



FINANCIAL STATEMENTS OF
SUNGI DEVELOPMENT FOUNDATION
FOR THE YEAR ENDED DECEMBER 31, 2020

BDO Ebrahim & Co. Chartered Accountants

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INDEPENDENT AUDITORS REPORT TO THE BOARD OF GOVERNORS

Opinion

We have audited the financial statements of **Sungi Development Foundation** ("the Foundation"), which comprise the statement of financial position as at December 31, 2020, and the statement of income and expenditure, the statement of changes in fund, the statement of cash flows 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, 2020, 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 *Auditors 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's 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 auditors 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 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

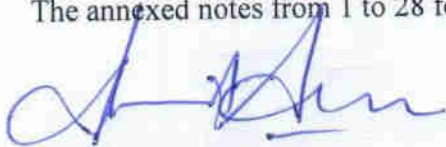
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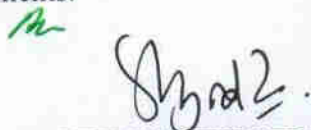

CHARTERED ACCOUNTANTS
Engagement Partner: Abdul Qadeer

**SUNGI DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	4	98,826,182	99,881,336
Long - term investments	5	117,865,987	183,076,921
		<u>216,692,169</u>	<u>282,958,257</u>
CURRENT ASSETS			
Advances	6	84,276	501,796
Deposits and short - term prepayments	7	651,624	1,370,459
Other receivables	8	97,621,124	667,712
Short - term investments	9	-	48,643,066
Taxation - net	10	20,117,264	18,462,757
Cash and bank balances	11	19,961,837	14,311,169
		<u>138,436,125</u>	<u>83,956,959</u>
TOTAL ASSETS		<u>355,128,294</u>	<u>366,915,216</u>
LIABILITES			
NON CURRENT LIABILITIES			
Deferred grant - capital assets	12	(3,929,914)	(4,590,071)
CURRENT LIABILITIES			
Accrued and other liabilities	13	(1,672,086)	(1,949,933)
Deferred grants - donors' funded	14	(3,820,708)	(1,888,868)
		<u>(5,492,794)</u>	<u>(3,838,801)</u>
TOTAL LIABILITIES		<u>(9,422,708)</u>	<u>(8,428,872)</u>
NET ASSETS		<u>345,705,586</u>	<u>358,486,344</u>
REPRESENTED BY			
General fund		<u>345,705,586</u>	<u>358,486,344</u>
CONTINGENCIES AND COMMITMENTS			
	15		

The annexed notes from 1 to 28 form an integral part of these financial statements.

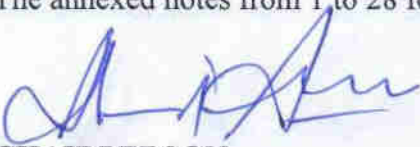

CHAIRPERSON

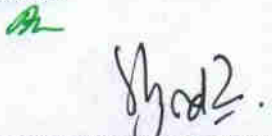

EXECUTIVE DIRECTOR

**SUNGI DEVELOPMENT FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	2020 Rupees	2019 Rupees
INCOME			
Grant recognized	14	3,517,761	-
Amortization of deferred grant - capital assets	12	798,500	2,053,248
Income on investments	16	10,625,540	25,521,450
Other income	17	988,939	3,890,428
		<u>15,930,740</u>	<u>31,465,126</u>
EXPENDITURE			
Programme activities	18	3,985,162	4,464,524
Operating costs	19	24,487,375	25,357,920
		<u>28,472,537</u>	<u>29,822,444</u>
(Deficit)/surplus before taxation		(12,541,797)	1,642,682
Taxation	20	(238,961)	(204,933)
(DEFICIT)/SURPLUS FOR THE YEAR		<u>(12,780,758)</u>	<u>1,437,749</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.


