

**FINANCIAL STATEMENTS OF  
SUNGI DEVELOPMENT FOUNDATION  
FOR THE YEAR ENDED DECEMBER 31, 2017**



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SUNGI DEVELOPMENT FOUNDATION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNANCE

### Opinion

We have audited the financial statements of Sungi Development Foundation ("the Foundation"), which comprise the balance sheet as at December 31, 2017, and income and expenditure account, statement of changes in fund, statement of cash flow 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 present fairly, in all material respects, the financial position of the Foundation as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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 Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards, and for such internal control as the management determines 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, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation financial reporting process.





## Auditors' 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:

- 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 Foundation'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 Foundation'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 Foundation 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 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.

ISLAMABAD

DATED: 03 MAR 2018

*Abdul Qadeer*  
CHARTERED ACCOUNTANTS  
Engagement Partner: Abdul Qadeer

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**SUNGI DEVELOPMENT FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2017**

	Note	2017 Rupees	2016 Rupees
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property and equipment	4	53,606,203	67,907,311
Long-term investments	5	196,324,713	78,641,944
		<u>249,930,916</u>	<u>146,549,255</u>
<b>CURRENT ASSETS</b>			
Microcredit loan portfolio - net	6	-	3,504,555
Property held for sale	7	10,996,013	-
Receivable from donors	14.2	1,104,373	5,839,480
Advances	8	259,956	13,883,435
Deposits and short-term prepayments	9	1,239,781	3,922,091
Other receivables	10	5,726,208	5,658,026
Short-term investments	11	19,011,712	15,058,365
Cash and bank balances	12	84,500,153	156,504,863
		<u>122,838,196</u>	<u>204,370,815</u>
<b>LIABILITES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities	13	(15,445,969)	(13,024,386)
Deferred grants - donors' funded	14.2	(3,266,219)	(24,538,646)
Taxation - net	15	(2,002,124)	-
		<u>(20,714,312)</u>	<u>(37,563,032)</u>
<b>NET CURRENT ASSETS</b>		<u>102,123,884</u>	<u>166,807,783</u>
Deferred grant - capital assets	16	(14,103,794)	(15,739,060)
<b>NET ASSETS</b>		<u><u>337,951,006</u></u>	<u><u>297,617,978</u></u>
<b>REPRESENTED BY</b>			
General fund		337,951,006	165,650,764
Revolving funds		-	131,967,214
		<u><u>337,951,006</u></u>	<u><u>297,617,978</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	17	-	-

The annexed notes from 1 to 31 form an integral part of these financial statements.

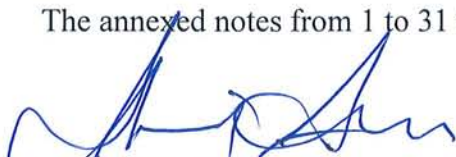
  
CHAIRPERSON

  
EXECUTIVE DIRECTOR

**SUNGI DEVELOPMENT FOUNDATION  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Note	2017 Rupees	2016 Rupees
<b>INCOME</b>			
Grant recognised	14	94,557,291	203,005,629
Amortization of deferred grant - capital assets	16.1	3,457,310	2,195,617
Transport program	18	-	(953,913)
Craft program	19	-	52,463
National socio economic registry update	20	25,288,614	-
Income on investments	21	8,941,865	5,192,014
Other income	22	11,343,207	7,630,113
		143,588,287	217,121,923
<b>EXPENDITURE</b>			
Program activities	14	76,882,223	203,005,629
Operating costs	23	9,967,137	8,567,751
Microfinance program - net	24	3,993,446	6,316,164
Taxation	25	12,412,453	3,010,632
		103,255,259	220,900,176
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<u>40,333,028</u>	<u>(3,778,253)</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

  
CHAIRPERSON

  
EXECUTIVE DIRECTOR

**SUNGI DEVELOPMENT FOUNDATION  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

General fund	Revolving funds				Total	
	Transport Program	Microfinance Program	Craft Program	Total Revolving Funds		
-----Rupees-----						
<b>Balance at January 01, 2016</b>	161,855,972	20,937,508	116,897,032	1,705,719	139,540,259	301,396,231
Excess of income over expenditure	(3,778,253)	-	-	-	-	(3,778,253)
Transfers to general fund from Transport program	953,913	(953,913)	-	-	(953,913)	-
Transfers to general fund from Microfinance program	6,316,164	-	(6,316,164)	-	(6,316,164)	-
Transfers from general fund to Craft program	(52,463)	-	-	52,463	52,463	-
<b>Balance at December 31, 2016</b>	165,295,333	19,983,595	110,580,868	1,758,182	132,322,645	297,617,978
Excess of income over expenditure	40,333,028	-	-	-	-	40,333,028
Transfers to general fund from Microfinance program	3,993,446	-	(3,993,446)	-	(3,993,446)	-
Transfers to general fund from revolving funds (note 26)	128,329,199	(19,983,595)	(106,587,422)	(1,758,182)	(128,329,199)	-
<b>Balance at December 31, 2017</b>	337,951,006	-	-	-	-	337,951,006

The annexed notes from 1 to 31 form an integral part of these financial statements.

