



SUNDAS FOUNDATION

AUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of "**Sundas Foundation**" which comprise of the statement of financial position as at June 30, 2018, and income and expenditure account, the statement of changes in accumulated funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of "**Sundas Foundation**" as at June 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with accounting standards for not for profit organisations (NPOs) issued by the ICAP 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 Trust 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 the Management and Those Charged with Governance for the Financial Statements

The Board of trustees is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting standards for not for profit organisations (NPOs) issued by the ICAP in Pakistan and for such internal control as the Board of Trustees determine 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, the Board of Trustees is responsible for assessing the Trust'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 Trust or to cease the operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 access 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, international 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 Trust's internal control.
- Evaluate 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 cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

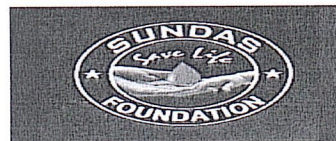
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dated: November 20, 2018
Place: Lahore

PHINEHAS & COMPANY
(Chartered Accountant)



Sundas Foundation
Statement of Financial Position
As at June 30, 2018



	Note	2018 Rupees	2017 Rupees
Assets			
Cash and bank balances	3	171,166,596	82,440,908
Advances and prepayments	4	20,682,745	5,112,406
Investment	5	45,336,800	11,758,000
Current accounts - Branches	6	24,900,927	19,695,356
Stock in hand	7	8,570,983	11,781,662
Properties and assets	8	115,125,681	100,789,821
		385,783,732	231,578,153
Liabilities and Net Assets			
Creditors, accrued and other liabilities	9	4,904,598	8,204,479
Government grants	10	15,000,000	53,251,041
Hospital - Restricted Fund	11	160,000,000	-
Un-Secured lending arrangements	12	7,672,500	3,672,500
		187,577,098	65,128,020
Net assets		198,206,634	166,450,133
Total liabilities and net assets		385,783,732	231,578,153

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, 2018



	Notes	2018 Rupees	2017 Rupees
Receipts			
Donations	13	168,648,711	153,352,570
Payments			
Direct charitable expenses	14	115,408,360	102,881,279
Administrative expenses	15	24,062,940	18,630,146
Financial charges	16	18,622	149,082
		139,489,922	121,660,507
Other Income	17	5,211,636	1,669,749
Changes in Net Assets		34,370,425	33,361,812
Net Assets at the beginning of the year		166,450,133	134,274,877
Opening net assets adjustments		(2,613,924)	(1,186,556)
Net Assets at the end of the year		198,206,634	166,450,133

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, 2018



Note	2018 Rupees	2017 Rupees
Cash flows from operating activities		
Changes in net assets	34,370,425	33,361,812
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	15,719,714	13,272,427
Amortization - Intangible assets	237,463	7,500
Gain on investment	(1,076,000)	-
Prior year adjustment	(2,613,924)	(1,186,556)
	12,267,253	12,093,371
Changes in operating assets and liabilities		
(Increase)/ Decrease in stock in hand	3,210,679	(7,285,167)
Decrease/ (Increase) in advances, deposits & prepayments	(15,570,339)	686,361
(Decrease)/ Increase in creditors, accrued and other liabilities	(3,299,882)	1,022,822
	(15,659,542)	(5,575,984)
Net cash generated from operating activities	30,978,137	39,879,200
Cash flows from investing activities		
Current accounts - Branches	(5,205,570)	(5,010,233)
Investment	(33,578,800)	(11,758,000)
Fixed Capital Expenditure	(30,293,038)	(33,390,502)
Net cash from investing activities	(69,077,408)	(50,158,735)
Cash flows from financing activities		
Unsecured lending arrangement	4,000,000	(2,300,000)
Government grants	(37,175,041)	53,251,041
Restricted Fund	160,000,000	-
Net cash from financing activities	126,824,959	50,951,041
Net increase in cash and cash equivalents	88,725,687	40,671,506
Cash and cash equivalents at the beginning of the year	82,440,909	41,769,403
Cash and cash equivalents at the end of the year	18 171,166,596	82,440,909

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, 2018

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.



