

*SAHARA FOR LIFE TRUST
FINANCIAL STATEMENTS FOR THE
YEAR ENDED JUNE 30, 2011*



QADEER & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **SAHARA FOR LIFE TRUST (THE "TRUST")** as at June 30, 2011 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 purpose 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 and respectively give a true and fair view of the state of the Trust's affairs as at June 30, 2011 and of the surplus for the year then ended.

Lahore
Dated: October 08, 2011


QADEER AND COMPANY
CHARTERED ACCOUNTANTS
(NAWAZ KHAN, FCA)

**SAHARA FOR LIFE TRUST
BALANCE SHEET
AS AT JUNE 30, 2011**

	NOTE	2011 RUPEES	2010 RUPEES
ACCUMULATED FUNDS		406,671,737	364,555,003
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	4	-	73,768
DEFERRED INCOME		39,311,301	-
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		73,768	136,696
Creditors, accrued and other liabilities		4,932,990	12,039,967
Short Term Security Deposits		5,561,168	4,036,379
		10,567,926	16,213,042
Contingencies and Comitments	5	-	-
		<u>456,550,964</u>	<u>380,841,813</u>
PROPERTY AND ASSETS			
FIXED ASSETS			
At cost less accumulated depreciation	6	255,228,968	253,862,341
CAPITAL WORK IN PROGRESS		53,950,321	15,892,830
SECURITY DEPOSITS		430,000	210,000
CURRENT ASSETS			
Stock of medicine		3,288,838	2,841,739
Diesel stock		635,371	-
Advances, deposits, prepayments and other receivables	7	33,837,324	17,124,613
Cash and bank balances	8	109,180,142	90,910,290
		146,941,675	110,876,642
		<u>456,550,964</u>	<u>380,841,813</u>

The annexed notes form an integral part of these accounts.

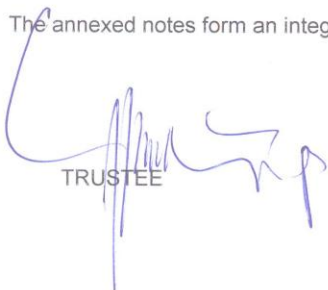
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**SAHARA FOR LIFE TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2011**

	NOTE	2011 RUPEES	2010 RUPEES
DONATIONS	9	188,247,956	101,286,394
OTHER INCOME	10	101,329,990	77,938,250
		289,577,946	179,224,644
HOSPITAL OPERATING EXPENSES	11	247,190,210	168,393,196
		42,387,736	10,831,448
FINANCIAL CHARGES	12	271,002	202,068
SURPLUS FOR THE YEAR		42,116,734	10,629,380
ACCUMULATED FUNDS BROUGHT FORWARD		364,555,003	353,925,623
ACCUMULATED FUNDS CARRIED OVER TO BALANCE SHEET		406,671,737	364,555,003

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, 2011

2011 2010
Rupees Rupees

A. CASH FLOW FROM OPERATING ACTIVITIES

Surplus for the year	42,116,734	10,629,380
Adjustment For:		
Depreciation	14,191,815	13,661,839
Financial charges	271,002	202,068
Gain on disposal	-	(532,688)
Interest received	(11,129,569)	(10,414,592)
Operating cash flow before working capital changes	45,449,982	13,546,007
Changes in working capital		
increase/decrease in current assets		
Stock of medicine	(1,082,470)	367,631
Advances, deposits, prepayments and other receivables	(16,712,711)	(2,593,341)
increase/decrease in current liabilities		
Creditors, accrued and other liabilities	(7,106,977)	2,484,104
Deferred income	39,311,301	-
Short term security deposits	1,524,789	762,896
	15,933,932	1,021,290
Cash generated from operations	61,383,914	14,567,297
Finance charges paid	(271,002)	(202,068)
Net cash from operating activities	61,112,912	14,365,229

B. CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditure	(15,558,442)	(13,969,743)
Capital work in progress	(38,057,491)	(961,464)
Long term security deposits	(220,000)	288,005
Sale price of fixed assts		620,593
Short term investment	-	10,000,000
Interest received	11,129,569	10,414,592
Net cash used in investing activities	(42,706,364)	6,391,983

C. CASH FLOW FROM FINANCING ACTIVITIES

Repayment of lease liabilities	(136,696)	(495,835)
Net cash used in financing activities	(136,696)	(495,835)
Net increase/decrease in cash & bank balances(A+B+C)	18,269,852	20,261,377
Cash & cash equivalent at the beginning of year	90,910,290	70,648,913
Cash & cash equivalent at the end of year	109,180,142	90,910,290

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**SAHARA FOR LIFE TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2011**

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 250 bed hospital. The trust registered office is situated at 50 -Bridge Colony, Lahore Cantt.

