

SAHARA FOR LIFE
TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2012



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, 2012 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 and respectively give a true and fair view of the state of the Trust's affairs as at June 30, 2012 and of the surplus for the year then ended.

Lahore
Dated: 05, November 2012


QADEER AND COMPANY
CHARTERED ACCOUNTANTS
NAWAZ KHAN, FCA

**SAHARA FOR LIFE TRUST
BALANCE SHEET
AS AT JUNE 30, 2012**

	NOTE	2012 RUPEES	2011 RUPEES
FUNDS AND LIABILITIES			
Accumulated Funds		459,198,839	406,671,737
Non Current Liabilities			
Deferred Income	4	-	39,311,301
Current Liabilities			
Current portion- Subject to Finance Lease	5	-	73,768
Creditors, accrued and other liabilities		7,404,595	4,932,990
Short Term Security Deposits - Employees		6,307,331	5,561,168
		13,711,926	10,567,926
Contingencies and Commitments		-	-
		<u>472,910,765</u>	<u>456,550,964</u>
ASSETS			
Non Current Assets			
Property, plant and equipment	6	304,738,073	255,228,968
Capital work in progress	7	112,331,646	65,041,685
Long term deposits		1,397,097	430,000
Current Assets			
Inventories	8	5,659,389	3,924,209
Advances, deposits, prepayments and	9	21,219,068	22,745,960
Other receivables		27,565,492	109,180,142
Cash and bank balances	10	54,443,949	135,850,311
		<u>472,910,765</u>	<u>456,550,964</u>

The annexed notes form an integral part of these accounts.

TRUSTEE



TRUSTEE




**SAHARA FOR LIFE TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012**

	NOTE	2012 RUPEES	2011 RUPEES
Clinical Income	11	96,918,741	73,655,364
Other Income	12	215,815,153	216,118,942
		312,733,894	289,774,306
Clinical expenses	13	158,887,066	150,574,209
General and administration expenses	14	60,180,466	52,309,845
Project expenses	15	40,870,375	44,502,515
		259,937,907	247,386,570
Financial Charges	16	268,885	271,002
Surplus/(Deficit) for the year		52,527,102	42,116,734
Accumulated Funds Brought Forward		406,671,737	364,555,003
Accumulated Funds carried over to balance Sheet		459,198,839	406,671,737

The annexed notes form an integral part of these accounts.

TRUSTEE




TRUSTEE

**SAHARA FOR LIFE TRUST
CASH FLOW STATEMENT
YEAR ENDED JUNE 30, 2012**

A. CASH FLOW FROM OPERATING ACTIVITIES

Surplus for the year
Adjustment For:
Depreciation
Financial charges
Gain on disposal
Interest received
Operating cash flow before working capital changes

2012 Rupees	2011 Rupees
52,527,102	42,116,734
14,723,236	14,191,815
268,885	271,002
(72,887)	-
(2,398,735)	(11,129,569)
65,047,601	45,449,982

Changes in working capital
(Increase)/decrease in current assets
Stocks
Advances, deposits, prepayments and other receivables
Increase/(decrease) in current liabilities
Creditors, accrued and other liabilities
Deferred income
Short term security deposits

(1,735,180)	(1,082,470)
1,526,892	(5,621,347)
2,471,605	(7,106,977)
(39,311,301)	39,311,301
746,163	1,524,789
(36,301,821)	27,025,296
28,745,780	72,475,278
(268,885)	(271,002)
28,476,895	72,204,276

Cash generated from operations
Finance charges paid
Net cash from operating activities

B. CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditure
Capital work in progress
Long term security deposits
Fixed assets Disposal receipts
Interest received

(64,369,455)	(15,558,442)
(47,289,961)	(49,148,855)
(967,097)	(220,000)
210,000	
2,398,735	11,129,569
(110,017,778)	(53,797,728)

Net cash used in investing activities

C. CASH FLOW FROM FINANCING ACTIVITIES

Repayment of lease liabilities
Net cash used in financing activities
Net increase/(decrease) in cash & bank balances(A+B+C)
Cash & cash equivalent at the beginning of year
Cash & cash equivalent at the end of year

(73,768)	(136,696)
(73,768)	(136,696)
(81,614,651)	18,269,852
109,180,142	90,910,290
27,565,492	109,180,142

TRUSTEE



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**SAHARA FOR LIFE TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012**

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 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 Judgment, Estimates and Assumptions

The preparation of financial statements in conformity with IASs as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources, actual results may differ from the estimates. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions for doubtful receivables, slow moving inventory and taxation. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

Judgment made by management in the application of approved standards as applicable in Pakistan that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent year are as follows;

2.03.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Trust reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Trust expects to derive from that item.

