<u>-</u>	<u>234,646</u>
<b>Counselling Service expenditures</b>		
Salaries and benefits	692,762	762,398
Travel	103,244	103,453
Office premises	101,373	114,348
Professional fees and other services	99,614	104,342
Communication expenses	33,389	37,304
Office equipment	26,344	27,771
Office materials	20,233	26,797
Reserve fund	15,000	15,000
Miscellaneous	10,868	10,042
Maintenance	6,405	58,943
Hospitality	2,573	2,485
Recruitment expenses	811	5,188
Staff training	291	1,320
Others	125	13,577
	<u>1,113,032</u>	<u>1,269,391</u>
<b>Others</b>		
Depreciation	<u>3,760</u>	<u>3,760</u>
Excess of income over expenditures for the year	<u>8</u>	<u>125</u>

The accompanying notes from page 7 to 13 are an integral part of the financial statements.

**PROJECT COUNSELLING SERVICE**

**STATEMENT OF CHANGES IN THE GENERAL WORKING FUND  
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	<b>Reserve fund</b>	<b>General working fund</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Balances as of January 1, 2005	175,223	(22,151)	153,072
Interest of Reserve Fund	5,710	-	5,710
Contribution to Reserve Fund	15,000	-	15,000
Excess of income over expenditures for the year	<u>-</u>	<u>125</u>	<u>125</u>
Balances as of December 31, 2005	195,933	(22,026)	173,907
Interest of Reserve Fund	8,720	-	8,720
Contribution to Reserve Fund	15,000	-	15,000
Excess of income over expenditures for the year	<u>-</u>	<u>8</u>	<u>8</u>
Balances as of December 31, 2006	<u><u>219,653</u></u>	<u><u>(22,018)</u></u>	<u><u>197,635</u></u>

The accompanying notes from page 7 to 13 are an integral part of the financial statements.

## PROJECT COUNSELLING SERVICE

### STATEMENT OF CASH FLOWS

	For the year ended December 31,	
	<u>2006</u>	<u>2005</u>
	US\$	US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of income over expenditures for the year	8	125
Adjustments to excess of income over expenditures for the year:		
Depreciation	3,760	3,760
Changes in assets, liabilities and general working fund accounts:		
Specific Projects Fund - advances and other accounts receivable	(153,689)	(36,603)
Accounts payable to donor agencies	(192,068)	58,873
Specific Projects Fund - transfers received	20,037	274,768
Other accounts payable and accrued expenses	(102,459)	103,605
Reserve Fund	<u>23,720</u>	<u>20,710</u>
Net cash (applied to) provided by operating activities	(400,691)	425,238
Cash and cash equivalents at the beginning of the year	<u>1,098,435</u>	<u>673,197</u>
Cash and cash equivalents at the end of the year	<u><u>697,744</u></u>	<u><u>1,098,435</u></u>

The accompanying notes from page 7 to 13 are an integral part of the financial statements.

## PROJECT COUNSELLING SERVICE

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005

### 1 ACTIVITIES

#### a) Background -

**Project Counselling Service** (hereinafter PCS) is a non-profit organization dedicated to work with local counterparts, non-governmental organizations and grassroots organizations to find durable solutions to the problems of refugees, displaced people and others affected by internal armed conflict throughout Latin America. PCS' programs are implemented in pre-conflict, conflict and post-conflict situations, recognizing the people with whom it works as actors within these social processes. PCS emphasizes developing local capacity and resources to address these challenges. Its programs focus on prevention of forced displacement; emergency support; protection and human rights; settlement and return including economic, social and political reintegration and nurturing local democratic processes. Human rights and a gender perspective are an integral part of all PCS programs. PCS implements programs in Central America, Mexico and the Andean Region of South America from its Secretariat in Lima.

#### b) Business activity -

PCS is governed by a Board of Directors composed of representatives of international voluntary non-profit organizations from Europe and Canada. The Organization was incorporated in 1985, and exists as a non-profit Association under Danish law registered in the Ministry of Commerce and Industry of Denmark, registration No.FOR1005422, under the auspices of the Danish Refugee Council in Copenhagen, Denmark. From 1984 to 1998 the PCS International Secretariat was based in San José, Costa Rica where it was granted the status of an international mission, similar to diplomatic status. In January 1999 the Secretariat was moved from San José of Costa Rica to Lima, Peru. PCS also maintains an office in Colombia and a regional office for Central America and Mexico in Guatemala.

As of January 2006 the Central Administration for PCS was moved from Lima to the Bogotá, Colombia office. The Administrative and Financial Officer in Colombia coordinates administrative matters with the headquarters office in Peru and regional office in Guatemala.