CHAIRPERSON


EXECUTIVE DIRECTOR

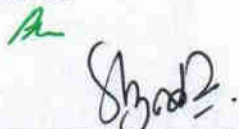
**SUNGI DEVELOPMENT FOUNDATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

General fund	Total
-----Rupees-----	

Balance as at January 01, 2019	357,048,595	357,048,595
Surplus for the year	1,437,749	1,437,749
Balance as at December 31, 2019	358,486,344	358,486,344
Deficit for the year	(12,780,758)	(12,780,758)
Balance as at December 31, 2020	345,705,586	345,705,586

The annexed notes from 1 to 28 form an integral part of these financial statements.


CHAIRPERSON



EXECUTIVE DIRECTOR

**SUNGI DEVELOPMENT FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(12,780,758)	1,437,749
Adjustment for non cash and other items :		
Depreciation	1,781,017	2,306,084
Taxation	238,961	204,933
Amortization of deferred grant - capital assets	(798,500)	(2,053,248)
Loss on disposal of operating fixed assets	-	53,016
Interest income	(11,263,099)	(28,383,252)
Deficit before working capital changes	(22,822,379)	(26,434,718)
Working capital changes		
Decrease / (increase) in current assets		
Receivables from donors	-	345,855
Advances	417,520	325,966
Deposits and short - term prepayments	718,835	(134,847)
Other receivables	(97,615,797)	(3,442)
Decrease in current liabilities		
Accrued and other liabilities	(277,847)	(717,185)
Deferred grants - donors' funded	1,931,840	(342,388)
	(94,825,449)	(526,041)
Cash used in operations	(117,647,828)	(26,960,759)
Tax paid during the year	(1,893,468)	(8,080,077)
Net cash used in operating activities	(119,541,296)	(35,040,836)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating assets - owned	(86,500)	(51,100,723)
Capital work in progress	(501,020)	(75,000)
Proceeds for disposal of operating fixed assets	-	980,823
Investment matured during the year - net	74,274,778	21,194,934
Interest received during the year	4,432,400	9,404,645
Net cash generated from / (used in) investing activities	78,119,658	(19,595,321)
Net decrease in cash and cash equivalents	(41,421,638)	(54,636,157)
Cash and cash equivalents at the beginning of the year	61,383,475	116,019,632
Cash and cash equivalents at the end of the year	21 19,961,837	61,383,475

The annexed notes from 1 to 28 form an integral part of these financial statements.


CHAIRPERSON


EXECUTIVE DIRECTOR

**SUNGI DEVELOPMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. LEGAL STATUS AND OPERATIONS

Sungi Development Foundation (the Foundation) is a non-government, not for profit organization registered under the Societies Registration Act, 1860 on May 05, 1990. The objective 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 House # 272, Main Double Road, E11/1, Islamabad. Further, the current position of the Foundation does not cast any material uncertainty about the Foundation's ability to continue as a going concern and the management is confident that it will get necessary approvals to continue to operate in Pakistan for the foreseeable future.

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 for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board as adopted by Institute of Chartered Accountants of Pakistan.
- Accounting Standard for Not for Profit Organisations (Accounting standard for NPOs) issued by Institute of Chartered Accountants of Pakistan.

2.2 Basis of measurement

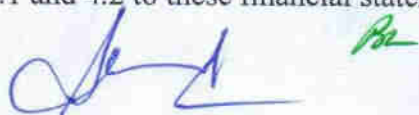
These financial statements have been prepared, using accrual basis of accounting, under the historical cost convention, except for available for sale investments which are measured at fair values, and held to maturity investments which are carried at amortized cost.

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. 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.

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 Inventories

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.

3.4 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.



3.5 Income recognition

a) Grants

- Grant related to capital expenditure are deferred and recognized as income to the extent the asset is depreciated over its useful life.
- Grant related to income are restricted grants received for specific purpose which are deferred when received and are recognized 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.

3.6 Expenditure

Expenses are carried at cost and are recognized 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.

3.7 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.

3.8 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.

3.9 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).

3.10 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.

3.11 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.

3.12 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.

3.13 Significant accounting judgements and critical accounting estimates/assumptions

The preparation of financial statements in conformity with the 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 future are as follows:-

- 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) Contingencies for expected outcomes of legal cases.