  
CHAIRPERSON



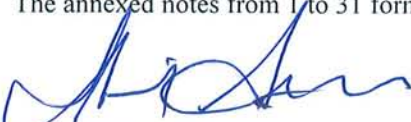
  
EXECUTIVE DIRECTOR

**SUNGI DEVELOPMENT FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 Rupees	2016 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of income over expenditure	40,333,028	(3,778,253)
<b>Adjustment for non cash and other items :</b>		
Depreciation	3,367,098	3,700,882
Taxation	12,412,453	2,203,369
Amount written back - net	(248,193)	-
Provision against non-performing microcredit loans	2,425,465	1,827,401
Amortization of deferred grants	(3,457,310)	(2,195,617)
Gain on disposal of operating fixed assets	(7,645,373)	(1,892,009)
Interest income	(14,312,321)	(7,790,659)
	<u>(7,458,181)</u>	<u>(4,146,633)</u>
<b>Surplus/ (deficit) before working capital changes</b>	32,874,847	(7,924,886)
<b>Working capital changes</b>		
<b>Decrease/ (increase) in current assets</b>		
Inventories	-	34,842
Microcredit loan portfolio - net	2,158,180	93,530,767
Receivables from donors	4,735,107	(3,791,706)
Advances	13,623,479	(12,879,223)
Deposits and short-term prepayments	2,682,310	(2,679,807)
Other receivables	(518,962)	(469,356)
	<u>22,680,114</u>	<u>73,745,517</u>
<b>(Decrease)/ increase in current liabilities</b>		
Accrued and other liabilities	2,421,583	4,013,546
<b>Cash generated from operations</b>	<u>57,976,544</u>	<u>69,834,177</u>
Tax paid during the year	(10,410,329)	(2,203,369)
Restricted grant	(21,272,427)	(17,700,677)
<b>Net cash generated from operating activities</b>	<u>26,293,788</u>	<u>49,930,131</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of operating assets - owned	(1,356,567)	(6,150,761)
Purchase of operating assets - donated	(721,463)	(108,200)
Capital work in progress	(49,050)	(3,843,345)
Proceeds for disposal of operating fixed assets	9,710,450	10,353,197
Investment made during the year - net	(112,210,000)	(304,100)
Interest received during the year	10,777,532	2,298,585
<b>Net cash (used in) /generated from investing activities</b>	<u>(93,849,098)</u>	<u>2,245,376</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(67,555,310)</u>	<u>52,175,507</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	171,055,463	118,879,956
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>103,500,153</u>	<u>171,055,463</u>

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The annexed notes from 1 to 31 form an integral part of these financial statements.



CHAIRPERSON

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EXECUTIVE DIRECTOR

## **1. LEGAL STATUS AND OPERATIONS**

Sungi Development Foundation (the Foundation) is a non-government organization registered under the Societies Registration Act, 1860 on May 05, 1990. The object of the Foundation is to improve the standards of living of people residing in rural and low-income areas through activities which enable them to achieve community development on a self-help basis. The principal office of the Foundation is located at 2nd floor, office no 1, Al Asghar plaza Jinnah avenue bluearea

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as adopted by Institute of Chartered Accountants of Pakistan and notified by Securities and Exchange Commission of Pakistan and Accounting Standards for Not for Profit Organisations (NPOs) issued by Institute of Chartered Accountants of Pakistan.

### **2.2 Basis of measurement**

These financial statements have been prepared, using accrual basis of accounting, under the historical cost convention, except for available for sale investments which are measured at fair values, and held to maturity investments which are carried at amortized cost.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Property and equipment**

These are stated at cost less accumulated depreciation and impairment, if any, except for land which is stated at cost.

Depreciation is charged to the statement of income and expenditure by applying the written down-value method except the building which is depreciated on straight line basis. The applicable rates are stated in the notes 4.1 and 4.2 to these financial statements.

In respect of additions and deletions of assets during the year, depreciation is charged from the month of acquisition up to the month preceding the deletion, respectively.

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are charged to the statement of income and expenditure.

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An item of property and equipment is derecognized when disposed off or when no economic benefit is expected from their use or sale. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income and expenditure in the year the asset is derecognized.

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 flow to the Foundation and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in the statement of income and expenditure during the year in which they are incurred.

## 3.2 Investments

### Held-to-Maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to maturity when the Foundation has the positive intention and ability to hold it to maturity. Investments in Special Savings Accounts (SSAs) and Term Deposit Receipts (TDRs), are classified as held-to-maturity investments.

These are initially measured at cost being the fair value of the consideration given. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest rate method (EIR), less impairment if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included within income on investment, in the statement of income and expenditure. The losses arising from impairment are recognized in the statement of income and expenditure.

## 3.3 Microcredit loan portfolio

All microcredit loans are stated net of provisions for loan losses. The Programme estimates the amount of incurred impairment losses on microcredit loans at each balance sheet date, to determine the provision, and believes that these provisions are reasonable with regard to the lending risk relevant to programme communities.

A specific provision is made for microcredit loan losses using a prescribed percentage. These categories are based on an age analysis of the number of days loan payments are outstanding:

Classification	Description	Provisioning
-Other assets especially mentioned (OAEM)	Overdue for 30 days or more but less than 90 days	Nil
-Substandard	Overdue for 90 days or more but less than 180 days	25%
-Doubtful	Overdue for 180 days or more but less than 365 days	50%
-Loss	Overdue for more than 365 days	100%

In addition to the above, a general provision is maintained at the rate of 1.5% of the net outstanding principal (net of specific provision) loan amounts.

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All Non-Performing Loans (NPL's) are written-off 10 months after the loan is classified as substandard, or upon confirmation of the permanent disability of the loanee, such as in the case of death. For all amounts written-off, efforts continue to recover the amount due from the defaulting parties. Any recoveries there-against are shown under other income.

### **3.4 Inventories**

#### **a) Donations in kind**

The inventories of items received as donation in kind are valued on the basis of market prices at the time of receipt of commodities or the donor's invoice prices.

### **3.5 Staff retirement benefits**

The Foundation is operating a recognized contributory provident fund. Contributions are made by the Foundation and the employees to the fund at 10% of the basic salary of the employee.

### **3.6 Income recognition**

#### **a) Grants**

- i) Grant related to capital expenditure are deferred and recognized as income to the extent the asset is depreciated over its useful life.
  - ii) Grant related to income are restricted grants received for specific purpose which are deferred when received and are recognised to income to the extent of actual expenditure incurred.
- b) Income from service charges on disbursements to Community Organizations (microcredit loans) is recognized on accrual basis.
- c) Interest income on investments and bank balances is recognized using effective interest rate.
- d) Dividend income is recognized when the unit holder's right to receive payment is established.

### **3.7 Expenditure**

Expenses are carried at cost and are recognised on accrual basis i.e. fair value of consideration paid or to be paid in future.

Expenses related to capital expenditure are capitalized in operating fixed assets - funded by donor and charged to income over useful life of the asset.

### **3.8 Provisions**

A provision is recognized in the financial statements when the Foundation has legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.