#### c) Approval of financial statements -

The financial statements as of December 31, 2006 have been prepared by PCS management, will be reviewed and approved by the Board of Directors, and will be provided to all donor agencies

The funds administered by PCS are the following:

#### Counselling Fund -

The Counselling Fund is used for general operating support and to finance the development and implementation of programmed and budgeted activities approved by PCS. The Fund is financed by member agencies of the Board of Directors and by other donor agencies.

#### Discretionary Fund -

The Discretionary Fund supports small projects in all of the countries in which Project Counselling Service is present in accordance with criteria approved by the Board of Directors and the Executive Direction. The criteria include a funding limit per project of no more than US\$7,500 and, under normal circumstances, a limit of one grant per organization per year.

Prior to funding approval, projects are assessed by the country teams and in consultation with local NGOs or other experienced individuals or organizations working with refugees, displaced people, or victims of human rights violations. Approval requires the agreement of the Executive Director and one of the two Country Representatives.

#### Specific Projects -

These are projects that have been submitted by PCS to external donor agencies, including member agencies of the Board of Directors. The funds received from the donor agency are deposited in Project Counselling Service's bank accounts, recording a liability, which is subsequently reduced by transfers to the organizations managing the individual projects. Any credit balances at the conclusion of the project belong to the donor agency, unless PCS is instructed otherwise. Advances to individual projects are recorded as receivables from the donor agency which has approved the project and has agreed to provide the funds. The approved budget for each project includes funds for the costs to the Project Counselling Service of implementing the project.

Details of these projects, their transactions and their accounts payable are shown in Exhibit II.

## **2 SIGNIFICANT ACCOUNTING POLICIES**

The most significant accounting principles and policies applied in the preparation of the financial statements are detailed below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### a) Basis of presentation -

The financial statements of PCS have been prepared in accordance with accounting principles generally accepted in Peru. The accounting principles generally accepted in Peru comprise International Financial Reporting Standards (IFRS), made official through resolutions issued by The National Council of Accountancy. IFRS include International Financial Reporting Standards, International Accounting Standards (IAS) and the pronouncements of the Standing Interpretations Committee and of the International Financial Reporting Interpretation Committee (SIC and IFRIC, respectively). To the date of the financial statements, the National Council of Accountancy has made official the application of IAS from 1 to 41, IFRS from 1 to 6 and the SIC pronouncements from 1 to 33; IFRS 7 and 8 and all pronouncements from IFRIC remain to be made official.

The preparation of the financial statements in conformity with accounting principles accepted in Peru generally requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying PCS accounting policies.

b) Currency and foreign exchange transactions -

In accordance with current legislation, PCS accounting records are maintained in United States dollars. The income received from Board of Directors agencies and other funders in other currencies is recorded in United States dollars at the applicable exchange rates at the date of reception and the balances held in other currencies are converted to United States dollars at the average monthly exchange rate. Exchange gains and losses are recognized on the accrual basis.

c) Financial instruments -

Financial instruments correspond to any contract which, simultaneously, originates a financial asset in an enterprise and a financial liability or a capital instrument in another enterprise. In the case of PCS, a financial instrument includes primary instruments such as accounts receivable and accounts payable.

Management considers that the carrying amounts of PCS financial instruments at December 31, 2006 and 2005 are not significantly different from their fair value. Accounting principles related to the recognition and measurements of these items are disclosed in the corresponding accounting policies described in this Note.

d) Specific Projects - Advances and other accounts receivables

Funds for specific projects are transferred and registered as advances to the PCS office responsible for overseeing their expenditure by counterpart organizations. The advances are liquidated upon receipt of financial reports.

The provision for impairment of the other accounts receivable is established when there is objective evidence that PCS will not be able to recover all amounts due. As of December 31, 2006 PCS had not registered provision for impairment of the other accounts receivable.

e) Property and furniture -

The items of property and furniture are stated at historical cost, less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to PCS and the cost of the item can be measured reliably. Maintenance and repair costs are charged to the results of the year when they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method at rates considered sufficient to absorb the cost over the estimated useful lives of the assets, as follows:

- Buildings	33 years
- Equipment	10 years
- Vehicles	10 years

Residual values and useful lives of assets are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

f) Provisions -

Provisions are recognized when PCS has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

g) Income -

PCS recognizes as income the funds designated for the Counselling Fund, as well as the amounts approved and designated for counselling and administration in the Discretionary Fund and in Specific Projects, respectively.

Other income is recognized as such when received. Additionally, non-cash contributions are recorded as income of the Counselling Fund when the assets are transferred to PCS

h) Expenses -

PCS' expenses are recorded as such on an accrual basis.

i) Contingent liabilities and contingent assets -

Contingent liabilities are not recognized in the financial statements and are disclosed in notes to the financial statements unless they are assessed as of remote occurrence. Contingent assets are not recognized

j) Cash and cash equivalents -

Cash and cash equivalents comprise cash and bank checking accounts and other highly liquid current investments and exclude term deposits with a maturity of more than three months.

