



SUNDAS FOUNDATION

AUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of "**SUNDAS FOUNDATION**" which comprise of the statement of financial position as at June 30, 2019, and income and expenditure account, the statement of changes in accumulated funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of "**SUNDAS FOUNDATION**" as at June 30, 2019 and its financial performance and its cash flows for the year then ended in accordance with accounting standards for not for profit organisations (NPOs) issued by the ICAP in Pakistan

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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 the Management and Those Charged with Governance for the Financial Statements

The Board of trustees is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting standards for not for profit organisations (NPOs) issued by the ICAP in Pakistan and for such internal control as the Board of 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, the Board of Trustees is 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 management either intends to liquidate the Trust or to cease the operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust 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 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:

- Identify and access 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 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's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Dated: December 17, 2019
Place: Lahore


PHINEHAS & COMPANY
(Chartered Accountant)



Sundas Foundation
Statement of Financial Position
As at June 30, 2019



	Note	2019 Rupees	2018 Rupees
Assets			
Cash and bank balances	4	69,671,034	171,166,596
Advances, deposits and prepayments	5	13,561,447	20,682,745
Investment - General Fund	6	45,336,800	45,336,800
Investment - Endowment Fund	7	161,550,000	-
Current accounts - Branches	8	20,035,148	24,900,927
Stock in hand	9	9,725,614	8,570,983
Properties and assets	10	231,242,908	115,125,681
		<u>551,122,951</u>	<u>385,783,732</u>
Liabilities and Net Assets			
Creditors, accrued and other liabilities	11	17,651,300	4,904,598
Government grants	12	-	15,000,000
Un-Secured lending arrangements	13	-	7,672,500
		17,651,300	27,577,098
Net Assets			
Hospital Restricted Fund	14	51,000,000	160,000,000
Endowment Fund	7	161,550,000	-
General Fund		320,921,651	198,206,634
		533,471,651	358,206,634
Total liabilities and net assets		<u>551,122,951</u>	<u>385,783,732</u>

The annexed notes (1-23) form an integral part of these accounts.



 PRESIDENT





 GENERAL SECRETARY

Sundas Foundation
Statement of Activities
For the year ended June 30, 2019



	Notes	2019 Rupees	2018 Rupees
Receipts			
Donations	15	335,871,389	168,648,711
Payments			
Direct charitable expenses	16	136,331,584	115,408,360
Administrative expenses	17	28,251,266	24,062,940
Financial charges	18	54,552	18,622
		164,637,402	139,489,921
Other Income	19	4,031,030	5,211,636
Changes in Net Assets		<u>175,265,017</u>	<u>34,370,426</u>
Fund transferred to Endowment Fund		161,550,000	-
Changes in Net Assets for the year		<u>13,715,017</u>	<u>34,370,426</u>

The annexed notes (1-23) form an integral part of these accounts.

[Signature]

PRESIDENT

[Signature]

GENERAL SECRETARY



Sundas Foundation
Statement of Changes in Fund Balances
For the year ended June 30, 2019



	Hospital Restricted Fund Rupees	Endowment Fund Rupees	General Fund Rupees
Balance as on July 01, 2017	-	-	166,450,133
Surplus of income over expenditure	-	-	34,370,426
Hospital Restricted Fund	160,000,000	-	-
Opening net assets adjustments	-	-	(2,613,924)
Balance as on June 30, 2018	160,000,000	-	198,206,634
Surplus of income over expenditure	-	-	175,265,017
Transfer of general fund to endowment fund	-	161,550,000	(161,550,000)
Amount realised from hospital restricted fund	(109,000,000)	-	109,000,000
Balance as at June 30, 2019	51,000,000	161,550,000	320,921,651

The annexed notes (1-23) form an integral part of these accounts.

