



AUDITORS' REPORT TO THE TRUSTEES

We have audited the annexed Balance Sheet of **SAHARA FOR LIFE TRUST** as at June 30, 2007 and the related Income and Expenditure Account, Cash Flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

- (c) in our opinion, proper books of account have been kept by the Trust.
- (b) In our opinion:
 - (i) the balance sheet and income and expenditure account together with the notes thereon are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Trust's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Trust;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Income and Expenditure Account, Cash Flow statement together with the notes forming part thereof, conform with the approved accounting standards as applicable in Pakistan, in the manner so required and respectively give a true and fair view of the state of the Trust's affairs as at June 30, 2007 and of the surplus for the year then ended.

Lahore
Dated:


QADEER AND COMPANY
CHARTERED ACCOUNTANTS

SAHARA FOR LIFE TRUST
BALANCE SHEET AS AT JUNE 30, 2007

	NOTE	2007 RUPEES	2006 RUPEES
SURPLUS AND LIABILITIES			
SURPLUS		310,317,257	268,934,181
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	3	1,078,207	1,138,065
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		377,891	312,942
Creditors, accrued and other liabilities		6,265,382	5,539,561
Short Term Security Deposits		1,949,209	738,422
		8,592,482	6,590,925
		<u>319,987,946</u>	<u>276,663,171</u>
PROPERTY AND ASSETS			
FIXED ASSETS			
At cost less accumulated depreciation	4	216,700,314	216,740,949
CAPITAL WORK IN PROGRESS		15,980,536	-
LONG TERM INVESTMENT		41,603,010	1,543,010
SECURITY DEPOSITS		398,200	398,200
		42,001,210	1,941,210
CURRENT ASSETS			
Stock of medicine		3,969,503	3,170,581
Advances, deposits, prepayments and other receivables	5	17,455,829	8,931,353
Cash and bank balances	6	23,880,554	45,879,078
		45,305,886	57,981,012
		<u>319,987,946</u>	<u>276,663,171</u>

The annexed notes form an integral part of these accounts.

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**SAHARA FOR LIFE TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2007**

	NOTE	2007 RUPEES	2006 RUPEES
DONATIONS	7	111,856,972	110,028,554
OTHER INCOME	8	32,849,983	21,106,157
		144,706,955	131,134,711
OPERATING EXPENSES	9	103,015,935	121,352,856
		41,691,020	9,781,855
FINANCIAL CHARGES	10	307,944	323,746
SURPLUS FOR THE YEAR		41,383,076	9,458,109
ACCUMULATED SURPLUS BROUGHT FORWARD		268,934,181	259,476,072
ACCUMULATED SURPLUS CARRIED OVER TO BALANCE SHEET		310,317,257	268,934,181

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The annexed notes form an integral part of these accounts.

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SAHARA FOR LIFE TRUST
CASH FLOW STATEMENT
YEAR ENDED JUNE 30,2007

	2007 Rupees	2006 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	41,383,076	9,458,109
Adjustment For:		
Depreciation	12,800,186	12,201,446
Financial charges	307,944	323,746
Interest received	(3,314,994)	(403,390)
Operating cash flow before wrking capital changes	51,176,212	21,579,911
Changes in working capital		
increase/decrease in current assets		
Stock of medicine	(798,922)	(116,611)
Advances,deposits,prepayments and other receivables	(8,524,476)	(2,812,217)
increase/decrease in current liabilities		
Creditors,accrued and other liabilities	725,821	2,029,185
Short term security deposits	1,210,787	738,422
	(7,386,790)	(161,221)
Cash generated from operations	43,789,422	21,418,690
Finance charges paid	(307,944)	(323,746)
Net cash from operating activities	43,481,478	21,094,944
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(12,759,551)	(20,532,087)
Capital work in progress	(15,980,536)	-
Long term security deposits	-	298,100
Long term investment	(40,060,000)	(543,010)
Interest received	3,314,994	403,390
Net cash used in investing activities	(65,485,093)	(20,373,607)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	5,091	(618,293)
Net cash used in financing activities	5,091	(618,293)
Net increase/decrease in cash & bank balances(A+B+C)	(21,998,524)	103,098
Cash &cash equivalent at the beginning of year	45,879,078	45,775,980
Cash & cash equivalent at the end of year	23,880,554	45,879,078

