

*SAHARA FOR LIFE TRUST  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2020.*



## **Independent Auditor's Report to the Trustees of Sahara for Life Trust**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of **Sahara for Life Trust** (the Trust), which comprise the statement of financial position as at June 30, 2020, and the Income and expenditure account, the statement of changes in accumulated funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at June 30, 2020 and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Board of Trustees for the Financial Statements**

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





**QADEER & COMPANY**  
CHARTERED ACCOUNTANTS

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is **Nawaz Khan, FCA.**

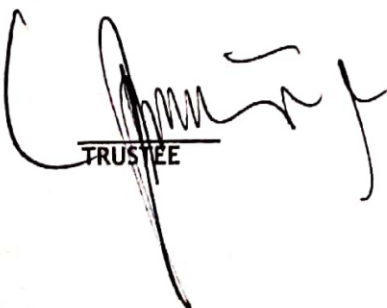
Lahore,  
Dated: November 26, 2020

  
**Qadeer and Company,**  
**Chartered Accountants**

**SAHARA FOR LIFE TRUST  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2020**

	NOTE	2020 RUPEES	2019 RUPEES
<b><u>FUNDS AND LIABILITIES</u></b>			
<b>FUND ACCOUNTS</b>			
Accumulated funds		850,641,243	781,923,875
<b>NON CURRENT LIABILITIES</b>			
Long term security deposit received		24,985,350	24,985,350
Liabilities against assets subject to finance lease	6	2,635,195	631,976
		<u>27,620,545</u>	<u>25,617,326</u>
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities	7	115,868,268	143,432,873
Current portion of lease liabilities	6	1,111,781	2,068,873
Short term security deposits		31,241,063	25,473,262
		<u>148,221,112</u>	<u>170,975,008</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	-	-
		<u>1,026,482,900</u>	<u>978,516,209</u>
<b><u>ASSETS</u></b>			
<b>NON CURRENT ASSETS</b>			
Operating fixed assets-owned	9	646,034,374	574,607,875
Assets subject to finance lease	9	8,222,830	5,828,537
Capital work in progress	10	26,067,017	85,005,056
Long term investments	11	129,133,930	109,133,930
Long term security deposits		2,654,137	2,239,137
		<u>812,112,288</u>	<u>776,814,535</u>
<b>CURRENT ASSETS</b>			
Inventories	12	14,273,117	8,079,976
Advances, deposits, prepayments and other receivables	13	57,784,742	76,666,618
Short term deposit with JS Bank		36,366,088	-
Cash and bank balances	14	105,946,665	116,955,080
		<u>214,370,612</u>	<u>201,701,674</u>
		<u>1,026,482,900</u>	<u>978,516,209</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

  
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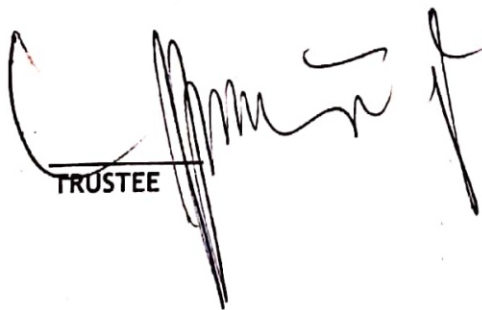
  
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**SAHARA FOR LIFE TRUST  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2020**

