

**SUNGI DEVELOPMENT FOUNDATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2021**



**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF SUNGI  
DEVELOPMENT FOUNDATION ("THE FOUNDATION")**

**Opinion**

We have audited the financial statements of **Sungi Development Foundation**, ("the Foundation") which comprise of statement of financial position as at December 31, 2021, statement of income and expenditure, statement of changes in accumulated funds, 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, of the financial position of the Foundation as at December 31, 2021, and its financial performance and change in accumulated funds and its cashflows for the year then ended in accordance with the 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 future described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We 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 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 as applicable in Pakistan, 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.

*Amo*



In preparing of financial statements, management is responsible for assessing the Foundation's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend 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.

#### **Auditor's Responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statement 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. Misstatement 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 statement, 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 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 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.

*Ads -*



If we conclude that a materials uncertainty exists, we are required 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 the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation's 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 transaction and events in a manner that achieves fair presentation.

We communicate with those charges 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.

#### **Other Matter**

The financial statements of the Foundation for the year ended December 31, 2020 were audited by another auditor whose report expressed an unqualified opinion on those financial statements



*O Adil*

Islamabad,  
September 19, 2022  
UDIN: AR2021103511PCEw5tSA

*Omer Adil*  
**OMER ADIL & CO.**  
Chartered Accountants

**Engagement Partner: Mr. Omer Adil, (FCA)**

**SUNGI DEVELOPMENT FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property and equipment	4	113,413,882	98,826,182
Long - term investments	5	131,635,250	117,865,987
		<u>245,049,132</u>	<u>216,692,169</u>
<b>CURRENT ASSETS</b>			
Advances	6	318,372	84,276
Deposits and short - term prepayments	7	1,755,220	651,624
Other receivables	8	32,331,594	97,621,124
Short - term investments	9	10,588,500	-
Taxation - net	10	19,658,188	20,117,264
Cash and bank balances	11	39,281,740	19,961,837
		<u>103,933,614</u>	<u>138,436,125</u>
<b>TOTAL ASSETS</b>		<u>348,982,746</u>	<u>355,128,294</u>
<b>LIABILITES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred grant - capital assets	12	(3,270,101)	(3,929,914)
		<u>(3,270,101)</u>	<u>(6,343,319)</u>
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities	13	(4,120,511)	(1,672,086)
Restricted grants - donors' funded	14	(546,279)	(3,820,708)
		<u>(4,666,790)</u>	<u>(5,492,794)</u>
<b>TOTAL LIABILITIES</b>		<u>(7,936,891)</u>	<u>(9,422,708)</u>
<b>NET ASSETS</b>		<u><u>341,045,855</u></u>	<u><u>345,705,586</u></u>
<b>REPRESENTED BY</b>			
General fund		<u><u>341,045,855</u></u>	<u><u>345,705,586</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	15		Arts .
			
<b>CHAIRPERSON</b>			<b>EXECUTIVE DIRECTOR</b>

**SUNGI DEVELOPMENT FOUNDATION  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
<b>INCOME</b>			
Grant revenue	14	30,456,094	3,517,761
Amortization of deferred grant - capital assets	12	659,813	798,500
Income on investments	16	16,381,769	10,625,540
Other income	17	824,148	988,939
		<u>48,321,824</u>	<u>15,930,740</u>
<b>EXPENDITURE</b>			
Programme activities	18	30,456,094	3,985,162
Operating costs	19	21,949,280	24,487,375
		<u>52,405,374</u>	<u>28,472,537</u>
Deficit before taxation		(4,083,550)	(12,541,797)
Taxation	20	(576,181)	(238,961)
<b>DEFICIT FOR THE YEAR</b>		<b><u>(4,659,731)</u></b>	<b><u>(12,780,758)</u></b>

oArks .

