



**FINANCIAL STATEMENTS OF
SUNGI DEVELOPMENT FOUNDATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

BDO Ebrahim & Co. Chartered Accountants

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The Executive Director,
Sungi Development Foundation,
Islamabad.

April 28, 2020
BDO/AUD/365/19

**AUDIT OF FINANCIAL STATEMENTS OF SUNGI DEVELOPMENT FOUNDATION FOR THE YEAR ENDED
DECEMBER 31, 2019**

Dear Sir,

We have completed the audit of your Foundation's financial statements for the above referred year and are pleased to enclose herewith three copies of the draft income and expenditure statement together with our draft audit report thereon duly initialed by us for identification purposes. We shall be pleased to sign our report in its present or amended form after the financial statements are approved by the Board and signed on their behalf by the Executive Director and Chairperson on receipt/review of the following:

- a) Letter of representation addressed to us on behalf of the Board of Governors and signed by the Chairperson and Executive Director as per draft provided by us.
- b) Board of Directors resolution in respect of the following;
 - Acquisition of operating fixed assets- owned and donated resources amounting to Rs. 51.1 million and Rs. 0.3 million respectively;
 - Disposal of operating fixed assets- owned and donated resources amounting to Rs. 0.689 million and Rs. 6.955 million respectively; and
 - Receivable written off amounting to Rs. 0.346 million.
- c) Balance confirmations from the following banks:
 - National Bank of Pakistan
 - Muslim commercial Bank - Abbottabad
 - Muslim Commercial Bank - Islamabad

Our observations on this set of financial statements are as follows:



1. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Foundation's management.

The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Society and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities.

2. INCOME TAX

- 2.1 During the year, the Foundation has generated income from grants, investment in the securities of Federal Government and scheduled banks, business and other income. However, provision for taxation has been recorded in these financial statements based upon investment, business and other income and no tax provision is recorded on the grant income as the Foundation is in the process of renewal of its approval u/s 2(36) of Income Tax Ordinance, 2001, for which the Foundation has submitted all the required documentation and the application is pending with the reverent authorities.

The management and the Foundation's tax advisor are of the view that being a non-profitable and charitable organisation approved u/s 2(36), of Income Tax Ordinance, 2001, the Foundation will be able to avail 100% tax credit, under sub-section 2(c) of section 100C of the Income Tax Ordinance, 2001, on all of its income for the tax year ended June 31, 2019. Kindly confirm the representations made by management.

- 2.2 We have noted that the Foundation is registered as Association of Person u/s 181 of the Income Tax Ordinance, 2001 (ITO'2001), however, it falls under the ambit of Company u/s 80 of the ITO'2001. The tax charged for the Tax year 2019 was computed by the Foundation's tax advisor, at the average rate of 5% amounting to Rs. 27,272 instead of applicable Alternate Corporate Tax at the rate of 17% amounting to Rs. 939,863 being higher of Corporate Tax as per provision of section 113 of the ITO 2001. We recommend that management should revised its tax return for Tax Year 2019 to avoid any default surcharge and penalties.



3. COMPLIANCE WITH STATUTORY LAWS AND REGULATIONS

We have been informed by the management that there were no instances of non-compliance with statutory laws and regulations, which would have financial reporting implications. Kindly confirm the representations made by the management.

4. RELATED PARTY TRANSACTIONS

We have been informed by the management that there were no transactions with the related parties other than those disclosed in the notes to the financial statements. Kindly confirm the management representation.

5. FRAUD AND ERROR

We have been informed by the management that no case of fraud and error has been brought to their knowledge during the year. Kindly confirm the representations made by management.

We wish to place on record our appreciation for the courtesy and cooperation extended to us during course of our audit.