### **3.9 Taxation**

The grant income of the Foundation is exempt from tax under clause 58 of Second Schedule of the Income Tax Ordinance, 2001. The provision for current taxation is based on other taxable income at the current rates of taxation after taking into account tax credit available, if any, or one percent of turnover, whichever is higher in accordance with the provisions of the Income Tax Ordinance, 2001.

### **3.10 Functional and presentation currency**

Items included in these financial statements of the Foundation are measured using the currency of the primary economic environment in which the Foundation operates (the functional currency), which is the Pakistan Rupee (Rs).

### **3.11 Foreign currency transactions and translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at the approximate rates of exchange ruling on the date of the transactions. Exchange differences are charged to the statement of income and expenditure.

### **3.12 Financial assets and liabilities**

Financial assets and financial liabilities are recognized when the Foundation becomes a party to contractual provisions of the instrument. These are initially measured at the fair value. These financial assets and liabilities are subsequently measured at fair value or amortized cost, whichever is applicable. The Foundation derecognizes financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments. The Foundation recognizes the regular way purchase or sale of financial assets using settlement date accounting.

#### **a. Off-setting of financial assets and liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet, if the Foundation has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### **b. Accrued and other liabilities**

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 Foundation.

#### **c. Receivables**

These are stated at cost less provision for impairment if any. Known impaired receivables are written off, when identified. However, doubtful receivables are fully provided for.

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### 3.13 Revolving Funds

Following are the types of revolving funds that were created by the Foundation with the approval of the Board of Governors.

- a) Transport revolving fund
- b) Credit revolving fund
- c) Craft revolving fund

### 3.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash and bank balances and short-term investments having maturity up to three months.

### 3.15 Significant accounting judgements and critical accounting estimates/assumptions

The preparation of financial statements in conformity with approved accounting standards require the management to :-

- exercise its judgement in process of applying the Foundation's accounting policies; and
- use of certain critical accounting estimates and assumptions concerning the future.

Judgements and assumptions have been required by the management in applying the Foundation's accounting policies in many areas. Actual results may differ from estimates calculated using through judgements and assumptions.

Major areas involving critical accounting estimates and significant assumptions concerning the

- a) Residual values and useful lives of property and equipment with corresponding effect on the depreciation charge and impairment loss.
- b) Effective interest rate in held to maturity investment and corresponding effect in income recognition and impairment loss
- c) Provision for micro credit loan losses and impairment losses
- d) Provision for staff retirement benefits
- e) Contingencies for expected outcomes of legal cases.

	Note	2017 Rupees	2016 Rupees
<b>4 PROPERTY AND EQUIPMENT</b>			
<b>Operating fixed assets</b>			
Own resources	4.1	46,866,484	48,585,363
Funded by donors	4.2	6,690,669	15,739,060
		53,557,153	64,324,423
<b>Capital work-in-progress</b>	4.3	49,050	3,582,888
		<u>53,606,203</u>	<u>67,907,311</u>

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#### 4.1 Operating fixed assets - Own resources

	Land	Building	Freehold Improvement	Furniture and fixtures	Office equipment	Computers and printers	Motor Vehicles	Total
-----Rupees-----								
<b>Cost</b>								
At January 01, 2016	35,953,746	-	2,798,579	2,894,856	3,202,659	458,160	9,776,955	55,084,955
Additions	-	5,994,736	-	13,200	109,125	33,700	-	6,150,761
Deletions	-	-	-	(100,985)	(542,234)	(240,513)	(526,437)	(1,410,169)
At December 31, 2016	35,953,746	5,994,736	2,798,579	2,807,071	2,769,550	251,347	9,250,518	59,825,547
Additions	-	-	-	-	-	1,356,567	-	1,356,567
Deletions	-	-	-	(118,193)	(200,000)	(26,900)	(571,870)	(916,963)
Transfers	-	(1,100,581)	-	-	-	-	-	(1,100,581)
<b>At December 31, 2017</b>	<b>35,953,746</b>	<b>4,894,155</b>	<b>2,798,579</b>	<b>2,688,878</b>	<b>2,569,550</b>	<b>1,581,014</b>	<b>8,678,648</b>	<b>59,164,570</b>
<b>Accumulated depreciation</b>								
At January 01, 2016	-	-	2,540,337	2,064,685	2,748,365	434,226	3,261,813	11,049,426
Depreciation charge	-	24,978	47,167	150,809	83,043	9,958	1,189,310	1,505,265
Depreciation on deletions	-	-	-	(90,906)	(468,168)	(234,308)	(521,125)	(1,314,507)
At December 31, 2016	-	24,978	2,587,504	2,124,588	2,363,240	209,876	3,929,998	11,240,184
Depreciation charge	-	244,708	38,552	123,570	71,326	367,497	955,681	1,801,334
Depreciation on deletions	-	-	-	(109,520)	(173,955)	(26,221)	(429,150)	(738,846)
Transfers	-	(4,586)	-	-	-	-	-	(4,586)
<b>At December 31, 2017</b>	<b>-</b>	<b>265,100</b>	<b>2,626,056</b>	<b>2,138,638</b>	<b>2,260,611</b>	<b>551,152</b>	<b>4,456,529</b>	<b>12,298,086</b>
<b>Carrying amount</b>								
At December 31, 2017	35,953,746	4,629,055	172,523	550,240	308,939	1,029,862	4,222,119	46,866,484
At December 31, 2016	35,953,746	5,969,758	211,075	682,483	406,310	41,471	5,320,520	48,585,363
<b>Rate of depreciation</b>	-	20 years	20%	20%	20%	33%	20%	

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#### 4.2 Operating fixed assets - Funded by donors

