

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of MIAN MUHAMMAD BUKHSH TRUST as at June 30, 2016 and the related income and expenditure account together with the notes forming part thereof for the year then ended.

It is the responsibility of the management of the Foundation to establish and maintain a system of internal control, and prepare and present the statement in conformity with the cash receipts and disbursements basis as described in note 4.3 to the financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.


We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As described in note 4.3, the financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than the generally accepted accounting principles.

In our opinion the financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2016 and the income and expenditure accounts together with the notes forming part thereof for the year then ended on the basis of accounting as described in note 4.3 to the financial statements.

Lahore.

Date: 30.12.2016



Mumtaz Balouch & Co.
Chartered Accountants
Engagement Partner
Mumtaz Hussain Balouch



MIAN MUHAMMAD BUKHSH TRUST
BALANCE SHEET
As at June 30,2016

	NOTE	<u>June 30, 2016</u> Rupees	<u>June 30, 2015</u> Rupees		NOTE	<u>June 30, 2016</u> Rupees	<u>June 30, 2015</u> Rupees
FUND AND LIABILITIES				ASSETS			
				NON CURRENT ASSETS			
Accumulated surplus		75,946,296	58,505,563	Property, plant and equipments	8	127,406,904	120,557,250
				Work in progress- CIVIL	9	48,311,144	29,285,517
						175,718,048	149,842,767
NON CURRENT LIABILITIES							
Endowment fund	5	102,050,000	99,550,000				
CURRENT LIABILITIES				CURRENT ASSETS			
Accrued liabilities	6	7,838,780	324,197	Security deposit		509,660	509,660
				Short term investment	10	21,897	5,000,000
				Advances		9,585,471	913,993
				Cash and bank	11	10,117,028	2,113,340
						8,536,993	8,536,993
CONTINGENCIES AND COMMITMENTS	7		-				
		<u>185,835,076</u>	<u>158,379,760</u>			<u>185,835,076</u>	<u>158,379,760</u>

The annexed notes 1 to 16 form an integral part of these financial statements.



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**MIAN MUHAMMAD BUKHSH TRUST
RECEIPT AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016**

	NOTE	<u>June 30, 2016</u> Rupees	<u>June 30, 2015</u> Rupees
Receipts	12	21,256,431	9,631,293
Expenditures	13	3,651,527	(3,958,199)
Financial charges	14	164,171	(26,375)
		<u>(3,815,698)</u>	<u>(3,984,574)</u>
Surplus before taxation		17,440,733	5,646,719
Provision for taxation	15	-	-
		<u>17,440,733</u>	<u>5,646,719</u>
Excess of receipts over expenditures brought forward		<u>58,505,563</u>	<u>52,858,844</u>
Excess of receipts over expenditures carried forward		<u>75,946,296</u>	<u>58,505,563</u>

The annexed notes 1 to 16 form an integral part of these financial statements.



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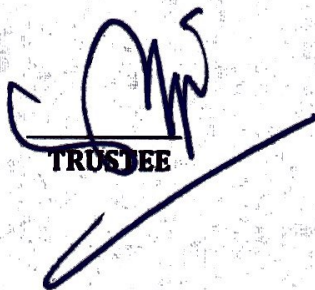


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MIAN MUHAMMAD BUKHSH TRUST
STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED JUNE 30, 2015

	Accumulated surplus Rupees
Balance as at June 30, 2014	<u>52,858,844</u>
Surplus for the year	5,646,719
Balance as at June 30, 2015	<u>58,505,563</u>
Surplus for the year	17,440,733
Balance as at June 30, 2016	<u>75,946,296</u>

The annexed notes 1 to 16 form an integral part of these financial statements.


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MIAN MUHAMMAD BUKHSH TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>June 30, 2016</u> Rupees	<u>June 30, 2015</u> Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	17,440,733	5,646,719
Adjustment for :		
Depreciation	425,004	173,812
Financial charges	164,171	26,375
	<u>589,175</u>	<u>200,187</u>
CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	18,029,908	5,846,906
CASH FLOW FROM WORKING CAPITAL (Increase)/Decrease In Current Assets		
Security deposit	-	10,000,000
Short term investment	5,000,000	(5,000,000)
Advances	892,096	(341,873)
	<u>5,892,096</u>	<u>4,658,127</u>
Increase / (Decrease) In Current Liabilities		
Accrued and other liabilities	7,514,583	42,947
	<u>13,406,679</u>	<u>4,701,074</u>
CASH GENERATED FROM OPERATIONS	31,436,587	10,547,980
Financial charges paid	(164,171)	(26,375)
Taxes paid	-	-
	<u>(164,171)</u>	<u>(26,375)</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES	31,272,416	10,521,605
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipments	(4,774,658)	(333,334)
Capital work in progress - civil	(19,025,627)	(12,854,863)
NET CASH (USED IN) INVESTING ACTIVITIES	(23,800,285)	(13,188,197)
CASH FLOW FROM FINANCING ACTIVITIES		
Endowment fund	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	7,472,131	(2,666,592)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,113,340	4,779,932
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9,585,471	2,113,340

The annexed notes 1 to 16 form an integral part of these financial statements.