Yours faithfully,



BDO EBRsAHIM & CO.
Encl.as above

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, 2019, 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, 2019, 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 auditors 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 auditors 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: 12 3 JUN 2020

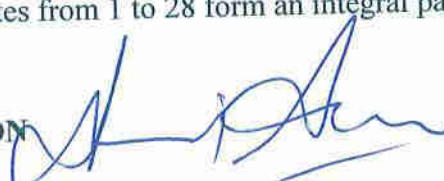
Bdo ebrahim & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Iffat Hussain

**SUNGI DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	Note	2019 Rupees	2018 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	4	99,881,336	51,745,536
Long - term investments	5	183,076,921	184,633,635
		<u>282,958,257</u>	<u>236,379,171</u>
CURRENT ASSETS			
Receivable from donors	6	-	345,855
Advances	7	501,796	827,762
Deposits and short - term prepayments	8	1,370,459	1,235,612
Other receivables	9	667,712	1,843,361
Short - term investments	10	48,643,066	82,051,282
Taxation - net	11	18,462,757	10,587,613
Cash and bank balances	12	14,311,169	35,019,632
		<u>83,956,959</u>	<u>131,911,117</u>
TOTAL ASSETS		<u><u>366,915,216</u></u>	<u><u>368,290,288</u></u>
LIABILITES			
NON CURRENT LIABILITIES			
Deferred grant - capital assets	13	(4,590,071)	(6,343,319)
CURRENT LIABILITIES			
Accrued and other liabilities	14	(1,949,933)	(2,667,118)
Deferred grants - donors' funded	15	(1,888,868)	(2,231,256)
		<u>(3,838,801)</u>	<u>(4,898,374)</u>
TOTAL LIABILITIES		<u><u>(8,428,872)</u></u>	<u><u>(11,241,693)</u></u>
NET ASSETS		<u><u>358,486,344</u></u>	<u><u>357,048,595</u></u>
REPRESENTED BY		<u><u>358,486,344</u></u>	<u><u>357,048,595</u></u>
General fund			
CONTINGENCIES AND COMMITMENTS	16		

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, 2019**

	Note	2019 Rupees	2018 Rupees
INCOME			
Grant recognized	15	-	20,031,896
Amortization of deferred grant - capital assets	13	2,053,248	9,074,716
National socio economic registry update	17	-	7,273,788
Income on investments	18	25,521,450	13,158,415
Other income	19	3,890,428	10,604,230
		<u>31,465,126</u>	<u>60,143,045</u>
EXPENDITURE			
Program activities	20	4,464,524	20,031,896
Operating costs	21	25,357,920	30,900,928
		<u>29,822,444</u>	<u>50,932,824</u>
Surplus before taxation		1,642,682	9,210,221
Taxation	22	(204,933)	9,887,368
SURPLUS FOR THE YEAR		<u>1,437,749</u>	<u>19,097,589</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, 2019**

General fund	Revolving funds				Total
	Transport Program	Microfinance Program	Craft Program	Total Revolving Funds	
-----Rupees-----					
Balance as at January 01, 2018	337,951,006	-	-	-	337,951,006
Surplus for the year	19,097,589	-	-	-	19,097,589
Balance as at December 31, 2018	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

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

CHAIRPERSON

EXECUTIVE DIRECTOR

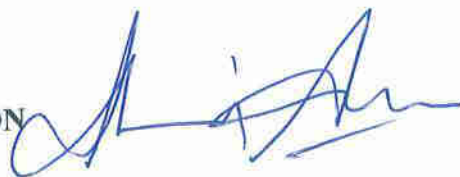
**SUNGI DEVELOPMENT FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of income over expenditure	1,437,749	19,097,589
Adjustment for non cash and other items :		
Depreciation	2,306,084	2,944,884
Taxation	204,933	(9,887,368)
Amortization of deferred grants	(2,053,248)	(9,074,716)
Gain / loss on disposal of operating fixed assets	53,016	(4,994,804)
Interest income	(28,383,252)	(17,049,316)
Deficit before working capital changes	<u>(26,434,718)</u>	<u>(18,963,731)</u>
Working capital changes		
Decrease / (increase) in current assets		
Receivables from donors	345,855	758,518
Advances	325,966	(567,806)
Deposits and short - term prepayments	(134,847)	4,169
Other receivables	(3,442)	3,882,847
Decrease in current liabilities		
Accrued and other liabilities	(717,185)	(12,778,851)
	<u>(183,653)</u>	<u>(8,701,123)</u>
Cash used in operations	(26,618,371)	(27,664,854)
Tax paid during the year	(8,080,077)	(2,702,369)
Restricted grant	(342,388)	(1,034,963)
Net cash used in operating activities	<u>(35,040,836)</u>	<u>(31,402,186)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating assets - owned	(51,100,723)	(49,050)
Purchase of operating assets - donated	-	(1,385,660)
Capital work in progress	(75,000)	-
Proceeds for disposal of operating fixed assets	980,823	5,296,247
Investment made during the year - net	21,194,934	22,385,134
Interest received during the year	9,404,645	17,674,994
Net cash (used in) / generated from investing activities	<u>(19,595,321)</u>	<u>43,921,665</u>
Net (decrease) / increase in cash and cash equivalents	(54,636,157)	12,519,479
Cash and cash equivalents at the beginning of the year	116,019,632	103,500,153
Cash and cash equivalents at the end of the year	<u>61,383,475</u>	<u>116,019,632</u>