	Note	2020 Rupees	2019 Rupees
4 PROPERTY AND EQUIPMENT			
Operating fixed assets			
Own resources	4.1	94,320,248	95,216,265
Funded by donors	4.2	3,929,914	4,590,071
		98,250,162	99,806,336
Capital work-in-progress	4.3	576,020	75,000
		<u>98,826,182</u>	<u>99,881,336</u>




4.1 Operating fixed assets - Own resources

	Land	Building	Freehold improvements	Furniture and fixtures	Office equipment	Computers and printers	Motor vehicles	Total
-----Rupees-----								
Cost								
As at January 01, 2019	35,953,746	4,943,205	2,798,579	2,637,527	1,819,314	1,531,769	8,145,648	57,829,788
Additions	51,100,723	-	-	-	-	-	-	51,100,723
Deletions	-	-	-	(104,231)	(506,668)	(77,626)	-	(688,525)
As at December 31, 2019	87,054,469	4,943,205	2,798,579	2,533,296	1,312,646	1,454,143	8,145,648	108,241,986
Additions	76,000	-	-	-	10,500	-	-	86,500
As at December 31, 2020	87,130,469	4,943,205	2,798,579	2,533,296	1,323,146	1,454,143	8,145,648	108,328,486
Accumulated depreciation								
As at January 01, 2019	-	493,719	2,657,567	2,190,581	1,589,461	794,831	4,701,412	12,427,571
Depreciation charge	-	247,160	25,756	80,897	37,207	206,120	629,085	1,226,225
Depreciation on deletions	-	-	-	(98,983)	(468,675)	(60,417)	-	(628,075)
As at December 31, 2019	-	740,879	2,683,323	2,172,495	1,157,993	940,534	5,330,497	13,025,721
Depreciation charge	-	206,820	21,051	65,867	28,558	146,040	514,181	982,517
As at December 31, 2020	-	947,699	2,704,374	2,238,362	1,186,551	1,086,574	5,844,678	14,008,238
Carrying amount								
As at December 31, 2020	87,130,469	3,995,506	94,205	294,934	136,595	367,569	2,300,970	94,320,248
As at December 31, 2019	87,054,469	4,202,326	115,256	360,801	154,653	513,609	2,815,151	95,216,265
Rate of depreciation								
	-	20 years	20%	20%	20%	33%	20%	20%

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4.2 Operating fixed assets - Funded by donors

	Land	Building	Freehold improvements	Leasehold improvements	Furniture and fixtures	Office equipment	Computers and printers	Motor vehicles	Total
-----Rupees-----									
Cost									
As at January 01, 2019	-	1,100,581	-	983,472	4,172,893	7,934,005	7,016,948	9,519,499	30,727,398
Additions	-	-	-	-	-	300,000	-	-	300,000
Deletions	-	-	-	-	(946,161)	(2,357,032)	(3,652,046)	-	(6,955,239)
As at December 31, 2019	-	1,100,581	-	983,472	3,226,732	5,876,973	3,364,902	9,519,499	24,072,159
Additions	-	-	-	-	-	29,843	108,500	-	138,343
As at December 31, 2020	-	1,100,581	-	983,472	3,226,732	5,906,816	3,473,402	9,519,499	24,210,502
Accumulated depreciation									
As at January 01, 2019	-	110,487	-	983,472	3,257,647	6,084,184	5,594,382	8,353,907	24,384,079
Depreciation charge	-	55,029	-	-	138,284	348,208	325,443	212,895	1,079,859
Depreciation on deletions	-	-	-	-	(719,307)	(2,003,544)	(3,258,999)	-	(5,981,850)
As at December 31, 2019	-	165,516	-	983,472	2,676,624	4,428,848	2,660,826	8,566,802	19,482,088
Depreciation charge	-	46,021	-	-	100,296	266,905	211,264	174,014	798,500
As at December 31, 2020	-	211,537	-	983,472	2,776,920	4,695,753	2,872,090	8,740,816	20,280,588
Carrying amount									
As at December 31, 2020	-	889,044	-	-	449,812	1,211,063	601,312	778,683	3,929,914
As at December 31, 2019	-	935,065	-	-	550,108	1,448,125	704,076	952,697	4,590,071
Rate of depreciation	-	20 years	20%	33%	20%	20%	33%	20%	