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**SAHARA FOR LIFE TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2007**

1 THE TRUST AND ITS OPERATIONS

Sahara for Life Trust was registered in June 15, 2000 with the registrar. Sahara stands for services aimed at health and awakening in remote areas. Sughra Shafi Medical Complex Narowal is the first project of Sahara Located at Narowal. It is 200 bed hospital.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Accounting convention

These financial statements have been prepared under the "historical cost" convention.

2.02 Basis of preparation

These financial statements have been prepared in accordance with international accounting Standards as applicable to these financial statements in Pakistan.

2.03 Operating fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation except freehold land which is stated at cost.

Depreciation is charged applying the reducing balance method. Acquisition during the year are depreciated for full year irrespective of date of purchase and no depreciation is charged for assets disposed off during the year.

Maintenance and normal repairs are charged to income as and when paid/incurred.

Profit or loss on disposal of operating fixed assets is included to current year's income.

2.04 Stock-in-trade

Stock is calculated at lower of Cost and NRV

2.05 Taxation

Sahara For Life Trust is exempted from tax Under Section 2(36) of Income Tax Ordinance, 2001.

2.06 Revenue recognition

Donations are recorded when it is received in Cash or deposited in Banks. 1

3 LIABILITIES AGAINST ASSETS SUBJECT TO
FINANCE LEASE

	2007 RUPEES	2006 RUPEES
Amount due within one year	480,240	385,080
Amount due within one to five years	1,212,045	1,232,346
	1,692,285	1,617,426
Financial charges not yet due	236,188	166,419
Present value of minimum lease payment	1,456,097	1,451,007
Less: Current portion under current liabilities	377,891	312,942
Liabilities against finance lease	1,078,206	1,138,065

4 FIXED ASSETS

Particulars	C O S T			Rate %	D E P R E C I A T I O N				Written down value as at June 30, 2007
	As at July 01, 2006	Transfer/ Additions/ (Deletions)	As at June 30, 2007		As at July 01, 2006	For the year	Disposal / Adjustment	As at June 30, 2007	
Land	62,583,050	539,686	63,122,736	-	-	-	-	-	63,122,736
Building	116,454,206	(2,329,866)	114,124,340	5	11,255,639	5,143,434	-	16,399,073	97,725,267
Furniture and Fixture	4,640,545	335,849	4,976,394	10	872,797	410,360	-	1,283,157	3,693,237
Medical equipment	42,481,907	9,085,787	51,567,694	10	6,918,368	4,464,933	-	11,383,301	40,184,393
Vehicles	8,906,618	3,149,812	12,056,430	20	3,012,832	1,808,720	-	4,821,552	7,234,878
Computers	2,717,011	690,795	3,407,806	20	1,123,252	456,911	-	1,580,163	1,827,643
Airconditioner	888,228	121,600	1,009,828	10	169,322	84,051	-	253,373	756,455
Donation Boxes	439,803	2,500	442,303	33	280,560	53,375	-	333,935	108,368
Other Assets	453,539	698,458	1,151,997	10	84,544	106,745	-	191,289	960,708
	239,564,907	12,294,621	251,859,528		23,717,314	12,528,529	-	36,245,843	215,613,685
LEASED ASSETS									
Vehicles	1,991,000	464,930	2,455,930	20	1,097,644	271,657	-	1,369,301	1,086,629
	1,991,000	464,930	2,455,930		1,097,644	271,657	-	1,369,301	1,086,629
Rupees 2007	241,555,907	12,759,551	254,315,458		24,814,958	12,800,186	-	37,615,144	216,700,314
Rupees 2006	221,023,820	20,532,087	241,555,907		12,613,512	12,201,446	-	24,814,958	216,740,949

