

FINANCIAL STATEMENTS

OF

THE SOCIAL BOND WELFARE ORGANIZATION

For the Year Ended June 30, 2023

SAJID & CO

Chartered Accountants

**Suit # 204, 2ND Floor, Amber Estate Extension,
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AUDITOR'S REPORT TO THE MANAGEMENT

We have audited the annexed balance sheet of **THE SOCIAL BOND WELFARE ORGANIZATION** as at June 30, 2023 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 the **THE SOCIAL BOND WELFARE ORGANIZATION** as at June 30, 2023 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: 26-02-2024

THE SOCIAL BOND WELFARE ORGANIZATION
BALANCE SHEET
AS AT 30TH JUNE, 2023

	Note	2023 Rupees	2022 Rupees
NON-CURRENT ASSETS			
Tangible fixed assets	4	742,989	557,085
CURRENT ASSETS			
Advances, deposits and other receivables		66,118	66,118
Cash & Bank		22,780,402	19,359,386
		22,846,520	19,425,504
TOTAL ASSETS		23,589,509	19,982,589
GENERAL FUND AND LIABILITIES			
GENERAL FUND ACCOUNT			
General Fund	5	1,622,816	5,558,044
Specific Fund	6	21,866,693	14,359,545
		23,489,509	19,917,589
CURRENT LIABILITIES			
Accrued expenses and other liabilities		100,000	65,000
TOTAL FUND AND LIABILITIES		23,589,509	19,982,589

The annexed notes from 1 to 7 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, 2023**

	NOTES	Rupees	
		30-Jun-23	30-Jun-22
INCOME			
Donations & Contribution		9,848,377	4,212,000
EXPENDITURES			
Salaries & Allowances		9,571,500	4,648,000
Rent		2,076,000	1,679,200
Printing & Stationery		414,158	432,796
Electricity Charges		372,714	281,481
Repair & Maintenance		252,837	101,980
Depreciation Expense		131,116	98,309
Telephone Charges		151,460	58,825
Miscellaneous Expenses		67,000	57,608
Fees & Subscription		20,000	43,000
Audit Fees		25,000	25,000
Travelling & Conveyance		149,249	21,980
Entertainment		-	16,706
Water Charges		174,670	11,210
Bank Charges		918	807
Clinic & Medical Expenses		140,747	-
Gifts & Incentives		226,237	-
		13,773,606	7,476,902
SURPLUS FOR THE YEAR TRANSFERRED TO GENERAL FUND		(3,925,229)	(3,264,902)

The annexed notes from 1 to 7 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, 2023**

	Rupees	
	30-Jun-23	30-Jun-22
Cash Flow from Operating Activities		
Surplus / (Deficit) of income over expenditure	(3,925,229)	(3,264,902)
Adjustment for Non Cash Items:		
Add: Depreciation Expenses	131,116	98,309
	<hr/>	<hr/>
Change in Working Capital:		
(Increase) / Decrease in Current Assets		
Advance Income Tax	-	-
Increase / (Decrease) in Current Liabilities		
Accrued expenses	35,000	25,000
	<hr/>	<hr/>
Cash Generated from Operations	(3,759,113)	(3,141,593)
Cash Flow from Investing Activities		
Tangible Fixed Assets	(317,020)	(52,300)
Cash Flow from Financing Activities		
Donations for Specific Fund	7,507,148	5,030,904
	<hr/>	<hr/>
Net Increase in Cash and Cash Equivalents	3,431,015	1,837,011
Cash and Cash Equivalents at the beginning of the year	19,359,387	17,522,376
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Cash and Cash Equivalents at the end of the year	<u>22,790,402</u>	<u>19,359,387</u>

GENERAL SECRETARY

TREASURER

**THE SOCIAL BOND WELFARE ORGANIZATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30TH JUNE, 2023**

	General Fund	Specific Fund	Total
	Rs.	Rs.	Rs.
Balance as at June 30, 2021	8,822,946	9,328,641	18,151,587
Surplus / (deficit) for the year ended June 30, 2022	(3,264,902)	5,030,904	1,766,002
Balance as at June 30, 2022	<u>5,558,044</u>	<u>14,359,545</u>	<u>19,917,589</u>
Surplus / (deficit) for the year ended June 30, 2023	(3,925,229)	7,507,148	3,581,919
Balance as at June 30, 2023	<u><u>1,632,816</u></u>	<u><u>21,866,693</u></u>	<u><u>23,499,509</u></u>

The annexed notes from 1 to 7 form an integral part of these financial statements.

GENERAL SECRETARY

TREASURER

**THE SOCIAL BOND WELFARE ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2023**

1. STATUS AND PROFILE

The Social Bond Welfare Organization was established on October, 2012. 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 30/6/2023
	As at 01/7/2022	Addition / (deletion)	As at 30/6/2023	Rate %	Accumulated as at 01/7/2022	For the year	Accumulated as at 30/6/2023	
Furniture and fixtures	511,970	269,300	781,270	15%	167,175	92,114	259,289	521,981
Office equipments	483,551	47,720	531,271	15%	293,112	35,724	328,836	202,435
Transportation	64,000	-	64,000	15%	42,149	3,278	45,427	18,573
Total 2023	<u>1,059,521</u>	<u>317,020</u>	<u>1,376,541</u>		<u>502,436</u>	<u>131,116</u>	<u>633,552</u>	<u>742,989</u>
Total 2022	<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>

4.1 Fixed Assets are not physically verified by the auditors.

5. GENERAL FUND	30-Jun-23	30-Jun-22
Balance brought forward	5,548,044	8,822,946
Surplus for the period	(3,925,229)	(3,264,902)
Prior year adjustments	-	(10,000)
	<u>1,622,816</u>	<u>5,548,044</u>
6. SPECIFIC FUND	30-Jun-23	30-Jun-22
Balance brought forward	14,359,545	9,328,641
Donations	19,755,176	17,153,816
Less: Income support expenses	(9,081,910)	(8,574,529)
Less: Books for students	(3,166,118)	(3,548,383)
	<u>21,866,693</u>	<u>14,359,545</u>

7. GENERAL

7.1 These financial statements were authorized for issue on October 05th, 2023 by the Trustees.

7.2 Figures have been rounded off to the nearest rupee.

GENERAL SECRETARY

TREASURER