### **3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The process of preparation of the financial statements requires PCS Management to make estimates and assumptions in order to determine the balances of assets and liabilities, the exposure to contingencies and the recognition of income and expenses. If in the future such estimates and assumptions, which are based on Management's best judgment at the date of the financial statements, are modified because of changes in their supporting premises, the original estimates and assumptions will be appropriately modified on the date on which such changes occur. The major estimate in the financial statements is the provisions for depreciation of property and furniture.

#### 4 CASH AND BANKS

As of December 31, this account comprises:

	<u>2006</u> US\$	<u>2005</u> US\$
Bank accounts	697,744	371,586
PCS Offices Cash advances	-	76,849
	<u>697,744</u>	<u>448,435</u>

As of December 31, 2006, the balance of bank accounts includes an amount of US\$219,653 related to the Reserve Fund (US\$195,933 as of December 31, 2005) (Note 9).

#### 5 SHORT-TERM INVESTMENTS

As of December 31, 2005, this account was composed of short-term deposits in a foreign financial institution due to mature in January, 2006. These deposits bore an annual interest rate of 3.6%.

#### 6 SPECIFIC PROJECTS FUND - ADVANCES AND OTHER ACCOUNTS RECEIVABLE

As of December 31, this account comprises:

	<u>2006</u> US\$	<u>2005</u> US\$
Project advances	255,026	128,757
Colombia office	10,540	-
Dutch Embassy - Guatemala	-	6,767
HEKS	21,139	17,587
ACT Netherland	22,254	22,254
Others	20,095	-
	<u>329,054</u>	<u>175,365</u>

The balances of project advances are deposits in Santander International Bank of Miami, a prestigious prime financial institution. The balance will be used in specific projects fund in Colombia, Guatemala and Peru.

#### 7 PROPERTY AND FURNITURE

The movements on the account furniture and equipment and the related accumulated depreciation for the years ended December 31 were as follows:

	<u>Beginning</u> <u>balance</u> US\$	<u>Additions</u> US\$	<u>Ending</u> <u>balance</u> US\$
<b>Year 2006 -</b>			
Building	110,000	-	110,000
Equipment	3,600	-	3,600
Vehicles	<u>23,000</u>	-	<u>23,000</u>
Carried forward:	<u>136,600</u>	<u>-</u>	<u>136,600</u>

	<u>Beginning balance</u> US\$	<u>Additions</u> US\$	<u>Ending balance</u> US\$
Brought forward:	<u>136,600</u>	<u>-</u>	<u>136,600</u>
Accumulated depreciation -			
Building	( 26,917)	( 1,100)	( 28,017)
Equipment	( 2,460)	( 360)	( 2,820)
Vehicles	( 7,283)	( 2,300)	( 9,583)
	<u>( 36,660)</u>	<u>( 3,760)</u>	<u>( 40,420)</u>
Net cost	<u>99,940</u>		<u>96,180</u>
<b>Year 2005 -</b>			
Cost -			
Building	110,000	-	110,000
Equipment	3,600	-	3,600
Vehicles	<u>23,000</u>	<u>-</u>	<u>23,000</u>
	<u>136,600</u>	<u>-</u>	<u>136,600</u>
Accumulated depreciation -			
Building	( 25,817)	( 1,100)	( 26,917)
Equipment	( 2,100)	( 360)	( 2,460)
Vehicles	( 4,983)	( 2,300)	( 7,283)
	<u>( 32,900)</u>	<u>( 3,760)</u>	<u>( 36,660)</u>
Net cost	<u>103,700</u>		<u>99,940</u>

## 8 ACCOUNTS PAYABLE TO DONOR AGENCIES

As of December 31, this account comprises:

	<u>2006</u> US\$	<u>2005</u> US\$
CAFOD	40,000	-
Norwegian Refugee Council (NRC)	4,061	-
Redes Project - Dutch Interchurch Aid - DIA	-	136,521
Inter Pares	-	42,608
Discretionary Fund	-	57,000
Others	<u>4,875</u>	<u>4,875</u>
	<u>48,936</u>	<u>241,004</u>

As of December 31, 2005, accounts payable to Redes Project - Dutch Interchurch Aid correspond to unused funds from projects and accounts payable to Inter Pares correspond to funds received that will be used as Counselling Fund.

As of December 31, 2005, Discretionary Fund corresponds to funds received in 2005 for projects that were to be implemented in 2006.