	NOTE	2020 RUPEES	2019 RUPEES
<b>DEFICIT FROM PROJECTS</b>			
<b>Health Sector:</b>			
Loss from Sughra Sughra Shafi Medical Complex	15	(297,127,060)	(292,958,874)
<b>Education Sector:</b>			
Surplus from Sahara Medical College	16	191,082,513	96,998,708
Surplus from The Sahara College Narowal	17	6,787,097	-
Loss from Pakistan Grammar International School	18	(1,027,478)	(1,028,652)
		<u>196,842,132</u>	<u>95,970,056</u>
<b>Deficits from projects</b>		<b>(100,284,928)</b>	<b>(196,988,818)</b>
<b>OTHER INCOME</b>			
Donations received from donors	19	225,048,297	228,894,392
Other receipts	20	13,212,063	12,502,714
		<u>238,260,360</u>	<u>241,397,106</u>
<b>Operating expenses</b>			
Administrative and General Expenses	21	(68,395,169)	(65,483,683)
Finance Cost	22	(862,895)	(750,714)
		<u>(69,258,064)</u>	<u>(66,234,397)</u>
		<b>169,002,296</b>	<b>175,162,709</b>
<b>NET INCOME/ (LOSS) FOR THE YEAR</b>		<b><u>68,717,368</u></b>	<b><u>(21,826,110)</u></b>
<b>Other Comprehensive income or loss</b>			
		-	-
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR</b>		<b><u>68,717,368</u></b>	<b><u>(21,826,110)</u></b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

  
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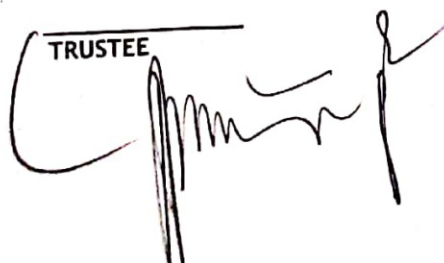
  
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**SAHARA FOR LIFE TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020**

	2020 RUPEES	2019 RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Surplus/ Deficit for the year	68,717,368	(21,826,110)
Adjustment For:		
Depreciation	48,567,119	43,809,494
Finance Cost	862,895	750,714
Loss/(gain) on disposal	(1,680,204)	-
Interest received	(10,509,698)	(4,566,936)
Operating profit before working capital changes	105,957,480	18,167,162
Changes in working capital		
(Increase)/decrease in current assets		
Inventories	(6,193,141)	(906,583)
Advances, deposits, prepayments and other receivables	18,881,876	(10,262,165)
Short term deposits	(36,366,088)	
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	(27,564,605)	53,268,757
Short term security deposits	5,767,801	7,232,635
	(45,474,157)	49,332,644
Cash generated from operations	60,483,323	67,499,806
Finance cost paid	(862,895)	(750,714)
Net cash from operating activities	59,620,428	66,749,092
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(122,737,707)	(112,637,773)
Capital work in progress	58,938,039	44,430,806
Disposal proceeds of Fixed Assets	2,030,000	-
Long Term Security Payable- Students SMC	-	(347,650)
Long term investments	(20,000,000)	-
Lease Liabilities	1,046,127	(1,992,585)
Long term security deposits	(415,000)	(70,000)
Interest received	10,509,698	4,566,936
Net cash used in investing activities	(70,628,843)	(66,050,266)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net increase/(decrease) in cash & cash equivalents	(11,008,415)	698,826
Cash & cash equivalents at the beginning of year	116,955,080	116,256,254
Cash & cash equivalent at the end of year	105,946,665	116,955,080

The annexed notes from 1 to 26 form an integral part of these financial statements.

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**SAHARA FOR LIFE TRUST**  
**STATEMENT OF CHANGES IN ACCUMULATED FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	funds Rupees	Endowment Fund Rupees	Total Funds Rupees
Balance as at 1st July 2018	803,749,985	-	803,749,985
Loss for the year			
Loss from Sughra Sughra Shafi Medical Complex	(292,958,874)	-	(292,958,874)
Surplus from Sahara Medical College	96,998,708	-	96,998,708
Loss from Pakistan Grammer International School	(1,028,652)	-	(1,028,652)
Head office funds	175,162,709	-	175,162,709
	(21,826,110)	-	(21,826,110)
Balance as at 30 June 2019	781,923,875	-	781,923,875
Surplus for the year			
Loss from Sughra Sughra Shafi Medical Complex	(297,127,060)	-	(297,127,060)
Surplus from Sahara Medical College	191,082,513	-	191,082,513
Surplus from The Sahara College Narowal	6,787,097	-	6,787,097
Loss from Pakistan Grammer International School	(1,027,478)	-	(1,027,478)
Head office funds	169,002,296	-	169,002,296
	68,717,368	-	68,717,368
Balance as at 30 June 2020	850,641,243	-	850,641,243

The annexed notes from 1 to 26 form an integral part of these financial statements.