2 BASIS OF PREPARATION

2.01 Statement of Compliance

These accounts have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standard comprise of Accounting and Financial reporting Standard for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.02 Basis of Measurement

These accounts have been prepared under the "historical cost" convention. In these accounts, except for the cash flow statement, all transactions have been accounted for on accrual basis.

2.03 Functional Currency

These accounts are prepared in Pak Rupees which is the Trust's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

3.01 Operating fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation less accumulated impairment loss except freehold land which is stated at cost. Cost includes expenditure that are directly attributable to the acquisition of the item.

Depreciation is recognized in Profit and Loss by applying reducing balance method over the useful life of each item of property, plant and equipment using the rates specified in note 6 to the accounts.

Depreciation on additions to property, plant and equipment is charged from the month in which the item becomes available for use. Depreciation is discontinued for the month in which it is disposed off or classified as held for disposal.

Depreciation method, useful lives and residual values are reviewed at each reporting date.

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.

3.02 Capital Work In Progress

Capital work in progress is stated at cost less identified impairment loss, if any and includes the expenditures on material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of property, plant and equipment. These costs are transferred to property, plant and equipment as and when related items become available for intended use.

3.03 Stock-in-trade

stock is valued at lower of cost and estimated net realizable value. Cost of stock is determined on the basis of first-in-first out while items considered obsolete are carried at Nil value.

3.04 Finance Lease

Lease in terms of which the company has substantially all the risks and rewards of ownership are classified as Finance lease. Asset subject to finance lease are stated at the lower of present value of minimum lease payment under the lease agreements and the fair value of the assets, less accumulated depreciation and any identified impairment loss.

The related rental obligations, net of finance costs are classified as current and long term depending upon the timing of payment.

Each lease payment is allocated between the liability and finance costs so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to income over the lease term.

Asset acquired under the finance lease are depreciated under the reducing balance method at the rate of 20%. Depreciation of leased assets is charged to income.

3.05 Deferred Income

Deferred Income represents the Government grant received as against the asset and it is recognized in income and expenditure account on a systematic basis over the useful life of the asset.

3.06 Advances, Deposits , Prepayments and other receivables

Advances, Deposits , Prepayments and other receivables are recognized and carried at original invoice amount/ less an allowance for any uncollectible amount. Carrying amount of advances and receivables are assessed on a regular basis.

3.07 Creditors, Accrued and Other Liabilities

Creditors, Accrued and Other Liabilities are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the trust.

3.08 Cash and Cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, cash at bank in current account, deposit accounts and foreign currency accounts.

3.09 Taxation

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

3.10 Revenue Recognition

Donations are recognized when they are received in Cash or deposited in Banks.

	2011 RUPEES	2010 RUPEES
4 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Amount due within one year	79,300	95,160
Amount due within one to five years	-	139,573
	79,300	234,733
Financial charges not yet due	5,532	24,269
Present value of minimum lease payment	73,768	210,464
Less: Current portion under current liabilities	73,768	136,696
Liabilities against finance lease	-	73,768

5 CONTINGENCIES AND COMMITMENTS

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

	2011 RUPEES	2010 RUPEES
7 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advance to staff	4,152,571	1,673,675
Advance for Expenses	12,946,762	3,132,089
Security deposits	1,583,097	921,460
Advance to Suppliers	6,425,673	6,427,301
Advances for land at ssmc	3,600,000	-
Prepaid insurance	766,831	1,440,834
Other prepayments	908,391	195,000
Advances for concert	2,015,650	2,015,650
Advances for services	468,604	468,604
Advance to Youth parliament	119,745	-
FM radio station	350,000	350,000
Advances against bank guarantee	500,000	500,000
	<u>33,837,324</u>	<u>17,124,613</u>
8 CASH AND BANK BALANCES		
Cash in hand	1,008,613	360,408
Cash at bank		
- in Pak Rupees	101,110,131	81,114,211
- in Foreign currency	7,061,398	9,435,671
	<u>109,180,142</u>	<u>90,910,290</u>
9 DONATIONS		
Donation in Pak Rupees	53,216,841	65,610,626
Donation in foreign currency	104,801,259	9,446,184
	158,018,100	75,056,810
Donation in kind		
Others	-	1,044,230
	-	1,044,230
	158,018,100	76,101,040
Sawat Relief Funds Receipts	9,594,183	70,000
Zakat	19,252,323	24,335,072
Sadqa	271,960	323,100
Hides	1,111,390	457,182
	30,229,856	25,185,354
	<u>188,247,956</u>	<u>101,286,394</u>
10 OTHER INCOME		
Receipts from Patients	62,471,043	60,745,743
Exchange rate gain	92,839	48,939
Interest on bank deposit	11,129,569	10,414,592
Profit on sale of fixed asset	-	532,688
Others	27,636,539	6,196,288
	<u>101,329,990</u>	<u>77,938,250</u>

