



# MUMTAZ BALOUCH & CO

Chartered Accountants

## AUDITORS REPORT TO THE BOARD OF TRUSTEES

We have audited the annexed balance sheet of MAIN MUHAMMAD BUKUSH TRUST as at June 30, 2017 and the related income and expenditure account together with the notes forming parts thereof for the year then ended.

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

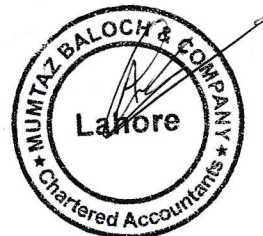
In our opinion the financial statements present fairly , in all material respects, the financial position of the foundation as at June 30, 2016 and the income and expenditure account together with the notes forming part thereof for the year then ended on the basis of accounting as described in note 4.3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

Lahore.

Date: 28/12/2017

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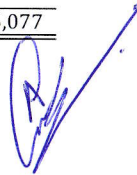


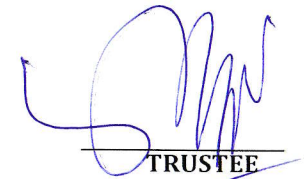
**MIAN MUHAMMAD BUKHSH TRUST**  
**BALANCE SHEET**  
**As at June 30,2017**

		<u>June 30, 2017</u> Rupees	<u>June 30, 2016</u> Rupees			<u>June 30, 2017</u> Rupees	<u>June 30, 2016</u> Rupees
NOTE				NOTE			
<b>FUND AND LIABILITIES</b>				<b>ASSETS</b>			
<b>NON CURRENT LIABILITIES</b>				<b>NON CURRENT ASSETS</b>			
Accumulated surplus		89,941,260	75,946,295.69	Property, plant and equipments	8	170,279,504	127,406,905
				Work in progress- CIVIL	9	3,406,295	48,311,144
						173,685,799	175,718,049
Endowment fund	5	92,050,000	102,050,000	<b>CURRENT ASSETS</b>			
Accrued liabilities	6	7,705,000	7,838,780	Security deposit		509,660	509,660
				Advances	10	5,764,084	21,897
				Cash and bank	11	9,736,717	9,585,471
						16,010,461	10,117,028
CONTINGENCIES AND COMMITMENTS	7						
		<b>189,696,260</b>	<b>185,835,077</b>			<b>189,696,260</b>	<b>185,835,077</b>

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, 2017**

	NOTE	<u>June 30, 2017</u> Rupees	<u>June 30, 2016</u> Rupees
Receipts	12	23,192,876	21,256,431
Expenditures	13	9,075,822	3,651,526
Financial charges	14	122,091	164,171
		<b>(9,197,913)</b>	<b>(3,815,698)</b>
Surplus before taxation		13,994,964	17,440,733
Provision for taxation	15	-	-
		13,994,964	17,440,733
Excess of receipts over expenditures brought forward		75,946,296	58,505,563
Excess of receipts over expenditures carried forward		<b>89,941,260</b>	<b>75,946,296</b>



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



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**MIAN MUHAMMAD BUKHSH TRUST**  
**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Accumulated surplus Rupees</b>
<b>Balance as at June 30, 2015</b>	<u><u>58,505,563</u></u>
Surplus for the year	17,440,733.00
<b>Balance as at June 30, 2016</b>	<u><u>75,946,296</u></u>
Surplus for the year	13,994,964
<b>Balance as at June 30, 2017</b>	<u><u>89,941,260</u></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, 2017**