2.03.2 Taxation

The Trust takes into account income tax law and decisions taken by appellate authorities. Instances where the Trust's view differs from the view taken by tax department at the assessment stage and where the Trust considers that its view of items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

2.03.3 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Trust would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.04 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 and any identified 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 Income and Expenditure 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. The asset's residual values, depreciation method and useful lives are reviewed, at each year end and adjusted if impact on depreciation is significant.

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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will to the Trust and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are 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 Trust 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 cost, are included in liabilities against assets subject to finance lease. The liabilities 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 given in note 6. 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.

4 DEFERRED INCOME

		2012 RUPEES	2011 RUPEES
Deferred Income	4.1	-	39,311,301
4.1	The PIDSA donated amount US \$ 458,900/- for open L/C in ABL Bridge Colony Branch, Lahore, for the import of C T Scan Machine for SSMC Hospital Narowal.		

5 CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors and Other payables	4,879,939	3,120,807
Accrued and other liabilities	2,310,987	1,812,183
Advances from suppliers and others	213,669	-
	<u>7,404,595</u>	<u>4,932,990</u>



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, 2012
	As at July 01, 2011	Transfer/ Additions/ (Deletions)	As at June 30, 2012		As at July 01, 2011	For the year/Adjustment	As at June 30, 2012	
Land	70,808,562	6,298,692	77,107,254	-	-	-	-	77,107,254
Building	149,813,201	8,254,268	158,067,469	5	38,151,183	5,583,101	43,734,284	114,333,185
Furniture and Fixture	8,190,200		8,190,200	10	3,008,029	562,717	3,570,746	4,619,454
Vehicles	20,683,941	1,696,000	22,379,941	20	10,793,693	1,978,050	12,771,743	9,608,198
Computers	6,057,515	749,775	6,807,290	20	3,329,190	627,039	3,956,229	2,851,061
Air Conditioner	2,126,778	-	2,126,778	10	639,053	148,773	787,826	1,338,953
Donation Boxes	704,803	55,200	760,003	33	560,390	51,930	612,320	147,683
Other Assets	9,784,146	426,402	10,210,548	10	2,200,133	778,251	2,978,384	7,232,164
Medical equipment	75,150,408	46,889,118	122,039,526	10	29,561,264	4,993,375	34,554,639	87,484,887
	343,319,554	64,369,455	407,689,009		88,242,935	14,723,236	102,966,171	304,722,838
LEASED ASSETS								
Vehicles	464,930	(464,930)	-	20	312,582	15,235	-	-
	464,930	(464,930)	-		312,582	(327,817)	-	-
Rupees June 2012	343,784,484	63,904,525	407,689,009		88,555,517	14,395,419	102,950,936	304,738,073
Rupees June 2011	328,226,042	15,558,442	343,784,484		74,363,701	14,191,815	88,555,516	255,228,968

The depreciation charged for the year has been allocated as under:

	2012	2011
6.1 Clinical expenses	12,955,877	12,772,633
6.2 General and administration	1,439,542	1,419,181
	14,395,419	14,191,815



7 CAPITAL WORK IN PROGRESS

Construction of Medical College
Construction of Emergency Center

	2012 RUPEES	2011 RUPEES
7.1	112,331,646	56,800,262
7.2	-	8,241,423
	<u>112,331,646</u>	<u>65,041,685</u>

7.1 Construction of Medical College:

Opening balance
Additions during the year

56,800,262	8,897,649
58,909,306	47,902,613
<u>115,709,568</u>	<u>56,800,262</u>

Less : Transferred to property, plant and equipment

-	-
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Closing balance

<u>112,331,646</u>	<u>56,800,262</u>
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7.2 Construction of Emergency Center:

Opening balance
Additions during the year

8,241,423	6,995,181
-	1,246,242
<u>8,241,423</u>	<u>8,241,423</u>

Less : Transferred to property, plant and equipment

8,241,423	-
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Closing balance

<u>-</u>	<u>8,241,423</u>
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8 INVENTORIES

Stock of medicine
Diesel stock

5,260,894	3,288,838
398,495	635,371
<u>5,659,389</u>	<u>3,924,209</u>

9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance to suppliers-for building materials
Advance to staff
Advance for Expenses
Advances for purchase of land at Sughra Shafi Medical College
Bill Receivable from PSDF
Security deposit
Prepaid insurance
Other prepayments
Advances for concerts
Advances for services and goods
Advances against bank guarantee