**CHAIRPERSON**

**EXECUTIVE DIRECTOR**

**SUNGI DEVELOPMENT FOUNDATION  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

General fund	Total
Rupees	
358,486,344	358,486,344
(12,780,758)	(12,780,758)
345,705,586	345,705,586
(4,659,731)	(4,659,731)
341,045,855	341,045,855

**Balance as at January 01, 2020**

Deficit for the year

**Balance as at December 31, 2020**

Deficit for the year

**Balance as at December 31, 2021**

**CHAIRPERSON**

*Arts .*

**EXECUTIVE DIRECTOR**

**SUNGI DEVELOPMENT FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021	2020
Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficit for the year	(4,659,731)	(12,780,758)
Adjustment for non cash and other items :		
Depreciation	1,491,573	1,781,017
Taxation	576,181	238,961
Amortization of deferred grant - capital assets	(659,813)	(798,500)
Interest income	(16,828,258)	(11,263,099)
Deficit before working capital changes	(20,080,048)	(22,822,379)
<b>Working capital changes</b>		
Decrease / (increase) in current assets		
Advances	(234,096)	417,520
Deposits and short - term prepayments	(1,103,596)	718,835
Short term investment	(10,588,500)	-
Other receivables	65,289,530	(97,615,797)
	53,363,338	(96,479,442)
Increase in current liabilities		
Accrued and other liabilities	2,448,425	(277,847)
Deferred grants - donors' funded	(3,274,429)	1,931,840
	(826,004)	1,653,993
Cash generated from / (used in) operations	32,457,286	(117,647,828)
Tax paid during the year	(117,105)	(1,893,468)
Net cash generated from / (used in) operating activities	32,340,181	(119,541,296)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of operating assets - owned	(84,499)	(86,500)
Capital work in progress	(15,994,774)	(501,020)
Investment matured during the year - net	-	74,274,778
Interest received during the year	3,058,995	4,432,400
Net cash (used in) / generated from investing activities	(13,020,278)	78,119,658
Net increase / (decrease) in cash and cash equivalents	19,319,903	(41,421,638)
Cash and cash equivalents at the beginning of the year	19,961,837	61,383,475
Cash and cash equivalents at the end of the year	<b>39,281,740</b>	<b>19,961,837</b>

21

**CHAIRPERSON**

Arts.

**EXECUTIVE DIRECTOR**

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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 Plot No 2-C, Street No 3 Al-Fateh Market G-9/3 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

*oArks .*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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.

*oArks*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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) Interest income on investments and bank balances is recognized using effective interest rate.

c) Dividend income is recognized when the unit holder's right to receive payment is

**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). *oArh*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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.

*OK*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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.

<b>4 PROPERTY AND EQUIPMENT</b>	<b>Note</b>	<b>2021 Rupees</b>	<b>2020 Rupees</b>
<b>Operating fixed assets</b>			
Own resources	4.1	93,572,987	94,320,248
Funded by donors	4.2	3,270,101	3,929,914
		96,843,088	98,250,162
<b>Capital work-in-progress</b>	4.3	16,570,794	576,020
		<b><u>113,413,882</u></b>	<b><u>98,826,182</u></b>

*oArk .*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**4.1 Operating fixed assets - Own resources**

	<b>Freehold Land</b>	<b>Building</b>	<b>Freehold improvements</b>	<b>Furniture and fixtures</b>	<b>Office equipment</b>	<b>Computers and printers</b>	<b>Motor vehicles</b>	<b>Total</b>
	-----Rupees-----							
<b>Cost</b>								
As at January 01, 2020	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
Deletions	-	-	-	-	-	-	-	-
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
Additions	-	-	-	-	-	-	84,499	84,499
Deletions	-	-	-	-	-	-	-	-
<b>As at December 31, 2021</b>	<b>87,130,469</b>	<b>4,943,205</b>	<b>2,798,579</b>	<b>2,533,296</b>	<b>1,323,146</b>	<b>1,454,143</b>	<b>8,230,147</b>	<b>108,412,985</b>
<b>Accumulated depreciation</b>								
As at January 01, 2020	-	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
Depreciation on deletions	-	-	-	-	-	-	-	-
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
Depreciation charge	-	196,712	17,207	53,823	24,951	104,537	434,530	831,760
Depreciation on deletions	-	-	-	-	-	-	-	-
<b>As at December 31, 2021</b>	<b>-</b>	<b>1,144,411</b>	<b>2,721,581</b>	<b>2,292,185</b>	<b>1,211,502</b>	<b>1,191,111</b>	<b>6,279,208</b>	<b>14,839,998</b>
<b>Carrying amount</b>								
<b>As at December 31, 2021</b>	<b>87,130,469</b>	<b>3,798,794</b>	<b>76,998</b>	<b>241,111</b>	<b>111,644</b>	<b>263,032</b>	<b>1,950,939</b>	<b>93,572,987</b>
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
<b>Rate of depreciation</b>		20 years	20%	20%	20%	33%	20%	<i>Arka</i>