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MIAN MUHAMMAD BUKHSH TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2016

1 THE TRUST AND ITS OPERATIONS

- 1.1** The Trust was formed on November 3, 2006 as Mian Muhammad Bukhsh Trust under the seal of Registrar joint stock companies, Jhelum. It commenced its operations in July 2007. The trust is engaged in providing free medical facilities to deserving rural population of Jhelum river basin. The registered office of the Trust is located at Suite 3-4, Khawaja Market, Shandar Chowk, Jhelum, Pakistan.
- 1.2** The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan.

3 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention of accounting.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 PROPERTY, PLANT AND EQUIPMENT

Owned

Assets are stated at cost less accumulated depreciation except freehold land. Freehold land is stated at cost.

Depreciation is charged to income and expenditure account on reducing balance method. The rate of depreciation charged during the year is given in the Note 8. Depreciation on additions to fixed assets is charged from the month in which fixed assets is available for use while no depreciation is charged in the month of disposal.

Maintenance and normal repair are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of fixed assets is recognized in current period's income.

The carrying amount of the trust's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exist the assets' recoverable amount is estimated and impairment losses are immediately recognized in the income and expenditure account.

Capital work in progress

All cost / expenditure connected with specific assets are collected under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

4.2 Trade and other payables

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



4.3 Revenue recognition

- These incomes are recognized when received from the patients. This relates to admission fee amounting to Rs.20 per person who can afford to pay only. From June, 2016 fee has been increased to Rs. 50.
- Donations are recognized on receipt basis.
- MMBT launched Social Health Worker Programme to perform free blood sugar test to deserving patients in surrounding villages. SHWs charge Rs. 25 per test to the patients who can afford it. Revenue generated in this regard has been shown under SHW Revenue.
- Some of the plots in Satellite town received through Endowment Fund have been sold out. Hence revenue from this utilisation has been shown under Disposal of Endowment & Gain/Loss on Sale of Land

4.4 Cash and cash equivalent

Cash in hand and bank are carried at fair value. For the purpose of cash flow statement, cash and cash equivalent consist of cash in hand and at bank.

	<u>June 30, 2016</u> Rupees	<u>June 30, 2015</u> Rupees
5 ENDOWMENT FUND		
Opening balance	99,550,000	99,550,000
Received during the year		
- in cash	-	-
- other than cash	14,250,000	-
	<u>14,250,000</u>	-
	<u>113,800,000</u>	<u>99,550,000</u>
Funds utilized during the year	<u>(11,750,000)</u>	-
Closing balance	<u>102,050,000</u>	<u>99,550,000</u>
6 ACCRUED & OTHER LIABILITIES		
Interest free Loan	7,500,000	
Other	338,780	161,690
	<u>7,838,780</u>	<u>161,690</u>

7 CONTINGENCIES AND COMMITMENTS

Contingencies

There were no material contingencies as at June 30, 2016 (2015 : Nil).

Commitments

There were no material commitments as at June 30, 2016 (2015 : Nil).

8 PROPERTY, PLANT AND EQUIPMENT	NOTE	June 30,2016	June 30,2015
		Rupees	Rupees
Operating assets	8.1	<u>127,406,904</u>	<u>120,557,250</u>

8.1 Reconciliation of carrying amounts at the beginning and end of the year is as follows:

	Owned						
	Land	Computer Equipments	Hospital Ward Equipment	Electric Equipments	Furniture & Fixture	Office Equipments	Total Operating Assets
----- Rupees -----							
Year ended 30 June 2015							
Opening net book value	119,550,000	155,998		151,166	414,317	126,248	120,397,728
Additions	-	92,500		143,334	94,500	3,000	333,334
Depreciation	-	(60,674)		(23,008)	(70,968)	(19,162)	(173,812)
Closing net book value	<u>119,550,000</u>	<u>187,824</u>		<u>271,492</u>	<u>437,849</u>	<u>110,086</u>	<u>120,557,250</u>
At 30 June 2015							
Cost	119,550,000	295,240		306,879	529,200	137,160	120,818,479
Accumulated depreciation	-	(107,416)		(35,387)	(91,351)	(27,074)	(261,229)
Net book value	<u>119,550,000</u>	<u>187,824</u>		<u>271,492</u>	<u>437,849</u>	<u>110,086</u>	<u>120,557,250</u>
Year ended 30 June 2016							
Opening net book value	119,550,000	187,824	-	271,492	437,849	110,086	120,557,250
Additions	2,500,000	20,000	304,000	4,368,658	-	82,000	7,274,658
Depreciation	-	(58,347)	(3,800)	(269,391)	(65,677)	(27,788)	(425,004)
Closing net book value	<u>122,050,000</u>	<u>149,477</u>	<u>300,200</u>	<u>4,370,759</u>	<u>372,172</u>	<u>164,298</u>	<u>127,406,904</u>
At 30 June 2016							
Cost	122,050,000	315,240	304,000	4,675,537	529,200	219,160	128,093,137
Accumulated depreciation	-	(165,762)	(3,799)	(304,778)	(157,028)	(54,862)	(686,233)
Net book value	<u>122,050,000</u>	<u>149,478</u>	<u>300,201</u>	<u>4,370,759</u>	<u>372,172</u>	<u>164,298</u>	<u>127,406,904</u>

