

CHILDLIFE FOUNDATION

Financial Statements

for the year ended June 30, 2012

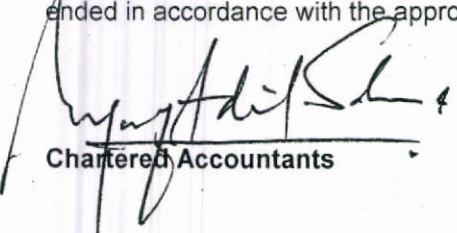
AUDITORS' REPORT TO THE TRUSTEES

We have audited the annexed balance sheet of the **ChildLife Foundation** (the Trust) as at June 30, 2012 and the related income and expenditure account, cash flow statement and statement of changes in fund balances together with the notes forming part thereof (here-in-after referred to as the financial statements for the year then ended).

It is the responsibility of the trustees to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. 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 management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly in all material respects the financial position of the Trust as at June 30, 2012 and of its surplus, cash flows and changes in fund balances for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.



Chartered Accountants

Engagement Partner:
Mushtaq Ali Hirani

Place: Karachi
Dated: 02 February 2013

CHILDLIFE FOUNDATION
BALANCE SHEET
AS AT JUNE 30, 2012

	Note	2012 -----Rupees-----	2011 (Refer Note 1.3)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	2,794,642	-
CURRENT ASSETS			
Inventory	6	429,966	-
Accounts receivable		1,716,000	-
Cash and bank balances	7	1,672,184	5,000
TOTAL ASSETS		<u>6,612,792</u>	<u>5,000</u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		10,000	10,000
Accumulated surplus / (deficit)		4,519,616	(5,000)
Zakat fund		1,599,768	-
		<u>6,129,384</u>	<u>5,000</u>
LIABILITIES			
CURRENT LIABILITIES			
Accrued liabilities		483,408	-
TOTAL LIABILITIES		<u>483,408</u>	<u>-</u>
TOTAL FUNDS AND LIABILITIES		<u>6,612,792</u>	<u>5,000</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

MUASE

[Handwritten Signature]

TRUSTEE

TRUSTEE


CHILDLIFE FOUNDATION
 INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2012

	Note	Donations	Zakat	Total 2012	For the period from October 27, 2010 to June 30, 2011 (Refer note 1.3)
-----Rupees-----					
INCOME	8	21,812,572	1,600,000	23,412,572	4,838,926
EXPENDITURE	10				
Civil Hospital Project (Renovation Expense)		5,503,773	-	5,503,773	4,843,926
Salaries and benefits		3,538,736	-	3,538,736	-
Medicines consumed		6,836,368	-	6,836,368	-
Depreciation	5	415,558	-	415,558	-
Legal and professional		135,165	-	135,165	-
Other expenses	9	858,356	232	858,588	-
Total expenditure		17,287,956	232	17,288,188	4,843,926
Surplus / (deficit) of income over expenses for the year / period		4,524,616	1,599,768	6,124,384	(5,000)

The annexed notes 1 to 12 form an integral part of these financial statements.

MYAS+


 TRUSTEE


 TRUSTEE


CHILDLIFE FOUNDATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	General fund	Zakat fund	Accumulated surplus / (deficit)	Total
	----- Rupees -----			
Balance as at October 27, 2010	-	-	-	-
Contribution received from Trustees	10,000	-	-	10,000
Deficit during the period	-	-	(5,000)	(5,000)
Balance as at June 30, 2011	10,000	-	(5,000)	5,000
Surplus for the year	-	1,599,768	4,524,616	6,124,384
Balance as at June 30, 2012	10,000	1,599,768	4,519,616	6,129,384

The annexed notes 1 to 12 form an integral part of these financial statements.

MUSA


 TRUSTEE


 TRUSTEE

**CHILDLIFE FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012**

For the period
from October
27, 2010 to
June 30, 2011
(Refer note 1.3)

	2012	
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) of income over expenses for the year / (period)	6,124,384	(5,000)
Adjustment:		
Depreciation	415,558	-
Working capital changes		
(Increase) / decrease in current assets		
Inventory	(429,966)	-
Accounts receivables	(1,716,000)	
Increase / (decrease) in current liabilities		
Accrued and other liabilities	483,408	-
Net cash generated / (used in) from operating activities	<u>4,877,384</u>	<u>(5,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,210,200)	-
Net cash used in investing activities	<u>(3,210,200)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from trustees	-	10,000
Net cash generated from financing activities	<u>-</u>	<u>10,000</u>
Net increase in cash and cash equivalents	1,667,184	5,000
Cash and cash equivalents at the beginning of the year / period	5,000	-
Cash and cash equivalents at the end of the year / period	<u><u>1,672,184</u></u>	<u><u>5,000</u></u>
CASH AND CASH EQUIVALENTS		
Cash in hand	31,385	5,000
Cash at bank		
- Zakat	1,599,768	-
- Operations	41,031	
	<u><u>1,672,184</u></u>	<u><u>5,000</u></u>

The annexed notes 1 to 12 form an integral part of these financial statements.


TRUSTEE


TRUSTEE

**CHILDLIFE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

1. GENERAL INFORMATION

1.1 Childlife Foundation (the Trust) was established under a registered trust deed dated October 27, 2010. The principal office of the Trust is situated at 3rd Floor Adamjee House, I.I. Chundrigar Road, Karachi. The principal objects of the Trust are:

- to promote the cause of medical care and manage emergency care units for children and setting-up, establishing, managing, operating, obtaining registrations and recognitions and funding for medical, educational and social welfare institutions;
- to accept donations, grant contributions and subsidies from philanthropists, local and offshore donors, bodies and organisations;
- to acquire, take over or receive by way of donations, develop and motivate plots, amenity sites and immovable properties of all kinds out of funds of the Trust; and
- to provide medical and health care facilities for and medical treatment of the people by building, setting-up, establishing, managing, operating, funding, promoting, aiding and assisting hospitals, organising clinics, etc. and to generally do, effectuate, fulfill and undertake all other social welfare and charitable activities and to plan, implement and execute charitable and welfare projects of all kinds as may be permissible under the law.

