

SUNDAS FOUNDATION

AUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

Independent Auditor's Report to the Executive Body

Opinion

We have audited the financial statements of "M/S SUNDAS FOUNDATION", which comprises the Statement of Financial Position as at **June 30, 2021**, statement of activities, statement of cash flow and statement of change in fund balances for the year 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 "M/S SUNDAS FOUNDATION" as at **June 30, 2021**, and of its financial performance for the year then ended, in accordance with Approved accounting and reporting standards as applicable in Pakistan (i.e. Accounting Standard for Not for Profit organizations (NPOs) issued by ICAP).

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society 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 Executive body are responsible for the preparation and fair presentation of the financial statements in accordance with the "Approved accounting and reporting standards as applicable in Pakistan (i.e. Accounting Standard for Not for Profit organizations (NPOs) issued by ICAP)" and for such internal controls as the Executive body determines are 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 Executive body are responsible for assessing Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

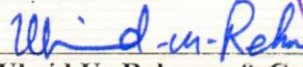
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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 Society'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 Society'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 Society'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 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.


Ubaid Ur Rehman & Co.
Chartered Accountants
Lahore.
Date: November 24, 2021



Sundas Foundation
Statement of Financial Position
As at June 30, 2021



	Note	2021 Rupees	2020 Rupees
Assets			
Cash and bank balances	4	255,043,812	242,352,344
Advances, deposits and prepayments	5	33,661,161	11,646,059
Investment - General Fund	6	45,336,800	45,336,800
Investment - Endowment Fund	7	339,331,600	179,545,000
Current accounts - Branches	8	-	20,347,112
Stock in hand	9	23,695,362	18,989,545
Properties and assets	10	516,802,772	268,889,459
		<u>1,213,871,507</u>	<u>787,106,319</u>
Liabilities and Net Assets			
Creditors, accrued and other liabilities	11	<u>23,391,296</u>	<u>21,415,845</u>
		23,391,296	21,415,845
Net Assets			
Hospital Restricted Fund	12	244,784,000	180,760,000
Endowment Fund		321,550,000	221,550,000
General Fund		624,146,211	363,380,474
		1,190,480,211	765,690,474
Total liabilities and net assets		<u>1,213,871,507</u>	<u>787,106,319</u>

The annexed notes (1-21) form an integral part of these accounts.

PRESIDENT

GENERAL SECRETARY

Sundas Foundation
Statement of Activities
For the year ended June 30, 2021



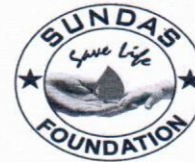
	Notes	2021 Rupees	2020 Rupees
Receipts			
Donations	13	479,100,236	315,235,969
Payments			
Direct charitable expenses	14	298,537,826	209,698,717
Administrative expenses	15	68,055,763	35,406,475
Financial charges	16	175,298	80,595
		366,768,887	245,185,788
Other Income	17	2,458,388	2,168,642
Changes in Net Assets		114,789,737	72,218,823
Fund transferred to Endowment Fund		100,000,000	60,000,000
Changes in Net Assets for the year		14,789,737	12,218,823

The annexed notes (1-21) form an integral part of these accounts.

PRESIDENT

GENERAL SECRETARY

Sundas Foundation
Statement of Cash Flow
For the year ended June 30, 2021



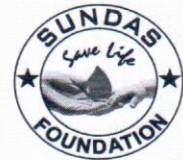
Note	2021 Rupees	2020 Rupees
Cash flows from operating activities		
Changes in net assets	114,789,737	72,218,823
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	18,914,855	18,209,445
Amortization - Intangible assets	372,438	413,820
	19,287,293	18,623,265
Changes in operating assets and liabilities		
(Decrease)/ Increase in stock in hand	(4,705,816)	(9,263,931)
Increase/ (Decrease) in advances, deposits & prepayments	(22,015,102)	1,915,388
(Decrease)/ Increase in creditors, accrued and other liabilities	1,975,452	3,764,545
	(24,745,467)	(3,583,998)
Net cash generated from operating activities	109,331,563	87,258,091
Cash flows from investing activities		
Current accounts - Branches	20,347,112	(311,964)
Investment - Endowment Fund	(159,786,600)	(17,995,000)
Fixed Capital Expenditures	(267,200,605)	(56,269,815)
Net cash (used in) investing activities	(406,640,093)	(74,576,779)
Cash flows from financing activities		
Hospital Restricted Fund	310,000,000	160,000,000
Net cash generated from/(used in) financing activities	310,000,000	160,000,000
Net increase/ (decrease) in cash and cash equivalents	12,691,468	172,681,310
Cash and cash equivalents at the beginning of the year	242,352,344	69,671,034
Cash and cash equivalents at the end of the year	18 255,043,812	242,352,344

The annexed notes (1-21) form an integral part of these accounts.