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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, 2019**

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 2nd floor, office no 1, Al Asghar plaza, Jinnah Avenue Blue Area, 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 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.

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

- 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 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 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

3.13 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.

3.14 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) Provision for micro credit loan losses and impairment losses.
- d) Provision for staff retirement benefits
- e) Contingencies for expected outcomes of legal cases.

	Note	2019 Rupees	2018 Rupees
4 PROPERTY AND EQUIPMENT			
Operating fixed assets			
Own resources	4.1	95,216,265	45,402,217
Funded by donors	4.2	4,590,071	6,343,319
		99,806,336	51,745,536
Capital work-in-progress	4.3	75,000	-
		<u>99,881,336</u>	<u>51,745,536</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, 2018	35,953,746	4,894,155	2,798,579	2,688,878	2,569,550	1,581,014	8,678,648	59,164,570
Additions	-	49,050	-	-	-	-	-	49,050
Deletions	-	-	-	(51,351)	(750,236)	(49,245)	(533,000)	(1,383,832)
As at December 31, 2018	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
Accumulated depreciation								
As at January 01, 2018	-	265,100	2,626,056	2,138,638	2,260,611	551,152	4,456,529	12,298,086
Depreciation charge	-	228,619	31,511	99,781	51,359	292,836	769,660	1,473,766
Depreciation on deletions	-	-	-	(47,838)	(722,509)	(49,157)	(524,777)	(1,344,281)
As at December 31, 2018	-	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
Carrying amount								
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
As at December 31, 2018	35,953,746	4,449,486	141,012	446,946	229,853	736,938	3,444,236	45,402,217
Rate of depreciation								
	-	20 years	20%	20%	20%	33%	20%	

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, 2018	-	1,100,581	528,000	983,472	4,437,441	7,556,665	8,553,876	9,695,942	32,855,977
Additions	-	-	-	-	380,100	531,150	474,410	-	1,385,660
Deletions	-	-	(528,000)	-	(644,648)	(153,810)	(2,011,338)	(176,443)	(3,514,239)
As at December 31, 2018	-	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
Accumulated depreciation									
As at January 01, 2018	-	59,615	482,258	983,472	3,630,230	5,802,118	6,941,002	8,266,613	26,165,308
Depreciation charge	-	50,872	-	-	195,227	408,995	555,560	260,464	1,471,118
Depreciation on deletions	-	-	(482,258)	-	(567,810)	(126,929)	(1,902,180)	(173,170)	(3,252,347)
As at December 31, 2018	-	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
Carrying amount									
As at December 31, 2019	-	935,065	-	-	550,108	1,448,125	704,076	952,697	4,590,071
As at December 31, 2018	-	990,094	-	-	915,246	1,849,821	1,422,566	1,165,592	6,343,319
Rate of depreciation	-	20 years	20%	33%	20%	20%	33%	20%	

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	2019 Rupees	2018 Rupees
4.3 Capital work-in-progress		
Construction of building on Shimla and Banigala land		
Balance at the beginning of the year- Shimla Hills	-	49,050
Additions during the year - Plot # 2-C G-9/3	75,000	-
	<u>75,000</u>	<u>49,050</u>
Less:		
Transferred to property plant and equipment	-	(49,050)
Balance at the end of the year- Plot # 2-C G-9/3	<u>75,000</u>	<u>-</u>

5 LONG-TERM INVESTMENTS

Held to maturity - Special Savings Accounts (SSAs) and TDRs

Balance at the beginning of the year	184,633,635	196,324,713
Investments made during the year	222,400,000	48,015,000
Accrued markup on Investments	19,638,220	10,694,056
Investments matured during the year	(243,594,934)	(70,400,134)
	<u>183,076,921</u>	<u>184,633,635</u>

5.1 Investment in SSAs and TDRs carries interest rate ranges from 6.60% to 12.04%. (2018: 6.40% to 13.25%) per annum. These investments will mature in three years.