	Land	Building	Freehold Improve	Leasehold Improve	Furniture and	Office equipment	Computers and printers	Motor Vehicles	Total
-----Rupees-----									
<b>Cost</b>									
At January 01, 2016	7,413,125	-	528,000	1,022,825	5,692,251	10,077,960	12,899,525	21,144,898	58,778,584
Additions	-	-	-	-	-	18,200	90,000	-	108,200
Deletions	-	-	-	(39,353)	(525,398)	(1,809,404)	(3,836,377)	(1,352,753)	(7,563,285)
Transfers	-	-	-	-	(54,000)	-	(456,820)	-	(510,820)
At December 31, 2016	7,413,125	-	528,000	983,472	5,112,853	8,286,756	8,696,328	19,792,145	50,812,679
Additions	-	-	-	-	157,900	63,000	500,563	-	721,463
Deletions	-	-	-	-	(833,312)	(793,091)	(643,015)	(10,096,203)	(12,365,621)
Transfers	(7,413,125)	1,100,581	-	-	-	-	-	-	(6,312,544)
<b>At December 31, 2017</b>	-	1,100,581	528,000	983,472	4,437,441	7,556,665	8,553,876	9,695,942	32,855,977
<b>Accumulated depreciation</b>									
At January 01, 2016	-	-	459,530	1,022,825	4,359,230	6,923,049	10,192,585	16,727,006	39,684,225
Depreciation charge	-	-	12,506	-	221,904	519,258	662,160	779,789	2,195,617
Depreciation on deletions	-	-	-	(39,353)	(433,480)	(1,398,595)	(3,561,000)	(1,137,104)	(6,569,532)
Transfers	-	-	-	-	(15,271)	-	(221,420)	-	(236,691)
At December 31, 2016	-	-	472,036	983,472	4,132,383	6,043,712	7,072,325	16,369,691	35,073,619
Depreciation charge	-	55,029	10,222	-	170,997	396,594	478,619	454,303	1,565,764
Depreciation on deletions	-	-	-	-	(673,150)	(638,188)	(609,942)	(8,557,381)	(10,478,661)
Depreciation on transfers	-	4,586	-	-	-	-	-	-	4,586
<b>At December 31, 2017</b>	-	59,615	482,258	983,472	3,630,230	5,802,118	6,941,002	8,266,613	26,165,308
<b>Carrying amount</b>									
At December 31, 2017	-	1,040,966	45,742	-	807,211	1,754,547	1,612,874	1,429,329	6,690,669
At December 31, 2016	7,413,125	-	55,964	-	980,470	2,243,044	1,624,003	3,422,454	15,739,060
<b>Rate of depreciation</b>	-	20 years	20%	33%	20%	20%	33%	20%	

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	Note	2017 Rupees	2016 Rupees
<b>4.3 Capital work-in-progress</b>			
<b>Construction of building on Shimla and Banigala land</b>			
Balance at the beginning of the year- Banigala		3,582,888	5,734,279
Additions during the year		49,050	3,843,345
		<u>3,631,938</u>	<u>9,577,624</u>
Less;			
Transferred to property plant and equipment		-	(5,994,736)
Transferred to property held for sale- Banigala		(3,582,888)	-
		<u>(3,582,888)</u>	<u>(5,994,736)</u>
Balance at the end of the year- Shimla		<u>49,050</u>	<u>3,582,888</u>

## 5 LONG-TERM INVESTMENTS

	Note	2017 Rupees	2016 Rupees
<b>Held to maturity - Special Savings Accounts (SSAs)</b>	5.1		
Balance at the beginning of the year		78,641,944	73,897,349
Investments made during the year		119,210,000	7,000,000
Accrued markup on Investments		8,255,269	4,440,495
Investments matured during the year		(9,782,500)	(6,695,900)
		<u>196,324,713</u>	<u>78,641,944</u>

5.1 Investment in SSAs carry interest rate ranges from 6.4% to 11.80%. (2016: 7.09 % to 11.80 %) per annum.

	Note	2017 Rupees	2016 Rupees
<b>6 MICROCREDIT LOAN PORTFOLIO - NET</b>			
<b>Considered good - Unsecured</b>			
Microfinance Women Empowerment Program	6.1	-	5,316,250
Less: General provision	6.2	-	(1,811,695)
	6.3	-	<u>3,504,555</u>
<b>6.1 Microfinance Women Empowerment Program</b>			
<b>Principal amount receivable</b>			
Receivable at the beginning of the year		5,316,250	102,717,981
Disbursements during the year		-	12,065,000
Recoveries during the year		(1,079,090)	(107,422,742)
Written-off during the year against provision		(4,237,160)	(2,043,989)
Balance at the end of the year		<u>-</u>	<u>5,316,250</u>
<b>6.2 Provision for doubtful debt - general</b>			
Opening balance		1,811,695	2,028,283
Charge for the year		2,425,465	1,827,401
Amounts written off		(4,237,160)	(2,043,989)
Closing balance		<u>-</u>	<u>1,811,695</u>

6.3 As per management, Microfinance Women Empowerment Program has been closed and no new loans were disbursed during the year. However, expenditure were incurred during the year for the recovery of outstanding loans and the balance amount has been written off. Total fund balance under Microfinance program has been transferred to genral fund on closure of the programme as per management decision.

	Note	2017 Rupees	2016 Rupees
<b>7 PROPERTY HELD FOR SALE</b>			
Operating fixed assets - funded by donors	4.2	7,413,125	-
Capital work in progress	4.3	3,582,888	-
	7.1	<u>10,996,013</u>	<u>-</u>

7.1 This represent land and partially completed building located at Banigala, transferred to property held for sale as per agreement for sale dated October 20, 2017 . The land and building has been sold subsequent to the year end for Rs. 15.795 million.

	Note	2017 Rupees	2016 Rupees
<b>8 ADVANCES</b>			
To employees - considered good			
-against operations		8,767	538,025
-against salary		251,189	607,686
		<u>259,956</u>	<u>1,145,711</u>
To suppliers and vendors - considered good		-	12,737,724
		<u>259,956</u>	<u>13,883,435</u>

**9 DEPOSITS AND SHORT-TERM PREPAYMENTS**

Security deposits - considered good		875,500	887,428
Prepayments		364,281	3,034,663
		<u>1,239,781</u>	<u>3,922,091</u>

**10 OTHER RECEIVABLES**

Reimbursable claims from donors		-	587,735
Service charges receivable		-	81,511
Receivable from Provident Fund		-	671,181
Interest accrued on bank deposits		2,548,892	2,999,672
Others		3,177,316	1,317,927
		<u>5,726,208</u>	<u>5,658,026</u>

**11 SHORT-TERM INVESTMENTS**

Term Deposit Receipts (TDRs) - Held to maturity			
Carrying amount		19,000,000	14,550,600
Accrued markup	11.1	11,712	507,765
		<u>19,011,712</u>	<u>15,058,365</u>

11.1 Investment in TDRs carry interest rate of 4.50% (2016: 6.00%) per annum with maturity upto three months.

	Note	2017 Rupees	2016 Rupees
<b>12 CASH AND BANK BALANCES</b>			
Cash in transit		1,113,967	4,125,014
With banks in saving accounts			
Local currency		79,195,685	148,359,411
Foreign currency		4,190,501	4,020,438
	12.1	83,386,186	152,379,849
		<u>84,500,153</u>	<u>156,504,863</u>

12.1 Interest on saving accounts (local currency) ranges from 3.75% to 6.5% (2016: 3.75% to 6.5% ) per annum. Saving accounts (foreign currency) carry interest at 0.1% (2016: 0.1%) per annum.