Depreciation rate (%)	30	15	10	15	15
	June 30,2016		June 30,2015		
	Rupees		Rupees		
8.1.1 Depreciation for the year has been allocated as under:					
Expenditure	<u>425,004</u>		<u>173,812</u>		

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	NOTE	June 30, 2016 Rupees	June 30, 2015 Rupees
9 WORK-IN - PROGRESS - CIVIL			
Opening balance		29,285,517	16,430,654
Additions during the year		19,025,627	12,854,863
Material			
Bricks	536,800		
Sand	141,000		
Steel	284,739		
Crush	143,330		
Cement & Bond	1,182,340		
Soil	125,000		
Bathroom Tiles	590,860		
Marble & granite	1,300,513		
Tuff Paver	525,588		
Electrical Material	3,323,538		
Plumbing Material	257,036		
Sanitary Material	318,266		
Bitumen	14,950		
Misc Material	97,680		
MS Duct Covers	210,714		
Labour			
Civil Work Labour	397,472		
Plumbing Labour	97,506		
Electrical Labour	469,467		
Tile & Granite Fixing La	663,407		
Tuff Paver Laying/Fixi	158,006		
Shuttering	140,467		
Misc	31,050		
Finishing			
Aluminium Work	2,827,703		
Medical Gases System	1,500,000		
Hospital Logo	144,400		
Signage	319,972		
False Ceiling	1,028,555		
Doors	977,748		
Steel Railing	200,000		
Paint Coating	375,808		
Penaflex	61,613		
Operating Exp			
Salaries&Wages	499,574		
Entertainment Exp	1,080		
Repair & Mainrtenance	17,300		
Misc Construction Exp	4,735		
Electricity Exp	42,885		
Diesel	11,025		
Const Exp-Carriage & C	3,500		
		48,311,144	29,285,517
Transferred to operating assets		-	-
Closing balance		48,311,144	29,285,517
10 ADVANCES			
Advance for assets			-
Mobilization advance		20,209	266,066
Other receivables		1,688	128,601
		21,897	394,667
11 CASH AND BANK BALANCES			
Cash in hand		11,677	9,071
Cash at bank			
- in current accounts		9,573,794	2,104,269
		9,585,471	2,113,340

12 RECEIPTS

Fee Received	245,590	180,440
Return on investment	1,110	334,116
Donations	5,752,151	9,116,737
Disposal of Endowment	11,750,000	
Gain on Sale of Land	3,450,000	
Disposal of Scrap	31,940	
SHW Revenue	15,640	
Contractor Fine	10,000	
	<u>21,256,431</u>	<u>9,631,293</u>

13 EXPENDITURES

Salaries	1,375,709	1,146,456
Medicines and medical instrument	367,920	237,910
Travelling	605	124,655
Advertisement	468,563	1,068,308
Utilities	92,793	174,885
Legal and professional charges	3,500	172,500
Printing and stationery	24,085	95,137
Software & web development	-	30,000
Welfare expenses	-	182,312
Seminar & Meetings	398,008	
Office expenses	17,156	37,847
Rent, rate and taxes	350,000	300,000
Communication charges	28,712	23,524
Depreciation	425,004	173,812
Auditor's remuneration	25,000	25,000
Entertainment	64,060	93,987
Repair and maintenance	6,830	65,410
Miscellaneous expenses	3,582	6,456
	<u>3,651,527</u>	<u>3,958,199</u>

14 FINANCIAL CHARGES

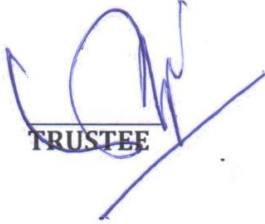
Bank charges	<u>164,171</u>	<u>26,375</u>
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15 PROVISION FOR TAXATION

This income of the trust is exempt from tax under section 100C (2a) of income tax ordinance, 2001.

16 DATE OF AUTHORIZATOIN FOR ISSUE

The financial statements were authorised for issue on 30.12.2016 by the Board of Trustees of the Trust.



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