4,256,303	6,425,673
3,615,751	3,152,571
6,479,422	1,855,398
-	4,600,000
1,038,909	-
879,000	1,583,097
773,473	766,831
1,328,025	908,391
-	2,015,650
2,848,185	938,349
-	500,000
<u>21,219,068</u>	<u>22,745,960</u>



		2012 RUPEES	2011 RUPEES
10 CASH AND BANK BALANCES			
Cash in hand		763,964	1,008,613
Cash at bank			
- Cash with Bank		11,721,528	94,931,529
- Prize Bonds in Locker-ABL		15,080,000	13,240,000
		<u>27,565,492</u>	<u>109,180,142</u>
11 CLINICAL INCOME			
Receipts from Hospitals		74,020,998	62,471,043
Receipts from Lab Centers		22,897,743	11,184,321
		<u>96,918,741</u>	<u>73,655,364</u>
12 OTHER INCOME			
Donation in Pak Rupees		86,525,129	53,216,841
Donation in foreign currency		44,901,797	104,801,259
Sawat Relief Funds Receipts		493,700	9,594,183
Zakat		28,141,597	19,252,323
Concern Worldwide-Rapid fund-Shelter	12.1	19,241,975	-
Skills for Employability Income-PSDF		13,607,059	
ADP USA Project Income		1,320,663	
Own Football Stiching Center- Pasroor		12,890,097	12,536,265
Sadqa		765,381	271,960
Hides		526,000	1,111,390
Donation in Kind		21,340	-
Exchange rate gain		807,201	92,839
Interest on bank deposit		2,398,735	11,129,569
Profit on sale of fixed asset		72,887	-
Others		4,101,592	4,112,313
		<u>215,815,153</u>	<u>216,118,942</u>

12.1 This fund is received from Worldwide Rapid fund shelter for the construction of houses in Layya.

13 CLINICAL EXPENSES			
Medicines consumed	13.1	29,227,138	27,364,931
Salaries, wages and other benefits		69,543,832	61,985,676
Further assistance & Discounts to patients		28,351,093	27,928,742
Hospital supplies		1,099,838	499,807
Patient Mess Expenses		670,334	900,011
Utility bills		7,052,323	9,030,426
Ambulance running and maintenance		5,392,137	5,407,639
Printing and stationery		928,610	847,211
Computer accessories consumption		329,355	159,958
Hospital maintenance		2,887,601	3,342,554
Insurance		242,335	213,247
Depreciation	6.1	12,955,877	12,772,633
Miscellaneous		206,593	121,374
		<u>158,887,066</u>	<u>150,574,209</u>
13.1 Medicines Consumed			
Opening stocks		3,288,838	2,841,739
Purchases		31,199,194	27,812,030
		34,488,032	30,653,769
Less: Closing stock		(5,260,894)	(3,288,838)
		<u>29,227,138</u>	<u>27,364,931</u>



	2012 RUPEES	2011 RUPEES
14 GENERAL AND ADMINISTRATION EXPENSES		
Salaries ,wages and other benefits	23,789,840	20,606,649
Travelling and conveyance	930,489	651,494
Utility bills	4,123,712	3,602,043
Internet	137,491	181,366
Printing and stationery	1,044,115	1,804,657
Computer accessories consumption	624,730	618,605
Entertainment	483,006	628,719
Newspaper and periodicals	28,273	20,324
Vehicle running and maintenance	3,303,104	2,916,645
Office maintenance	622,385	1,843,740
Rent, rates and taxes	3,673,558	2,554,899
Legal and professional	920,187	469,650
Postage	1,497,861	1,830,721
Publicity & advertisement	13,043,231	8,218,622
Depreciation	1,439,542	1,419,181
Audit fee	125,000	125,000
Insurance	234,208	882,492
Office expenses	213,930	114,324
Miscellaneous	3,945,804	3,820,714
	<u>60,180,466</u>	<u>52,309,845</u>
15 PROJECT EXPENSES		
Skills for Employability Expenses-PSDF	9,323,023	-
Concern Worldwide-Rapid fund-Shelter	17,999,215	32,046,865
ADP USA Project Expenses	944,768	-
Own Football Stiching Center- Pasroor	12,603,369	12,455,650
	<u>40,870,375</u>	<u>44,502,515</u>
16 FINANCIAL CHARGES		
Interest on finance lease	14,734	25,121
Bank charges	254,151	245,881
	<u>268,885</u>	<u>271,002</u>
17 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets as per balance sheet		
Long term deposits	1,397,097	430,000
Loans and advances	17,199,661	12,711,968
Trade deposits	879,000	1,933,097
Cash and bank balances	27,565,492	109,180,142
	<u>47,041,250</u>	<u>124,255,207</u>
Financial liabilities as per balance sheet		
Trade and other payables	5,093,608	4,587,681
Trade deposits	6,307,331	5,561,168
	<u>11,400,939</u>	<u>10,148,849</u>

17.01 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair



18 FINANCIAL INSTRUMENTS

18.01 Financial risk factors

The Trust's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Trust's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Trust's finance department under policies approved by the Board of Trustees.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Trust is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Trust's foreign exchange risk exposure is restricted to foreign currency bank balances and foreign currency donations.

