

FINANCIAL STATEMENTS

OF

THE SOCIAL BOND WELFARE ORGANIZATION
For the year ended 30 June 2019

SAJID & CO

(Chartered Accountants)

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SAJID & CO.

Chartered Accountants

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AUDITORS' REPORT TO THE MANAGEMENT

We have audited the annexed balance sheet of **THE SOCIAL BOND WELFARE ORGANIZATION** as at June 30, 2019, and the related income and expenditure account, cash flow statement and statement of changes in general fund together with the summary of significant accounting policies and other explanatory information for the year ended June 30, 2019 (here-in-after referred to as the "financial statements").

The Management are responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Management determine(s) is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute, as at June 30, 2019, and its financial performance for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

CHARTERED ACCOUNTANTS

Karachi: Dated:



11.8 FEB 2020

**THE SOCIAL BOND WELFARE ORGANIZATION
BALANCE SHEET
AS AT 30TH JUNE, 2019**

| | Note | 2019 Rupees | 2018 Rupees |
|--|------|----------------|----------------|
| NON-CURRENT ASSETS | | | |
| Tangible fixed assets | 4 | 299,437 | 262,479 |
| CURRENT ASSETS | | | |
| Advances, deposits and other receivables | | 66,118 | 46,356 |
| Cash & Bank | | 10,219,332 | 4,624,561 |
| | | 10,285,450 | 4,670,917 |
| TOTAL ASSETS | | 10,584,886 | 4,933,396 |
| GENERAL FUND AND LIABILITIES | | | |
| GENERAL FUND ACCOUNT | | | |
| General Fund | 5 | 10,544,886 | 4,918,396 |
| CURRENT LIABILITIES | | | |
| Accrued expenses and other liabilities | | 40,000 | 15,000 |
| TOTAL FUND AND LIABILITIES | | 10,584,886 | 4,933,396 |

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

Saimanah
GENERAL SECRETARY

Saimanah
TREASURER



**THE SOCIAL BOND WELFARE ORGANIZATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019**

| | NOTES | Rupees | |
|------------------------------------|-------|------------------|----------------|
| | | 30-Jun-19 | 30-Jun-18 |
| INCOME | | | |
| Donations | | 10,061,790 | 3,478,107 |
| Member's Contribution | | 3,677,297 | 2,682,097 |
| | | 13,739,087 | 6,160,204 |
| EXPENDITURES | | | |
| Salaries & Allowances | | 2,093,500 | 2,383,500 |
| Office Rent | | 801,800 | 577,000 |
| Income Support Expenses | | 1,485,420 | 700,200 |
| Printing & Stationery | | 704,185 | 134,423 |
| Clinic & Medical Expenses | | 55,515 | 126,985 |
| Uniform Expenses | | 422,200 | 258,850 |
| Entertainment | | 33,020 | 78,290 |
| Books For Students | | 1,826,987 | 692,203 |
| Miscellaneous Expenses | | 432,643 | 270,395 |
| Water Charges | | 21,935 | 66,210 |
| Electricity Charges | | 30,280 | 26,786 |
| Depreciation Expense | | 52,842 | 46,320 |
| Conveyance & Gas | | 24,850 | 27,350 |
| Office Expense | | - | 57,244 |
| Fees & Subscription | | 30,000 | - |
| Telephone Charges | | 18,508 | 4,500 |
| Trophy Expenses | | 5,940 | 19,860 |
| Repair & Maintenance | | 46,850 | 18,910 |
| Audit Fees | | 25,000 | 15,000 |
| Bank Charges | | 1,122 | 500 |
| | | 8,112,597 | 5,504,526 |
| SURPLUS FOR THE YEAR | | | |
| TRANSFERRED TO GENERAL FUND | | <u>5,626,490</u> | <u>655,678</u> |