	<u>June 30, 2017</u> Rupees	<u>June 30, 2016</u> Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus before taxation	13,994,964	17,440,733
<b>Adjustment for :</b>		
Depreciation	979,203	425,003
Financial charges	122,091	164,171
	<u>1,101,294</u>	<u>589,175</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES</b>	<u>15,096,258</u>	<u>18,029,908</u>
<b>CASH FLOW FROM WORKING CAPITAL (Increase)/Decrease In Current Assets</b>		
Security deposit	-	-
Short term investment	-	5,000,000
Advances	(5,742,187)	892,096
	<u>(5,742,187)</u>	<u>5,892,096</u>
<b>Increase / (Decrease) In Current Liabilities</b>		
Accrued and other liabilities	<u>(133,780)</u>	<u>7,514,583</u>
	<u>(5,875,967)</u>	<u>13,406,679</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<u>9,220,291</u>	<u>31,436,587</u>
<b>Financial charges paid</b>		
Financial charges paid	(122,091)	(164,171)
Taxes paid	-	-
	<u>(122,091)</u>	<u>(164,171)</u>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<u>9,098,200</u>	<u>31,272,416</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipments	(9,165,231)	(4,774,658)
Capital work in progress - civil	(1,158,902)	(19,025,627)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<u>(10,324,133)</u>	<u>(23,800,285)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Endowment fund	-	-
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	-	-
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT</b>	<u>(1,225,933)</u>	<u>7,472,131</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>9,585,471</u>	<u>2,113,340</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>8,359,538</u>	<u>9,585,471</u>

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, 2017**

**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, 2017</u> Rupees	<u>June 30, 2016</u> Rupees
<b>5 ENDOWMENT FUND</b>		
Opening balance	102,050,000	99,550,000
Received during the year		
- in cash	-	14,250,000
- other than cash	-	14,250,000
Net	102,050,000	113,800,000
Funds utilized during the year	(10,000,000)	(11,750,000)
Closing balance	<u>92,050,000</u>	<u>102,050,000</u>
<b>6 ACCRUED LIABILITIES</b>		
Interest free Loan	7,500,000	7,500,000
A/C Payable	119,000	
Security Deduction	16,641	
Other	69,359	338,780
	<u>7,705,000</u>	<u>7,838,780</u>

#### 7 CONTINGENCIES AND COMMITMENTS

##### Contingencies

There were no material contingencies as at June 30, 2017 (2016 : Nil).

##### Commitments

There were no material commitments as at June 30, 2017 (2016 : Nil).

As at June 30, 2017	NOTE	June 30,2017 Rupees	June 30,2016 Rupees
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	8.1	<u>170,279,504</u>	<u>127,406,905</u>

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

	Owned								
	Land	Building	Automobiles	Computer Equipments	Hospital Equipment	Electric Equipments	Furniture & Fixture	Office Equipments	Total Operating Assets
	-----Rupees-----								
<b>Year ended 30 June 2016</b>									
Opening net book value	119,550,000			187,823	-	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)	(425,003)
Closing net book value	<u>122,050,000</u>			<u>149,476</u>	<u>300,200</u>	<u>4,370,759</u>	<u>372,172</u>	<u>164,298</u>	<u>127,406,905</u>
<b>At 30 June 2016</b>									
Cost	122,050,000			315,240	304,000	4,675,537	529,200	219,160	128,093,137
Accumulated depreciation	-			(165,764)	(3,800)	(304,778)	(157,028)	(54,862)	(686,232)
Net book value	<u>122,050,000</u>			<u>149,476</u>	<u>300,200</u>	<u>4,370,759</u>	<u>372,172</u>	<u>164,298</u>	<u>127,406,905</u>
<b>Year ended 30 June 2017</b>									
Opening net book value	122,050,000			149,476	300,200	4,370,759	372,172	164,298	127,406,905
Additions	(10,000,000)	44,686,571	1,784,176	1,120,000	3,353,800	2,372,655	321,200	213,400	43,851,802
Depreciation	-		(133,813)	(192,543.00)	(90,605)	(459,837)	(72,076)	(30,329)	(979,203)
Closing net book value	<u>112,050,000</u>	<u>44,686,571</u>	<u>1,650,363</u>	<u>1,076,933</u>	<u>3,563,395</u>	<u>6,283,577</u>	<u>621,296</u>	<u>347,369</u>	<u>170,279,504</u>
<b>At 30 June 2017</b>									
Cost	112,050,000	44,686,571	1,784,176	1,435,240	3,657,800	7,048,192	850,400	432,560	171,944,939
Accumulated depreciation	-	-	(133,813)	(358,307)	(94,405)	(764,615)	(229,104)	(85,191)	(1,665,435)
Net book value	<u>112,050,000</u>	<u>44,686,571</u>	<u>1,650,363</u>	<u>1,076,933</u>	<u>3,563,395</u>	<u>6,283,577</u>	<u>621,296</u>	<u>347,369</u>	<u>170,279,504</u>
<b>Depreciation rate (%)</b>			15	30	10	10	15	15	

