

SAHARA FOR LIFE TRUST
FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2009



QADEER & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE TRUSTEES


We have audited the annexed Balance Sheet of **SAHARA FOR LIFE TRUST** ('the Trust') as at June 30, 2009 and the related Income and Expenditure Account and 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:-

- (a) 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 and 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, 2009 and of the surplus for the year then ended.

Lahore
Dated: August 21, 2009


QADEER AND COMPANY
CHARTERED ACCOUNTANTS
(Engagement Partner: Nawaz Khan)

SAHARA FOR LIFE TRUST
BALANCE SHEET AS AT 30 JUNE 2009

	NOTE	2009 RUPEES	2008 RUPEES
ACCUMULATED FUNDS		353,925,623	326,725,497
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	3	150,191	673,416
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		556,108	423,351
Creditors, accrued and other liabilities		9,555,863	4,637,594
Short Term Security Deposits	4	3,273,483	2,873,161
		13,385,454	7,934,106
		<u>367,461,268</u>	<u>335,333,019</u>
PROPERTY AND ASSETS			
FIXED ASSETS			
At cost less accumulated depreciation	5	253,642,342	223,097,456
CAPITAL WORK IN PROGRESS	6	14,931,366	33,715,837
SECURITY DEPOSITS		498,005	498,200
CURRENT ASSETS			
Stock of medicine		3,209,370	3,314,515
Advances, deposits, prepayments and other receivables	7	14,531,272	18,223,044
Short term investments		10,000,000	21,000,000
Cash and bank balances	8	70,648,913	35,483,967
		98,389,555	78,021,526
		<u>367,461,268</u>	<u>335,333,019</u>

The annexed notes form an integral part of these financial statements.

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**SAHARA FOR LIFE TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2009**

	NOTE	2009 RUPEES	2008 RUPEES
DONATIONS	9	105,801,140	99,084,274
OTHER INCOME	10	55,063,149	55,675,609
		160,864,289	154,759,883
HOSPITAL OPERATING EXPENSES	11	133,386,832	137,768,990
		27,477,457	16,990,893
FINANCIAL CHARGES	12	277,331	582,653
SURPLUS FOR THE YEAR		27,200,126	16,408,240
ACCUMULATED FUNDS BROUGHT FORWARD		326,725,497	310,317,257
ACCUMULATED FUNDS CARRIED OVER TO BALANCE SHEET		353,925,623	326,725,497



The annexed notes form an integral part of these financial statements.

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SAHARA FOR LIFE TRUST
CASH FLOW STATEMENT
YEAR ENDED 30 JUNE, 2009

	2009 RUPEES	2008 RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	27,200,126	16,408,240
Adjustment For:		
Depreciation	12,336,877	12,164,266
Financial charges	277,331	582,653
Interest received	(4,135,619)	(3,902,282)
	8,478,589	8,844,637
Operating cash flow before working capital changes	35,678,715	25,252,877
Changes in working capital		
Increase/decrease in current assets:		
Stock of medicine	105,145	654,988
Advances, deposits, prepayments and other receivables	3,691,772	(527,215)
Increase/decrease in current liabilities:		
Creditors, accrued and other liabilities	4,918,269	(1,627,788)
Short term security deposits	400,322	923,952
	9,115,508	(576,063)
Cash generated from operations	44,794,223	24,676,814
Financial charges paid	(277,331)	(582,653)
Net cash from operating activities	44,516,892	24,094,161
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(7,797,836)	(18,581,408)
Capital work in progress	(16,299,456)	(17,735,301)
Long term security deposits	195	(100,000)
Short term investment	11,000,000	20,363,010
Interest received	4,135,619	3,902,282
Net cash used in investing activities	(8,961,478)	(12,131,417)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(390,468)	(359,331)
Net cash used in financing activities	(390,468)	(359,331)
Net increase/decrease in cash & bank balances (A+B+C)	35,164,946	11,603,413
Cash & cash equivalent at the beginning of year	35,483,967	23,880,554
Cash & cash equivalent at the end of year	70,648,913	35,483,967

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SAHARA FOR LIFE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

1 THE TRUST AND ITS OPERATIONS

Sahara for Life Trust was registered in June 15, 2000 with the registrar of Trust. 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 Foreign currency translation

Assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rate prevailing at the balance sheet date. Transaction in foreign currency are recorded at the exchange rate prevailing on the date of transaction whereas exchange differences, if any, are charged to profit and loss account.