12.2 Cash and bank balances include Rs. nil (2016: Rs. 59,510,700) for the Microfinance program.

	Note	2017 Rupees	2016 Rupees
<b>13 ACCRUED AND OTHER LIABILITIES</b>			
Accounts payable for:			
-Head office activities		482,762	3,312,656
-Projects activities		9,295,760	6,961,171
Provision for medical claims		-	360,000
Insurance premium		-	45,901
Accrued expenses		1,187,853	717,903
Salaries payable		722,770	1,205,375
Insurance claim payable		-	10,576
Withholding tax payable		-	16,021
Book overdraft		-	375,253
Advance received against sale of land	13.1	3,500,000	-
Miscellaneous		256,824	19,530
		<u>15,445,969</u>	<u>13,024,386</u>

13.1 It represents advance money received against property located in Banigala which is classified as held for sale as explained in note 7 to the financial statements.

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	Note	2017 Rupees	2016 Rupees
14 GRANT RECOGNISED			
Unrestricted funds	14.1	17,675,068	-
Deferred grants - donors' funded	14.2	76,882,223	203,005,629
		<u>94,557,291</u>	<u>203,005,629</u>

14.1 This represents unspent balances of deferred grants/ donations relating to projects closed in prior years which have been transferred to unrestricted funds as per decision of the management.

14.2 DEFERRED GRANTS - DONORS' FUNDED

Description	Note	Balance as at January 01, 2017	Add: Funds received from donor during the year	Add: Sungi's own contribution during the year	Less: Opening Receivable	Add: Closing Receivables	Less: Transfer to Deferred Grant	Add: Other operating income	Add/(Less): Exchange Gain/(Loss)	Project expenditures	Less: Grant Income recognized for the year as per expenditure incurred	Transfer to Unrestricted funds	Refund/ adjustment of un-spent balance	Closing Balance in Restricted Grants December 31, 2017
Rupees														
Oxfam Novib	14.3	4,517,197	-	-	-	-	-	-	-	-	-	-	(4,517,197)	-
Pakistan Poverty Alleviation Fund	14.4	1,810,327	-	-	-	-	-	-	-	-	-	-	-	-
Norwegian Church Aid	14.5	342,388	-	-	345,855	345,855	-	-	-	-	-	-	-	1,810,327
Terre Des Hommes	14.6	115,133	-	-	-	-	-	-	-	-	-	-	-	342,388
Diakonia Katastrophe (DKH)	14.7	115,125	-	-	-	-	-	-	-	-	-	(115,133)	-	-
Development Alternative Incorporation (DAI) / DFID	14.8	-	69,449,500	-	3,628,374	-	-	346,574	2,939,883	73,558,597	73,558,597	-	(115,125)	-
Accident and Emergency Foundation	14.9	2,597,543	-	-	-	-	-	-	-	-	-	-	5,485,977	1,034,963
Children Are the Future	14.10	460,402	-	-	-	-	-	-	-	-	-	(2,597,543)	-	-
Individual Donation	14.11	13,818,871	-	-	-	-	-	-	-	-	-	-	(460,402)	-
Global Green Funds	14.12	224,267	-	-	-	-	-	-	-	-	-	(13,818,871)	-	-
Trust for Democratic Education and Accountability	14.13	-	962,434	-	-	-	-	-	-	-	-	-	(224,267)	-
International Rivers Network	14.14	61,402	-	-	490,174	758,518	459,613	-	-	794,448	794,448	-	-	-
Sight Saver	14.15	-	-	-	24,842	-	-	-	-	-	-	(61,402)	-	-
CONCERN World Wide	14.16	-	3,500,000	-	893,201	-	40,950	10,735	-	2,529,178	2,529,178	-	-	24,842
Aus-Aid	14.17	78,541	-	-	-	-	-	-	-	-	-	-	(47,406)	-
BISP/SEBCON	14.18	-	457,034	-	457,034	-	-	-	-	-	-	-	-	78,541
Others	14.19	397,450	-	-	-	-	-	-	-	-	-	-	-	-
		<u>24,538,646</u>	<u>74,368,968</u>	<u>-</u>	<u>5,839,480</u>	<u>1,104,373</u>	<u>500,563</u>	<u>357,309</u>	<u>2,939,883</u>	<u>76,882,223</u>	<u>76,882,223</u>	<u>(17,675,068)</u>	<u>854,374</u>	<u>3,266,219</u>
14.3 Oxfam Novib														
Novib - PK-501815-4751		547,082	-	-	-	-	-	-	-	-	-	-	(547,082)	-
Oxfam Novib Cash for choice KPK project (# 501815-0008939)		27,712	-	-	-	-	-	-	-	-	-	-	(27,712)	-
OXFAM NOVIB Girls Education(Pak 501815-6773)		161,315	-	-	-	-	-	-	-	-	-	-	(161,315)	-
OXFAM NOVIB: 2012 Floods Emergency Response; Proj # A-02837-07-501815		70,514	-	-	-	-	-	-	-	-	-	-	(70,514)	-
Food Security enhancement of District Abbottabad		293,958	-	-	-	-	-	-	-	-	-	-	(293,958)	-
Gender Empowerment and Institutional Development Programm.		3,416,616	-	-	-	-	-	-	-	-	-	-	(3,416,616)	-
		<u>4,517,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,517,197)</u>	<u>-</u>
14.4 Pakistan Poverty Alleviation Fund														
Pakistan Poverty Alleviation Fund (PPAF - CPI V)		-	-	-	22,056	22,056	-	-	-	-	-	-	-	-
Pakistan Poverty Alleviation Fund (PPAF-CPI)		1,395,806	-	-	-	-	-	-	-	-	-	-	-	1,395,806
Pakistan Poverty Alleviation Funds- CB		93,568	-	-	-	-	-	-	-	-	-	-	-	93,568
PPAF Social sector Development Project - Health project		-	-	-	81,106	81,106	-	-	-	-	-	-	-	-
Pakistan Poverty Alleviation Fund for Rehabilitation and Reconstruction- BOI		320,953	-	-	-	-	-	-	-	-	-	-	-	-
Pakistan Poverty Alleviation Fund (PPAF - Disability)		-	-	-	167,520	167,520	-	-	-	-	-	-	-	320,953
Human & Institutional Development Balakot		-	-	-	33,172	33,172	-	-	-	-	-	-	-	-
PPAF New Intervention under LEP		-	-	-	-	-	-	-	-	-	-	-	-	-
PPAF New Intervention under ID		-	-	-	42,001	42,001	-	-	-	-	-	-	-	-
		<u>1,810,327</u>	<u>-</u>	<u>-</u>	<u>345,855</u>	<u>345,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,810,327</u>