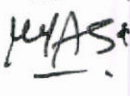
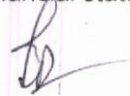
1.2 The Trust is currently managing the Children's Emergency Unit and Diarrhea Treatment Unit at Civil Hospital Karachi (CHK) under a Memorandum of Understanding (MOU) signed between the Trust, Adamjee Foundation and Government of Sindh (GoS) through the Secretary Health. Under the MOU:

- the Adamjee Foundation is responsible for providing and arranging funds for the complete rebuilding of the existing buildings of above mentioned units and to provide medical equipment, air conditioners etc.;
- the GoS through Health Department is responsible for providing adequate resources in the annual budget and depute, post and assign such qualified, technical, professional and surgical medical experts, paramedical staff and other experts of related disciplines and would also provide basic utilities; and
- the Trust is responsible for smooth management of the above mentioned units and of the facilities and to ensure that the same will function according to the standard operating procedures agreed with the administration of CHK.

1.3 The financial statements for the prior period ended June 30, 2011 were prepared on receipts and disbursements basis, therefore, the balance sheet, income and expenditure account, cash flow statement and statement of changes in fund balances were not included in those financial statements. In the current year, management has decided to prepare the financial statements on accrual basis, therefore, the current year financial statements include balance sheet, income and expenditure account, cash flow statement and statement of changes in fund balances. The prior period corresponding figures included in the current year financial statements for balance sheet, income and expenditure account, cash flow statement and statement of changes in fund balances have been included on accrual basis, however, it has not resulted in any change to accumulated fund balance as of June 30, 2011.

Since the Trust was established on October 27, 2010, the corresponding figures in the income and expenditure account, the cash flow statement and the statement of changes in fund balances are for the period from October 27, 2010 to June 30, 2011.

1.4 The financial statements are presented in Pak Rupees which is the Trust's functional and presentation currency.

1.4
 

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Small - Sized Entities (SSEs) 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.

3. BASIS OF PREPARATION

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and bank deposits.

4.2 Taxation

The income of the Trust from donations, voluntary contributions, subscriptions, house property, investment in government securities and so much of the income chargeable under the head "income from business" as is expended in Pakistan for the purpose of carrying out welfare activities are exempt from tax under clause 58 (1) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

4.3 Revenue recognition

Donations and zakat contributions are recognised on receipt basis except for the donations contributed by the founder trustees on monthly basis, which is recorded on accrual basis.

Medicine-in-kind is recorded at fair value as and when medicines are received.

4.4 Property and equipment

Property and equipment are initially recorded at original cost and are depreciated on straight-line basis over their estimated useful service lives with full month depreciation in the month of purchase and no depreciation in the month of disposal as follows:

	Years
Furniture and fixtures	5
Office equipment	5
Computer equipment	3
Medical equipment	5

4.5 Inventory

Inventory include medicines purchased by the Trust and received as donation from Civil Hospital Karachi. It is recorded at lower of cost and net realizable value. Cost is determined using first-in-first-out basis.

4.6 Accrued and other liabilities

Liabilities for accrued and other amounts 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.



5. PROPERTY AND EQUIPMENT

Particulars	Cost		Depreciation		Written down value as at June 30, 2012
	As at July 01, 2011	As at June 30, 2012	As at July 01, 2011	Charge for the year	
.....Rupees.....					
Furniture and fixtures	- 1,060,850	1,060,850	-	121,317	939,533
Office equipment	- 588,100	588,100	-	61,558	526,542
Computer equipment	- 137,000	137,000	-	30,140	106,860
Medical equipment	- 1,424,250	1,424,250	-	202,543	1,221,707
June 30, 2012	- 3,210,200	3,210,200	-	415,558	2,794,642

6. INVENTORY	Note	2012	2011
		-----Rupees-----	
Medicines	6.1	429,966	-

6.1 It includes medicines received from Civil Hospital Karachi (CHK) amounting to Rs. 65,837.

7. CASH AND BANK BALANCES

Cash in hand	31,385	5,000
Cash at bank		-
- Zakat	1,599,768	-
- Other	41,031	-
	1,672,184	5,000

8. INCOME

Donations

- Donations received in cash	16,932,568	4,838,926
- Medicines received	4,880,004	-
	21,812,572	4,838,926
Zakat received	1,600,000	-
	23,412,572	4,838,926

8.1 This represents medicines received from CHK for the Children Emergency Unit operated by the Trust and recorded at fair value

MUSA
JA

2012

2011

-----Rupees-----

9. OTHER EXPENSES

Printing and stationery	73,538	-
Utilities	36,020	-
Advertising	572,200	-
Drinking water	81,976	-
Other expenses	94,622	-
	<hr/>	<hr/>
	858,356	-
	<hr/>	<hr/>

10. EXPENDITURE

In accordance with the MOU (refer note 1.2), Civil Hospital Karachi has also contributed in the provision of utilities and staff (Medical and Support) for Children Emergency being operated by the Trust. The cost have not been included in the Income and Expenditure Account.

11. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Trustees on 02 FEB 2013.

12. GENERAL

Figures have been rounded off to the nearest Rupee.

M/Asst

[Signature]

 TRUSTEE

[Signature]

 TRUSTEE