  
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**SAHARA FOR LIFE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**1 LEGAL STATUS AND NATURE IF BUSINESS**

Sahara for Life Trust ("the Trust") was registered in Pakistan on June 15, 2000 with the Directorate of Social Welfare, Government of Punjab. The purpose of the Trust is to raise funds in Pakistan and abroad for establishing and maintaining hospitals, colleges and schools. Funds raised in the United Kingdom and United States of America are incorporated in the accounts of charitable trusts that are separate legal entities registered in the respective countries. The registered office of the trust is situated at 50 - Bridge Colony, Lahore Cantt.

Sahara stands for Services Aimed at Health and Awakening in Remote Areas. Following are the current projects of the Trust:

**Sughra Shafi Medical Complex ("SSMC")**

"Sughra Shafi Medical Complex" (SSMC) is the first project of Sahara; located at Narowal. It is a 600 bed hospital which is running since 2004.

**Sahara Medical College ("SMC")**

The second project namely "Sahara Medical College" (SMC) is also functional since April 2016. Its income is being utilized in Sughra Shafi Medical Complex for poor and needy patients.

**The Sahara College Narowal ("TSCN")**

The third project "The Sahara College Narowal" is our current project. It is affiliated with government college university faisalabad for BBA, DPT and Pharm-D. Its income is also being utilized for treatment of needy patients in Sughra Shafi Medical Complex.

**Upcoming Projects**

Cancer hospital

The fourth project namely Sahara Cancer Hospital is going on construction.

Sahara nursing college

This is the fifth project of Sahara for life trust which is registered with Pakistan nursing council.

**2 BASIS OF PREPARATION**

2.01 These financial statements have been prepared in accordance with the historical cost convention.

2.02 New standards, amendments to approved accounting standards and new interpretations

**Standards and amendments to approved accounting standards which became effective during the year ended June 30, 2019**

There were certain new standards and amendments to the approved accounting standards which became effective during the year ended June 30, 2019 but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

**Amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2019**

There are certain new amendments to the approved accounting standards that are mandatory for the Company's accounting periods beginning after July 1, 2019 but are considered not to be relevant or are not expected to have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

2.03 The preparation of financial statements 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 by the management under different circumstances. These estimates and related assumptions are reviewed on ongoing basis. Accounting estimates are revised in the period in which such revisions are made.

## **2.04 Functional Currency**

These financial statements are prepared in Pak Rupees which is the Trust's functional and presentation currency.

**3**

## **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Trust Deed of Sahara For Life Trust, and "Guideline for Accounting and Financial Reporting for Non-government / Non-profit organizations" as issued by the Institute of Chartered Accountants of Pakistan; and IFRS for SMEs.

**4**

## **SIGNIFICANT ACCOUNTING POLICIES**

### **4.01 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 9 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 year in which the item becomes available for use. Depreciation is discontinued for the year in which it is disposed off or classified as held for disposal.

Subsequent costs are included in the asset's carrying amount or recognized 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.

### **4.02 Capital Work In Progress**

Capital work in progress pertains to construction of Sahara Cancer Hospital.

### **4.03 Inventories**

Inventories and stocks are valued using moving average method and estimated net realizable value.

### **4.04 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.

### **4.05 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.

### **4.06 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.

### **4.07 Taxation**

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

### **4.08 Unrestricted Funds**

Unrestricted Funds are received from donors with no specific condition or purpose attached for its use. Such funds are directly charged to statement of financial activities.

### **4.09 Restricted Funds**

Restricted Funds are received from Government Institutions, National and International donors with a specific condition or purpose attached to its use.

### **4.10 Revenue Recognition**

Donations are recognized when they are received in cash or deposited in banks.