PRESIDENT

GENERAL SECRETARY

Sundas Foundation
Statement of Changes in Fund Balances
For the year ended June 30, 2021



	Hospital Restricted Fund Rupees	Endowment Fund Rupees	General Fund Rupees
Balance as at June 30, 2019	51,000,000	161,550,000	320,921,651
Surplus of income over Expenditure	-	-	72,218,823
Transfer of general fund to endowment fund	-	60,000,000	(60,000,000)
Hospital restricted fund	160,000,000	-	-
Amount realised from hospital restricted fund	(30,240,000)	-	30,240,000
Balance as at June 30, 2020	180,760,000	221,550,000	363,380,474
Surplus of income over Expenditure	-	-	114,789,737
Transfer of general fund to endowment fund	-	100,000,000	(100,000,000)
Hospital restricted fund	310,000,000	-	-
Amount realised from hospital restricted fund	(245,976,000)	-	245,976,000
Balance as at June 30, 2021	244,784,000	321,550,000	624,146,211

The annexed notes (1-21) form an integral part of these accounts.

PRESIDENT

GENERAL SECRETARY

**SUNDAS FOUNDATION
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. STATUS AND NATURE OF ACTIVITIES

Sundas Foundation, a charitable organization, established in 1998 obtained registration with the Social Welfare Department via Registration No. *DDSW-GRW 2000-788*, on March 31, 2000.

Foundation is duly recognized by **Federal Board** of Revenue u/s 2(36) of income tax ordinance 2001.

Foundation is also registered with following authorities;

- Punjab Blood Transfusion Authority;
- Punjab Healthcare Commission;
- Thalassaemia Federation of Pakistan;
- Pakistan Centre for Philanthropy;
- Punjab Charity Commission

The Foundation is currently providing medical and social services in various cities of Pakistan including Lahore, Gujranwala, Sialkot, Faisalabad, Gujarat, Wazirabad, Hafizabad and Islamabad. The foundation is engaged in rendering free of cost services to patients suffering from Thalassaemia, Haemophilia, and other chronic blood diseases across all the centres. Further, the Foundation is indulged in awareness and prevention program to prevent Thalassaemia, Haemophilia blood disorder. The foundation receives funds through donations, gifts, general public and other donor agencies including Ministry of Health, Government of Punjab.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Accounting Convention

These accounts have been prepared under the Historical Cost Convention and accrual basis of accounting.

These financial statements have been prepared in accordance with the requirements of Accounting and Financial Reporting Standards for Medium Sized Entities and Small Sized Entities (AFRS SMEs and SSEs) issued by Institute of Chartered Accountants of Pakistan and applicable to Not-for-Profit Organisations.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1.1 Property, plant and equipment

Operating fixed assets

Operating fixed assets, except for freehold land, are stated at cost less accumulated depreciation and accumulated impairment loss (if any). Historical cost include expenditure that are directly attributable to acquisition of items. Freehold land is stated at cost less any identified impairment loss (if any).

Depreciation on all items of owned assets, except for freehold land, is charged to income and expenditure account on reducing balance method so as to write off the cost of an asset over its useful life using rates given in **note 10** to the accounts.

SUNDAS FOUNDATION
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021.

On disposal or scrapping, 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 income and expenditure 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.

3.1.2 Computer Software

Expenditure incurred to acquire computer software is capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Computer software are amortized on reducing balance method so as to write off the cost of an intangible over its useful life using rates given in **note 10** to the accounts.

Full year's amortization is charged on additions to computer software during the year in which asset is available for use while no amortization is charged in the year in which assets is derecognized.

3.2 Investment Property

Investment property include investment in land, building and part of building. These are stated at cost and gain or loss on disposal of investment property shall be included in income and expenditure account in the year of disposal.

3.3 Stock

Stock is charged to statement of income and expenditure when consumed and valued at lower of cost, which is determined on weighted average basis and net realisable value.

