

**SUNDAS FOUNDATION**  
**AUDITED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

## AUDITORS' REPORT

We have audited the annexed statement of financial position, of the **M/S SUNDAS FOUNDATION - LAHORE** as at June 30, 2017 and the statement of activities and its cash flow statement together with the notes forming part thereof (here-in-after referred to as the financial statements for the year then ended).


It is the responsibility of the management committee to establish and maintain a system of internal control and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the **M/S SUNDAS FOUNDATION - LAHORE** as at June 30, 2017 and of its Surplus for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Date: November 15, 2017

Place: Lahore

  
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**PHINEHAS & CO.**  
(Chartered Accountants)



**Sundas Foundation  
Statement of Financial Position  
As at June 30, 2017**



	Note	June 2017 Rupees	June 2016 Rupees
<b>Assets</b>			
Cash and bank balances	3	82,440,908	41,769,403
Advances and prepayments	4	5,112,406	5,798,767
Investment	5	11,758,000	-
Current accounts	6	19,695,356	14,685,123
Stock in hand	7	11,781,662	4,496,495
Properties and assets	8	100,789,821	80,679,247
		<u>231,578,153</u>	<u>147,429,035</u>
<b>Liabilities and Net Assets</b>			
Creditors, accrued and other liabilities	9	8,204,479	7,181,657
Government grants	10	53,251,041	-
Un-Secured lending arrangements	11	3,672,500	5,972,500
		65,128,020	13,154,157
Net assets		166,450,133	134,274,877
Total liabilities and net assets		<u>231,578,153</u>	<u>147,429,034</u>

*The annexed notes (1-18) form an integral part of these accounts.*

PRESIDENT

GENERAL SECRETARY



**Sundas Foundation**  
**Statement of Activities**  
**For the year ended June 30, 2017**



	Notes	June 2017 Rupees	June 2016 Rupees
<b>Receipts</b>			
Donations	12	153,352,570	159,994,795
<b>Payments</b>			
Direct charitable expenses	13	102,881,279	56,618,304
Administrative expenses	14	18,630,146	13,747,542
Financial charges	15	149,082	96,968
		121,660,507	70,462,814
Other Income	16	1,669,749	901,397
Changes in Net Assets		<u>33,361,812</u>	<u>90,433,378</u>
Net Assets at the beginning of the year		134,274,877	43,471,499
Opening net assets adjustments		(1,186,556)	370,000
Net Assets at the end of the year		<u>166,450,133</u>	<u>134,274,877</u>

*The annexed notes (1-18) form an integral part of these accounts.*

**PRESIDENT**

**GENERAL SECRETARY**



Sundas Foundation  
Statement of Cash Flow  
For the year ended June 30, 2017



	June 2017 Rupees	June 2016 Rupees
<b>Cash flows from operating activities</b>		
Changes in net assets	33,361,812	90,433,378
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	13,279,927	11,172,131
Prior year adjustment	(1,186,556)	370,000
	12,093,371	11,542,131
<b>Changes in operating assets and liabilities</b>		
(increase) / Decrease in stock in hand	(7,285,167)	(2,033,896)
(Increase) / Decrease in advances, deposits & prepayments	686,361	(2,362,126)
Increase / (Decrease) in creditors, accrued and other liabilities	1,022,822	2,311,818
	(5,575,985)	(2,084,204)
Net cash generated from operating activities	39,879,199	99,891,306
<b>Cash flows from investing activities</b>		
Current accounts	(5,010,233)	(4,077,799)
Unsecured lending arrangement	(2,300,000)	(200,000)
Government grants	53,251,041	-
Investment	(11,758,000)	-
Fixed Capital Expenditure	(33,390,502)	(64,477,843)
Net cash (used in) investing activities	792,306	(68,755,642)
Net increase in cash and cash equivalents	40,671,505	31,135,663
Cash and cash equivalents at the beginning of the year	41,769,403	10,633,740
Cash and cash equivalents at the end of the year	17 <u>82,440,908</u>	<u>41,769,403</u>

The annexed notes (1-18) form an integral part of these accounts.

PRESIDENT

GENERAL SECRETARY



**Sundas Foundation**  
**Notes to the Consolidated Financial Statements**  
**For the year ended June 30, 2017**

**1. FOUNDATION AND ITS OPERATIONS**

Sundas Foundation, a charitable organization, established in 1998 registered with the Social Welfare Department via Registration No. *DDSW-GRW 2000-7880/2500*. The foundation is engaged in rendering services to patients suffering from Thalassaemia, Haemophilia, and other chronic blood diseases.