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	2020 RUPEES	2019 RUPEES
<b>5 Surplus for the Year</b>		
Loss from Sughra Sughra Shafi Medical Complex	(297,127,060)	(292,958,874)
Surplus from Sahara Medical College	191,082,513	96,998,708
Surplus from The Sahara College Narowal	6,787,097	-
Loss from Pakistan Grammar International School	(1,027,478)	(1,028,652)
Head office funds	169,002,296	175,162,709
	<b>68,717,368</b>	<b>(21,826,110)</b>
<b>6 Liabilities against Assets subject to Finance Lease</b>		
Not Later than one year	1,486,640	2,273,929
Later than one year but not later than five years	3,347,282	647,868
<b>Total future minimum lease payments</b>	<b>4,833,922</b>	<b>2,921,797</b>
<b>Less: Finance cost allocated to future periods</b>		
Not Later than one year	374,858	205,056
Later than one year but not later than five years	712,088	15,892
<b>Present value of minimum lease payment</b>	<b>3,746,976</b>	<b>2,700,849</b>
<b>Less: Current portion shown under Current Liabilities</b>	<b>1,111,781</b>	<b>2,068,873</b>
<b>Liability against Asset subject to Finance Lease</b>	<b>2,635,195</b>	<b>631,976</b>
<p>Vehicles got on lease from Summit Bank Limited for a term of three years commencing from November 2017 and ending on October 2020 and other lease contract, payment commencing from July 2020 and ending on June 2025 respectively. Installments are payable at the start of each month. Interest rate Implicit in the lease are 11.27 % and 10.63%</p>		
<b>7 Creditors, accrued and other liabilities</b>		
Creditors and bill payables	38,363,931	44,448,532
Accrued and other liabilities	36,093,527	21,513,058
Salaries Payable	30,961,284	40,857,620
UHS Dues Payable	8,902,593	8,902,593
Advances from Patients	1,546,933	463,741
Advances from suppliers and others	-	27,247,329
	<b>115,868,268</b>	<b>143,432,873</b>
<b>8 Contingencies and Commitments</b>		
There are no Major contingencies and commitments at Balance sheet Date.		

9 Operating Fixed Assets

NOTE

Head Office & SSMC-Owned  
Sahara Medical College-Owned  
Assets subject to finance lease

9.1  
9.2  
9.1

9.1 Head Office & SSMC-Owned

2020	2019
RUPEES	RUPEES
309,924,562	319,156,172
336,109,862	255,451,703
646,034,374	574,607,875
8,222,830	5,828,537
654,257,204	580,436,412

Particulars	COST				Rate %	ACCUMULATED DEPRECIATION				Written down value as at June 30, 2020
	As at July 01, 2019	Additions/Trans- fer/	Disposal	As at June 30, 2020		As at July 01, 2019	Disposal	For the year	As at June 30, 2020	
<b>Owned Assets</b>										
Land	26,070,362	-	-	26,070,362	-	-	-	-	-	26,070,362
Building	209,103,934	-	-	209,103,934	5	80,776,164	-	6,416,389	87,192,552	121,911,382
Furniture and Fixture	18,402,172	699,822	-	19,101,994	10	7,630,224	-	1,147,177	8,777,401	10,324,593
Vehicles	31,002,653	-	-	28,602,513	20	22,359,210	-	1,658,729	21,967,595	6,634,918
Computers	8,974,805	643,240	2,400,140	9,618,045	20	6,993,470	2,050,344	524,915	7,518,385	2,099,660
Air Conditioner	3,836,972	207,330	-	4,044,302	10	1,886,193	-	215,811	2,102,003	1,942,299
Donation Boxes	1,611,078	710,438	-	2,321,516	33	1,292,303	-	339,640	1,631,943	689,573
Other Assets	22,643,169	2,287,223	-	24,930,392	10	8,385,377	-	1,634,502	10,219,878	14,710,514
Medical & Surgical equipment	223,423,062	12,456,270	-	235,879,332	10	96,389,096	-	13,949,024	110,338,119	125,541,212
<b>Subtotal</b>	545,068,207	17,004,323	2,400,140	559,672,390		225,912,035	2,050,344	25,886,187	249,747,877	309,924,512
<b>Leased Assets</b>										
Leased Vehicles	9,314,760	4,450,000	-	13,764,760	20	3,486,223	-	2,055,707	5,541,930	8,222,830
<b>Subtotal</b>	9,314,760	4,450,000	-	13,764,760		3,486,223	-	2,055,707	5,541,930	8,222,830
<b>Total 2020</b>	554,382,967	21,454,323	2,400,140	573,437,150		229,398,258	-	27,941,894	255,289,808	318,147,342
<b>Total 2019</b>	469,311,588	85,071,379	-	554,382,967		201,533,714	-	27,864,544	229,398,258	324,984,709