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		2020 Rupees	2019 Rupees
4.3 Capital work-in-progress			
Construction of building			
Balance at the beginning of the year		75,000	-
Additions during the year		501,020	75,000
		<u>576,020</u>	<u>75,000</u>
Less:			
Transferred to property plant and equipment		-	-
Balance at the end of the year		<u>576,020</u>	<u>75,000</u>
5 LONG-TERM INVESTMENTS			
Held to maturity - Special Savings Accounts (SSAs) and TDRs			
Balance at the beginning of the year		183,076,921	184,633,635
Investments made during the year		-	222,400,000
Accrued markup on investments		9,063,844	19,638,220
Investments matured during the year		(74,274,778)	(243,594,934)
		<u>117,865,987</u>	<u>183,076,921</u>
5.1	Investment in SSAs and TDRs carries interest rate ranging from 7.36% to 11.68%. (2019: 6.60% to 12.04%) per annum. These investments will mature in two years.		
	Note	2020 Rupees	2019 Rupees
6 ADVANCES			
Unsecured - considered good			
- Advance against salary		-	269,729
- Against operations		-	16,393
- Against salary		84,276	215,674
		<u>84,276</u>	<u>501,796</u>
7 DEPOSITS AND SHORT-TERM PREPAYMENTS			
Security deposits		411,250	877,000
Prepayments		240,374	493,459
		<u>651,624</u>	<u>1,370,459</u>
		2020 Rupees	2019 Rupees
8 OTHER RECEIVABLES			
Interest accrued on bank deposits		-	662,385
Joint project with Sustainable Development Policy Institute (SDPI)	8.1	97,602,138	-
Others		18,986	5,327
		<u>97,621,124</u>	<u>667,712</u>

- 8.1 This represents payments made under an agreement, dated July 8, 2019, between Sungi Development Foundation (SDF) and Sustainable Development Policy Institute (SDPI) to collaborate and carry out the project of Benazir Income Support Program (BISP) for conducting door to door survey to update National Socio-Economic Registry (NSER). The total surplus/deficit at the end of the project shall be shared between both the parties in the ratio determined in the agreement and the principal contribution will be reimbursed by SDPI according to the availability of the funds. Subsequent to the year end, the Foundation has received Rs. 47.602 million and remaining amount will be received within the subsequent year. This is unsecured and interest free.

	Note	2020 Rupees	2019 Rupees
9 SHORT-TERM INVESTMENTS			
Term Deposit Receipts (TDRs) - Held to maturity			
Carrying amount		-	47,072,306
Accrued markup	9.1	-	1,570,760
		<u>-</u>	<u>48,643,066</u>

- 9.1 Investment in TDRs carried interest rate of 12.40% per annum with maturity up to three months.

	Note	2020 Rupees	2019 Rupees
10 TAXATION - NET			
Balance at the beginning of the year		18,462,757	10,587,613
Tax provision:			
Current year	20	(238,961)	(204,933)
Prior year		-	-
Tax deducted at source		1,893,468	8,080,077
	10.1	<u>20,117,264</u>	<u>18,462,757</u>

- 10.1 This represents advance tax withheld at source and is refundable from Federal Board of Revenue (FBR). The Foundation has filed refund application with the tax authorities subsequent to year end.

	Note	2020 Rupees	2019 Rupees
11 CASH AND BANK BALANCES			
Cash in transit		-	601,575
Cash at Bank			
Local currency		19,862,721	8,033,336
Foreign currency	11.1	99,116	5,676,258
		<u>19,961,837</u>	<u>13,709,594</u>
		<u>19,961,837</u>	<u>14,311,169</u>

- 11.1 Interest on saving accounts (local currency) ranges from 5.50% to 11.25% (2019: 3.75% to 11.25%) per annum. Saving account in USD carries interest at 0.1% (2019: 0.1%) per annum.