PRESIDENT

GENERAL SECRETARY



Sundas Foundation
Statement of Cash Flow
For the year ended June 30, 2019



Note	2019 Rupees	2018 Rupees
Cash flows from operating activities		
Changes in net assets	175,265,017	34,370,426
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	17,374,522	15,719,714
Amortization - Intangible assets	237,463	237,463
Gain on disposal	-	(1,076,000)
Prior year adjustment	-	(2,613,924)
	17,611,985	12,267,253
Changes in operating assets and liabilities		
(Decrease)/ Increase in stock in hand	(1,154,631)	3,210,679
Increase/ (Decrease) in advances, deposits & prepayments	7,121,298	(15,570,339)
(Decrease)/ Increase in creditors, accrued and other liabilities	12,746,702	(3,299,882)
	18,713,369	(15,659,542)
Net cash generated from operating activities	211,590,372	30,978,138
Cash flows from investing activities		
Current accounts - Branches	4,865,779	(5,205,570)
Investment - General Fund	-	(33,578,800)
Investment - Endowment Fund	(161,550,000)	-
Fixed Capital Expenditures	(133,729,211)	(30,293,037)
Net cash (used in) investing activities	(290,413,433)	(69,077,407)
Cash flows from financing activities		
Unsecured lending arrangement	(7,672,500)	4,000,000
Government grants	(15,000,000)	(37,175,041)
Restricted Fund	-	160,000,000
Net cash generated from/(used in) financing activities	(22,672,500)	126,824,959
Net increase/ (decrease) in cash and cash equivalents	(101,495,562)	88,725,687
Cash and cash equivalents at the beginning of the year	171,166,596	82,440,909
Cash and cash equivalents at the end of the year	20 <u>69,671,034</u>	<u>171,166,596</u>

The annexed notes (1-23) form an integral part of these accounts.



 PRESIDENT





 GENERAL SECRETARY

SUNDAS FOUNDATION
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019.

1. STATUS AND NATURE OF ACTIVITIES

Sundas Foundation, a charitable organization, established in 1998 obtained registration with the Social Welfare Department via Registration No. DDSW-GRW 2000-7880/2500, on March 31, 2000.

Foundation is duly recognized by **Federal Board** of Revenue u/s 2(36) of income tax ordinance 2001.

Foundation is also registered with following authorities;

- Punjab Blood Transfusion Authority;
- Punjab Healthcare Commission;
- Thalassaemia Federation of Pakistan;

The Foundation is currently providing medical and social services in various cities of Pakistan including Lahore, Gujranwala, Sialkot, Faisalabad and Gujarat. The foundation is engaged in rendering free of cost services to patients suffering from Thalassemia, Haemophilia, and other chronic blood diseases across all the centres. Further, the Foundation is indulged in awareness and prevention program to prevent T Thalassemia, Haemophilia blood disorder. The foundation receives funds through donations, gifts, general public and other donor agencies including Ministry of Health, Government of Punjab.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Accounting Convention

These accounts have been prepared under the Historical Cost Convention and accrual basis of accounting.

These financial statements have been prepared in accordance with the requirements of Accounting and Financial Reporting Standards for Medium Sized Entities and Small Sized Entities (AFRS SMEs and SSEs) issued by Institute of Chartered Accountants of Pakistan and applicable to Not-for-Profit Organisations.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and Assets

Owned

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss (if any), except capital work in progress which is stated at cost less accumulated impairment losses (if any).

Depreciation on operating fixed assets is charged on reducing balance method so as to write off the cost of an asset over its useful life using rates given in **note 10** to the accounts.

**SUNDAS FOUNDATION
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019.**

On disposal or scraping, the cost of the asset and corresponding depreciation is adjusted from both the accounts and the resultant gain or loss is dealt with through the profit and loss account.

Full year's depreciation is charged on all fixed assets capitalized during the year while no depreciation is charged in the year fixed assets are disposed off or scrapped.

3.2 Stock

Stock are charged to statement of income and expenditure when consumed and valued at lower of cost, which is determined on weighted average basis and net realisable value.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement cash and cash equivalents comprise of cash in hand and bank balances.

3.4 General Fund

This is general purpose fund. All donations and zakat, other than those which are required to be retained for the benefit of the organisation as a capital fund, are recognised in this fund.

3.5 Endowment Fund

Endowment fund is established by Foundation for maintaining the funds which are restricted and income generated from that fund may be utilised for operating expense of Foundation and for construction of Late Munno Bhai Hospital.

3.6 Taxation

No incidence of tax accrues to Foundation as it is entitled to tax credit equivalent to tax liability in terms of provision of section 100C of Income Tax Ordinance, 2001.

3.7 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Foundation will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income and expenditure account over the period necessary to match them with the costs that they are intended to compensate.

3.8 Restricted Fund

Funds received as grants and donations for construction of Late Munno Bhai Hospital are classified as Hospital restricted fund. Fund was established in 2018 at request of donors by Board of Trustees and will be utilized for construction of hospital and acquisition of capital assets only.