3.4 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.

3.5 General Fund

This is general purpose fund. All donations and zakat, other than those which are required to be retained for the benefit of the organisation as a capital fund, are recognised in this fund.

3.6 Endowment Fund

This is a form of restricted fund which is held on foundation to be retained for benefit of the Foundation as capital fund. Funds are invested in real estate properties to earn income in the form of rentals and capital appreciation. The income generated from this capital fund is also credited to this fund. The main objective of the fund is to generate income for operating expenses of the Foundation and construction of Munno Bhai hospital only.



**SUNDAS FOUNDATION
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

3.7 Restricted Fund

Funds received as grants and donations for construction of Late Munno Bhai Hospital are classified as Hospital restricted fund. Fund was established in 2018 at request of donors by Board of Trustees and will be utilized for construction of hospital and acquisition of capital assets only.

3.8 Taxation

Any income derived by the Foundation is exempt from income tax under clause 66 Part I of the Second Schedule of Income Tax Ordinance ,2001. Consequently, no provision for taxation was made in these financial statements.

3.9 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, 2021



	2021 Rupees	2020 Rupees
4 Cash and bank balances		
Cash in hand	1,809,119	1,452,508
Cash at banks	253,234,693	240,899,836
	<u>255,043,812</u>	<u>242,352,344</u>
5 Advances, deposits and prepayments		
Advance against salaries	178,000	282,294
Advance to suppliers	20,052,968	3,072,578
Advance income tax	2,934,245	2,735,010
Loan to employees	6,139,375	1,317,498
Prepaid insurance	-	50,669
Prepaid rent	1,183,334	-
Advance against expenses	1,138,240	2,006,641
Security deposit	2,035,000	990,000
Others	-	1,191,370
	<u>33,661,161</u>	<u>11,646,059</u>
6 Investment - General Fund		
This amount represents investments made by the Foundation in the form of acquisition of properties duly approved by the board of trustees.		
7 Investment - Endowment Fund		
Funds were invested in investment properties for capital appreciation and to earn rental income. Income generated from fund may be utilized for meeting future expenses and construction of Late Munno Bhai Hospital. These investments are made as per approvals of board of trustees dated November 05, 2018.		
	2021 Rupees	2020 Rupees
8 Current accounts - Branches		
	8.1	20,347,112
	-	<u>20,347,112</u>
8.1	This represent receivable from the associated centers of Sundas Foundation Lahore against stock and assets transfer balance.	
	2021 Rupees	2020 Rupees
9 Stock in hand		
Blood bags	8,402,051	6,012,506
PCR consumable material	2,241,541	2,101,566
Screening kits	2,918,988	1,678,208
Injections	2,068,614	3,323,285
Other stock	8,064,168	5,873,981
	<u>23,695,362</u>	<u>18,989,545</u>



10 Operating Fixed Assets

	Cost			Rate	Accumulated Depreciation			Book value as at June 30, 2021
	As at July 01, 2020	Additions/Deletions	As at June 30, 2021		As at July 01, 2020	Charge	As at June 30, 2021	
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Land	151,482,000	245,976,000	397,458,000		-	-	-	397,458,000
Building	45,730,743	-	45,730,743	10	19,011,977	2,671,877	21,683,853	24,046,890
Computers & Printers	1,807,608	1,017,870	2,825,478	30	1,061,211	529,280	1,590,491	1,234,987
Furniture & Fixture	2,839,695	2,516,404	5,356,099	15	1,128,974	634,069	1,763,043	3,593,056
Leasehold Improvements	11,191,079	8,882,131	20,073,210	15	5,366,127	2,206,062	7,572,189	12,501,021
Office Equipments	4,684,917	1,447,050	6,131,967	15	2,695,669	515,445	3,211,114	2,920,853
Vehicles	53,282,910	3,842,360	57,125,270	15	20,054,608	5,310,599	25,365,207	31,760,063
Electric Equipments	4,018,000	1,314,000	5,332,000	15	1,654,362	551,646	2,206,008	3,125,992
Medical Equipment	81,302,242	2,204,790	83,507,032	15	40,201,186	6,495,877	46,697,063	36,809,969
2021	356,339,194	267,200,605	623,539,799		91,174,114	18,914,855	110,088,969	513,450,830
2020	302,319,377	54,019,817	356,339,194		72,964,669	18,209,445	91,174,114	265,165,079
Intangible Assets								
Computer software	4,874,625	-	4,874,625	10	1,150,245	372,438	1,522,683	3,351,942
2021	4,874,625	-	4,874,625		1,150,245	372,438	1,522,683	3,351,942
2020	2,374,625	2,500,000	4,874,625		736,425	413,820	1,150,245	3,724,380