	Note	2020 Rupees	2019 Rupees
12 DEFERRED GRANT - CAPITAL ASSETS			
Property and equipment	12.1	3,929,914	4,590,071
Intangible assets	12.2	-	-
		<u>3,929,914</u>	<u>4,590,071</u>
12.1 Property and equipment			
Balance at the beginning of the year			
Cost		24,072,159	30,727,398
Accumulated Amortization		(19,482,088)	(24,384,079)
		4,590,071	6,343,319
Additions-cost		138,343	300,000
Deletions-cost		-	(6,955,239)
Amortization for the year		(798,500)	(1,079,859)
Amortization on deletions		-	5,981,850
		(660,157)	(1,753,248)
Balance at the end of the year		<u>3,929,914</u>	<u>4,590,071</u>
Closing Balance			
Cost		24,210,502	24,072,159
Accumulated Amortization		(20,280,588)	(19,482,088)
		<u>3,929,914</u>	<u>4,590,071</u>
12.2 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>




12.3 Donor wise breakup of cost

	Property and Equipment			
	Balance as at January 01, 2020	Additions during the year	Deletions/ transfers during the year	Balance as at December 31, 2020
	-----Rupees-----			
Donor				
Oxfam Novib	7,148,358	-	-	7,148,358
Royal Norwegian Embassy	66,921	-	-	66,921
Agha Khan Foundation	87,750	-	-	87,750
American Institute for Research -RISE	284,801	-	-	284,801
Canadian Hunger Foundation	2,688,100	-	-	2,688,100
Canadian International Development Agency	(40,000)	-	-	(40,000)
Catholic Relief Services	7,050	-	-	7,050
Diakonie Katastrophenhilfe	929,832	-	-	929,832
Department For International Development	205,540	-	-	205,540
Norwegian Church Aid	173,940	-	-	173,940
Norwegian Agency for Development Cooperation	1,800,558	-	-	1,800,558
Pakistan Poverty Alleviation Fund	4,394,008	-	-	4,394,008
Save the Children	1,049,219	-	-	1,049,219
Sight Saver	23,750	-	-	23,750
Terres Des Hommes	1,127,509	-	-	1,127,509
Trust of Voluntary Organization	4,450	-	-	4,450
Trust for Democratic Education and Accountability	459,613	-	-	459,613
Disaster Management Pooled Funding	44,370	-	-	44,370
Pooled Funding	2,246,021	-	-	2,246,021
CONCERN World Wide	135,410	-	-	135,410
Development Alternative Incorporation (DAI)	1,234,960	-	-	1,234,960
British Council	-	138,343	-	138,343
	<u>24,072,159</u>	<u>138,343</u>	<u>-</u>	<u>24,210,502</u>

	Intangible assets			
	Balance as at January 01, 2020	Additions during the year	Deletions/ transfers during the year	Balance as at December 31, 2020
	-----Rupees-----			
Donor				
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>




	2020 Rupees	2019 Rupees
13 ACCRUED AND OTHER LIABILITIES		
Accounts payable for:		
-Head office activities	67,920	133,120
-Projects activities	218,476	-
Accrued expenses	914,727	1,509,140
Salaries payable	93,965	79,140
Miscellaneous	376,998	228,533
	<u>1,672,086</u>	<u>1,949,933</u>