	2012 RUPEES	2011 RUPEES
Donation in foreign currency	44,901,797	104,801,259
Cash at bank in foreign currency	27,565,492	109,180,142
Net exposure	72,467,289	213,981,401

The following significant exchange rates have been applied at the reporting dates:

USD to PKR	94.58	85.60
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The Trust manages its currency risk by close monitoring of currency markets. However, the Trust does not hedge its currency risk exposure.

At June 30, 2012, if the Pakistan Rupee had weakened/strengthened against the US Dollar with all other variables held constant, post-tax loss/profit for the year have been higher/lower by Rs. 807,2017 (2011: 92,839), mainly as a result of foreign exchange losses/gains on translation of foreign debts, foreign currency borrowings and foreign creditors.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Trust has no interest-bearing assets, therefore the Trust's income and operating cash flows are substantially independent of changes in market interest rates.

(iii) Fair value sensitivity analysis for fixed rate instruments:

The Trust does not account for any fixed rate financial assets and liabilities at fair value through Income and Expenditure. Therefore, a change in interest rates at the reporting date would not affect Income and Expenditure account.



(iv) **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Trust is not exposed to equity securities price risk as there is no investment in listed securities.

(b) **Credit risk**

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation.

Credit risk arises from deposits with banks, loans and advances, deposits and other receivables. The Trust seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. Where considered necessary, advance payments are obtained from certain parties. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 42,784,590 (2011: Rs. 124,255,207), the financial assets exposed to credit risk amount to Rs. 36,477,259 (2011: Rs. 118,694,039).

The Trust monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which have not impaired are as under:

	2012 RUPEES	2011 RUPEES
Long term deposits	1,397,097	430,000
Loans and advances	17,199,661	12,711,968
Trade deposits	879,000	1,933,097
Cash and bank balances	27,565,492	109,180,142
	<u>47,041,250</u>	<u>124,255,207</u>

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history, however, no losses. The credit quality of Trust's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating agency	Short Term Borrowings	Long Term Loans
United Bank Limited	JCR-VIS	A1+	AA+
Habib Bank Limited	JCR-VIS	A1+	AA+
National Bank of Pakistan	JCR-VIS	A1+	AAA
The Bank of Punjab	PACRA	A1+	AA-
Silk Bank Limited	JCR-VIS	A3	A-
Faysal Bank Limited	PACRA	A1+	AA
Bank Alfalah Limited	PACRA	A1+	AA



(c) **Liquidity risk**

Liquidity risk represents the risk that the Trust will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Trust's operations, the Board maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors the forecasts of the Trust's cash and cash equivalents on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Trust. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Trust's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring balance sheet liquidity ratios against internal requirements, and maintaining debt financing plans.

The table shows analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial assets and liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.



**Non-Derivative
Financial Liabilities**

Trade and other payables
Short term security deposits

2012 (Rupees)			
Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
7,404,595	7,404,595	-	-
6,307,331	6,307,331	-	-
13,711,926	13,711,926	-	-

**Non-Derivative
Financial Liabilities**

Trade and other payables
Short term security deposits

2011 (Rupees)			
Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
4,932,990	4,932,990	-	-
5,561,168	5,561,168	-	-
10,494,158	10,494,158	-	-

19 AUTHORIZATION OF FINANCIAL STATEMENTS

These accounts have been authorized for issue by the Board of Trustees of the Trust on Dated 01 November, 2012.

20 GENERAL

20.1 During the year 2011-12 the trust run four Football Stitching Units (Muzafargargh, Lodhran, Bahawalnagar, Bahawalpur) with the financial assistance of Punjab GOVT Scheme called Punjab Skilled Development Fund, Bahawalpur.

20.2 The trust is running a technical training school (Football stitching center) at Pasroor, District Sailkot on no profit no loss basis for the purpose to train poor people at the area.

20.3 Figures have been rounded off to the nearest of rupees.

20.4 Comparative figures have been rearranged / reclassified, wherever necessary, to facilitate comparison.

TRUSTEE



TRUSTEE