	Note	2019 Rupees	2018 Rupees
6 RECEIVABLE FROM DONOR			
Pakistan Poverty Alleviation Fund	15.4	<u>-</u>	<u>345,855</u>
7 ADVANCES			
Unsecured - considered good			
- Advance against salary	7.1	269,729	-
- Against operations		16,393	6,892
- Against salary		215,674	820,870
		<u>501,796</u>	<u>827,762</u>

7.1 This includes loan to Director Finance amounting to Rs. 269,729 .

	2019 Rupees	2018 Rupees
8 DEPOSITS AND SHORT-TERM PREPAYMENTS		
Security deposits	877,000	872,000
Prepayments	493,459	363,612
	<u>1,370,459</u>	<u>1,235,612</u>

	Note	2019 Rupees	2018 Rupees
9 OTHER RECEIVABLES			
Interest accrued on bank deposits		662,385	1,841,476
Others		5,327	1,885
		<u>667,712</u>	<u>1,843,361</u>

10 SHORT-TERM INVESTMENTS

Term Deposit Receipts (TDRs) - Held to maturity
Carrying amount
Accrued markup

10.1	47,072,306	81,000,000
	1,570,760	1,051,282
	<u>48,643,066</u>	<u>82,051,282</u>

10.1 Investment in TDRs carries interest rate of 12.40% (2018: 8.20%) per annum with maturity up to three months.

	Note	2019 Rupees	2018 Rupees
11 TAXATION - NET			
Balance at the beginning of the year		(10,587,613)	2,002,124
Tax provision:			
Current year	22	204,933	939,863
Prior year		-	(10,827,231)
Tax deducted at source		(8,080,077)	(2,702,369)
		<u>(18,462,757)</u>	<u>(10,587,613)</u>

12 CASH AND BANK BALANCES

Cash in hand		-	1,700
Cash in transit		601,575	-
Cash at Bank			
Local currency	12.1	8,033,336	29,823,095
Foreign currency		5,676,258	5,194,837
		<u>13,709,594</u>	<u>35,017,932</u>
		<u>14,311,169</u>	<u>35,019,632</u>

12.1 Interest on saving accounts (local currency) ranges from 3.75% to 11.25% (2018: 3.75% to 6.5%) per annum. Saving account in USD 36,636 carries interest at 0.1% (2018: 0.1%) per annum.

	Note	2019 Rupees	2018 Rupees
13 DEFERRED GRANT - CAPITAL ASSETS			
Property and equipment	13.1	4,590,071	6,343,319
Intangible assets	13.2	-	-
		<u>4,590,071</u>	<u>6,343,319</u>

13.1 Property and equipment

Balance at the beginning of the year			
Cost		30,727,398	32,855,977
Accumulated Amortization		(24,384,079)	(26,165,308)
		6,343,319	6,690,669
Additions-cost		300,000	1,385,660
Deletions-cost		(6,955,239)	(3,514,239)
Amortization for the year		(1,079,859)	(1,471,118)
Amortization on deletions		5,981,850	3,252,347
		(1,753,248)	(347,350)
Closing Balance			
Cost		24,072,159	30,727,398
Accumulated Amortization		(19,482,088)	(24,384,079)
		<u>4,590,071</u>	<u>6,343,319</u>

