

*M/S SAHARA FOR LIFE
TRUST
ACCOUNTS FOR THE YEAR
ENDED JUNE 30, 2010*



QADEER & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE TRUSTEES

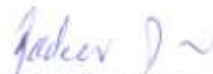
We have audited the annexed Balance Sheet of **SAHARA FOR LIFE TRUST** ('the Trust') as at June 30, 2010 and the related Income and Expenditure Account and Cash Flow Statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information 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, 2010 and of the surplus for the year then ended.

Place: Lahore
Dated: September 15, 2010


QADEER AND COMPANY
CHARTERED ACCOUNTANTS
Nawaz Khan, FCA

**SAHARA FOR LIFE TRUST
BALANCE SHEET
AS AT JUNE 30, 2010**

	NOTE	2010 RUPEES	2009 RUPEES
ACCUMULATED FUNDS		364,555,003	353,925,623
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	3	73,768	150,191
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		136,696	556,108
Creditors, accrued and other liabilities		12,039,967	9,555,863
Short Term Security Deposits		4,036,379	3,273,483
		16,213,042	13,385,454
Contingencies and Commitments	4	-	-
		380,841,813	367,461,268
PROPERTY AND ASSETS			
FIXED ASSETS			
At cost less accumulated depreciation	5	253,862,341	253,642,342
CAPITAL WORK IN PROGRESS	6	15,892,830	14,931,366
SECURITY DEPOSITS		210,000	498,005
CURRENT ASSETS			
Stock of medicine		2,841,739	3,209,370
Advances, deposits, prepayments and other receivables	7	17,124,613	14,531,272
Short term investments		-	10,000,000
Cash and bank balances	8	90,910,290	70,648,913
		110,876,642	98,389,555
		380,841,813	367,461,268

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, 2010**

	NOTE	2010 RUPEES	2009 RUPEES
DONATIONS	9	101,286,394	105,801,140
OTHER INCOME	10	77,938,250	55,063,149
		179,224,644	160,864,289
HOSPITAL OPERATING EXPENSES	11	168,393,196	153,386,832
		10,831,448	27,477,457
FINANCIAL CHARGES	12	202,068	277,331
SURPLUS FOR THE YEAR		10,629,380	27,200,126
ACCUMULATED FUNDS BROUGHT FORWARD		353,925,623	326,725,497
ACCUMULATED FUNDS CARRIED OVER TO BALANCE SHEET		364,555,003	353,925,623

The annexed notes form an integral part of these accounts.

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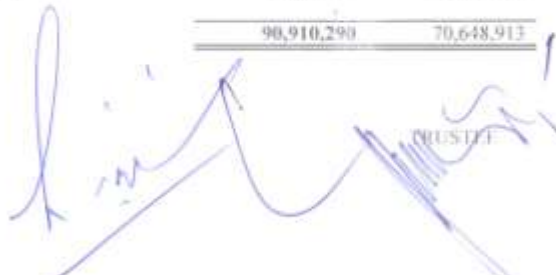


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**SAILARA FOR LIFE TRUST
CASH FLOW STATEMENT
YEAR ENDED JUNE 30, 2010**

	2010 Rupees	2009 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	10,629,380	27,200,126
Adjustment For:		
Depreciation	13,661,839	12,336,877
Financial charges	202,068	277,331
Interest received	(10,414,592)	(4,135,619)
Gain on disposal	(532,688)	-
Operating cash flow before working capital changes	13,546,007	35,678,715
Changes in working capital		
(increase) decrease in current assets		
Stock of medicine	367,633	105,145
Advances, deposits, prepayments and other receivables	(2,593,341)	3,691,772
increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	2,484,104	4,918,269
Short term security deposits	762,896	400,322
	1,021,290	9,115,508
Cash generated from operations	14,567,297	44,794,223
Finance charges paid	(202,068)	(277,331)
Net cash from operating activities	14,365,229	44,516,892
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(13,969,743)	(7,797,836)
Capital work in progress	(961,464)	(16,299,456)
Long term security deposits	288,005	195
Sale price of fixed asset	620,593	-
Short term investment	10,000,000	11,000,000
Interest received	(10,414,592)	4,135,619
Net cash used in investing activities	6,391,981	(8,961,478)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(495,835)	(390,468)
Net cash used in financing activities	(495,835)	(390,468)
Net increase/decrease in cash & bank balances(A+B+C)	20,261,377	35,164,946
Cash & cash equivalent at the beginning of year	70,648,913	35,483,967
Cash & cash equivalent at the end of year	90,910,290	70,648,913