As of December 31, 2006, accounts payable to CAFOD correspond to funds received in 2006 for projects to be implemented in 2007

## 9 GENERAL WORKING FUND

### Reserve Fund

PCS has established a Reserve Fund to meet institutional obligations in the event that discontinuance of its operations occurs. The Reserve Fund is maintained in a separate bank account; disbursements charged to this account may only be made following a decision of the Board of Directors. As a policy established by the Board of Directors, the annual allocation to the Reserve Fund is presently US\$15,000. For year 2006, the contribution to the Reserve Fund was US\$15,000 in accordance with the agreement of the Board of Directors.

## 10 TAX SITUATION

Project Counselling Service is registered in the "Registro Nacional de Entidades e Instituciones de Cooperación Técnica Internacional de la Agencia de Cooperación Internacional" as well as in the Register of Institutions Exempt from Income Tax of the "Superintendencia Nacional de Administración Tributaria - SUNAT".

Project Counselling Service obtains benefits from the system for reimbursement of the General Sales Tax and the Municipal Promotion Tax. This system is governed by Legislative Decree No.783 which allows the recovery of such taxes when the related acquisition of goods and services are made by using funding from foreign donations and from international technical cooperation.

## 11 DISCRETIONARY FUND

Discretionary fund for the years ended December 31, include the following amounts:

	<u>2006</u> US\$	<u>2005</u> US\$
CAFOD	6,000	34,000
ACT/Netherlands/ICCO	<u>32,276</u>	<u>200,646</u>
	<u>38,276</u>	<u>234,646</u>

In 2006 PCS revised its treatment of Discretionary Fund income to distinguish between the funds designated for counselling and administration and those designated for counterpart organizations.

## 12 COUNSELLING FUND

The Counselling Fund for the years ended December 31, included the following amounts:

	<u>2006</u> US\$	<u>2005</u> US\$
Inter Pares	104,477	96,813
ACT/NETHERLANDS/ICCO	96,678	94,742
Stichting Vluchteling	4,002	-
Norwegian Refugee Council (NRC)	-	144,700
HEKS	-	52,519
	<u>205,157</u>	<u>388,774</u>

Exhibit I

PROJECT COUNSELLING SERVICE

DETAIL OF CONTRIBUTIONS  
TO COUNSELLING FUND AND ADMINISTRATION  
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

Project number	2006			2005
	Administration US\$	Counselling US\$	Total US\$	
<b>Sede -</b>				
COL 02-466	5,197	19,782	24,979	-
COL 05-566	8,797	12,759	21,556	-
LA 06-29	-	14,821	14,821	-
ICCO DF	-	-	-	18,336
CAFOD	-	-	-	6,000
	<u>13,994</u>	<u>47,362</u>	<u>61,356</u>	<u>24,336</u>
<b>Peru -</b>				
LA 05-21	19,509	39,363	58,872	29,876
PER 04-422	-	-	-	7,917
PER 04-434	-	-	-	5,915
PER 04-444	-	-	-	428
PER 04-450	-	-	-	19,501
PER 06-466	4,898	12,723	17,621	-
PER 05-450	3,310	8,558	11,868	-
LA 05-28	3,807	5,170	8,977	-
PER 05-462	3,594	4,962	8,557	-
PER 05-451	2,185	4,211	6,396	5,115
LA 05-20	5,970	-	5,970	12,369
PER 05-455	5,100	-	5,100	-
PER 06-463	1,132	800	1,932	-
PER 06-467	308	51	360	-
	<u>49,813</u>	<u>75,839</u>	<u>125,652</u>	<u>81,121</u>
<b>Colombia -</b>				
COL 02-466	47,329	144,693	192,022	172,140
COL 06-585	22,854	45,858	68,713	-
COL 06-583	27,062	29,656	56,718	-
COL 06-571	13,291	28,831	42,122	-
COL 06-580	4,826	21,697	26,524	-
COL 06-579	5,661	19,577	25,238	-
COL 06-576	6,936	15,875	22,811	-
COL 06-561	1,273	5,499	6,772	-
COL 05-566	2,386	4,176	6,562	-
COL 06-577	1,327	-	1,327	-
COL 06-562	1,300	-	1,300	-
LA 05-21	1,000	-	1,000	-
COL 06-589	-	948	948	-
COL 02-439	-	-	-	21,924
COL 02-462	-	-	-	944
COL 04-533	-	-	-	1,325
COL 04-541	-	-	-	25,000
COL 05-554	-	-	-	120,499
COL 05-555	-	-	-	70,000
COL 05-556	-	-	-	85,500
COL 05-557	-	-	-	4,464
COL 05-558	-	-	-	5,612
COL 05-559	-	-	-	2,885
COL 05-560	-	-	-	7,098
COL 05-561	-	-	-	38,476
COL 05-571	-	-	-	14,843
COL 05-563	-	-	-	4,351
COL 05-565	-	-	-	2,105
	<u>135,246</u>	<u>316,810</u>	<u>452,056</u>	<u>577,166</u>
<b>CAMEX -</b>				
GUA 04-474	44,318	81,779	126,097	86,753
CAR 06-157	5,382	29,170	34,552	-
LA 05-21	9,808	20,129	29,937	-
CAR 05-139	8,714	15,511	24,224	18,392
CAR 06-172	-	1,985	1,985	-
GUA 06-475	-	1,226	1,226	-
CAR 02-68	-	-	-	9,131
CAR 05-107	-	-	-	59,137
	<u>68,221</u>	<u>149,799</u>	<u>218,021</u>	<u>173,413</u>
			<u>857,085</u>	<u>856,036</u>