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

	<b>Building</b>	<b>Freehold improvements</b>	<b>Leasehold improvements</b>	<b>Furniture and fixtures</b>	<b>Office equipment</b>	<b>Computers and printers</b>	<b>Motor vehicles</b>	<b>Total</b>
	-----Rupees-----							
<b>Cost</b>								
As at January 01, 2020	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
Deletions	-	-	-	-	-	-	-	-
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
Additions	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-
<b>As at December 31, 2021</b>	<b>1,100,581</b>	<b>-</b>	<b>983,472</b>	<b>3,226,732</b>	<b>5,906,816</b>	<b>3,473,402</b>	<b>9,519,499</b>	<b>24,210,502</b>
<b>Accumulated depreciation</b>								
As at January 01, 2020	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
Depreciation on deletions	-	-	-	-	-	-	-	-
As at December 31, 2020	211,537	-	983,472	2,776,920	4,695,753	2,872,090	8,740,816	20,280,588
Depreciation charge	43,772	-	-	81,949	221,224	170,645	142,223	659,813
Depreciation on deletions	-	-	-	-	-	-	-	-
<b>As at December 31, 2021</b>	<b>255,309</b>	<b>-</b>	<b>983,472</b>	<b>2,858,869</b>	<b>4,916,977</b>	<b>3,042,735</b>	<b>8,883,039</b>	<b>20,940,401</b>
<b>Carrying amount</b>								
<b>As at December 31, 2021</b>	<b>845,272</b>	<b>-</b>	<b>-</b>	<b>367,863</b>	<b>989,839</b>	<b>430,667</b>	<b>636,460</b>	<b>3,270,101</b>
As at December 31, 2020	889,044	-	-	449,812	1,211,063	601,312	778,683	3,929,914
<b>Rate of depreciation</b>	20 years	20%	33%	20%	20%	33%	20%	oArts .

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
<b>4.3 Capital work-in-progress</b>			
<b>Construction of building</b>			
Balance at the beginning of the year		576,020	75,000
Additions during the year		15,994,774	501,020
		<u>16,570,794</u>	<u>576,020</u>
Less:			
Transferred to property plant and equipment		-	-
<b>Balance at the end of the year</b>		<u><u>16,570,794</u></u>	<u><u>576,020</u></u>
<b>5 LONG-TERM INVESTMENTS</b>			
<b>Held to maturity - Special Savings Accounts (SSAs) and TDRs</b>			
Balance at the beginning of the year		117,865,987	183,076,921
Investments made during the year		-	-
Accrued markup on investments		13,769,263	9,063,844
Investments matured during the year		-	(74,274,778)
		<u>131,635,250</u>	<u>117,865,987</u>
<b>5.1</b>	Investment in SSAs and TDRs carries interest rate ranging from 7.36% to 11.68%. (2020: 6.60% to 12.04%) per annum. These investments will mature in two years.		
<b>6 ADVANCES</b>			
Unsecured - considered good			
- Advances to vendors		1,017	-
- Against salary		317,355	84,276
		<u>318,372</u>	<u>84,276</u>
<b>7 DEPOSITS AND SHORT-TERM PREPAYMENTS</b>			
Security deposits		1,351,250	411,250
Prepayments		403,970	240,374
		<u>1,755,220</u>	<u>651,624</u>

oArks .