Description	Note	Balance as at January 01, 2017	Add: Funds received from donor during the year	Add: Sungi's own contribution during the year	Less: Opening Receivable	Add: Closing Receivables	Less: Transfer to Deferred Grant	Add: Other operating income	Add/(Less): Exchange Gain/(Loss)	Project expenditures	Less: Grant Income recognized for the year as per expenditure incurred	Transfered to Unrestricted funds	Refund/ adjustment of un-spent balance	Closing Balance in Restricted Grants December 31, 2017
-----Rupees-----														
14.5 Norwegian Church Aid Assistance to flood-Affected families in Sindh and Punjab Project ID: 120080-1		342,388	-	-	-	-	-	-	-	-	-	-	-	342,388
		342,388	-	-	-	-	-	-	-	-	-	-	-	342,388
14.6 Terre Des Hommes Early Recovery of Flood Effected Communities in Jaffarabad		33,102	-	-	-	-	-	-	-	-	-	-	(33,102)	-
Humanitarian Assistance to Flood Victims of Jafferabad, Baluchistan		68,956	-	-	-	-	-	-	-	-	-	-	(68,956)	-
JRP and CWP No Cost Extension		13,075	-	-	-	-	-	-	-	-	-	-	(13,075)	-
		115,133	-	-	-	-	-	-	-	-	-	-	(115,133)	-
14.7 Diakonia Katastrophe (DKH) Diakonie Katastrophenhilfe: Building Communities Resilience		115,125	-	-	-	-	-	-	-	-	-	-	(115,125)	-
		115,125	-	-	-	-	-	-	-	-	-	-	(115,125)	-
14.8 Development Alternative Incorporation (DAI) / DFID Aawaz Voice & Accountability Project - Inception& Implementation phase		-	69,449,500	-	3,628,374	-	-	346,574	2,939,883	73,558,597	73,558,597	-	5,485,977	1,034,963
		-	69,449,500	-	3,628,374	-	-	346,574	2,939,883	73,558,597	73,558,597	-	5,485,977	1,034,963
14.9 Accident and Emergency Foundation Accident And Emergency Foundation (AEF)		2,597,543	-	-	-	-	-	-	-	-	-	-	(2,597,543)	-
		2,597,543	-	-	-	-	-	-	-	-	-	-	(2,597,543)	-
14.10 Children Are the Future Children Are the Future (CAF)		460,402	-	-	-	-	-	-	-	-	-	-	(460,402)	-
		460,402	-	-	-	-	-	-	-	-	-	-	(460,402)	-
14.11 Individual Donation Disaster Management Pool Fund (DM Pool Fund)		12,818,871	-	-	-	-	-	-	-	-	-	-	(12,818,871)	-
Individual Donation; KBK Electronics		1,000,000	-	-	-	-	-	-	-	-	-	-	(1,000,000)	-
		13,818,871	-	-	-	-	-	-	-	-	-	-	(13,818,871)	-
14.12 Global Green Funds Global Green Funds; Advocacy-Environment Related		132,414	-	-	-	-	-	-	-	-	-	-	(132,414)	-
Global Green Funds; Flood-Rajanpur		23,219	-	-	-	-	-	-	-	-	-	-	(23,219)	-
Global Green Funds Advocacy Project # 55-703		68,634	-	-	-	-	-	-	-	-	-	-	(68,634)	-
		224,267	-	-	-	-	-	-	-	-	-	-	(224,267)	-
Trust for Democratic Education and														
14.13 Accountability Long term election observer program LTEOOP		-	1,990	-	2,049	-	-	-	-	-	-	-	59	-
Citizens Action for Democratic Governance in Pakistan		-	-	-	23,224	-	-	-	-	-	-	-	23,224	-
Deepening Democracy and Election Support Project (DESP)		-	960,444	-	464,901	-	-	-	-	495,543	495,543	-	-	-
Citizens' Observation for Transparent and Accountable Elections in Pakistan		-	-	-	-	758,518	459,613	-	-	298,905	298,905	-	-	-
		-	962,434	-	490,174	758,518	459,613	-	-	794,448	794,448	-	23,283	-
14.14 International Rivers Network Translate our eflows primer into Urdu		61,402	-	-	-	-	-	-	-	-	-	-	(61,402)	-
		61,402	-	-	-	-	-	-	-	-	-	-	(61,402)	-
14.15 Sight Saver Ensuring Social Inclusion through accessible water and sanitation		-	-	-	24,842	-	-	-	-	-	-	-	24,842	-
		-	-	-	24,842	-	-	-	-	-	-	-	24,842	-