The accompanying notes from page 7 to 13 are an integral part of the financial statements.

Exhibit II

PROJECT COUNSELLING SERVICE

STATEMENT OF TRANSACTIONS AND BALANCE OF THE SPECIFIC PROJECTS FUND FOR THE YEAR ENDED DECEMBER 31, 2006

Project	Project number	Approved budget (not audited) US\$	Transfer received		For Releas. US\$	Advance transferred		Pending remittances As of December 31, 2006 US\$
			Prior year US\$	This year US\$		Prior year US\$	This year US\$	
Norwegian Refugee Council (NRC)								
Caalumbo Humanitarian Programme	COL 03-516	116,542	116,542	-	-	116,542	-	116,542
Norad Ujaba Programme 2004**	COL 04-523a	576,600	576,600	-	-	576,600	-	576,600
Ministry Uraba Programme 2004**	COL 04-523b	165,725	165,725	-	-	165,725	-	165,725
Norad Magdalena Medio Programme 2004**	COL 04-524a	411,999	411,999	-	-	411,999	-	411,999
Ministry Magdalena Medio Programme 2004	COL 04-524b	73,725	73,725	-	-	73,725	-	73,725
Norad Northeast Programme 2004	COL 04-525a	373,860	373,860	-	-	373,860	-	373,860
Ministry Northeast Programme 2004	COL 04-525b	198,025	198,025	-	-	198,025	-	198,025
Capacity Building and Institutional Development, part I***	COL 05-552a	134,700	134,700	-	-	134,700	-	134,700
Capacity Building and Institutional Development, part II	COL 05-552b	230,520	230,520	-	-	230,520	-	230,520
Codhes Institutional Project	COL 05-553	69,400	69,400	-	-	69,400	-	69,400
Ministry Uraba Programme 2004	COL 05-554	520,500	520,500	-	-	520,500	-	520,500
Norad Magdalena Medio Programme 2004	COL 05-554	297,000	297,000	79,566	-	297,000	79,566	376,566
Norad Northeast Programme 2004	COL 05-555	403,000	403,000	-	-	403,000	-	403,000
Fortalecimiento de Capacidades Locales y acción humanitaria en la Región del Bajo y Medio Atrato en el Departamento de Chocó	COL 06-580	100,000	-	-	100,000	-	98,271	1,729
		3,671,616	3,671,616	79,566	100,000	3,571,616	177,897	3,749,473
* COL 04-523 Uraba Programme transferred funds to COL 05-554.								
** COL 04-524 A and B transferred funds to COL 05-555.								
*** This project was divided for administration purpose.								
Bread for the World								
Uraba - Atrato Programme	COL 04-545	28,500	28,500	-	-	28,500	-	28,500
Idp's Incidence for Reparation	PER 04-438	7,449	7,449	-	-	7,449	-	7,449
		35,949	35,949	-	-	35,949	-	35,949
Acu/Netherlands								
Mencoles Strengthening Internal Displaced Organisations in Bogotá	COL 04-533c	15,364	15,364	-	-	15,364	-	15,364
International Accompaniment for HR Workers IDP- FBI	COL 04-534a*	58,787	58,787	-	-	58,787	-	58,787
Support to Woman Idp's un Magdalena Medio	COL 04-535	30,288	30,288	-	-	30,288	-	30,288
Security Project	COL 04-537	1,577	1,577	-	-	1,577	-	1,577
		1,208,953	1,06,016	-	-	106,016	-	108,016
Kerk in Actie								
Kie Support for PCS Activities	COL 05-561	47,748	47,748	-	-	40,976	6,772	47,748
Kie Project's Continuation 2006	COL 06-578	31,925	-	-	31,925	-	28,881	3,044
		79,673	47,748	-	31,925	40,976	35,653	76,629