The entity provides blood and blood products screening facilities for all fatal diseases like Hepatitis B, Hepatitis C, HIV, and RPR free of charges. It also provides fully screened blood and blood products to the government and private hospitals, free of charges, on the request of the designated doctors.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Accounting Convention**

These accounts have been prepared under the Historical Cost Convention.

**2.2 Property and Assets**

*Owned*

Operating fixed assets are stated at cost less accumulated depreciation. Depreciation on operating fixed assets is charged on reducing balance method so as to write off the cost of an asset over its useful life using rates given in **note 8** to the accounts.

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

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

**2.3 Cash and cash equivalents**

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

**2.4 Inventory**

Inventory is carried at weighted average cost.

**2.5 Taxation**

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

**Sundas Foundation**  
**Notes to the Consolidated Financial Statements**  
**For the year ended June 30, 2017**

**2.6 Government Grants**

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

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

Sundas Foundation  
Notes to the Financial Statements  
For the year ended June 30, 2017



	June 2017	June 2016
Note	Rupees	Rupees
<b>3 Cash and bank balances</b>		
Cash in hand	102,336	347,926
Cash at banks	82,338,572	41,421,477
	<u>82,440,908</u>	<u>41,769,403</u>

<b>4 Advances and prepayments</b>		
Advance against salaries	1,628,550	1,645,000
Advance to suppliers	1,620,340	2,575,178
EFU life and health insurance	97,933	-
Advance income tax	397,559	533,366
Loan to employees	1,277,001	971,500
Prepaid insurance	58,221	15,223
Others	32,802	58,500
	<u>5,112,406</u>	<u>5,798,767</u>
<b>5 Investment</b>	<u>11,758,000</u>	<u>-</u>

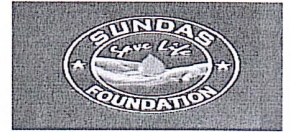
This amount represents investment made by the Foundation in property by the approval of board of trustees.

<b>6 Current accounts</b>		
Gujranwala	6,809,860	4,126,368
Sialkot	2,985,176	2,855,164
Meer Pur	1,535,070	1,399,000
Faisalabad	5,265,304	4,047,461
Gujrat	1,102,589	669,774
Islamabad	1,947,357	1,537,357
Others	50,000	50,000
	<u>19,695,356</u>	<u>14,685,123</u>

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

	June 2017	June 2016
	Rupees	Rupees
<b>7 Stock in hand</b>		
Blood bags	4,462,665	1,633,488
PCR consumable material	684,764	-
Screening kits	2,670,910	358,110
Injections	2,014,243	526,983
Other stock	1,949,080	1,977,914
	<u>11,781,662</u>	<u>4,496,495</u>





8 Operating Fixed Assets

	Cost			Rate	Accumulated Depreciation			Book value as at June 30, 2017
	As at July 01, 2016	Additions	As at June 30, 2017		As at July 01, 2016	Charge	As at June 30, 2017	
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Land	4,000,000	8,242,000	12,242,000	-	-	-	-	12,242,000
Building	41,642,743	4,088,000	45,730,743	10	5,007,124	4,072,362	9,079,486	36,651,257
Computers & Printers	230,450	158,600	389,050	30	88,413	90,191	178,604	210,446
Furniture & Fixture	1,055,576	319,111	1,374,687	15	483,004	133,752	616,757	757,930
Leasehold Improvements	5,790,277	632,752	6,423,029	15	1,226,263	779,515	2,005,778	4,417,251
Office Equipments	2,982,397	262,480	3,244,877	15	1,489,865	263,252	1,753,117	1,491,760
Vehicles	14,365,666	6,018,500	20,384,166	15	6,413,656	2,095,577	8,509,233	11,874,933
Electric Equipments	1,707,500	407,950	2,115,450	15	317,478	269,696	587,174	1,528,276
Medical Equipment	35,486,643	13,206,109	48,692,752	15	11,572,202	5,568,082	17,140,285	31,552,467
<b>June 2017</b>	<b>107,261,252</b>	<b>33,335,502</b>	<b>140,596,754</b>		<b>26,598,005</b>	<b>13,272,427</b>	<b>39,870,432</b>	<b>100,726,321</b>
June 2016	42,783,409	64,477,843	107,261,252		15,427,874	11,170,131	26,598,005	80,663,247
<b>Intangible Assets</b>								
Computer software	20,000	55,000	75,000	10	4,000	7,500	11,500	63,500
<b>June 2017</b>	<b>20,000</b>	<b>55,000</b>	<b>75,000</b>		<b>4,000</b>	<b>7,500</b>	<b>11,500</b>	<b>63,500</b>
June 2016	20,000	-	20,000		2,000	2,000	4,000	16,000