14 DEFERRED GRANTS - DONORS FUNDED

Description	Balance as at January 01, 2020	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 Capital Grant	Add: Other operating income	Add/(Less): Exchange Gain/(Loss)	Less: Grant Income recognized for the year as per expenditure incurred	Transferred to Unrestricted funds	Refund/ adjustment of un-spent balance	Balance as at December 31, 2020
Rupees												
14.1 Pakistan Poverty Alleviation Fund	1,810,327	-	-	-	-	-	-	-	-	-	-	1,810,327
Aus-Aid	78,541	-	-	-	-	-	-	-	-	-	-	78,541
14.2 British Council	-	3,943,761	-	-	-	-	15,557	-	2,045,429	-	-	1,913,889
14.3 Trust for Democratic Education and Accountability (TDEA)	-	1,091,250	-	-	-	-	1,023	-	1,074,322	-	-	17,951
14.5 COVID-19 Fund	-	398,010	-	-	-	-	16,580	-	398,010	-	-	3,820,708
	1,888,868	5,433,021	-	-	-	-	16,580	-	3,517,761	-	-	3,820,708
14.1 Pakistan Poverty Alleviation Fund	1,395,806	-	-	-	-	-	-	-	-	-	-	1,395,806
Pakistan Poverty Alleviation Fund (PPAF-CPI)	93,568	-	-	-	-	-	-	-	-	-	-	93,568
14.1.1 Pakistan Poverty Alleviation Funds- CB and Reconstruction- BOI	320,953	-	-	-	-	-	-	-	-	-	-	320,953
	1,810,327	-	-	-	-	-	-	-	-	-	-	1,810,327
14.2 Aus-Aid	78,541	-	-	-	-	-	-	-	-	-	-	78,541
14.2.1 Rehabilitation of water supply schemes in UC Hattian Bala - AJK	78,541	-	-	-	-	-	-	-	-	-	-	78,541
14.3 British Council	-	3,943,761	-	-	-	-	15,557	-	2,045,429	-	-	1,913,889
14.3.1 AWAAZ 2	-	3,943,761	-	-	-	-	15,557	-	2,045,429	-	-	1,913,889
14.3.2 Active Citizens	-	3,943,761	-	-	-	-	15,557	-	2,045,429	-	-	1,913,889
14.4 Trust For Democratic Education and Accountability (TDEA)	-	1,091,250	-	-	-	-	1,023	-	1,074,322	-	-	17,951
14.4.1 Local Action for Democratic and Inclusive Response of COVID-19 (LADIR)	-	1,091,250	-	-	-	-	1,023	-	1,074,322	-	-	17,951

14.1.1 This represent unspent funds against the grant received from PPAF against various projects which relates to prior years.

14.1.2 This represent unspent funds against the grant received from Australian High Commission for the period from November 01, 2012 to May 31, 2013. Total grant funds committed to be disbursed by the donor were Rs. 2,760,970.

14.3.1 This represents grant from British Council for the period from March 1, 2020 to May 31, 2022. Total grant funds committed to be disbursed by the donor are Rs. 25,006,703 out of which 3,943,761 were received during the year 2020 and the remaining would be received in the next year as the project is in progress. During the year, an expenditure of Rs 2,045,429 has been incurred against the project. However, approval of Economic Affairs Division (EAD) is required before commencement of project activities. Foundation has applied for approval from EAD after the commencement of project activities.

14.3.2 This represents grant agreement with British Council for the period from December 18, 2020 to April 30, 2021. Total grant funds committed to be disbursed by the donor are Rs. 2,439,600. During the year, neither funds have been received nor any activities have been performed by the foundation.

14.4.1 This represents grant from Trust for Democratic Education and Accountability (TDEA) for the period from September 23, 2020 to March 22, 2021. Total grant funds committed to be disbursed by the donor were Rs 2,282,000 out of which Rs. 1,091,250 were received during the year 2020 and the remaining would be received in the next year as the project is in progress. During the year, an expenditure of Rs 1,074,322 has been incurred against the project. However, approval of Economic Affairs Division (EAD) is required before commencement of project activities. Foundation has applied for approval from EAD after the commencement of project activities.

14.5 This represents grants received from various individual donors and contributions made by the employees of the foundation. These have been utilized in COVID-19 relief activities undertaken by the foundation.

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the date of statement of financial position (2019: nil).