Allocation of depreciation:

Expenditures - SSMC  
Administrative and General Expenses

2020	2019
RUPEES	RUPEES
25,147,705	25,078,089
2,794,189	2,786,454
27,941,894	27,864,544

9.2 Sahara Medical College-Owned

Particulars	COST					ACCUMULATED DEPRECIATION					Written down value as at June 30, 2020
	As at July 01, 2019	Additions/Trans fer/	Disposal	As at June 30, 2020	Rate %	As at July 01, 2019	Disposal	For the year	As at June 30, 2020		
Land	11,835,050	-	-	11,835,050	-	-	-	-	-	11,835,050	
Building	229,708,216	87,822,583	-	317,530,799	5	32,864,865	-	14,233,297	47,098,162	270,432,637	
Furniture and Fixture	13,524,111	613,970	-	14,138,081	10	3,420,192	-	1,071,789	4,491,981	9,646,100	
Computers	2,176,422	893,450	-	3,069,872	20	1,034,276	-	407,119	1,441,395	1,628,477	
Electric Equipment & Installations	28,448,105	7,110	-	28,455,215	10	7,735,844	-	2,071,937	9,807,782	18,647,433	
Other Assets	2,984,348	518,181	-	3,502,529	10	588,608	-	291,392	880,000	2,622,529	
Vehicles	2,577,475	-	-	2,577,475	20	927,891	-	329,917	1,257,808	1,319,667	
Lab Tools and Equipment	14,799,541	11,428,090	-	26,227,631	10	4,029,888	-	2,219,774	6,249,662	19,977,969	
Total 2020	306,053,268	101,283,384	-	407,336,652		50,601,565	-	20,625,225	71,226,790	336,109,862	
Total 2019	278,486,874	27,566,394		306,053,268		34,656,614		15,944,950	50,601,565	255,451,703	