8.1 Depreciation and amortization charge for the year has been allocated as follows:

	June 2017 Rupees	June 2016 Rupees
Direct charitable expenses	8,443,174	6,428,906
Administrative expenses	4,836,753	4,743,225
	<b>13,279,927</b>	<b>11,172,131</b>

Sundas Foundation  
Notes to the Financial Statements  
For the year ended June 30, 2017



	June 2017 Rupees	June 2016 Rupees
<b>9 Creditors, accrued and other liabilities</b>		
Accounts payable	7,180,192	6,289,474
Salaries and wages payable	159,325	628,205
Accrued expenses	864,961	263,977
	<u>8,204,479</u>	<u>7,181,657</u>
<b>10 Government grants</b>		
Opening balance	-	-
Received during the year	120,000,000	50,000,000
Less : Laboratory Equipment and medicine Purchased during the year	(66,748,959)	(50,000,000)
<b>Closing balance</b>	<u>53,251,041</u>	<u>-</u>
10.1 This represents the amount received from Government of the Punjab for the upgradation of Laboratory and purchase of medicine and medical instruments.		
	June 2017 Rupees	June 2016 Rupees
<b>11 Un-Secured lending arrangements</b>		
Balance at the beginning of the year	5,972,500	6,172,500
Loan received during the year	-	-
Repayment during the year	(2,300,000)	(200,000)
<b>Balance at the end of the year</b>	<u>3,672,500</u>	<u>5,972,500</u>
The amount received under this head represents interest free loan received from friends and family members of the trustees for working capital/ day to day fund requirements.		
	June 2017 Rupees	June 2016 Rupees
<b>12 Donations</b>		
Government of Punjab - Grant realised	66,748,959	50,000,000
Cash	24,988,757	32,486,974
Stock/ others	9,746,980	9,603,013
Pakistan Bait-ul-Mal	1,512,000	-
Zakat	50,355,874	67,904,808
	<u>153,352,570</u>	<u>159,994,795</u>
<b>13 Direct charitable expenses</b>		
Blood bags	10,844,027	6,112,680
Blood screening kits	19,034,858	6,850,672
Ironchelation Medicine	17,746,540	6,033,688
PCR Consumable laboratory materials	1,950,000	311,562
Salaries and other benefits	12,371,356	7,973,085
Rent, rates and taxes	4,752,387	3,849,124
Printing and stationery	1,587,527	1,554,840

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Sundas Foundation  
Notes to the Financial Statements  
For the year ended June 30, 2017



	June 2017	June 2016
Note	Rupees	Rupees
<i>.....continued</i>		
<b>13 Direct charitable expenses</b>		
Advertisement	8,576,556	4,942,662
Postage and telegram	1,490,259	405,652
Repair and maintenance	2,411,468	2,177,059
Entertainment	1,524,243	1,076,844
Fuel and power	1,754,117	1,353,522
Communication	609,255	551,771
Vehicle running expenses	453,500	235,687
Events and celebrations	2,309,701	1,807,607
Blood camping	613,793	469,539
Washing and cleaning	489,632	347,708
Waste management services	326,600	291,000
Consultancy charges	974,946	326,781
Charity and welfare	2,583,041	2,286,858
Depreciation	7.1 8,443,174	6,428,906
Others	2,034,299	1,231,058
	<u>102,881,279</u>	<u>56,618,304</u>
<b>14 Administrative expenses</b>		
Salaries and other benefits	10,606,792	6,585,983
Communication	558,203	183,924
Utilities	1,276,229	847,815
Audit fee	90,000	50,000
Vehicle running expenses	87,451	63,784
Insurance	297,502	64,740
Repair and maintenance	478,512	459,020
Entertainment	20,350	445,209
News paper and periodics	150,380	37,631
Depreciation	7.1 4,836,753	4,743,225
Others	227,974	266,211
	<u>18,630,146</u>	<u>13,747,542</u>
<b>15 Financial charges</b>		
Bank charges	<u>149,082</u>	<u>96,968</u>

Sundas Foundation  
Notes to the Financial Statements  
For the year ended June 30, 2017



June 2017 Rupees	June 2016 Rupees
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16 Other Income

Liabilities written back	-	153,145
Profit on saving account	1,544,504	748,252
Others	125,245	-
	1,669,749	901,397

17 Cash and cash equivalents at the end of the year

Cash in hand	102,336	347,926
Cash at bank	82,338,572	41,421,477
	82,440,908	41,769,403

18 Authorization

These accounts have been approved on 13/Nov/2017 by the management of the foundation for issuance.

19 Period of financial statements

These financial statements have been prepared from July 1, 2016 to June 30, 2017.

20 General

- Figures have been rounded off to nearest rupee.

*[Signature]*

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PRESIDENT

*[Signature]*

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GENERAL SECRETARY



*[Signature]*