	2007 RUPEES	2006 RUPEES
5 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advance to staff	567,147	318,420
Advance for Expenses	2,535,900	1,030,000
Security deposits	355,000	355,000
Advance to Suppliers	7,141,662	2,642,034
Advances for land at ssmc	3,000,000	-
Prepaid insurance	-	79,635
Other prepayments	367,000	106,864
Advances for concert	2,219,090	2,219,090
Advances for services	460,704	189,800
Advances against L/C	309,326	1,490,510
Advances against bank guarantee	500,000	500,000
	<u>17,455,829</u>	<u>8,931,353</u>
6 CASH AND BANK BALANCES		
Cash in hand	385,112	346,773
Cash at bank		
- in Pak Rupees	21,116,200	28,003,814
- in Foreign currency	2,379,242	17,528,491
	<u>23,880,554</u>	<u>45,879,078</u>
7 DONATIONS		
Donation in Pak Rupees	62,441,361	25,393,856
Donation in foreign currency	19,873,114	32,429,339
	82,314,475	57,823,195
Donation in kind		
Fiber glass material	1,226,577	-
Bio-medical equipment	75,800	-
Electric equipments	5,326	-
Beds	-	1,715
Refrigerator	-	5,000
Stationary	-	10,450
Machinery	-	4,925
Others	742,781	
	<u>2,050,484</u>	<u>22,090</u>
	84,364,959	57,845,285
Earthquake Relief Fund	815,720	32,076,885
Zakat	25,953,404	19,742,438
Sadqa	126,106	20,010
Hides	596,783	343,936
	<u>27,492,013</u>	<u>52,183,269</u>
	<u>111,856,972</u>	<u>110,028,554</u>

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	NOTE	2007 RUPEES	2006 RUPEES
8 OTHER INCOME			
Receipts from Patients		25,329,321	19,908,169
Exchange rate gain		1,800,714	686,666
Interest on bank deposit		3,314,994	403,390
Insurance claim recovery		230,163	-
Profit on sale of fixed asset		60,000	-
Others		2,114,791	107,932
		<u>32,849,983</u>	<u>21,106,157</u>

9 OPERATING EXPENSES

Medicines consumed	9.01	11,140,349	15,581,442
Salaries ,wages and other benefits		47,975,343	39,104,117
Fund raising		253,800	7,350,906
Stores and supplies		113,024	12,000
Traveling and conveyance		1,201,856	641,297
Utility bills		5,365,405	4,910,082
Internet		65,400	51,210
Printing and stationery		888,312	1,315,413
Computer accessories consumption		100,846	98,261
Entertainment		240,127	181,270
Newspaper and periodicals		15,895	17,658
Vehicle running and maintenance		1,966,725	1,808,306
Office maintenance		1,160,395	670,667
Rent, rates and taxes		1,120,184	875,200
Legal and professional		187,713	105,770
Postage		161,861	1,060,229
Publicity & advertisement		4,320,078	4,297,179
Earthquake Relief Expenses		8,202,827	30,392,626
Audit fee		23,600	27,475
Insurance		665,540	417,059
Charity and donations		-	96,000
Depreciation		12,800,186	12,201,446
Patient discount		2,207,442	-
Inauguration expenses		2,125,262	-
Office expenses		198,796	75,756
Miscellaneous		514,969	61,487
		<u>103,015,935</u>	<u>121,352,856</u>

9.01 Medicines Consumed

Opening stocks	3,170,581	3,053,970
Purchases	11,939,271	15,698,053
Donation	-	-
	15,109,852	18,752,023
Less: Closing stock	(3,969,503)	(3,170,581)
	<u>11,140,349</u>	<u>15,581,442</u>

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10 FINANCIAL CHARGES

Interest on finance lease
Bank charges
Miscellaneous financial charges

2007
RUPEES

2006
RUPEES

120,342	154,730
187,602	168,016
-	1,000
<u>307,944</u>	<u>323,746</u>

11 GENERAL

- Figures have been rounded off to the nearest rupee.
- Corresponding figures have been re-arranged wherever necessary for the purpose of comparison.

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