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
<b>8 OTHER RECEIVABLES</b>			
Interest accrued on bank deposits		-	-
Joint project with Sustainable Development Policy Institute (SDPI)	8.1	25,000,000	97,602,138
Others		7,331,594	18,986
		<b><u>32,331,594</u></b>	<b><u>97,621,124</u></b>

**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. So far the Foundation has received Rs. 72.562 million and remaining amount will be received within the subsequent year. This is unsecured and interest free.

**9 SHORT-TERM INVESTMENTS**

Innovative Development Strategies (Private) Limited			
Carrying amount		10,000,000	-
Accrued markup	9.1	588,500	-
		<b><u>10,588,500</u></b>	<b><u>-</u></b>

**9.1** Investment was made in Innovative Development Strategies (Private) Limited on July 19, 2021 and carries interest rate of 11.77% per annum with maturity after 1 year.

**10 TAXATION - NET**

Balance at the beginning of the year		20,117,264	18,462,757
Tax provision:			
Current year	20	(576,181)	(238,961)
Prior year		-	-
Tax deducted at source	10.1	117,105	1,893,468
		<b><u>19,658,188</u></b>	<b><u>20,117,264</u></b>

**10.1** This represents advance tax withheld at source and is refundable from Federal Board of Revenue (FBR). The Foundation is in the process of filing of refund application to the tax authorities.

*Arts .*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		-	-
Cash in transit		-	-
Cash at Bank			
Local currency		39,171,958	19,862,721
Foreign currency	11.1	109,782	99,116
		39,281,740	19,961,837
		<b>39,281,740</b>	<b>19,961,837</b>
11.1 Interest on saving accounts (local currency) ranges from 5.50% to 11.25% (2020: 3.75% to 11.25%) per annum. Saving account in USD carries interest at 0.1% (2020: 0.1%) per annum.			
<b>12 DEFERRED GRANT - CAPITAL ASSETS</b>			
Property and equipment	12.1	3,270,101	3,929,914
Intangible assets	12.2	-	-
		<b>3,270,101</b>	<b>3,929,914</b>
<b>12.1 Property and equipment</b>			
Balance at the beginning of the year			
Cost		24,210,502	24,072,159
Accumulated Amortization		(20,280,588)	(19,482,088)
		3,929,914	4,590,071
Additions-cost		-	138,343
Deletions-cost		-	-
Amortization for the year		(659,813)	(798,500)
Amortization on deletions		-	-
		(659,813)	(660,157)
Balance at the end of the year		<b>3,270,101</b>	<b>3,929,914</b>
Closing Balance			
Cost		24,210,502	24,210,502
Assets held for sale		-	-
		24,210,502	24,210,502
Accumulated Amortization		(20,940,401)	(20,280,588)
		<b>3,270,101</b>	<b>3,929,914</b>
<b>12.2 Intangibles</b>			
Balance at the beginning of the year			
Cost		1,336,438	1,336,438
Accumulated Amortization		(1,336,438)	(1,336,438)
		-	-