Sundas Foundation
Notes to the Financial Statements
For the year ended June 30, 2019



	2019	2018
Note	Rupees	Rupees
4 Cash and bank balances		
Cash in hand	45,282	5,220
Cash at banks	69,625,752	171,161,375
	<u>69,671,034</u>	<u>171,166,595</u>
5 Advances, deposits and prepayments		
Advance against salaries	1,979,337	991,930
Advance to suppliers	2,574,577	2,209,840
EFU life and health insurance	15,866	7,933
Advance income tax	2,061,125	1,046,424
Loan to employees	1,985,645	1,941,926
Prepaid insurance	176,085	84,720
Advance against expenses	515,702	255,050
Advance against purchase of asset	2,513,610	14,141,120
Security deposit	990,000	-
Others	749,500	1,802
	<u>13,561,447</u>	<u>20,682,745</u>

6 Investment - General Fund

This amount represents investments made by the Foundation in the form of acquisition of properties duly approved by the board of trustees, duly disclosed in Note - 10.

7 Investment - Endowment Fund

During the year under review funds of PKR 161,550,000 were invested in investment properties for capital appreciation and to earn rental income. Income generated from fund may be utilized for meeting regular expenses and construction of Late Munno Bhai Hospital. This investment was made after the approval of board of trustees dated November 05, 2018.

	2019	2018
Note	Rupees	Rupees
8 Current accounts - Branches		
Gujranwala	5,051,543	8,884,042
Sialkot	2,020,706	2,751,223
Meer Pur	1,590,070	1,590,070
Faisalabad	4,943,768	7,326,495
Gujrat	1,946,082	1,911,739
Islamabad	3,399,979	2,387,357
Others	84,000	50,000
	<u>20,036,148</u>	<u>24,900,927</u>

8.1 These represent receivable from the area offices of Sundas Foundation. The account is used for booking funds, stock transfer and other financial transactions between the said offices.

	2019	2018
	Rupees	Rupees
9 Stock in hand		
Blood bags	3,638,493	3,248,195
PCR consumable material	175,691	275,862
Screening kits	1,703,638	1,978,143
Injections	288,659	1,567,158
Other stock	3,919,134	1,501,625
	<u>9,725,614</u>	<u>8,570,983</u>



10 Operating Fixed Assets

	Cost			Rate	Accumulated Depreciation			Book value as at June 30, 2019
	As at July 01, 2018	Additions/ Deletions	As at June 30, 2019		As at July 01, 2018	Charge	As at June 30, 2019	
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Land	12,242,000	108,000,000	121,242,000		-	-	-	121,242,000
Building	45,730,743	-	45,730,743	10	12,744,612	3,298,613	16,043,225	29,687,518
Computers & Printers	716,050	962,082	1,678,132	30	339,638	401,488	741,326	936,806
Furniture & Fixture	1,374,687	-	1,374,687	15	730,446	96,636	827,082	547,605
Leasehold Improvements	9,636,071	1,433,400	11,069,471	15	3,150,322	1,187,872	4,338,194	6,731,277
Office Equipments	3,725,527	294,430	4,019,957	15	2,048,978	295,647	2,344,625	1,675,332
Vehicles	27,087,666	5,467,729	32,555,395	15	11,295,998	3,188,910	14,484,908	18,070,487
Electric Equipments	2,439,250	907,500	3,346,750	15	864,965	372,265	1,237,250	2,109,500
Medical Equipment	65,638,172	15,864,070	81,502,242	15	24,414,968	8,533,091	32,948,059	48,554,183
2019	168,590,166	133,729,211	302,319,377		55,590,147	17,374,522	72,964,669	229,354,708
2018	140,596,754	27,993,412	168,590,166		39,870,432	15,719,714	55,590,147	113,000,019
Intangible Assets								
Computer software	2,374,625	-	2,374,625	10	248,963	237,463	486,425	1,888,200
2019	2,374,625	-	2,374,625		248,963	237,463	486,425	1,888,200
2018	75,000	2,299,625	2,374,625		11,500	237,463	248,963	2,125,662

10.1 The charge for the year has been allocated as follows:

	2019 Rupees	2018 Rupees
Direct charitable expenses	12,909,873	11,205,992
Administrative expenses	4,464,649	4,751,184
	<u>17,374,522</u>	<u>15,957,177</u>

10.2 The amortization for the years has been charged to administrative expenses.

Sundas Foundation
Notes to the Financial Statements
For the year ended June 30, 2019



	2019 Rupees	2018 Rupees
11 Creditors, accrued and other liabilities		
Accounts payable	12,488,040	1,671,587
Salaries and wages payable	3,473,035	2,787,165
Accrued expenses	1,215,092	445,846
Income tax payable	475,133	-
	<u>17,651,300</u>	<u>4,904,598</u>
12 Government grants		
Opening balance	15,000,000	53,251,041
Received during the year	-	-
Grant income realised against assets	12.1 (15,000,000)	(36,251,041)
Closing balance	<u>-</u>	<u>15,000,000</u>

12.1 This represents the amount received from Government of the Punjab for the up gradation of laboratory and purchase of medical equipments.