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SAHARA FOR LIFE TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30th JUNE 2010

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 Safi 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 are 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(46) of Income Tax Ordinance, 2001.

2.06 Revenue recognition

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

**3 LIABILITIES AGAINST ASSETS SUBJECT TO
FINANCE LEASE**

Gross minimum lease payments

Due not later than one year

Due later than one year but not later than five years

Financial charges not yet due

Present value of minimum lease payments

Less: Current Portion under current Liabilities

Liabilities against Finance Lease

**2010
RUPEES**

**2009
RUPEES**

	95,160	590,228
	139,573	174,460
	234,733	764,688
	24,269	58,389
	210,464	706,299
	136,696	556,108
	73,768	150,191

4 CONTINGENCIES AND COMMITMENTS

- 4.1 Land amounted RS. 285,898 is disputed and it's acquisition depends upon the decision of court and management is certain regarding success in favour of trust.

5 FIXED ASSETS

Particulars	C O N T				D E P R E C I A T I O N					Written down value as at June 30, 2010
	As at July 01, 2009	Additions	Transfer (reversal)	As at June 30, 2010	Rate %	As at July 01, 2009	For the year	Depreciation adjustment	As at June 30, 2010	
Land	48,417,807	798,265		49,216,072	-					48,417,807
Buildings	1,49,811,314			1,49,811,314	5	75,007,874	6,184,760		81,192,634	113,918,680
Furniture and fixtures	6,797,075	1,10,181		6,907,256	10	2,334,075	414,758		2,748,833	2,790,345
Vehicles	11,268,609	2,988,481	1,995,000	16,252,090	20	7,543,549	3,414,348	(1,111,492)	9,846,405	5,371,898
Computers	4,020,043	1,909,744		5,929,787	20	2,291,194	402,792		2,693,986	2,235,801
Are condition	1,177,302	394,765		1,572,067	10	413,513	95,190		508,703	1,063,364
Depletion Rights	981,803	85,000		1,066,803	10	433,128	88,290		521,418	545,385
Other Assets	5,003,290	1,009,980		6,013,270	10	1,003,960	492,915		1,496,875	4,516,395
Miscellaneous equipment	68,795,501	7,989,811		76,785,312	10	38,397,217	8,541,708		46,938,925	29,846,387
	212,202,698	12,986,743		225,189,441		94,355,798	13,614,231	(1,523,492)	1,06,446,537	118,742,904
LEASED ASSETS		(1,980,100)						(1,401,425)		
Vehicles	2,372,000		(1,980,000)	392,000	20	1,761,600	47,600	(1,553,600)	211,400	138,400
	2,454,000		(1,980,000)	474,000		1,760,000	47,600	(1,553,600)	211,400	138,400
Report June 2010		(1,980,100)						(1,553,600)		
	212,202,698	(1,980,100)		210,222,598		92,594,198	13,661,831	(1,414,425)	1,03,841,504	118,881,344
Report June 2009	172,816,804	82,481,761		255,298,565		49,776,410	12,110,877		61,887,287	193,411,278

2010
RUPEES

2009
RUPEES

6 CAPITAL WORK IN PROGRESS

Opening Balance (Civil Work)	14,931,366	33,715,837
Add:		
Additions during the year	961,464	16,299,456
	15,892,830	50,015,293
Less:		
Capitalized	-	35,083,927
Closing Balance (Civil Work)	15,892,830	14,931,366