*oArka .*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
<b>12.3 Donor wise breakup of cost</b>			
<b>Property and Equipment</b>			
	<b>Balance as at January 01, 2021</b>	<b>Additions during the year</b>	<b>Deletions/ transfers during the year</b>
			<b>Balance as at December 31, 2021</b>
	----- Rupees -----		
<b>Donor</b>			
Oxfam Novib	7,148,358	-	-
Royal Norwegian Embassy	66,921	-	-
Agha Khan Foundation	87,750	-	-
American Institute for Research -RISE	284,801	-	-
Canadian Hunger Foundation	2,688,100	-	-
CIDA	(40,000)	-	-
Catholic Relief Services	7,050	-	-
Diakonie Katastrophenhilfe	929,832	-	-
DFID	205,540	-	-
Norwegian Church Aid	173,940	-	-
Norwegian Agency for Dev. Cooperation	1,800,558	-	-
Pakistan Poverty Alleviation Fund	4,394,008	-	-
Save the Children	1,049,219	-	-
Sight Saver	23,750	-	-
Terres Des Hommes	1,127,509	-	-
Trust of Voluntary Organization	4,450	-	-
TDEA	459,613	-	-
Disaster Management Pooled Funding	44,370	-	-
Pooled Funding	2,246,021	-	-
CONCERN World Wide	135,410	-	-
Development Alternative Inc. (DAI)	1,234,960	-	-
British Council	138,343	-	-
	<b>24,210,502</b>	<b>-</b>	<b>-</b>
	<b>Intangible assets</b>		
	<b>Balance as at January 01, 2021</b>	<b>Additions during the year</b>	<b>Deletions/ transfers during the year</b>
			<b>Balance as at December 31, 2021</b>
	----- Rupees -----		
<b>Donor</b>			
Oxfam Novib	750,000	-	-
Save the Children SC - USA	237,778	-	-
Others	348,660	-	-
	<b>1,336,438</b>	<b>-</b>	<b>-</b>

*Arts .*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
<b>13 ACCRUED AND OTHER LIABILITIES</b>			
Accounts payable for:			
-Head office activities		238,652	67,920
-Projects activities		270,600	218,476
Accrued expenses		674,477	914,727
Provident fund contribution		492,550	-
Salaries payable		1,832,936	93,965
Miscellaneous		611,296	376,998
		<b><u>4,120,511</u></b>	<b><u>1,672,086</u></b>

*oArks .*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

14 DEFERRED GRANTS - DONORS' FUNDED		Rupees											
		Description	Note	Balance as at January 01, 2021	Funds received donor during the year	Closing Receivables	Other operating income	Exchange Gain/(Loss)	Refund/ adjustment of un-spent balance	Opening Receivable	Transfer to Deferred Capital Grant	Grant Income recognized for the year	Balance as at December 31, 2021
		Pakistan Poverty Alleviation Fund	14.1	1,810,327	-	-	-	-	-	-	-	-	1,810,327
		Aus-Aid	14.2	78,541	-	-	-	-	-	-	-	-	78,541
		British Council	14.3	1,913,889	24,175,280	-	-	-	-	-	-	(26,995,012)	(905,843)
		Trust for Democratic Education and Accountability (TDEA)	14.4	17,951	3,006,385	-	-	-	-	-	-	(3,461,082)	(436,746)
				<b>3,820,708</b>	<b>27,181,665</b>	-	-	-	-	-	-	<b>(30,456,094)</b>	<b>546,279</b>
<b>14.1</b>		<b>Pakistan Poverty Alleviation Fund</b>											
		Pakistan Poverty Alleviation Fund (PPAF-CPI)		1,395,806	-	-	-	-	-	-	-	-	1,395,806
		Pakistan Poverty Alleviation Funds- CB	14.1.1	93,568	-	-	-	-	-	-	-	-	93,568
		Pakistan Poverty Alleviation Fund for Rehabilitation and Reconstruction- BOI		320,953	-	-	-	-	-	-	-	-	320,953
				<b>1,810,327</b>	-	-	-	-	-	-	-	-	<b>1,810,327</b>
<b>14.2</b>		<b>Aus-Aid</b>											
		Rehab of water supply schemes in UC Hattian Bala	14.2.1	78,541	-	-	-	-	-	-	-	-	78,541
				<b>78,541</b>	-	-	-	-	-	-	-	-	<b>78,541</b>
<b>14.3</b>		<b>British Council</b>											
		AWAAZ 2	14.3.1	1,913,889	21,735,680	-	-	-	-	-	-	(24,555,412)	(905,843)
		Active Citizens	14.3.2	-	2,439,600	-	-	-	-	-	-	(2,439,600)	-
				<b>1,913,889</b>	<b>24,175,280</b>	-	-	-	-	-	-	<b>(26,995,012)</b>	<b>(905,843)</b>
<b>14.4</b>		<b>Trust For Democratic Education and Accountability (TDEA)</b>											
		Local Action for Democratic and Inclusive Response of COVID-19 (LADIR)	14.4.1	17,951	760,849	-	-	-	-	-	-	(777,776)	1,024
		Electoral Quality and Inclusiveness in Pakistan (EQuIP)	14.4.2	-	1,392,635	-	-	-	-	-	-	(1,564,245)	(171,610)
		Strengthening Media Freedom and Civic Space in Pakistan	14.4.3	-	852,901	-	-	-	-	-	-	(1,119,061)	(266,160)
				<b>17,951</b>	<b>3,006,385</b>	-	-	-	-	-	-	<b>(3,461,082)</b>	<b>(436,746)</b>