	Note	2018 Rupees	2017 Rupees
3 Cash and bank balances			
Cash in hand		5,220	102,336
Cash at banks		171,161,376	82,338,572
		<u>171,166,596</u>	<u>82,440,908</u>
4 Advances and prepayments			
Advance against salaries		991,930	1,628,550
Advance to suppliers		2,209,840	1,620,340
EFU life and health insurance		7,933	97,933
Advance income tax		1,048,424	397,559
Loan to employees		1,941,926	1,277,001
Prepaid insurance		84,720	58,221
Advance against expenses		255,050	-
Advance against Land	4.1	14,141,120	-
Others		1,802	32,802
		<u>20,682,745</u>	<u>5,112,406</u>
4.1 This amount represent advance payment made against the purchase of land for construction of Late Munnoo Bhai Hospital.			
5 Investment			
This amount represrets investments made by the Foundation in the form of acquisition of properties duly approved by the board of trustees.			
6 Current accounts - Branches			
Gujranwala	6.1	8,884,042	6,809,860
Sialkot		2,751,223	2,985,176
Meer Pur		1,590,070	1,535,070
Faisalabad		7,326,495	5,265,304
Gujrat		1,911,739	1,102,589
Islamabad		2,387,357	1,947,357
Others		50,000	50,000
		<u>24,900,927</u>	<u>19,695,356</u>
6.1 These represent 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.			
7 Stock in hand			
Blood bags		3,248,195	4,462,665
PCR consumable material		275,862	684,764
Screening kits		1,978,143	2,670,910
Injections		1,567,158	2,014,243
Other stock		1,501,625	1,949,080
		<u>8,570,983</u>	<u>11,781,662</u>



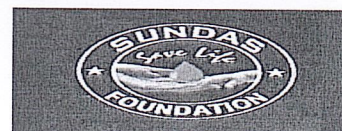
8 Operating Fixed Assets

	Cost			Rate	Accumulated Depreciation			Book value as at June 30, 2018
	As at July 01, 2017	Additions/ Deletions	As at June 30, 2018		As at July 01, 2017	Charge	As at June 30, 2018	
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Land	12,242,000		12,242,000		-		-	12,242,000
Building	45,730,743	-	45,730,743	10	9,079,486	3,665,126	12,744,612	32,986,131
Computers & Printers	389,050	327,000	716,050	30	178,604	161,234	339,838	376,212
Furniture & Fixture	1,374,687	-	1,374,687	15	616,757	113,690	730,446	644,241
Leasehold Improvements	6,423,029	3,213,042	9,636,071	15	2,005,778	1,144,544	3,150,322	6,485,749
Office Equipments	3,244,877	480,650	3,725,527	15	1,753,117	295,862	2,048,978	1,676,549
Vehicles	20,384,166	6,703,500	27,087,666	15	8,509,233	2,786,765	11,295,998	15,791,668
Electric Equipments	2,115,450	323,800	2,439,250	15	587,174	277,811	864,985	1,574,265
Medical Equipment	48,692,752	16,945,420	65,638,172	15	17,140,285	7,274,683	24,414,968	41,223,204
2018	140,596,754	27,993,412	168,590,166		39,870,432	15,719,714	55,590,146	113,000,019
2017	107,261,252	33,335,502	140,596,754		26,598,005	13,272,427	39,870,432	100,726,322
Intangible Assets								
Computer software	75,000	2,299,625	2,374,625	10	11,500	237,463	248,963	2,125,663
2018	75,000	2,299,625	2,374,625		11,500	237,463	248,963	2,125,663
2017	20,000	55,000	75,000		4,000	7,500	11,500	63,500

8.1 The charge for the year has been allocated as follows;

	June 2018 Rupees	June 2017 Rupees
Direct charitable expenses	11,205,993	8,443,174
Administrative expenses	4,751,184	4,836,753
	15,957,177	13,279,927