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

	2021 Rupees	2020 Rupees
Direct charitable expenses	14,012,539	13,850,761
Administrative expenses	4,902,316	4,358,685
	18,914,855	18,209,445

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

Sundas Foundation
Notes to the Financial Statements
For the year ended June 30, 2021



	2021 Rupees	2020 Rupees
11 Creditors, accrued and other liabilities		
Accounts payable	17,372,387	16,567,684
Salaries and wages payable	4,655,876	3,935,571
Accrued expenses	1,128,623	757,061
Income tax payable	234,411	155,529
	<u>23,391,296</u>	<u>21,415,845</u>

12 Hospital Restricted Fund

The entity through convening of an extra ordinary general meeting of the trustee has created a restricted fund of construction of Late Munno Bhai Hospital. In this regard land measuring four kanal located at Main Gulberg Lahore has been purchased at cost of PKR 385 Million.

	2021 Rupees	2020 Rupees
13 Donations		
Grant from Government of Punjab	50,000,000	50,000,000
Cash and bank	199,273,067	111,513,684
Stock/ others	51,993,691	43,983,178
Zakat	177,833,479	109,739,107
	<u>479,100,236</u>	<u>315,235,969</u>

14 Direct charitable expenses

Blood bags	42,892,263	30,148,643
Bio chemistry	718,294	598,578
Blood screening kits	38,345,018	25,722,048
Ironchelation Medicine	30,647,002	20,473,334
PCR Consumable laboratory materials	675,910	231,398
Salaries and other benefits	63,819,424	33,571,282
Rent, rates and taxes	8,472,798	6,826,566
Printing and stationery	3,164,704	6,899,125
Community awareness campaign	40,438,113	36,691,125
Postage and telegram	1,578,956	740,270
Repair and maintenance	6,487,173	4,553,203
Entertainment	3,922,964	2,921,443
Fuel and power	5,966,968	2,640,645
Communication	1,542,034	815,806
Vehicle running expenses	3,657,094	2,602,172
Events and celebrations	4,586,025	2,660,511
Blood camping	3,545,747	3,045,145
Utilities	10,071,811	4,926,372
Washing and cleaning	1,816,348	924,010
Waste management services	688,069	380,000
Consultancy charges	2,445,377	2,636,874
Charity and welfare	5,098,360	3,687,848
Depreciation	14,012,539	13,850,761
Others	3,944,835	2,151,559
	<u>298,537,826</u>	<u>209,698,717</u>

Sundas Foundation
Notes to the Financial Statements
For the year ended June 30, 2021



	2021 Rupees	2020 Rupees
15 Administrative expenses		
Salaries and other benefits	48,821,426	25,084,984
Communication	5,575,993	2,033,128
ERP Support charges	1,975,000	-
Audit fee	125,000	125,000
Vehicle running expenses	2,630,708	1,546,117
Insurance	712,312	491,483
Repair and maintenance	1,538,150	712,304
Entertainment	530,071	229,153
News paper and periodicals	193,980	189,095
Depreciation	10.1 4,902,316	4,358,685
Amortization	10.2 372,438	413,820
Others	678,370	222,706
	<u>68,055,763</u>	<u>35,406,475</u>
16 Financial charges		
Bank charges	<u>175,298</u>	<u>80,595</u>
17 Other Income		
Profit on saving account	898,869	942,232
Others	1,559,519	1,226,410
	<u>2,458,388</u>	<u>2,168,642</u>
18 Cash and cash equivalents		
Cash in hand	1,809,119	1,452,508
Cash at bank	253,234,693	240,899,836
	<u>255,043,812</u>	<u>242,352,344</u>

19 Authorization

These accounts have been approved on 22 NOV 2021 by the management of the foundation for issuance.

20 Period of financial statements

These financial statements have been prepared from July 1, 2020 to June 30, 2021.

21 General

Figures have been rounded off to nearest rupee.

PRESIDENT

GENERAL SECRETARY