Description	Note	Balance as at January 01, 2017	Add: Funds received from donor during the year	Add: Sungi's own contribution during the year	Less: Opening Receivable	Add: Closing Receivables	Less: Transfer to Deferred Grant	Add: Other operating income	Add/(Less): Exchange Gain/(Loss)	Project expenditures	Less: Grant Income recognized for the year as per expenditure incurred	Transfered to Unrestricted funds	Refund/ adjustment of un-spent balance	Closing Balance in Restricted Grants December 31, 2017
Rupees														
14.16	CONCERN World Wide Strengthening Humanitarian Coordination System of Provincial/ District Disaster Management Authority of five districts of KPK	-	3,500,000	-	893,201	-	40,950	10,735	-	2,529,178	2,529,178		(47,406)	-
		-	3,500,000	-	893,201	-	40,950	10,735	-	2,529,178	2,529,178		(47,406)	-
14.17	Aus-Aid Rehabilitation of water supply schemes in UC Hattian Bala – AJK	78,541	-	-	-	-	-	-	-	-	-		-	78,541
		78,541	-	-	-	-	-	-	-	-	-		-	78,541
14.18	BISP/SEBCON National Socio Economic Registry (NSER)	-	457,034	-	457,034	-	-	-	-	-	-		-	-
		-	457,034	-	457,034	-	-	-	-	-	-		-	-
14.19	Others Small donation for Internally Displaced People	42,735	-	-	-	-	-	-	-	-	-		(42,735)	-
	Other small grants	354,715	-	-	-	-	-	-	-	-	-		(354,715)	-
		397,450	-	-	-	-	-	-	-	-	-		(397,450)	-
		24,538,646	74,368,968	-	5,839,480	1,104,373	500,563	357,309	2,939,883	76,882,223	76,882,223		(16,845,536)	3,266,219

	Note	2017 Rupees	2016 Rupees
<b>15 TAXATION - NET</b>			
Tax provision:	25		
Current year		11,555,441	-
Prior year		857,012	-
Tax deducted at source		(10,410,329)	-
		<u>2,002,124</u>	<u>-</u>

## 16 DEFERRED GRANT - CAPITAL ASSETS

Property and equipment	16.1	14,103,794	15,739,060
Intangible assets	16.2	-	-
		<u>14,103,794</u>	<u>15,739,060</u>

### 16.1 Property and equipment

Balance at the beginning of the year

Cost	50,812,679	58,778,584
Accumulated Amortization	(35,073,619)	(39,684,225)
	15,739,060	19,094,359

Additions-cost	721,463	108,200
Deletions-cost	(12,365,621)	(7,563,285)
Transfers	1,100,581	(510,820)
Amortization for the year	(1,565,764)	(2,195,617)
Amortization on deletions	10,478,661	6,569,532
Amortization on Transfers	(4,586)	236,691
	(1,635,266)	(3,355,299)

Closing Balance

Cost :		
Assets available for use	32,855,977	50,812,679
Assets held for sale	7,413,125	-
	40,269,102	50,812,679
Accumulated Amortization	(26,165,308)	(35,073,619)
	<u>14,103,794</u>	<u>15,739,060</u>

### 16.2 Intangibles

Balance at the beginning of the year

Cost	1,336,438	1,336,438
Accumulated Amortization	(1,336,438)	(1,336,438)
	<u>-</u>	<u>-</u>

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### 16.3 Donor wise breakup of cost

	Property and Equipment			Balance at December 31, 2017
	Balance at January 01, 2017	Additions during the year	Deletions/ transfers during the year	
-----Rupees-----				
<b>Donor</b>				
Oxfam Novib	20,942,115	1,100,581	(3,471,775)	18,570,921
Royal Norwegian Embassy	99,421	-	(25,100)	74,321
Agha Khan Foundation	452,350	-	(40,900)	411,450
American Institute for Research -RISE	1,017,931	-	(279,600)	738,331
Canadian Hunger Foundation	7,794,340	-	(4,725,150)	3,069,190
CARE Pakistan	5,000	-	(2,500)	2,500
Canadian International Development Agency	(37,000)	-	(3,000)	(40,000)
Catholic Relief Services	9,050	-	(2,000)	7,050
Diakonie Katastrophenlife	1,223,194	220,900	(40,150)	1,403,944
Department For International Development	209,040	-	(3,500)	205,540
Friedrich Naumann Foundation	4,500	-	-	4,500
Deutsche Gesellschaft für Internationale Zusammenarbeit	60,000	-	-	60,000
Malteser International	175,900	-	-	175,900
Norwegian Church Aid	1,065,030	-	(52,638)	1,012,392
Norwegian Agency for Development Cooperation	1,808,358	-	-	1,808,358
Pakistan Poverty Alleviation Fund	7,102,579	-	(2,265,074)	4,837,505
South Asia Partnership - Pakistan	-	-	-	-
Save the Children	1,957,373	-	(205,692)	1,751,681
Swiss Humanitarian Assistance	-	-	-	-
Sight Saver	153,750	-	-	153,750
Terres Dess Hommes	1,357,690	-	(11,965)	1,345,725
The Asia Foundation	350,000	-	-	350,000
Trust of Voluntary Organization	16,045	-	(10,595)	5,450
United Nations Development Program	-	-	-	-
United Nations International Children's Education Fund	-	-	-	-
Trust for Democratic Education and Accountability	335,500	459,613	-	795,113
Disaster Management Pooled Funding	47,285	-	-	47,285
Pooled Funding	4,232,554	-	(1,213,182)	3,019,372
Development Fund; Norwegian NGO	9,500	-	-	9,500
CONCERN World Wide	240,293	40,950	-	281,243
Other Donations	180,882	-	(12,800)	168,082
	<u>50,812,679</u>	<u>1,822,044</u>	<u>(12,365,621)</u>	<u>40,269,102</u>

	Intangible assets			Balance at December 31, 2017
	Balance at January 01, 2017	Additions during the year	Deletions/ transfers during the year	
-----Rupees-----				
<b>Donor</b>				
Oxfam Novib	750,000	-	-	750,000
Save the Children SC - USA	237,778	-	-	237,778
Others	348,660	-	-	348,660
	<u>1,336,438</u>	<u>-</u>	<u>-</u>	<u>1,336,438</u>

## 17 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments at the end of the year (2016: nil).

	Note	2017 Rupees	2016 Rupees
<b>18 TRANSPORT PROGRAM</b>			
<b>Income from vehicle rentals</b>		-	7,546,452
Less: Expenditure on transport program			
Drivers' salaries and benefits		-	5,124,694
Vehicles running cost		-	3,375,671
		-	8,500,365
Net income	18.1	-	(953,913)

**18.1** Under transport program, vehicles owned by the foundation were used to be rented to the project. However this program has been closed during the year and all funds related to this project has been transferred to genral fund on closure of the programme as per management decision.