2.04 Contingencies and Commitments

Contingencies and commitments unless those become actual liabilities are not given effect in the accounts.

2.05 Operating fixed assets and depreciation

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

Depreciation is charged applying the reducing balance method. The management charges the depreciation on additions from the date when the asset is available for use and on deletion up to the date when the asset is derecognized.

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.

2.06 Stock-in-trade

Stock is calculated at lower of Cost and NRV.

2.07 Taxation

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

2.08 Revenue recognition

Donations are recorded when these are received in Cash or deposited in Banks.



3 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2009 RUPEES	2008 RUPEES
Amount due within one year	590,228	480,240
Amount due within one to five years	174,460	750,366
	764,688	1,230,606
Financial charges not yet due	58,389	133,839
Present value of minimum lease payment	706,299	1,096,767
Less: Current portion under current liabilities	556,108	423,351
	150,191	673,416

4 SHORT TERM SECURITY DEPOSITS

Opening liability	2,873,161	1,949,209
Add:-		
Liability created during year	400,322	923,952
	3,273,483	2,873,161

5 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, 2009
	As at July 01, 2008	Transfer/ Additions/ (Deletions)	As at June 30, 2009		As at July 01, 2008	For the year	Disposal / Adjustment	As at June 30, 2009
Land	66,812,174	2,583,633	69,435,807		-	-	-	69,435,807
Building	114,284,340	35,528,861	149,813,201	5	21,290,232	4,797,742	-	123,725,227
Furniture and Fixture	5,611,223	595,800	6,207,023	10	1,691,747	442,272	-	4,073,003
Vehicles	12,359,207	885,898	13,244,905	20	6,318,521	1,276,064	-	5,650,320
Computers	3,938,631	81,350	4,020,981	20	1,991,781	399,403	-	1,629,787
Airconditioner	1,110,328	63,500	1,173,828	10	329,856	83,655	-	760,317
Donation Boxes	496,303	85,500	581,803	33	378,978	54,350	-	148,475
Other Assets	5,454,930	178,360	5,633,290	10	495,786	508,174	-	4,629,330
Medical equipment	80,312,800	2,879,061	83,191,861	10	15,695,872	4,601,355	-	42,894,634
	270,420,936	42,881,763	313,302,699		48,192,783	12,183,016	-	252,946,900
LEASED ASSETS								
Vehicles	2,455,930	-	2,455,930	20	1,586,627	173,861	-	695,442
	2,455,930	-	2,455,930		1,586,627	173,861	-	695,442
Rupees June 2009	272,876,866	42,881,763	315,758,629		49,779,410	12,336,877	-	253,642,342
Rupees June 2008	254,315,458	18,561,408	272,876,866		37,615,144	12,164,266	-	223,097,456



	2009 RUPEES	2008 RUPEES
CAPITAL WORK IN PROGRESS		
Opening Balance		
Civil Work	33,715,837	15,980,536
	<u>33,715,837</u>	<u>15,980,536</u>
Add:		
Additions during the year		
Civil Work	16,299,456	17,735,301
	<u>50,015,293</u>	<u>33,715,837</u>
Less:		
Capitalized		
Civil Work	35,083,927	-
Closing Balance		
Civil Work	<u>14,931,366</u>	<u>33,715,837</u>