	2019 Rupees	2018 Rupees
13 Un-Secured lending arrangements		
Balance at the beginning of the year	7,672,500	3,672,500
Loan received during the year	-	5,000,000
Repayment during the year	(7,672,500)	(1,000,000)
Balance at the end of the year	<u>-</u>	<u>7,672,500</u>

The amount received under this head represents interest free loan received from friends and family members of the trustees for working capital/ day to day fund requirements.

14 Hospital Restricted Fund

The entity through convening of an extra ordinary general meeting of the trustee has created a restricted fund of PKR 160 Million for construction of Late Munno Bhai Hospital. In this regard land measuring two kanal located at Main Gulberg Lahore has been purchased at cost of PKR 109 Million.

Sundas Foundation
Notes to the Financial Statements
For the year ended June 30, 2019



	2019 Rupees	2018 Rupees
15 Donations		
Grant in aid from Government of Punjab	60,000,000	50,000,000
Cash and cash equivalents	114,569,071	17,936,893
Stock/ others	34,966,249	24,245,406
Pakistan Bait-ul-Mal	11,187,830	3,328,500
Grant income realised against assets	15,000,000	38,251,041
Zakat	110,148,239	34,886,871
	<u>335,871,389</u>	<u>168,648,711</u>
16 Direct charitable expenses		
Blood bags	16,454,309	13,434,605
Bio chemistry	566,250	763,550
Blood screening kits	13,922,709	17,364,833
Ironchelation Medicine	14,892,852	11,124,510
PCR Consumable laboratory materials	1,468,500	2,212,500
Salaries and other benefits	13,411,039	14,540,145
Rent, rates and taxes	3,256,881	3,138,334
Printing and stationery	4,108,068	2,635,759
Community awareness campaign	32,988,084	20,468,088
Postage and telegram	1,873,465	1,297,043
Repair and maintenance	2,502,925	1,936,498
Entertainment	2,178,030	1,762,000
Fuel and power	2,789,393	2,028,964
Communication	273,770	289,627
Vehicle running expenses	1,808,047	1,010,740
Events and celebrations	2,535,567	2,512,163
Blood camping	770,590	404,733
Washing and cleaning	464,705	342,012
Waste management services	354,000	339,600
Consultancy charges	2,999,930	2,083,426
Charity and welfare	2,169,586	2,907,515
Depreciation	8.1 12,909,873	11,205,992
Others	1,633,012	1,605,722
	<u>136,331,584</u>	<u>115,408,360</u>
17 Administrative expenses		
Salaries and other benefits	18,243,117	16,042,345
Communication	1,332,046	694,775
Utilities	2,657,510	1,808,754
Audit fee	125,000	90,000
Vehicle running expenses	295,778	-
Insurance	459,740	232,898
Repair and maintenance	118,000	135,214
Entertainment	62,869	127,564
News paper and periodicals	58,632	41,295
Depreciation	8.1 4,464,549	4,513,721
Amortization	8.2 237,463	237,463
Others	196,463	138,911
	<u>28,251,266</u>	<u>24,062,940</u>

Sundas Foundation
Notes to the Financial Statements
For the year ended June 30, 2019



2019
Rupees

2018
Rupees

18 Financial charges		
Bank charges	<u>54,552</u>	<u>18,622</u>
19 Other Income		
Profit on saving account	2,113,929	2,716,088
Gain on Disposal	-	1,076,000
Others	1,917,101	1,419,548
	<u>4,031,030</u>	<u>5,211,636</u>
20 Cash and cash equivalents		
Cash in hand	45,282	5,220
Cash at bank	69,625,752	171,161,376
	<u>69,671,034</u>	<u>171,166,596</u>

21 Authorization

These accounts have been approved on 13-12-19 by the management of the foundation for issuance.

22 Period of financial statements

These financial statements have been prepared from July 1, 2018 to June 30, 2019.

23 General

Figures have been rounded off to nearest rupee.

PRESIDENT

GENERAL SECRETARY