13.2 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>

13.3 Donor wise breakup of cost

	Property and Equipment			Balance as at December 31, 2019
	Balance as at January 01, 2019	Additions during the year	Deletions/transfers during the year	
	Rupees			
Donor				
Oxfam Novib	9,022,176	-	(1,873,818)	7,148,358
Royal Norwegian Embassy	74,321	-	(7,400)	66,921
Agha Khan Foundation	158,450	-	(70,700)	87,750
American Institute for Research -RISE	627,601	-	(342,800)	284,801
Canadian Hunger Foundation	2,877,190	-	(189,090)	2,688,100
CARE Pakistan	2,500	-	(2,500)	-
Canadian International Development Agency	(40,000)	-	-	(40,000)
Catholic Relief Services	7,050	-	-	7,050
Diakonie Katastrophenhilfe	1,275,644	300,000	(645,812)	929,832
Department For International Development	205,540	-	-	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	976,734	-	(802,794)	173,940
Norwegian Agency for Development Cooperation	1,808,358	-	(7,800)	1,800,558
Pakistan Poverty Alleviation Fund	4,787,505	-	(393,497)	4,394,008
Save the Children	1,413,501	-	(364,282)	1,049,219
Sight Saver	153,750	-	(130,000)	23,750
Terres Des Hommes	1,269,125	-	(141,616)	1,127,509
The Asia Foundation	350,000	-	(350,000)	-
Trust of Voluntary Organization	5,450	-	(1,000)	4,450
Trust for Democratic Education and Accountability	795,113	-	(335,500)	459,613
Disaster Management Pooled Funding	47,285	-	(2,915)	44,370
Pooled Funding	2,825,221	-	(579,200)	2,246,021
Development Fund; Norwegian NGO	9,500	-	(9,500)	-
CONCERN World Wide	281,243	-	(145,833)	135,410
Development Alternative Incorporation (DAI)	1,385,660	-	(150,700)	1,234,960
Other Donations	168,082	-	(168,082)	-
	30,727,398	300,000	(6,955,239)	24,072,159

	Intangible assets			Balance as at December 31, 2019
	Balance as at January 01, 2019	Additions during the year	Deletions/transfers during the year	
	Rupees			
Donor				
Oxfam Novib	750,000	-	-	750,000
Save the Children SC - USA	237,778	-	-	237,778
Others	348,660	-	-	348,660
	1,336,438	-	-	1,336,438

	2019 Rupees	2018 Rupees
14 ACCRUED AND OTHER LIABILITIES		
Accounts payable for:		
-Head office activities	133,120	598,748
-Projects activities	-	48,565
Accrued expenses	1,509,140	1,460,455
Salaries payable	79,140	397,230
Miscellaneous	228,533	162,120
	<u>1,949,933</u>	<u>2,667,118</u>

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15 DEFERRED GRANTS - DONORS' FUNDED

Description	Balance as at January 01, 2019	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)	Project expenditures	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, 2019
Rupees													
Note													
Pakistan Poverty Alleviation Fund	15.1	1,810,327	-	-	345,855	-	-	-	-	-	-	(345,855)	1,810,327
Norwegian Church Aid	15.2	342,388	-	-	-	-	-	-	-	-	-	(342,388)	78,541
Aus-Aid	15.3	78,541	-	-	-	-	-	-	-	-	-	(688,243)	1,888,868
		2,231,256	-	-	345,855	-	-	-	-	-	-		
15.1 Pakistan Poverty Alleviation Fund												(22,056)	-
Pakistan Poverty Alleviation Fund (PPAF - CPI V)		-	-	-	22,056	-	-	-	-	-	-	-	1,395,806
Pakistan Poverty Alleviation Fund (PPAF-CPI)		1,395,806	-	-	-	-	-	-	-	-	-	-	93,568
Pakistan Poverty Alleviation Funds- CB		93,568	-	-	-	-	-	-	-	-	-	(81,106)	-
PPAF Social sector Development Project - Health project		-	-	-	81,106	-	-	-	-	-	-	-	320,953
Pakistan Poverty Alleviation Fund for Rehabilitation and Reconstruction- BOI		320,953	-	-	-	-	-	-	-	-	-	(167,520)	-
Pakistan Poverty Alleviation Fund (PPAF - Disability)		-	-	-	167,520	-	-	-	-	-	-	(33,172)	-
Human & Institutional Development Balakot		-	-	-	33,172	-	-	-	-	-	-	(42,001)	-
PPAF New Intervention under ID		-	-	-	42,001	-	-	-	-	-	-	(345,855)	1,810,327
		1,810,327	-	-	345,855	-	-	-	-	-	-		
15.2 Norwegian Church Aid												(342,388)	-
Assistance to flood-Affected families in Sindh and Punjab Project ID: 120080-1		342,388	-	-	-	-	-	-	-	-	-	(342,388)	-
		342,388	-	-	-	-	-	-	-	-	-		
15.3 Aus-Aid													78,541
Rehabilitation of water supply schemes in UC Hattian Bala - AJK		78,541	-	-	-	-	-	-	-	-	-	-	78,541
		78,541	-	-	-	-	-	-	-	-	-		

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16 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the balance sheet date (2018: nil).