14.1.1 This represent unspent funds against the grant received

14.2.1 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 June 30, 2022. Total grant funds committed to be disbursed by the donor are Rs. 40,086,563 out of which 25,679,441 were received till 2021 and the remaining would be received in the next year as the project is in progress. An expenditure of Rs 24,555,412 has been incurred against the project in 2021.

14.3.2 This represents grant agreement with British Council for the period from December 18, 2020 to June 30, 2021. Total grant funds committed to be disbursed by the donor are Rs. 2,439,600. During the year, funds of Rs. 2,439,600 have been received and during the year an expenditure of Rs 2,439,600 has been incurred on the project

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. 760,849 were received in 2021. An expenditure of Rs 777,776 has been incurred against the project in 2021.

14.4.2 This represents grant from Trust for Democratic Education and Accountability (TDEA) for the period from March 15, 2021 to June 30, 2023. Total grant funds committed to be disbursed by the donor were Rs 5,295,473 out of which Rs. 1,392,635 were received during the year 2021 and the remaining would be received in the next year as the project is in progress. During the year 2021, an expenditure of Rs 1,564,245 has been incurred against the project.

14.4.3 This represents grant from Trust for Democratic Education and Accountability (TDEA) for the period from August 16, 2021 to March 15, 2022. Total grant funds committed to be disbursed by the donor were Rs 1,699,941 out of which Rs. 852,901 were received during the year 2021 and the remaining would be received in the next year as the project is in progress. During the year 2021, an expenditure of Rs 1,119,061 has been incurred against the

oAde .

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**15 CONTINGENCIES AND COMMITMENTS**

There were following contingencies as at the date of statement of financial position (2020: nil):

**15.1 FBR notice u/s 122(9) of Income Tax Ordinance, 2001 for Tax Year 2014 and 2015**

The Foundation had e-filed return of total income for tax year 2014 and 2015 declaring taxable income amounting to Rs. 28,244,548 and Rs. 7,807,864 respectively for 2014 and 2015 which was deemed assessment finalized u/s 120(1)(b) of the Income Tax Ordinance, 2001 (ITO'2001). Additional Commissioner Inland Revenue, Range-II, Corporate Zone, Regional Tax Office (RTO), Islamabad (AdCIR, Range-II, Corporate Zone, RTO, Islamabad) issued show cause notice u/s 122(9) read with Section 122(5A) of the ITO'2001 through fishing and roving enquires, amended the original assessment order alleging that the same was prejudicial to the interest of revenue. Alleged amount of tax credit was involved to Rs. 9,108,092 and Rs. 2,250,301 respectively for 2014 and 2015. The orders have been challenged before Commissioner Appeal and reverse orders have been passed than we have challenged before Appellate Tribunal and still pending before this forum. The consultant is of the view that the case will be decided in Sungi's favor.