	Note	2020 Rupees	2019 Rupees
16 INCOME ON INVESTMENTS			
Income on long term investment		9,063,844	19,638,220
Income on short term investment		1,561,696	5,883,230
		<u>10,625,540</u>	<u>25,521,450</u>
17 OTHER INCOME			
Income on bank deposits		637,559	2,861,802
Exchange (loss) / gain		(23,473)	600,062
Gain/(loss) on disposal of operating fixed assets		-	(53,016)
Liabilities written back		337,853	-
Miscellaneous income		37,000	481,580
		<u>988,939</u>	<u>3,890,428</u>
18 PROGRAMME ACTIVITIES			
Deferred grants - donors' funded	18.1	3,517,761	-
Programme cost	18.2	467,401	354,267
Admin cost		-	208,933
Human resource cost		-	2,592,664
Time charge HO staff		-	1,308,660
		<u>3,985,162</u>	<u>4,464,524</u>
18.1 Deferred grants - donors' funded			
Programme activities		531,473	-
COVID-19 relief activities		398,010	-
Staff cost		1,631,558	-
Office management cost		576,536	-
Travel cost		161,779	-
Support cost		218,405	-
		<u>3,517,761</u>	<u>-</u>
18.2	This relates to COVID-19 relief activities performed by the Foundation from it's own resources. This includes masks, gloves and groceries provided to the families affected by the COVID-19.		
		2020 Rupees	2019 Rupees
19 OPERATING COSTS			
Salaries, wages and benefits		16,284,166	14,581,612
Staff travel		74,850	81,832

	Note	2020 Rupees	2019 Rupees
Communication cost		181,246	266,697
Office supplies		224,049	220,380
Office rent and maintenance		2,740,481	4,181,329
Office utilities		375,611	505,346
Office security		681,500	707,040
Vehicle running cost		439,855	718,145
Office equipment maintenance		118,406	68,114
Auditors' remuneration		400,000	700,000
Depreciation - owned resources	4.1	982,517	1,226,225
Depreciation - donated funded by donor	4.2	798,500	1,079,859
Bank charges		56,429	51,362
Consultancy expenses		500,096	282,170
Registration/membership fee		81,808	136,646
National/international trainings		141,500	59,500
Programme development		391,000	114,564
Meeting expenses		15,361	30,744
Miscellaneous expenditure		-	500
Receivable written off		-	345,855
		<u>24,487,375</u>	<u>25,357,920</u>

20 TAXATION

Provision for:

Prior year

Current year

-	-
238,961	204,933
<u>238,961</u>	<u>204,933</u>

21 CASH AND CASH EQUIVALENTS

Short-term investments in term deposit receipts

9

Cash and bank balances

11

-	47,072,306
19,961,837	14,311,169
<u>19,961,837</u>	<u>61,383,475</u>

22 REMUNERATION TO THE EXECUTIVE DIRECTOR

The aggregate amount charged in the financial statements for remuneration, including all benefits to Executives Director of the Foundation is as follows:

	Executive Director	
	2020 Rupees	2019 Rupees
Managerial remuneration	5,142,000	4,668,000
Retirement benefits	508,200	462,000
	<u>5,650,200</u>	<u>5,130,000</u>
Number of Persons	<u>1</u>	<u>1</u>

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23 TRANSACTION WITH RELATED PARTIES

The related parties comprise of associated companies, entities over which the directors are able to exercise significant influence, retirement benefits funds and key management personnel.

There were no related parties transaction during the period. The remuneration of Executive Director is disclosed in note 22 to the financial statements. There are no transactions with key management personnel other than under their terms of employment.

24 IMPACT OF COVID-19

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. In March, 2020, the Government of the Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID-19. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Foundation henceforth continued its operations in order to maintain business performance despite slowed down economic activity. The management has assessed the accounting implications of these developments on these financial statements, including but not limited to the going concern assumption used for the preparation of these financial

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

25 NUMBER OF EMPLOYEES

The number of employees as at year end was 15 (2019: 14) and average number of employees during the year was 14 (2019: 15).

26 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. No significant reclassification is made during the year.

27 DATE OF AUTHORIZATION FOR ISSUE

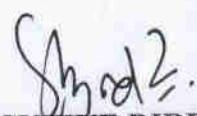
These financial statements were authorized for issue by the Board on 06 OCT 2021.

28 GENERAL

Figures have been rounded off to the nearest Pak Rupee.



CHAIRPERSON



EXECUTIVE DIRECTOR