	Note	2017 Rupees	2016 Rupees
<b>19 CRAFT PROGRAM</b>			
Interest income on bank account		-	33,353
Craft sales		-	54,260
Commission on Internal Business Group		-	3,550
		-	91,163
Less: craft shop expenditure	19.1	-	(38,700)
Net income		-	52,463

### 19.1 Craft shop expenditure

Cost of inventory sold		-	34,843
Bank charges		-	450
Miscellaneous expenses		-	3,407
		-	38,700

## 20 NATIONAL SOCIO ECONOMIC REGISTRY UPDATE

Service charge income		118,580,023	-
Less: Expenditure	20.1	(93,291,409)	-
		25,288,614	-

### 20.1 Expenditure on NSERU

Human resources	20.1.1	84,201,925	-
Sales tax		1,176,554	-
Office operations cost		3,749,235	-
Other cost		4,163,695	-
Total expenditure		93,291,409	-

	Note	2017 Rupees	2016 Rupees
<b>20.1.1 Human resources</b>			
Enumerators		52,989,668	-
Supervisors		10,729,435	-
Social mobilizer		8,799,661	-
Permanent staff		11,683,161	-
		<u>84,201,925</u>	<u>-</u>
<b>21 INCOME ON INVESTMENTS</b>			
Income on Special Savings Accounts		8,255,269	4,104,850
Income on Term Deposit Receipts		686,596	1,087,164
		<u>8,941,865</u>	<u>5,192,014</u>
<b>22 OTHER INCOME</b>			
Income on bank deposits		5,370,456	2,598,645
Exchange (loss) / gain		(2,724,709)	2,633,926
Gain on disposal of operating fixed assets		7,645,373	1,892,009
Miscellaneous income		1,052,087	505,533
		<u>11,343,207</u>	<u>7,630,113</u>
<b>23 OPERATING COSTS</b>			
Salaries, wages and benefits		4,626,729	1,842,217
Staff travel		60,705	153,120
Communication cost		22,430	683,967
Office supplies		19,959	189,229
Office rent and maintenance		18,216	548,045
Office Utilities		4,868	-
Office Security		72,000	-
Office equipment maintenance		15,063	35,840
Auditors' remuneration		632,500	772,951
Depreciation - owned resources	4.1	1,801,334	1,505,265
Depreciation - donated funded by donor	4.2	1,565,764	2,195,617
Bank charges		121,098	49,027
Consultancy expenses		366,800	175,000
Registration/Membership fee		206,028	263,679
National/international trainings		75,227	120,572
Program development		325,087	-
Meeting expenses		22,329	6,334
Miscellaneous expenditure		11,000	26,888
		<u>9,967,137</u>	<u>8,567,751</u>

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	Note	2017 Rupees	2016 Rupees
<b>24 MICROFINANCE PROGRAM - NET</b>			
Service charge income		-	11,734,663
Less:			
Insurance		-	1,286,052
Provision for doubtful loans - general		-	1,827,401
Commission to Lady Village Accountant	24.1	169,048	6,095,485
		<u>169,048</u>	<u>9,208,938</u>
Service charges - net		(169,048)	2,525,725
Income on			
Investment	24.2	-	335,645
Bank account		-	2,573,495
		-	2,909,140
Less: Expenditure on Microfinance program	24.3	(3,824,398)	(11,751,029)
Net loss		<u>(3,993,446)</u>	<u>(6,316,164)</u>

**24.1** Lady village accountants (LVA's) are paid a commission, on the basis of monthly recoveries against microcredit loans as per project's policy.

	2017 Rupees	2016 Rupees
<b>24.2 Income on Investment</b>		
Markup on special saving account	-	335,645

**24.3 Expenditure on Microfinance program**

Salaries, wages and benefits	931,244	9,222,623
Vehicle operation and maintenance	25,853	608,885
Staff training and travel	23,131	523,149
Loans written off	2,425,465	-
Building rent and maintenance	250,000	674,760
Printing and stationery	5,904	52,542
Communication cost	9,500	300,765
Bank charges	2,316	16,024
Information technology cost	-	1,600
Professional charges	-	90,000
Annual fee Credit Information Bureau	-	32,976
Annual membership fee	150,000	130,000
Miscellaneous expenses	985	97,705
	<u>3,824,398</u>	<u>11,751,029</u>

**25 TAXATION**

Provision for:		
Prior year	857,012	2,203,369
Current year	11,555,441	807,263
	<u>12,412,453</u>	<u>3,010,632</u>

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**26 REVOLVING FUNDS**

As per decision of the management, programs under revolving fund has been closed through approval of the Board of Governance. Therefore, the balances under revolving fund have been transferred to genral fund at the year ended December 31, 2017.

	Note	2017 Rupees	2016 Rupees
<b>27 CASH AND CASH EQUIVALENTS</b>			
Short-term investments in Term Deposit Receipts	12	19,000,000	14,550,600
Cash and bank balances	13	84,500,153	156,504,863
		<u>103,500,153</u>	<u>171,055,463</u>

**28 REMUNERATION TO THE EXECUTIVE DIRECTOR**

Remuneration and other benefits are provided to executive director during the year.

	Executive Director	
	2017 Rupees	2016 Rupees
Salaries and other benefits	4,052,800	1,670,000
Retirement benefits	400,000	167,000
	<u>4,452,800</u>	<u>1,837,000</u>
Number of Persons	<u>1</u>	<u>1</u>

**29 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. We have made the following reclassification during the year.

Statement of income and expenditure		Amount Rupees
<b>Reclassification From</b>	<b>Reclassification To</b>	
Operational cost	Taxtation	451,832
Expenditure on Microfinance program	Taxtation	355,431

**30 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board on 03 MAR 2018.

**31 GENERAL**

Figures have been rounded off to the nearest Pak Rupee.

  
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EXECUTIVE DIRECTOR

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