	NOTES	2020	2019
		RUPEES	RUPEES
<b>10 Capital work in progress</b>			
Sahara Medical College-Construction of Hostels		-	82,026,246
Plot at Johar Town for Construction of Sahara School		1,379,266	1,376,766
Construction of Sahara Cancer Hospital		24,687,751	1,602,044
		<b>26,067,017</b>	<b>85,005,056</b>
<b>10.1 Sahara Medical College-Construction of Hostels</b>			
Opening balance		82,026,246	90,228,593
Additions during the year		5,796,337	11,372,263
		87,822,583	101,600,856
Less: Capitalized during the year		(87,822,583)	(19,574,610)
		<b>-</b>	<b>82,026,246</b>
<b>10.2 Construction of Sahara Cancer Hospital</b>			
Opening balance		1,602,044	-
Additions during the year		23,085,707	1,602,044
		<b>24,687,751</b>	<b>1,602,044</b>
<b>11 Long term investments</b>			
Margin against Bank Guarantees	11.1	15,000,000	15,000,000
Investment in properties	11.2	114,133,930	94,133,930
		<b>129,133,930</b>	<b>109,133,930</b>
11.1 To meet the requirements of PMDC, Sahara For Life Trust have obtained two bank guarantees from Summit Bank (20 Million on account of Sahara Medical College & 30 Million on account of Sughra Shafi Medical Complex) by providing Mortgage of property pertaining to one of our trustee ( Chaudhary Israr Ul Haq).			
11.2 The trust received profit of Rs.7.5 million on above investment after balance sheet date.			
<b>12 Inventories</b>			
Stock of medicines		13,771,761	7,590,601
Fuel & other stock		501,356	489,375
		<b>14,273,117</b>	<b>8,079,976</b>
<b>13 Advances, deposits, prepayments and other receivables</b>			
Advances to suppliers		19,087,351	13,535,388
Advances to staff		6,239,090	6,486,570
Advance for expenses		15,521,793	16,913,955
Bill receivable from lab franchises		1,402,007	1,249,500
Security deposit		360,000	1,366,088
Endowment fund		5,631,300	2,345,400
Withholding & Sales tax deposit		6,758,289	4,781,455
Prepaid insurance		161,646	589,334
Other Receivables		2,623,266	29,398,928
		<b>57,784,742</b>	<b>76,666,618</b>
<b>14 Cash and bank balances</b>			
Cash in hand		909,681	2,856,545
Cash at banks		105,036,984	114,098,535
		<b>105,946,665</b>	<b>116,955,080</b>
<b>14.1 Cash at banks</b>			
Local currency account			
Current accounts		49,343,221	73,013,783
PLS accounts		34,398,608	13,759,924
		83,741,829	86,773,707
Foreign currency account		21,295,155	27,324,828
		<b>105,036,984</b>	<b>114,098,535</b>

## 15 SAHARA FOR LIFE TRUST

INCOME AND EXPENDITURES ACCOUNT OF SUGHRA SHAFI MEDICAL COMPLEX NAROWAL  
 FOR THE YEAR ENDED JUNE 30, 2020  
 (A 600 BED HOSPITAL)

		2020	2019
	NOTE	RUPEES	RUPEES
Loss from Sughra Shafi Medical Complex		176,353,098	183,608,593
Receipts	15.1	(473,480,158)	(476,567,467)
Less: Expenditures		(297,127,060)	(292,958,874)
Loss for the year		(698,057,447)	(405,098,572)
Loss brought forward		(995,184,507)	(698,057,447)
Accumulated Loss			
<b>15.1 Expenditures</b>			
Medicines Consumed	15.1.1	96,177,016	117,101,662
Salaries, Consultant Fees and other benefits		228,867,114	244,378,394
Hospital supplies		1,255,631	998,088
Utility bills		25,210,707	18,471,977
Ambulance running and maintenance		4,976,818	4,673,263
Consultants' fee		36,255,392	22,830,006
Printing and stationery		1,929,108	3,160,034
Publicity & advertisement		46,321,542	33,732,043
Computer accessories consumption		302,450	191,100
Hospital maintenance		5,300,367	4,544,637
Fee & Subscription		761,800	40,000
Insurance		572,980	1,048,367
Depreciation	9.1	25,147,705	25,078,089
Miscellaneous		401,528	319,807
		<b>473,480,158</b>	<b>476,567,467</b>
<b>15.1.1 Medicines Consumed</b>			
Opening stocks		7,590,601	6,855,748
Purchases & Financial Support		102,358,176	117,836,515
		109,948,777	124,692,263
Less: Closing stock		(13,771,761)	(7,590,601)
		<b>96,177,016</b>	<b>117,101,662</b>