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

Saintamank

for GENERAL SECRETARY

Muzaffar Javed

TREASURER



**THE SOCIAL BOND WELFARE ORGANIZATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

| | Rupees | |
|---|------------|-----------|
| | 30-Jun-19 | 30-Jun-18 |
| Cash Flow from Operating Activities | | |
| Surplus / (Deficit) of income over expenditure | 5,626,490 | 655,678 |
| <i>Adjustment for Non Cash Items:</i> | | |
| Add: Depreciation Expenses | 52,842 | 46,320 |
| <i>Change in Working Capital:</i> | | |
| (Increase) / Decrease in Current Assets | | |
| Advance Income Tax | (19,762) | (15,816) |
| Increase / (Decrease) in Current Liabilities | | |
| Accrued expenses | 25,000 | (15,000) |
| Cash Generated from Operations | 5,684,570 | 671,182 |
| Cash Flow from Investing Activities | | |
| Tangible Fixed Assets | (89,800) | - |
| Net Increase in Cash and Cash Equivalents | 5,594,770 | 671,182 |
| Cash and Cash Equivalents at the beginning of the year | 4,624,561 | 3,953,379 |
| Cash and Cash Equivalents at the end of the year | 10,219,331 | 4,624,561 |

Sain Jansab
for GENERAL SECRETARY

Sain Jansab
TREASURER



**THE SOCIAL BOND WELFARE ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2019**

1. STATUS AND PROFILE

The Social Bond Welfare Organization was established on October, 2019. 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, 2018 |
| IFRS 7 Financial Instruments: Disclosures (Amendments) | 1st July, 2018 |
| IFRS 11 Joint Arrangements (Amendments) | 1st January, 2019 |
| IFRS 14 Regulatory Deferral Accounts | 1st January, 2018 |
| IFRS 15 Revenue from Contracts with Customers | 1st January, 2019 |
| IFRS 16 Leases | 1st January, 2019 |
| IAS 1 Presentation of Financial Statements (Amendments) | 1st January, 2018 |
| IAS 7 Statement of Cash Flows (Amendments) | 1st January, 2019 |
| IAS 12 Income Taxes (Amendments) | 1st January, 2019 |
| IAS 16 Property, Plant and Equipment (Amendments) | 1st January, 2018 |
| IAS 19 Employee Benefits (Amendments) | 1st January, 2018 |



| | |
|---|-------------------|
| IAS 27 Separate Financial Statements (Amendments) | 1st January, 2018 |
| IAS 28 Investment in Associates and Joint Ventures (Amendments) | 1st January, 2018 |
| IAS 34 Interim Financial Reporting (Amendments) | 1st January, 2018 |
| IAS 38 Intangible Assets (Amendments) | 1st January, 2018 |
| IAS 41 Agriculture (Amendments) | 1st January, 2018 |

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 30/6/2019 |
|------------------------|--------------------|--------------------------|--------------------|--------------|-----------------------------------|-----------------|-----------------------------------|------------------------------|
| | As at 01/7/2018 | Addition / (deletion) | As at 30/6/2019 | Rate % | Accumulated as at 01/7/2018 | For the year | Accumulated as at 30/6/2019 | |
| Furniture and fixtures | 56,970 | - | 56,970 | 15% | 26,209 | 4,614 | 30,823 | 26,147 |
| Office equipments | 341,451 | 89,800 | 431,251 | 15% | 151,592 | 41,949 | 193,541 | 237,710 |
| Transportation | 64,000 | - | 64,000 | 15% | 22,141 | 6,279 | 28,420 | 35,580 |
| Total 2019 | <u>462,421</u> | <u>89,800</u> | <u>552,221</u> | | <u>199,942</u> | <u>52,842</u> | <u>252,784</u> | <u>299,437</u> |
| Total 2018 | <u>462,421</u> | <u>-</u> | <u>462,421</u> | | <u>153,622</u> | <u>46,320</u> | <u>199,942</u> | <u>262,479</u> |

4.1 Fixed Assets are not physically verified by the auditors.



5. GENERAL FUND

| | 30-Jun-19 | 30-Jun-18 |
|-------------------------|-------------------|------------------|
| Balance brought forward | 4,918,396 | 4,262,718 |
| Surplus for the period | 5,626,490 | 655,678 |
| | <u>10,544,886</u> | <u>4,918,396</u> |

6. GENERAL

- 6.1 These financial statements were authorized for issue on February 18th, 2020 by the Trustees.
- 6.2 Figures have been rounded off to the nearest rupee.

Sainamank
GENERAL SECRETARY

Sainamank
TREASURER