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6 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, 2011
	As at July 01, 2010	Transfer/ Additions/ (Deletions)	As at June 30, 2011		As at July 01, 2010	For the year	Disposal / Adjustment	As at June 30, 2011	
Land	69,730,072	1,078,490	70,808,562	-	-	-	-	-	70,808,562
Building	149,813,201	-	149,813,201	5	32,274,235	5,876,948	-	38,151,183	111,662,018
Furniture and Fixture	6,339,123	1,851,077	8,190,200	10	2,548,778	459,251	-	3,008,029	5,182,171
Vehicles	16,702,058	3,981,883	20,683,941	20	9,128,100	1,665,593	-	10,793,693	9,890,248
Computers	5,030,565	1,026,950	6,057,515	20	2,794,946	534,244	-	3,329,190	2,728,325
Airconditioner	1,568,328	558,450	2,126,778	10	507,201	131,852	-	639,053	1,487,725
Donation Boxes	666,803	38,000	704,803	33	498,619	61,771	-	560,390	144,413
Other Assets	6,735,270	3,048,876	9,784,146	10	1,496,895	703,237	-	2,200,132	7,584,014
Medical equipment	71,175,692	3,974,716	75,150,408	10	24,840,432	4,720,832	-	29,561,264	45,589,144
	327,761,112	15,558,442	343,319,554		74,089,206	14,153,728	-	88,242,934	255,076,620
LEASED ASSETS									
Vehicles	464,930	-	464,930	20	274,495	38,087	-	312,582	152,348
	464,930	-	464,930		274,495	38,087	-	312,582	152,348
Rupees June 2011	328,226,042	15,558,442	343,784,484		74,363,701	14,191,815	-	88,555,516	255,228,968
Rupees 2010	315,758,629	(1,502,330) 13,969,743	328,226,042		62,116,287	13,661,839	1,533,602 (1,414,425)	74,363,701	253,862,341

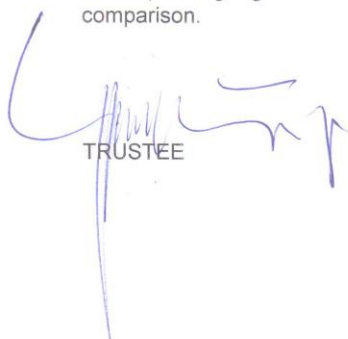
11 HOSPITAL OPERATING EXPENSES

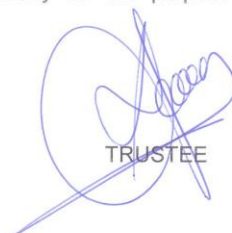
		2011 RUPEES	2010 RUPEES
Direct patient cost			
Medicines consumed	11.01	27,364,931	20,739,697
Salaries, wages and other benefits		74,325,581	46,487,164
Further assistance		27,928,742	28,645,289
Hospital supplies		499,807	363,906
Utility bills		9,030,426	9,239,047
Ambulance running and maintenance		5,407,639	3,632,139
Printing and stationery		847,211	667,559
Computer accessories consumption		159,958	187,230
Hospital maintenance		3,342,554	2,447,039
Insurance		213,247	226,056
Depreciation		14,191,815	13,661,839
Miscellaneous		121,374	125,474
		163,433,285	126,422,439
Indirect patient cost			
Salaries, wages and other benefits		20,606,649	15,167,879
Fund raising		-	180,538
Traveling and conveyance		651,494	1,324,718
Utility bills		3,602,043	1,863,329
Internet		181,366	42,100
Printing and stationery		1,804,657	644,452
Computer accessories consumption		618,605	391,245
Entertainment		628,719	359,635
Newspaper and periodicals		20,324	11,666
Vehicle running and maintenance		2,916,645	2,365,448
Office maintenance		1,843,740	972,004
Rent, rates and taxes		2,554,899	1,615,099
Legal and professional		469,650	251,218
Postage		1,830,721	2,761,701
Publicity & advertisement		8,218,622	11,704,461
Audit fee		125,000	125,000
Insurance		882,492	267,771
Office expenses		114,324	26,345
Miscellaneous		36,686,975	1,896,148
		83,756,925	41,970,757
Total patient cost		247,190,210	168,393,196
11.01 Medicines Consumed			
Opening stocks		2,841,739	3,209,370
Purchases		27,812,030	20,372,066
		30,653,769	23,581,436
Less: Closing stock		(3,288,838)	(2,841,739)
		27,364,931	20,739,697

	2011 RUPEES	2010 RUPEES
12 FINANCIAL CHARGES		
Interest on finance lease	25,121	70,455
Bank charges	245,881	131,613
	<u>271,002</u>	<u>202,068</u>

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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