7 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance to staff	1,673,675	506,102
Advance for Expenses	3,132,089	1,583,755
Security deposits	921,460	609,460
Advance to Suppliers	6,427,301	6,459,006
Advances for land at ssmc	-	300,000
Prepaid insurance	1,440,834	623,992
Other prepayments	195,000	876,773
Advances for concert	2,015,650	2,015,650
Advances for services	468,604	468,604
Advance to Youth parliament	-	147,930
FM radio station	350,000	350,000
Advances against bank guarantee	500,000	500,000
	17,124,613	14,531,272

	2010 RUPEES	2009 RUPEES
8 CASH AND BANK BALANCES		
Cash in hand	560,408	763,161
Cash at bank		
- in Pak Rupees	81,114,211	66,817,107
- in Foreign currency	9,435,671	3,068,645
	90,910,290	70,648,913
9 DONATIONS		
Donation in Pak Rupees	65,610,626	38,192,615
Donation in foreign currency	9,446,184	47,089,391
Donation in kinds	1,044,230	440,620
	76,101,040	85,722,626
Sawat Relief Funds Receipts	70,000	2,086,014
Zakat	24,335,072	17,337,930
Sadaqa	323,100	347,000
Hides	457,182	307,570
	25,185,354	20,078,514
	101,286,394	105,801,140
10 OTHER INCOME		
Receipts from Patients	60,745,743	50,434,832
Exchange rate gain	18,939	(3,436,695)
Interest on bank deposit	10,414,592	4,135,619
Insurance claim recovery	-	53,738
Profit on sale of fixed asset	532,688	-
Others	6,196,288	3,875,655
	77,938,250	55,063,149
11 HOSPITAL OPERATING EXPENSES		
Direct patient cost		
Medicines consumed	20,739,697	15,131,253
Salaries, wages and other benefits	46,487,164	46,304,982
Further assistance	28,645,289	19,094,916
Hospital supplies	363,906	616,174
Utility bills	9,239,047	7,580,922
Ambulance running and maintenance	3,637,139	2,722,780
Printing and stationery	667,559	462,869
Computer accessories consumption	187,230	85,795
Hospital maintenance	2,447,039	1,622,368
Insurance	226,056	215,231
Depreciation	13,661,839	12,336,877
Miscellaneous	125,474	96,541
	126,422,439	106,270,708

(10.1)

	2010 RUPEES	2009 RUPEES
Indirect patient cost		
Salaries, wages and other benefits	15,167,879	11,588,030
Traveling and conveyance	1,324,718	555,409
Fund raising	180,538	264,055
Utility bills	1,863,329	1,089,847
Internet	42,100	73,038
Printing and stationery	644,452	708,695
Computer accessories consumption	391,245	250,410
Entertainment	359,635	185,412
Newspaper and periodicals	11,666	7,982
Vehicle running and maintenance	2,365,448	1,670,773
Office maintenance	972,004	144,749
Rent, rates and taxes	1,615,099	1,207,516
Legal and professional	251,218	27,790
Postage	2,761,701	479,456
Publicity & advertisement	11,704,461	7,550,643
Earthquake Relief Expenses	-	288,500
Audit fee	125,000	80,000
Insurance	267,771	159,565
Office expenses	26,345	13,719
Miscellaneous	1,896,148	820,535
	41,970,787	27,116,124
Total patient cost	168,393,196	133,386,832

11.01 Medicines Consumed

Opening stocks	1,209,370	3,314,515
Purchases	20,172,066	15,026,108
	21,381,436	18,340,623
Less: Closing stock	(2,841,739)	(3,209,370)
	20,739,697	15,131,253

12 FINANCIAL CHARGES

Interest on finance lease	70,455	77,307
Bank charges	131,613	200,024
	202,068	277,331

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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