INCOME AND EXPENDITURES ACCOUNT OF SAHARA MEDICAL COLLEGE NAROWAL  
FOR THE YEAR ENDED JUNE 30, 2020

		2020	2019
	NOTE	RUPEES	RUPEES
Surplus from Sahara Medical College		395,058,473	311,534,540
Receipts		(203,975,960)	(214,535,832)
Less: Expenditures	16.1	191,082,513	96,998,708
Surplus for the year		230,911,266	133,912,558
Surplus brought forward		421,993,780	230,911,266
Accumulated Surplus			
<b>16.1 Expenditures</b>		126,451,505	141,318,912
Salaries & Wages		13,979,961	19,714,690
Student Registration & Examination Fee		36,185	9,645
Newspaper & Periodicals		57,000	866,390
Student/ Staff Welfare		470,975	555,357
Travelling and Entertainment Expenses		8,524,213	13,127,594
Student Mess Expenses		979,811	1,287,718
Lab Supplies & Consumables		37,000	47,367
Printing and Web Site Development Charges		6,617,520	-
Publicity & advertisement		4,890,814	2,783,417
Repair and Maintenance Building/Equipment		625,000	600,000
Faculty Development expenses		1,172,500	922,500
Extra Curricular Activities of Students		4,745,300	4,745,300
Students Financial Support		2,423,960	2,708,400
Legal & Professional		11,084,857	8,956,526
Utilities		717,533	199,124
Vehicle Running & Maintenance		536,601	747,942
Insurance		20,625,225	15,944,950
Depreciation	9.2	203,975,960	214,535,832



## 17 SAHARA FOR LIFE TRUST

INCOME AND EXPENDITURES ACCOUNT OF THE SAHARA COLLEGE NAROWAL  
 FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 RUPEES	2019 RUPEES
Surplus from The Sahara College Narowal			
Receipts		27,569,724	-
Less: Expenditures	17.1	(20,782,627)	-
Surplus for the year		<u>6,787,097</u>	<u>-</u>
<b>17.1 Expenditures</b>			
Salaries & Wages		10,386,764	-
Student Registration & Examination Fee		2,991,990	-
Incorporation Expenses		1,120,500	-
Publicity & advertisement		5,819,125	-
Lab Supplies & Consumables		396,040	-
Printing and Web Site Development Charges		38,208	-
Legal & Professional		30,000	-
		<u>20,782,627</u>	<u>-</u>

## 18 SAHARA FOR LIFE TRUST

INCOME AND EXPENDITURES ACCOUNT OF PAKISTAN GRAMMER INTERNATIONAL SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 RUPEES	2019 RUPEES
Loss from Pakistan Grammer International School			
Receipts		369,900	616,000
Less: Expenditures	18.1	(1,397,378)	(1,644,652)
Loss for the year		<u>(1,027,478)</u>	<u>(1,028,652)</u>
<b>18.1 Expenditures</b>			
Salaries Expenses		1,234,172	1,589,860
Utilities Expenses		10,660	24,792
Publicity & advertisement		125,431	-
Other School Expenses		27,115	30,000
		<u>1,397,378</u>	<u>1,644,652</u>

	NOTE	2020 RUPEES	2019 RUPEES
<b>19 Donations received from donors</b>			
Donation in pak rupees		123,599,896	110,616,685
Donation in foreign currency		67,855,843	77,215,000
Zakat		33,390,108	40,703,972
Sadqa		131,100	105,000
Hides		28,600	192,760
Donation in kind		42,750	60,975
		<u>225,048,297</u>	<u>228,894,392</u>
<b>20 Other receipts</b>			
Interest on bank deposit		10,509,698	4,566,936
Income from Sale Of Scrap		1,119,102	1,161,454
Exchange rate gain/(loss)		(96,941)	6,774,324
Gain on disposal of Fixed Asset		1,680,204	-
		<u>13,212,063</u>	<u>12,502,714</u>
<b>21 Administrative and General Expenses</b>			
Salaries ,wages and other benefits		45,292,838	40,948,219
Travelling and conveyance		327,376	227,679
Utility bills		2,992,418	2,972,359
Internet		690,478	773,026
Printing and stationery		1,356,832	1,008,539
Computer accessories		134,120	315,233
Entertainment & Office Supplies		606,362	1,279,819
Vehicle running and maintenance		7,047,136	6,148,674
Office maintenance		793,222	2,047,104
Rent, rates and taxes		1,355,852	796,262
Legal and professional		1,789,128	2,391,791
Postage		156,308	594,991
Depreciation		2,794,189	2,786,454
Auditors' Remuneration		300,000	250,000
Insurance		596,247	866,955
Other office expenses		2,162,663	2,076,578
		<u>68,395,169</u>	<u>65,483,683</u>
<b>22 Finance Cost</b>			
Bank charges		547,530	293,387
Markup on Finance Lease		315,365	457,327
		<u>862,895</u>	<u>750,714</u>
<b>23 FINANCIAL INSTRUMENTS BY CATEGORY</b>			
<b>Financial assets as per balance sheet</b>			
Long term deposits		2,654,137	2,239,137
Loans and advances		40,848,234	39,281,313
Trade deposits		360,000	1,366,088
Cash and bank balances		105,946,665	116,955,080
		<u>149,809,036</u>	<u>159,841,618</u>
<b>Financial liabilities as per balance sheet</b>			
Trade and other payables		39,910,864	49,047,590
Trade deposits		31,241,063	25,473,262
		<u>71,151,927</u>	<u>74,520,852</u>