ADVANCES, DEPOSITS, PREPAYMENTS
AND OTHER RECEIVABLES

Advance to staff	506,102	490,408
Advance for expenses	1,583,755	2,342,294
Security deposits	699,460	905,000
Advance to suppliers	6,459,006	6,872,921
Advances for land	300,000	3,000,000
Prepaid insurance	623,992	254,476
Other prepayments	876,773	741,573
Advances for concert	2,015,650	2,015,650
Advances for services	468,604	499,464
Advances against L/C	-	64,801
Advance to Youth parliament	147,930	186,457
FM radio station	350,000	350,000
Advances against bank guarantee	500,000	500,000
	<u>14,531,272</u>	<u>18,223,044</u>

7.01 Advance for land of Sughra Shafi Medical Complex (SSMC).

CASH AND BANK BALANCES

Cash in hand	763,161	963,418
Cash at bank		
- in Pak Rupees	66,817,107	31,657,895
- in Foreign currency	3,068,645	2,862,654
	<u>69,885,752</u>	<u>34,520,549</u>
	<u>70,648,913</u>	<u>35,483,967</u>



9 DONATIONS

	2009 RUPEES	2008 RUPEES
Donation in Pak Rupees	38,192,615	62,578,262
Donation in foreign currency	47,089,391	21,733,253
	85,282,006	84,311,515
Donation in kind		
Fiber glass material	-	-
Electric equipments	-	-
Others	440,620	568,268
	440,620	568,268
	85,722,626	84,879,783
Sawat Relief Funds Receipts	2,086,014	-
Zakat	17,337,930	13,639,505
Sadqa	347,000	263,604
Hides	307,570	301,382
	20,078,514	14,204,491
	105,801,140	99,084,274

10 OTHER INCOME

Receipts from Patients	50,434,832	46,201,942
Exchange rate gain / (loss)	(3,436,695)	712,575
Interest on bank deposit	4,135,619	3,902,282
Insurance claim recovery	53,738	382,460
Profit on sale of fixed asset	-	20,000
Others	3,875,655	4,456,350
	55,063,149	55,675,609

11 HOSPITAL OPERATING EXPENSES

Direct patient cost

Medicines consumed	9.01	15,131,253	18,126,951
Salaries, wages and other benefits		46,304,982	47,161,868
Patient discount		19,094,916	19,640,478
Hospital stores and supplies		616,174	470,042
Utility bills		7,580,922	6,463,522
Ambulance running and maintenance		2,722,780	2,322,018
Printing and stationery		462,869	638,445
Computer accessories consumption		85,795	31,080
Hospital building maintenance		1,622,368	469,210
Insurance		215,231	125,900
Depreciation	5	12,336,877	12,164,266
Miscellaneous		96,541	102,194
		106,270,708	107,715,974



	2009 RUPEES	2008 RUPEES
Indirect patient cost		
Salaries, wages and other benefits	11,588,030	9,623,867
Fund raising	264,055	890,533
Traveling and conveyance	555,409	1,069,875
Utility bills	1,089,847	885,297
Internet charges	73,038	16,000
Printing and stationery	708,695	401,285
Computer accessories consumption	250,410	99,764
Entertainment	185,412	135,121
Newspaper and periodicals	7,982	8,579
Vehicle running and maintenance	1,620,773	1,238,350
Office maintenance	144,749	96,819
Rent, rates and taxes	1,207,516	1,082,982
Legal and professional	27,790	352,205
Postage	479,456	577,013
Publicity & advertisement	7,550,643	8,108,539
Earthquake Relief Expenses	288,500	573,653
Audit fee	80,000	20,000
Insurance	159,565	716,437
Inauguration expenses	-	26,925
Office expenses	13,719	32,193
Project cost written off	-	3,170,510
Miscellaneous	820,535	927,069
	27,116,124	30,053,016
Total Hospital Operating Expenses	133,386,832	137,768,990
9.01 Medicines Consumed		
Opening stocks	3,314,515	3,969,503
Purchases	15,026,108	17,471,963
	18,340,623	21,441,466
Less: Closing stock	(3,209,370)	(3,314,515)
	15,131,253	18,126,951
12 FINANCIAL CHARGES		
Interest on finance lease	77,307	102,349
Bank charges	200,024	480,304
	277,331	582,653

13 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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