

# **FINANCIAL STATEMENTS**

**OF**

## **THE SOCIAL BOND WELFARE ORGANIZATION**

**For the Year Ended June 30, 2022**

**SAJID & CO**

**Chartered Accountants**

**Suit # 204, 2<sup>ND</sup> Floor, Amber Estate Extension,  
Baloch Colony, Shakra-e-Faisal, Karachi, Pakistan**

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# SAJID & CO.

## Chartered Accountants

Suit No. 204, 2nd Floor Amber Estate Extension, Opp. HBL, MCB Kawish Court Br.  
and Maqbool Masjid, Near Baloch Colony Bridge, Shahrah-e-Faisal, Karachi.  
PTCL No. 34320685, E-mail: sajid\_yunus@yahoo.com

### AUDITOR'S REPORT TO THE MANAGEMENT

We have audited the annexed balance sheet of **M/S. THE SOCIAL BOND WELFARE ORGANIZATION** as at June 30, 2022 and the related income & expenditure account and 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 books and accounting records. 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 **M/S. THE SOCIAL BOND WELFARE ORGANIZATION** as at June 30, 2022 and results of its operations for the year then ended. This report is intended solely for the information and use of the organization for obtaining Donation or compliance requirement etc. on the request of trustees.



CHARTERED ACCOUNTANT

KARACHI:

DATED:

**THE SOCIAL BOND WELFARE ORGANIZATION  
BALANCE SHEET  
AS AT 30TH JUNE, 2022**

	Note	2022 Rupees	2021 Rupees
<b>NON-CURRENT ASSETS</b>			
Tangible fixed assets	4	557,085	603,093
<b>CURRENT ASSETS</b>			
Advances, deposits and other receivables		66,118	66,118
Cash & Bank		19,359,386	17,522,376
		19,425,504	17,588,494
<b>TOTAL ASSETS</b>		19,982,589	18,191,587
<b>GENERAL FUND AND LIABILITIES</b>			
<b>GENERAL FUND ACCOUNT</b>			
General Fund	5	10,240,804	8,822,946
Restricted Fund		9,676,785	9,328,641
		19,917,589	18,151,587
<b>CURRENT LIABILITIES</b>			
Accrued expenses and other liabilities		65,000	40,000
<b>TOTAL FUND AND LIABILITIES</b>		19,982,589	18,191,587

The annexed notes from 1 to 6 form an integral part of these financial statement.

**GENERAL SECRETARY**

**TREASURER**

**THE SOCIAL BOND WELFARE ORGANIZATION  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2022**

	NOTES	Rupees	
		30-Jun-22	30-Jun-21
<b>INCOME</b>			
Donations		17,153,816	-
Member's Contribution		4,212,000	2,738,173
		21,365,816	2,738,173
<b>EXPENDITURES</b>			
Income Support Expenses		8,574,529	956,475
Salaries & Allowances		4,648,000	1,892,322
Books For Students		3,548,383	964,570
Rent		1,679,200	554,510
Printing & Stationery		432,796	550,854
Electricity Charges		281,481	35,780
Repair & Maintenance		101,980	40,470
Depreciation Expense		98,309	106,428
Telephone Charges		58,825	12,950
Miscellaneous Expenses		57,608	85,754
Fees & Subscription		43,000	12,875
Audit Fees		25,000	25,000
Conveyance & Gas		21,980	18,470
Entertainment		16,706	25,685
Water Charges		11,210	38,940
Bank Charges		807	3,541
Clinic & Medical Expenses		-	325,480
Uniform Expenses		-	285,945
Trophy Expenses		-	5,541
		19,599,814	5,941,590
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>			
<b>TRANSFERRED TO GENERAL FUND</b>		<u>1,766,002</u>	<u>(3,203,417)</u>

The annexed notes from 1 to 6 form an integral part of these financial statements.

**GENERAL SECRETARY**

**TREASURER**

**THE SOCIAL BOND WELFARE ORGANIZATION  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Rupees</b>	
	<b>30-Jun-22</b>	<b>30-Jun-21</b>
<b>Cash Flow from Operating Activities</b>		
Surplus / (Deficit) of income over expenditure	1,766,002	(3,203,417)
<b>Adjustment for Non Cash Items:</b>		
Add: Depreciation Expenses	25,000	106,428
	<hr/>	<hr/>
<b>Change in Working Capital:</b>		
<b>(Increase) / Decrease in Current Assets</b>		
Advance Income Tax	-	-
<b>Increase / (Decrease) in Current Liabilities</b>		
Accrued expenses	25,000	(25,000)
	<hr/>	<hr/>
<b>Cash Generated from Operations</b>	1,816,002	(3,121,989)
<b>Cash Flow from Investing Activities</b>		
Tangible Fixed Assets	(52,300)	(455,000)
<b>Cash Flow from Financing Activities</b>		
Donations for Restricted Fund		7,328,641
	<hr/>	<hr/>
<b>Net Increase in Cash and Cash Equivalents</b>	1,763,702	3,751,652
Cash and Cash Equivalents at the beginning of the year	17,522,376	13,770,724
	<hr/>	<hr/>
<b>Cash and Cash Equivalents at the end of the year</b>	19,286,077	17,522,376
	<hr/>	<hr/>