**15.2 FBR notice u/s 122(5A) of Income Tax Ordinance, 2001 for Tax Year 2018**

Sungi Development Foundation received show-cause notice ("the SCN") dated 23.11.2018 u/s 122(5A) of the Income Tax Ordinance, 2001 ("the Ordinance") issued by Additional Commissioner Inland Revenue Regional Tax Office, Islamabad ("the AdCIR") for tax year 2015 alleging that the appellant had wrongly claimed tax credit under section 100C of the Ordinance despite not being recognized as non-profit organization under section 2(36) of the Ordinance. In response of the SCN Authorized Representative ("AR") of the appellant filed written reply which did not find favor with the ACIR who proceeded to issue order under section 122(5A) of the Ordinance dated 8 July 2021 ("the Order"). Being aggrieved by the Order, Appellant filed appeal before Commissioner Inland Revenue Appeals ("CIRA"). Authorized Representative ("AR") attended hearing on 3 February 2022 and argued the case. CIRA proceeded to issue the Order-in-Appeal (OIA) dated 17 May 2022. After that appeal has been filed before Appellate Tribunal Inland Revenue Islamabad and still pending before this forum. The consultant is of the view that the case will be decided in Sungi's favor.

**16 INCOME ON INVESTMENTS**

Income on long term investment  
Income on short term investment

	<b>2021</b>	<b>2020</b>
	<b>Rupees</b>	<b>Rupees</b>
	13,769,263	9,063,844
	2,612,506	1,561,696
	<b><u>16,381,769</u></b>	<b><u>10,625,540</u></b>

*Arif*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
<b>17 OTHER INCOME</b>			
Income on bank deposits		446,489	637,559
Exchange (loss) / gain		10,659	(23,473)
Liabilities written back		-	337,853
Miscellaneous income		367,000	37,000
		<b>824,148</b>	<b>988,939</b>
<b>18 PROGRAMME ACTIVITIES</b>			
Deferred grants - donors' funded	18.1	30,456,094	3,517,761
Programme cost	18.2	-	467,401
		<b>30,456,094</b>	<b>3,985,162</b>
<b>18.1 Deferred grants - donors' funded</b>			
Programme activities		23,963,262	531,473
COVID-19 relief activities		-	398,010
Staff cost		4,164,069	1,631,558
Office management cost		871,581	576,536
Travel cost		688,542	161,779
Furniture and equipment		-	-
Support cost		768,640	218,405
		<b>30,456,094</b>	<b>3,517,761</b>

**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.

*Arts .*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
<b>19 OPERATING COSTS</b>			
Salaries, wages and benefits		15,899,685	16,284,166
Staff travel		45,392	74,850
Communication cost		23,603	181,246
Office supplies		374,973	224,049
Office rent and maintenance		317,672	2,740,481
Office utilities		220,070	375,611
Office security		1,017,982	681,500
Vehicle running cost		383,300	439,855
Office equipment maintenance		-	118,406
Auditors' remuneration		250,000	400,000
Depreciation - owned resources	4.1	831,760	982,517
Depreciation - donated funded by donor	4.2	659,813	798,500
Bank charges		82,630	56,429
Consultancy expenses		1,318,982	500,096
Registration/membership fee		29,150	81,808
National/international trainings		-	141,500
Programme development		285,000	391,000
Meeting expenses		-	15,361
Miscellaneous		209,268	-
		<b><u>21,949,280</u></b>	<b><u>24,487,375</u></b>
<b>20 TAXATION</b>			
Provision for:			
- Prior year		-	-
- Current year		576,181	238,961
		<b><u>576,181</u></b>	<b><u>238,961</u></b>
<b>21 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	11	39,281,740	19,961,837
		<b><u>39,281,740</u></b>	<b><u>19,961,837</u></b>

*oArks .*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**22 REMUNERATION TO THE EXECUTIVE DIRECTOR**

The aggregate amount charged in the financial statements for remuneration, including all benefits

	<b>Executive Director</b>	
	<b>2021</b>	<b>2020</b>
	<b>Rupees</b>	<b>Rupees</b>
Managerial remuneration	5,650,200	5,142,000
Retirement benefits	559,200	508,200
	<b>6,209,400</b>	<b>5,650,200</b>
Number of Persons	1	1

**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 statements.

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 36 (2020: 15) and average number of employees during the year was 20 (2020: 14).

*Arif .*

**SUNGI DEVELOPMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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

**27 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board on 19 SEP 2022

**28 GENERAL**

Figures have been rounded off to the nearest Pak Rupee.



**CHAIRPERSON**

oAde .



**EXECUTIVE DIRECTOR**