

FINANCIAL STATEMENTS

OF

THE SOCIAL BOND WELFARE ORGANIZATION

For the Year Ended June 30, 2021

SAJID & CO

Chartered Accountants

Suit # 204, 2ND Floor, Amber Estate Extension,
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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.
Mobile: 0332-3146394, PTCL No. 34320685, E-mail: sajid_yunus@yahoo.com

AUDITORS' REPORT TO THE MANAGEMENT

We have audited the annexed balance sheet of **THE SOCIAL BOND WELFARE ORGANIZATION** as at **June 30, 2021**, and the related income and expenditure account, cash flow statement together with the summary of significant accounting policies and other explanatory information for the period ended **June 30, 2021** (here-in-after referred to as the "financial statements").

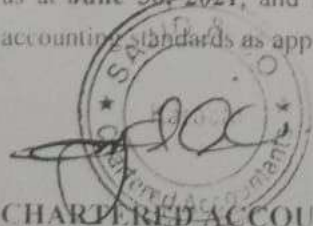
The Management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Management determine(s) is necessary to enable the preparation of financial statements 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, 2021**, and its financial performance for the period then ended in accordance with the approved accounting standards as applicable in Pakistan.



CHARTERED ACCOUNTANTS

Karachi: Dated:

THE SOCIAL BOND WELFARE ORGANIZATION
BALANCE SHEET
AS AT 30TH JUNE, 2021

	Note	2021 Rupees	2020 Rupees
NON-CURRENT ASSETS			
Tangible fixed assets	4	603,093	254,522
CURRENT ASSETS			
Advances, deposits and other receivables		66,118	66,118
Cash & Bank		17,522,376	13,770,724
		17,588,494	13,836,842
TOTAL ASSETS		<u>18,191,587</u>	<u>14,091,363</u>
GENERAL FUND AND LIABILITIES			
GENERAL FUND ACCOUNT			
General Fund	5	8,822,946	12,026,363
Restricted Fund		9,328,641	2,000,000
		18,151,587	14,026,363
CURRENT LIABILITIES			
Accrued expenses and other liabilities		40,000	65,000
TOTAL FUND AND LIABILITIES		<u>18,191,587</u>	<u>14,091,363</u>

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

GENERAL SECRETARY

TREASURER



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Handwritten signature of the General Secretary

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THE SOCIAL BOND WELFARE ORGANIZATION
 INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2021

	NOTES	Rupees	
		30-Jun-21	30-Jun-20
INCOME			
Donations		-	4,253,855
Member's Contribution		2,738,173	2,267,306
		2,738,173	6,521,161
EXPENDITURES			
Salaries & Allowances		1,892,322	1,682,225
Rent		554,510	464,442
Income Support Expenses		956,475	816,586
Printing & Stationery		550,854	408,032
Clinic & Medical Expenses		325,480	319,656
Uniform Expenses		285,945	244,443
Entertainment		25,685	19,273
Books For Students		964,570	858,626
Miscellaneous Expenses		85,754	50,554
Water Charges		38,940	12,692
Electricity Charges		35,780	17,393
Depreciation Expense		106,428	44,916
Conveyance & Gas		18,470	14,573
Fees & Subscription		12,875	17,393
Telephone Charges		12,950	10,812
Trophy Expenses		5,541	3,291
Repair & Maintenance		40,470	27,265
Audit Fees		25,000	25,000
Bank Charges		3,541	2,512
		5,941,590	5,039,684
SURPLUS/(DEFICIT) FOR THE YEAR			
TRANSFERRED TO GENERAL FUND		<u>(3,203,417)</u>	<u>1,481,477</u>

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

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 GENERAL SECRETARY

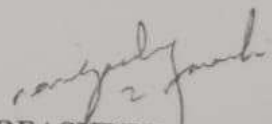


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 TREASURER

THE SOCIAL BOND WELFARE ORGANIZATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Rupees	
	30-Jun-21	30-Jun-20
Cash Flow from Operating Activities		
Surplus / (Deficit) of income over expenditure	(3,203,417)	1,481,477
<i>Adjustment for Non Cash Items:</i>		
Add: Depreciation Expenses	106,428	44,916
<i>Change in Working Capital:</i>		
(Increase) / Decrease in Current Assets		
Advance Income Tax	-	-
Increase / (Decrease) in Current Liabilities		
Accrued expenses	(25,000)	25,000
Cash Generated from Operations	(3,121,989)	1,551,392
Cash Flow from Investing Activities		
Tangible Fixed Assets	(455,000)	-
Cash Flow from Financing Activities		
Donations for Restricted Fund	7,328,641	2,000,000
Net Increase in Cash and Cash Equivalents	3,751,652	3,551,392
Cash and Cash Equivalents at the beginning of the year	13,770,724	10,219,331
Cash and Cash Equivalents at the end of the year	17,522,376	13,770,724

For 
GENERAL SECRETARY

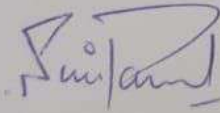

TREASURER



THE SOCIAL BOND WELFARE ORGANIZATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30TH JUNE, 2021

	General Fund	Project Fund	Total
	Rs.	Rs.	Rs.
Balance as at June 30, 2019	10,544,886	-	10,544,886
Donations	-	2,000,000	2,000,000
Surplus for the year ended June 30, 2020	1,481,477	-	1,481,477
Balance as at June 30, 2020	<u>12,026,363</u>	<u>2,000,000</u>	<u>14,026,363</u>
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><u>8,822,946</u></u>	<u><u>9,328,641</u></u>	<u><u>18,151,587</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, 2021

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.

Futher, 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 30/6/2021
	As at 01/7/2020	Addition / (deletion)	As at 30/6/2021	Rate %	Accumulated as at 01/7/2020	For the year	Accumulated as at 30/6/2021	
Furniture and fixtures	56,970	455,000	511,970	15%	34,745	71,584	106,329	405,641
Office equipments	431,251	-	431,251	15%	229,197	30,308	259,505	171,746
Transportation	64,000	-	64,000	15%	33,757	4,536	38,293	25,707
Total 2021	<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>
Total 2020	<u>552,221</u>	<u>-</u>	<u>552,221</u>		<u>252,784</u>	<u>44,916</u>	<u>297,699</u>	<u>254,522</u>

4.1 Fixed Assets are not physically verified by the auditors.



5. GENERAL FUND

Balance brought forward
Surplus for the period

30-Jun-21 30-Jun-20

12,026,363 10,544,886
(3,203,417) 1,481,477

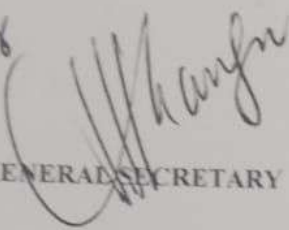
8,822,946 12,026,363

6. GENERAL

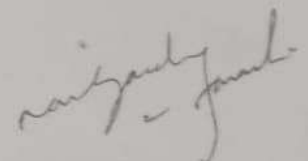
6.1 These financial statements were authorized for issue on October 28th, 2021 by the Trustees.

6.2 Figures have been rounded off to the nearest rupee.

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GENERAL SECRETARY



TREASURER