**GENERAL SECRETARY**

**TREASURER**

**THE SOCIAL BOND WELFARE ORGANIZATION  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED 30TH JUNE, 2022**

	<b>General Fund</b>	<b>Project Fund</b>	<b>Total</b>
	Rs.	Rs.	Rs.
Balance as at June 30, 2020	12,026,363	2,000,000	14,026,363
Donations	-	7,328,641	7,328,641
Surplus for the year ended June 30, 2021	(3,203,417)	-	(3,203,417)
Balance as at June 30, 2021	<u>8,822,946</u>	<u>9,328,641</u>	<u>18,151,587</u>
Donations	17,153,816	4,212,000	21,365,816
Surplus for the year ended June 30, 2022	1,417,858	348,144	1,766,002
Balance as at June 30, 2022	<u><u>10,240,804</u></u>	<u><u>9,676,785</u></u>	<u><u>19,917,589</u></u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

**PRESIDENT**

**THE SOCIAL BOND WELFARE ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE, 2022**

**1. STATUS AND PROFILE**

The Social Bond Welfare Organization was established on October, 2020. The Objective of the Trust is to provide education and support to the childrens of underprivileged areas. The Trust is situated at House No. D-329 KESC 3159 Karim Bux Para Shanti Nagar Dalmia, Karachi

**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 such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

**2.2 BASIS OF MEASUREMENT**

These accounts have been prepared under the historical cost convention.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

These financial statements are presented in Pak Rupees, which is the Organization's functional currency. All financial information presented in Pak Rupee has been rounded to the nearest rupee.

**2.4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) require the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Society's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognized prospectively.

**2.5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS**

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted by the Society:

	Effective date (annual reporting periods beginning on or after)
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Amendments)	1st July, 2019
IFRS 7 Financial Instruments: Disclosures (Amendments)	1st July, 2019
IFRS 11 Joint Arrangements (Amendments)	1st January, 2020
IFRS 14 Regulatory Deferral Accounts	1st January, 2019
IFRS 15 Revenue from Contracts with Customers	1st January, 2020
IFRS 16 Leases	1st January, 2020
IAS 1 Presentation of Financial Statements (Amendments)	1st January, 2019
IAS 7 Statement of Cash Flows (Amendments)	1st January, 2020
IAS 12 Income Taxes (Amendments)	1st January, 2020
IAS 16 Property, Plant and Equipment (Amendments)	1st January, 2019
IAS 19 Employee Benefits (Amendments)	1st January, 2019

IAS 27 Separate Financial Statements (Amendments)	1st January, 2019
IAS 28 Investment in Associates and Joint Ventures (Amendments)	1st January, 2019
IAS 34 Interim Financial Reporting (Amendments)	1st January, 2019
IAS 38 Intangible Assets (Amendments)	1st January, 2019
IAS 41 Agriculture (Amendments)	1st January, 2019

The management anticipates that, adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards  
IFRS 9 Financial Instruments

The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4 Determining whether an arrangement contains lease  
IFRIC 10 Service concession arrangements

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 PROPERTY, PLANT AND EQUIPMENTS**

These are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged on reducing balance method at the rates disclosed in note 4 to the financial statements.

Full year's depreciation is charged in the year of addition whereas no depreciation is charged in the year of disposal.

Normal repairs and maintenances are charged to income as and when incurred. Gains and losses on disposal are included in income currently.

#### **3.2 ADVANCES AND OTHER RECEIVABLES**

Advances and other receivables are recognised at fair value and subsequently measured at amortized cost. A provision for impairment in advances and other receivables is made when there is objective evidence that the Society will not be able to collect all amounts due according to original items of receivables. Advances and other receivables considered irrecoverable are written off.

#### **3.3 ACCRUED EXPENSES AND OTHER PAYABLES**

Liabilities for expenses and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

#### **3.4 REVENUE RECOGNITION**

Contributions, donations, fees and profit on investment are recorded when received. Expenses are recorded when paid except audit fee which is accrued.

#### **3.5 TAXATION**

The Trust not liable to income tax hence no provision is made for taxation.



#### 4. TANGIBLE FIXED ASSETS

Particulars	Cost			Depreciation				W.D.V. as at 30/6/2022
	As at 01/7/2021	Addition / (deletion)	As at 30/6/2022	Rate %	Accumulated as at 01/7/20221	For the year	Accumulated as at 30/6/2022	
Furniture and fixtures	511,970	-	511,970	15%	106,329	60,846	167,175	344,795
Office equipments	431,251	52,300	483,551	15%	259,505	33,607	293,112	190,439
Transportation	64,000	-	64,000	15%	38,293	3,856	42,149	21,851
<b>Total 2022</b>	<u>1,007,221</u>	<u>52,300</u>	<u>1,059,521</u>		<u>404,127</u>	<u>98,309</u>	<u>502,436</u>	<u>557,085</u>
<b>Total 2021</b>	<u>552,221</u>	<u>455,000</u>	<u>1,007,221</u>		<u>297,699</u>	<u>106,428</u>	<u>404,128</u>	<u>603,093</u>

4.1 Fixed Assets are not physically verified by the auditors.

**5. GENERAL FUND**

	<b>30-Jun-22</b>	<b>30-Jun-21</b>
Balance brought forward	8,822,946	12,026,363
Surplus for the period	1,766,002	(3,203,417)
	<u>10,588,948</u>	<u>8,822,946</u>

**6. GENERAL**

**6.1** These financial statements were authorized for issue on October 28th, 2022 by the Trustees.

**6.2** Figures have been rounded off to the nearest rupee.

**GENERAL SECRETARY**

**TREASURER**