PROJECT COUNSELLING SERVICE

STATEMENT OF TRANSACTIONS AND BALANCE OF THE SPECIFIC PROJECTS FUND FOR THE YEAR ENDED DECEMBER 31, 2006

Project	Project number	Approved budget (not audited) US\$	Transfer received		For Rendir US\$	This year US\$		Advance transferred		Total US\$	At December 31, 2005 Pending remittances US\$
			Prior year US\$	This year US\$		Prior year US\$	This year US\$				
Inter pares											
A clos in Region, Simposium in Quito	LA 05-20	64,003	64,003	-	-	-	64,003	48,843	15,160	64,003	-
From Victims to Survivors to Agents for Change	LA 05-21	371,460	371,460	86,109	-	86,109	479,354	143,727	320,125	463,852	15,502
Project Counselling Service in the 21st Century	LA 05-29	37,836	37,836	61,803	-	61,803	61,803	27,563	27,563	27,563	34,040
Support to the Rural Women and Gender Programme	CAR 03-87	15,772	15,772	-	-	-	15,772	15,772	-	15,772	-
Historical Memory and Singgle Against Impunity	CAR 03-92	-	-	-	-	-	-	-	-	-	-
Genocide the Maximum Expression of the Racism	CAR 04-102	3,000	3,000	-	-	-	3,000	3,000	-	3,000	-
Publication of Diagnoses about Sociopolitical Violence Toward the Women	CAR 04-103	2,000	2,000	-	-	-	2,000	2,000	-	2,000	-
Monitoring Regional HRRR Activities	CAR 05-107	99,880	99,880	-	-	-	99,880	99,880	-	99,880	-
Human Rights Observation: Political Violence Against the Women	CAR 05-108	14,976	14,976	-	-	-	14,976	14,976	-	14,976	-
Victims of Sexual Violence during the Conflict: The Fight Women Justice	CAR 05-109	39,153	39,153	-	-	-	39,153	39,153	-	39,153	-
Promotion of Women Civic Participation for the Political Action	CAR 05-111	19,976	19,976	-	-	-	19,976	19,976	-	19,976	-
Rediscover and Strengthen Identities for a Healthy Leadership	CAR 05-112	14,782	14,782	-	-	-	14,782	14,782	-	14,782	-
Strengthening Internal Women Net Organization	CAR 05-113	4,795	4,795	-	-	-	4,795	4,795	-	4,795	-
Building Citizenship with Focuses of Gender in Santa Tecla and San Marcos	CAR 05-114	11,566	11,566	-	-	-	11,566	11,566	-	11,566	-
Eradication of Violence Against Women for Local Development	CAR 05-115	15,772	15,772	-	-	-	15,772	15,772	-	15,772	-
Promotion of the Civic Participation of Women	CAR 05-118/119	74,337	74,337	-	-	-	74,337	47,878	26,459	74,337	-
Women Empowerment for the Defense of their Human Rights	CAR 05-120/121	28,299	28,299	-	-	-	28,299	28,299	-	28,299	-
Regional Programme Camex	CAR 05-139	101,031	101,031	-	8,986	8,986	110,152	28,383	-	110,152	-
Guatemala Projects- IP-	CAR 05-194	95,000	95,000	-	-	-	95,000	-	81,799	110,152	-
El Salvador Projects- IP-	CAR 05-155	27,000	27,000	-	-	-	27,000	-	95,060	95,000	-
Integral Programme In Vigoracion	CAR 05-157	106,317	106,317	-	-	-	106,317	-	27,000	27,000	-
Regional Project W Regional Integral Invgoracion	CAR 05-158	9,000	9,000	-	106,317	106,317	106,317	-	66,486	66,486	39,831
Economic Solidarity in Chiapas	MEX 02-360	10,133	10,133	-	9,000	9,000	9,000	-	9,000	9,000	-
Solklay Economy in North Chiapas, Mexico	MEX 03-371	8,412	8,412	-	-	-	10,133	10,133	-	10,133	-
Chipas Women Center	MEX 05-374	14,782	14,782	-	-	-	8,412	8,412	-	8,412	-
Strengthening Local Organisation: Fray Pedro Lorenzo	MEX 05-375	14,782	14,782	-	-	-	14,782	14,782	-	14,782	-
Promotion and Defense of Human Rights in Chiapas	MEX 05-376/377	31,255	31,255	-	-	-	14,782	14,782	-	14,782	-
Mexico Project- IP-	MEX 05-378	30,000	30,000	-	-	-	31,255	31,255	-	31,255	-
Strengthening the Indigenous Women's Network	GUA 02-469	13,108	13,108	-	-	-	30,000	30,000	22,500	22,500	7,500
Promoting Women's Political Participation	GUA 02-470	15,859	15,859	-	-	-	13,108	13,108	-	13,108	-
Durable Solutions in Colombia	COL 02-466	2,132,684	2,132,684	-	802,266	802,266	2,940,907	2,116,740	753,673	2,870,413	70,484
Strengthening Social Actors for Sustainability TJS Process	PER 04-422	106,907	106,907	-	-	-	106,907	106,907	-	106,907	-
Social Actors Participation in Regionalization and Decentralization	PER 05-451	116,589	116,589	-	-	-	123,346	79,652	43,486	123,346	-
Proceso from HRRR Perspective	PER 05-462	99,879	99,879	-	-	-	99,879	-	66,848	86,848	-
Chil Actors in Political Process		-	-	-	-	-	104,478	-	104,478	104,478	-
Counselling Fund		3,750,165	3,345,133	44,051	1,421,423	44,051	4,810,807	2,950,672	1,870,537	4,830,209	160,388