## 23.01 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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

## 24 FINANCIAL INSTRUMENTS

### 24.01 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 program focuses on having cost effective funding as well as to manage financial risk.

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) and British Pound Sterling (GBP). Currently, the Trust's foreign exchange risk exposure is restricted to foreign currency bank balances and foreign currency donations.

Donation in foreign currency	67,855,843	77,215,000
Cash at bank in foreign currency	21,295,155	27,324,828
Net exposure	<u>173,802,508</u>	<u>194,170,080</u>

The Trust manages its currency risk by close monitoring of currency markets. However, the Trust does not hedge its currency risk exposure.

##### (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.

(ii) 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.149,809,036 (2019: Rs. 159,841,618), the financial assets exposed to credit risk amount to Rs.41,208,234 (2019: Rs. 40,647,401).

	2020 RUPEES	2019 RUPEES
Long term deposits	2,654,137	2,239,137
Loans and advances	40,848,234	39,281,313
Trade deposits	360,000	1,366,088
Cash and bank balances	105,946,665	116,955,080
	<b>149,809,036</b>	<b>159,841,618</b>

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		Rating Agency
	Short term	Long term	
Summit Bank Limited	A-3	BBB-	JCR-VIS
MCB Bank limited	A-1+	AAA	PACRA
Allied Bank Limited	A-1+	AAA	PACRA
Bank Alfalah Limited	A-1+	AA+	JCR-VIS
United Bank Limited	A-1+	AAA	JCR-VIS
Habib Bank Limited	A-1+	AAA	JCR-VIS
National Bank of Pakistan	A-1+	AAA	PACRA
The Bank of Punjab	A-1+	AA	PACRA
Silk Bank Limited	A-2	A-	JCR-VIS
Faysal Bank Limited	A-1+	AA	PACRA

(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.

JUNE 2020 (Rupees)				
	Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
<b>Non-Derivative Financial Liabilities</b>				
Trade and other payables	115,868,268	115,868,268	-	-
Short term security deposits	31,241,063	31,241,063	-	-
	<b>147,109,331</b>	<b>147,109,331</b>	-	-

2019 (Rupees)				
	Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
<b>Non-Derivative Financial Liabilities</b>				
Trade and other payables	143,432,873	143,432,873	-	-
Short term security deposits	25,473,262	25,473,262	-	-
	<b>168,906,135</b>	<b>168,906,135</b>	-	-


## 25 AUTHORIZATION OF FINANCIAL STATEMENTS

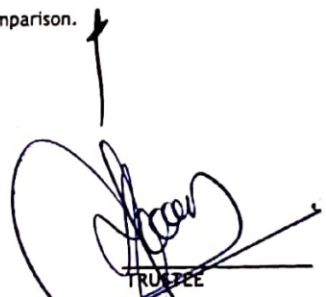
These accounts have been authorized for issue by the Board of Trustees of the Trust on November 26, 2020.

## 26 GENERAL

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

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

  
TRUSTEE

  
TRUSTEE