8.2 The amortization for the years has been charged to administrative expenses.



	2018 Rupees	2017 Rupees
9 Creditors, accrued and other liabilities		
Accounts payable	1,671,587	7,180,192
Salaries and wages payable	2,787,165	159,325
Accrued expenses	445,846	864,962
	<u>4,904,598</u>	<u>8,204,479</u>
10 Government grants		
Opening balance	53,251,041	-
Received during the year	50,000,000	120,000,000
Less : Laboratory Equipment , medicine and electric chairs Purchased	(88,251,041)	(66,748,959)
Closing balance	<u>15,000,000</u>	<u>53,251,041</u>
10.1 This represents the amount received from Government of the Punjab for the upgradation of Laboratory and purchase of medicine, medical instruments and electric chairs.		
11 Hospital - Restrctited Fund		
The entity through convening of an extra ordinary general meeting of the trustees has created a restricted fund of PKR 160M for the construction of Late Munnoo Bhai Hospital. In this regard land measuring (2) two Kanal located at Main Gulberg Lahore has been purchased.		
	June 2018 Rupees	June 2017 Rupees
12 Un-Secured lending arrangements		
Balance at the beginning of the year	3,672,500	5,972,500
Loan received during the year	5,000,000	-
Repayment during the year	(1,000,000)	(2,300,000)
Balance at the end of the year	<u>7,672,500</u>	<u>3,672,500</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.		
	2018 Rupees	2017 Rupees
13 Donations		
Government of Punjab - Grant realised	88,251,041	66,748,959
Cash and cash equivalents	17,936,893	24,988,757
Stock/ others	24,245,406	9,746,980
Pakistan Bait-ul-Mal	3,328,500	1,512,000
Zakat	34,886,871	50,355,874
	<u>168,648,711</u>	<u>153,352,570</u>



	Note	2018 Rupees	2017 Rupees
14 Direct charitable expenses			
Blood bags		13,434,605	10,844,027
Bio chemistry		763,550	-
Blood screening kits		17,364,833	19,034,858
Ironchelation Medicine		11,124,510	17,746,540
PCR Consumable laboratory materials		2,212,500	1,950,000
Salaries and other benefits		14,540,145	12,371,356
Rent, rates and taxes		3,138,334	4,752,387
Printing and stationery		2,635,759	1,587,527
Community awareness campaign		20,468,088	8,576,556
Postage and telegram		1,297,043	1,490,259
Repair and maintenance		1,936,498	2,411,468
Entertainment		1,762,000	1,524,243
Fuel and power		2,028,964	1,754,117
Communication		289,627	609,255
Vehicle running expenses		1,010,740	453,500
Events and celebrations		2,512,163	2,309,701
Blood camping		404,733	613,793
Washing and cleaning		342,012	489,632
Waste management services		339,600	326,600
Consultancy charges		2,083,426	974,946
Charity and welfare		2,907,515	2,583,041
Depreciation	8.1	11,205,993	8,443,174
Others		1,605,722	2,034,299
		<u>115,408,360</u>	<u>102,881,279</u>
15 Administrative expenses			
Salaries and other benefits		16,042,345	10,606,792
Communication		694,775	558,203
Utilities		1,808,754	1,276,229
Audit fee		90,000	90,000
Vehicle running expenses		-	87,451
Insurance		232,898	297,502
Repair and maintenance		135,214	478,512
Entertainment		127,564	20,350
News paper and periodics		41,295	150,380
Depreciation	8.1	4,513,721	4,829,253
Amortization	8.2	237,463	7,500
Others		138,911	227,974
		<u>24,062,940</u>	<u>18,630,146</u>
16 Financial charges			
Bank charges		<u>18,622</u>	<u>149,082</u>

Sundas Foundation
Notes to the Financial Statements
For the year ended June 30, 2018



12

	2018 Rupees	2017 Rupees
17 Other Income		
Profit on saving account	2,716,088	1,544,504
Gain on investments	1,076,000	-
Others	1,419,548	125,245
	5,211,636	1,669,749
18 Cash and cash equivalents		
Cash in hand	5,220	102,336
Cash at bank	171,161,376	82,338,572
	171,166,596	82,440,908

19 Authorization

These accounts have been approved on 17/Nov/2018 by the management of the foundation for issuance.

20 Period of financial statements

These financial statements have been prepared from July 1, 2017 to June 30, 2018.

21 General

- Figures have been rounded off to nearest rupee.

PRESIDENT



GENERAL SECRETARY