	June 30,2017 Rupees	June 30,2016 Rupees
<b>8.1.1 Depreciation for the year has been allocated as under:</b>		
Expenditure	<u>979,203</u>	<u>425,003</u>



	NOTE	June 30, 2017 Rupees	June 30, 2016 Rupees
<b>9 WORK -IN - PROGRESS - CIVIL</b>			
Opening balance		48,311,144	29,285,517
Less: cost of capital assets			
Medical Gases Sytem	(1,500,000)		
Electrical DBs	(1,377,180)	(2,877,180)	
Additions during the year		2,658,902	19,025,627
<b>Material</b>			
Bricks	8,000		
Sand	30,000		
Steel	15,000		
Crush	4,050		
Cement	29,290		
Floor Tiles	31,680		
Bathroom Tiles	66,000		
Vinyle Dotted Floor for Ramp	497,107		
Marble-Pak Kashmir Marble	157,773		
Trench Covers	12,400		
Sanitary Material	141,610		
Electrical Material	98,060		
Misc. Exp.	11,677	<b>1,102,647</b>	
<b>Finishing</b>			
Aluminium Work	699,992		
PLANT & FLOWER	44,250		
Paint Coating	74,300		
False Ceiling	27,500		
Signage/Directional Board	246,508		
Doors	33,100		
Doctor Locker Seprater	10,000		
Steel Railing	11,600		
Wooden Fixture- Lab Under Cou	73,053	<b>1,220,303</b>	
<b>Labour</b>			
Civil	132,166		
Electrical Labour	172,336		
Labour for Material Shifting	24,650		
Misc. Labour	6,800	<b>335,952</b>	
		<b>48,092,866</b>	<b>48,311,144</b>
Transferred to operating assets		<b>(44,686,571)</b>	-
Closing balance		<b>3,406,295</b>	<b>48,311,144</b>
(Closing balance includes the amount of Aluminium wip)			
<b>10 ADVANCES</b>			
Advance for assets		1,923,875	
Mobilization advance		20,209	20,209
Other receivables		3,820,000	1,688
		<b>5,764,084</b>	<b>21,897</b>
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		30,734	11,677
Cash at bank			
- in current accounts		9,705,983	9,573,794
		<b>9,736,717</b>	<b>9,585,471</b>
<b>12 RECEIPTS</b>			
Fee Received		429,254	245,590
Return on investment		358	1,110
Donations		8,807,264	5,752,151
Sadqat & Zakat		1,341,900	
Disposal of Endowment		10,000,000	11,750,000
Gain on Sale of Land		2,600,000	3,450,000
Disposal of Scrap		10,500	31,940
SHW Revenue		3,600	15,640
Contractor Fine		-	10,000
		<b>23,192,876</b>	<b>21,256,431</b>

**13 EXPENDITURES**

Donation Exp	1,050,000	-
Salaries	3,421,687	1,375,709
Medicines and medical instrument	147,606	367,920
Janitorial Supplies Exp	109,437	-
Travelling	27,460	605
Advertisement	678,134	468,563
Utilities	147,418	92,793
Legal and professional charges	108,470	3,500
Printing and stationery	131,914	24,085
Seminar & Meetings	879,387	398,008
Office expenses	128,320	17,156
Rent, rate and taxes	-	350,000
Communication charges	31,385	28,712
Entertainment	153,475	64,060
Carriage & Cartage	148,000	-
Vehicle Runing Exp	90,230	-
Generator Running Exp	69,367	-
Depreciation	979,203	425,003
Auditor's remuneration	25,000	25,000
Repair and maintenance	206,012	6,830
Talent Hunt & Support Programe	488,635	-
Miscellaneous expenses	54,682	3,582
	<u>9,075,822</u>	<u>3,651,526</u>

**14 FINANCIAL CHARGES**

Bank charges	<u>122,091</u>	<u>164,171</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 27-12-2017 by the Board of Trustees of the Trust.

  
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