17 NATIONAL SOCIO ECONOMIC REGISTRY UPDATE

	Note	2019 Rupees	2018 Rupees
Service charge income		-	9,547,870
Less: Expenditure	17.1	-	(2,274,082)
		<u>-</u>	<u>7,273,788</u>
17.1 Expenditure on NSERU			
Human resources	17.1.1	-	2,164,126
Sales tax		-	95,478
Office operations cost		-	-
Other cost		-	14,478
Total expenditure		<u>-</u>	<u>2,274,082</u>
17.1.1 Human resources			
Enumerators		-	390,230
Supervisors		-	103,094
Social mobilizer		-	54,750
Permanent staff		-	1,616,052
		<u>-</u>	<u>2,164,126</u>
18 INCOME ON INVESTMENTS			
Income on long term investment		19,638,220	11,455,407
Income on short term investment		5,883,230	1,703,008
		<u>25,521,450</u>	<u>13,158,415</u>
19 OTHER INCOME			
Income on bank deposits		2,861,802	3,890,901
Exchange (loss) / gain		600,062	1,184,725
Gain/(loss) on disposal of operating fixed assets		(53,016)	4,994,804
Miscellaneous income		481,580	533,800
		<u>3,890,428</u>	<u>10,604,230</u>
20 PROGRAM ACTIVITIES			
Deferred grants - donors' funded	15	-	20,031,896
Program cost		354,267	-
Admin cost		208,933	-
Human resource cost		2,592,664	-
Time charge HO staff		1,308,660	-
		<u>4,464,524</u>	<u>20,031,896</u>

	Note	2019 Rupees	2018 Rupees
21 OPERATING COSTS			
Salaries, wages and benefits		14,581,612	19,277,808
Staff travel		81,832	122,738
Communication cost		266,697	342,920
Office supplies		220,380	437,830
Office rent and maintenance		4,181,329	3,362,177
Office utilities		505,346	516,139
Office security		707,040	840,974
Vehicle running cost		718,145	654,878
Office equipment maintenance		68,114	67,811
Auditors' remuneration		700,000	660,000
Depreciation - owned resources	4.1	1,226,225	1,473,766
Depreciation - donated funded by donor	4.2	1,079,859	1,471,118
Bank charges		51,362	92,729
Consultancy expenses		282,170	627,033
Registration/membership fee		136,646	122,193
National/international trainings		59,500	97,533
Program development		114,564	474,938
Meeting expenses		30,744	26,143
Miscellaneous expenditure		500	232,200
Receivable written off	15.1	345,855	-
		<u>25,357,920</u>	<u>30,900,928</u>
22 TAXATION			
Provision for:			
Prior year		-	(10,827,231)
Current year		204,933	939,863
		<u>204,933</u>	<u>(9,887,368)</u>
23 CASH AND CASH EQUIVALENTS			
Short-term investments in term deposit receipts	10	47,072,306	81,000,000
Cash and bank balances	12	14,311,169	35,019,632
		<u>61,383,475</u>	<u>116,019,632</u>

24 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	
	2019 Rupees	2018 Rupees
Managerial remuneration	4,668,000	4,687,800
Retirement benefits	462,000	462,000
	<u>5,130,000</u>	<u>5,149,800</u>
Number of Persons	<u>1</u>	<u>1</u>

25 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 except for those which have been disclosed in note 6. The remuneration of Executive Director is disclosed in note 24 to the financial statements. There are no transactions with key management personnel other than under their terms of employment.

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 23 JUN 2020.

28 GENERAL

Figures have been rounded off to the nearest Pak Rupee.

CHAIRPERSON

EXECUTIVE DIRECTOR