PROJECT COUNSELLING SERVICE

STATEMENT OF TRANSACTIONS AND BALANCE OF THE SPECIFIC PROJECTS FUND FOR THE YEAR ENDED DECEMBER 31, 2006

Project	Project number	Approved budget (not audited) US\$	Transfer received		For Rendir. US\$	This year US\$		Total US\$	Advance transferred		Total US\$	At December 31, 2005	
			Prior year US\$	Prior year US\$		Prior year US\$	This year US\$		Prior year US\$	This year US\$		Pending remittances US\$	
<b>Heeks</b>													
Strengthening of Bogota Organizational Processes	COL 02-462	194,964	194,964	-	-	-	194,964	194,964	70	194,505	459		
Choco Programme	COL 04-532	62,000	62,000	-	-	-	62,000	62,000	-	82,000	-		
Integral Attention for Displaced Families	COL 04-553	195,000	195,000	-	-	-	195,000	195,000	-	-	-		
Choco Programme	COL 05-588U	61,010	61,010	-	-	-	61,010	61,010	-	58,010	-		
Bogota Programme	COL 05-588B	70,064	70,064	-	-	-	70,064	70,064	5,463	65,000	5,064		
National Programme*	COL 05-588N	38,993	38,993	-	-	-	38,993	38,993	47,536	33,500	-		
Heeks Coordination	COL 05-559	47,536	47,536	1,538	22,437	-	49,074	49,074	45,361	52,519	97,860	(7,239)	
Padrinazgo Project	COL 05-568	66,666	66,666	-	-	-	66,666	66,666	18,304	-	18,304	-	
Displacement and Human Rights 2006	COL 05-559	24,118	24,118	-	-	-	24,118	24,118	160,569	-	160,569	-	
Caid Menoides	COL 06-581	160,569	160,569	-	-	-	160,569	160,569	82,864	-	82,864	2,175	
Heeks Project's Coordination 2006	COL 06-582	82,864	82,864	-	-	-	82,864	82,864	56,718	-	56,718	-	
Young Projects	COL 06-583	65,000	65,000	-	-	-	65,000	65,000	2,245	-	2,245	-	
	COL 06-589	5,148	5,148	-	-	-	5,148	5,148	2,245	-	2,245	-	
		1,074,931	734,233	1,538	343,137	-	1,078,908	1,078,908	369,443	709,000	1,078,443	459	
<b>Icso</b>													
Central America&Mexico Small Projects Fund	CAR 02-69	580,760	580,760	-	-	-	580,760	580,760	-	580,760	-		
Institutional Invigorator of 5 Organizations of it Bases to improve Services to elevate their level of impact in the local development and National Discretionary Fund	CAR 06-172	136,521	136,521	-	136,521	-	136,521	136,521	1,985	-	1,985	134,536	
The Colombian Conflict and the Region Counselling Fund	LA 06-28	182,939	182,939	-	126,373	-	309,312	309,312	309,039	-	309,039	60,897	
	C. FUND	899,240	899,240	-	96,678	-	995,918	995,918	96,678	580,760	96,678	113,486	
<b>Oxfam</b>													
Inter- Agency Project dal 2004	COL 04-530	10,000	10,000	-	-	-	10,000	10,000	-	10,000	-		
Inter- Agency Project dal 2005	COL 05-563	15,896	15,896	-	-	-	15,896	15,896	15,896	-	15,896	-	
Strengthening Women Capabilities in Yauli (I)	PER 02-385	48,000	48,000	-	-	-	48,000	48,000	48,000	-	48,000	-	
Strengthening Regional and Local Government Capabilities	PER 04-423	104,721	104,721	-	-	-	104,721	104,721	104,721	-	104,721	-	
Integral Reparation for IDP's	PER 04-434	115,752	115,752	-	-	-	115,752	115,752	115,752	-	115,752	-	
Integral Reparation for IDP's, Phase II	PER 05-450	90,500	90,500	38,865	1,430	-	128,795	128,795	41,295	54,300	95,595	-	
Integral Reparation for IDP's	PER 06-466	91,970	91,970	-	85,000	-	176,970	176,970	52,047	52,047	52,047	32,853	
		476,639	346,669	39,865	86,430	-	949,201	949,201	349,609	442,011	442,011	32,853	
<b>Dutch Embassy- Guatemala</b>													
Strengthening Rural Women Leadership	GUA 00-427	537,780	537,780	-	-	-	537,780	537,780	537,780	-	537,780	-	
Huehuetenango Programme	GUA 04-474	2,904,432	2,904,432	1,7870	617,269	-	4,608,631	4,608,631	654,312	435,577	1,089,889	186,143	
Consultancy to incorporate the Perspective of Gender in Progoboh	GUA 06-473	85,574	85,574	-	-	-	85,574	85,574	1,226	-	1,226	(1,226)	
		3,507,836	3,507,836	1,7870	617,269	-	4,126,910	4,126,910	655,538	436,804	1,091,115	184,917	
<b>Lutheran World Relief</b>													
Actor in the Region, Symposium Quito	LA 05-20	15,000	15,000	-	5,565	-	20,565	20,565	5,565	15,000	20,565	-	
		135,500	135,500	-	5,565	-	141,065	141,065	5,565	133,160	20,565	-	

\* COL 05-588N National Programme transferred funds to COL 05-566.

PROJECT COUNSELLING SERVICE

STATEMENT OF TRANSACTIONS AND BALANCE OF THE SPECIFIC PROJECTS FUND FOR THE YEAR ENDED DECEMBER 31, 2006

Project	Project number	Approved budget (not audited) US\$	Transfer received		For Rendit. US\$	Advance transferred		Total US\$	At December 31, 2006 Pending remittances US\$
			Prior year US\$	This year US\$		Prior year US\$	This year US\$		
<b>Swedish Cooperation</b>									
Nationwide and Regional Initiatives for Peace 2003- ASOI									
	COL 08-492	162,488	162,487	-	-	162,487	162,487	-	162,487
		563,991	162,487	-	-	162,487	162,487	-	162,487
<b>Civis</b>									
	COL 04-530	2,500	2,500	-	-	2,500	2,500	-	2,500
	COL 06-563	5,000	5,000	-	-	5,000	5,000	-	5,000
		7,500	7,500	-	-	7,500	7,500	-	7,500
<b>Diakonia Swedish and German</b>									
	COL 04-530	14,513	14,513	-	-	14,513	9,943	-	9,943
	COL 05-563	6,000	6,000	-	-	6,000	6,000	-	6,000
	COL 05-578	88,144	65,150	-	-	65,150	65,150	-	65,150
		109,657	20,513	-	-	85,653	15,943	-	85,653
<b>Christian Aid</b>									
	COL 04-530	10,000	10,000	-	-	10,000	10,000	-	10,000
	COL 05-563	15,000	15,000	-	-	15,000	15,000	-	15,000
		25,000	25,000	-	-	25,000	25,000	-	25,000
<b>Act/International</b>									
	COL 04-536	81,700	32,368	-	-	32,368	32,368	-	32,368
	COL 05-565	34,761	34,761	-	-	34,761	34,761	-	34,761
		116,461	67,129	-	-	67,129	67,129	-	67,129
<b>Stichting Vuchteling</b>									
	COL 05-582	22,640	22,640	3,474	-	26,114	8,082	2,784	11,866
	COL 05-571	134,471	134,469	-	137,115	271,604	46,874	232,090	278,954
		157,111	157,129	3,474	137,115	297,719	55,958	234,984	290,820
<b>Others</b>									
	LA 05-20	11,888	11,888	5,187	-	17,085	8,045	9,040	17,085
	LA 05-20	25,000	25,000	-	-	25,000	15,103	9,897	25,000
	PER 03-414	4,300	4,300	-	-	4,300	4,300	-	4,300
	PER 05-455	65,000	25,000	10,273	35,500	70,773	14,535	42,784	57,319
	PER 05-467	12,970	12,970	-	12,970	25,940	7,190	7,190	5,780
	PER 06-463	30,593	-	-	30,593	30,593	-	21,628	8,964
	Other-Incomes	2,050	-	-	2,050	2,050	-	2,050	2,050
	COL 08-576	65,244	-	-	49,409	49,409	-	49,409	49,409
	COL 06-595	331,571	-	-	325,682	325,682	-	235,494	80,188
	COL 06-577	14,566	-	-	12,867	12,867	-	14,566	(1,719)
		3,322	-	-	3,322	3,322	-	3,322	3,322
		566,534	66,198	15,460	472,393	554,051	41,983	392,939	3,538
		16,387,056	10,690,303	201,844	4,009,915	14,689,118	9,826,213	4,141,053	13,849,116

The accompanying notes from page 7 to 13 are an integral part of the financial statements.