

SINDH RURAL DEVELOPMENT ORGANIZATION

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2021

A.G. HABIB & CO.
CHARTERED ACCOUNTANTS



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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS

Our Opinion

We have audited the financial statements of **SINDH RURAL DEVELOPMENT ORGANIZATION**, herein after referred to as "**Organization**", which comprise the balance sheet as of December 31, 2021, the income and expenditure account, statement of changes in fund and statement of cash flows for the year then 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 **Organization** as of December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis of 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 Institute 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 Statement

The Board of Trustees 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, and for such internal control as the Board of Trustees determine is 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, Board of Trustees are responsible for assessing the Organization'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 Institute or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statement

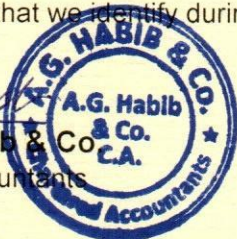
Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit 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 based on 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 are 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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 Institute 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.

For: A.G. Habib & Co.
Chartered Accountants



Karachi

Dated: January 31, 2022

Engagement partner: Abdul Ghaffar

SINDH RURAL DEVELOPMENT ORGANIZATION
BALANCE SHEET
AS AT DECEMBER 31, 2021

	Notes	2021 Rupees	2020 Rupees
Non current assets			
Property, plant and equipment	4	14,470	17,438
Current assets			
Advances, prepayments and other receivables	5	-	-
Bank Balances	6	2,711	-
Cash in hand	7	-	3,500
		<u>2,711</u>	<u>3,500</u>
TOTAL ASSETS		17,181	20,938
Non - Current liabilities			
Current liabilities			
Accrued and other liabilities	8	<u>22,000</u>	<u>20,000</u>
Net assets		<u>(4,819)</u>	<u>938</u>
Accumulated general fund		<u>(4,819)</u>	<u>938</u>
Contingencies and Commitments	9	<u>-</u>	<u>-</u>

The annexed notes form an integral part of these financial statements.


FINANCE SECRETARY


GENERAL SECRETARY



SINDH RURAL DEVELOPMENT ORGANIZATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	2021			2020		
		Unrestricted funds Rupees	Restricted funds Rupees	Total	Unrestricted funds Rupees	Restricted funds Rupees	Total
Incoming resources							
Incoming resources from own funds							
Donation from Philanthropist		140,000	-	140,000	80,000	-	80,000
Bank Profit		88	-	88	-	-	-
Subscription fee of member		12,000	-	12,000	14,000	-	14,000
				-			-
Incoming resources from charitable activities							
From Donors							
Grants from Shurkit Gah		-	87,150	87,150	-	-	-
Grants from Sami Foundation		-	-	-	-	-	-
Total Incoming resources		152,088	87,150	239,238	94,000	-	94,000
Resources expended							
Staff Salary		25,000	-	25,000	-	-	-
Office Rent		60,000	-	60,000	60,000	-	60,000
Printing, Stationary & Photostate		-	-	-	-	-	-
Utility		50,000	-	50,000	15,500	-	15,500
Staff Meeting Expenses		-	-	-	-	-	-
Staff Benefit		-	-	-	-	-	-
Health & Hygien Session with Community		-	85,000	85,000	-	-	-
Health & Hygien Session with Studentsin School		-	-	-	-	-	-
UPS & Battery		-	-	-	-	-	-
Miscellaneous		22,000	-	22,000	20,000	-	20,000
Bank Charges		27	-	27	261	-	261
Office Entertainment		-	-	-	-	-	-
BoD Meeting		-	-	-	-	-	-
General Body Meeting		-	-	-	-	-	-
Depreciation	4	2,969	-	2,969	3,671	-	3,671
Total resources expended		159,996	85,000	244,996	99,432	-	99,432
Net movement in funds carried forward		(7,908)	2,150	(5,758)	(5,432)	-	(5,432)

The annexed notes form an integral part of these financial statements.


FINANCE SECRETARY


GENERAL SECRETARY


CHAIRPERSON



SINDH RURAL DEVELOPMENT ORGANIZATION
STATEMENT OF CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER , 2021

	Note	2021 Rupees	2020 Rupees
Cash flow from operational activities (A)			
(Deficit) for the year		(5,758)	(5,432)
Adjustment for:			
Depreciation	4	2,969	3,671
Effect of changes in working capital			
Decrease / (Increase) in current assets:			
Stock in hand		-	-
Advances, prepayments and other receivables		-	-
increase in current liabilities			
Accrued and other liabilities		2,000	(24,000)
Working capital changes		2,000	(24,000)
Net cash inflow generated from operating activities(A)		(789)	(25,761)
Cash flow from investing activities (B)			
Purchase of fixed assets		-	-
Proceeds from the disposal of assets		-	-
Net cash (used in) investing activities		-	-
Cash flow from financing activities (C)			
		-	-
Net decrease in cash and cash equivalents(A+B+C)		(789)	(25,761)
Cash and cash equivalents at beginning of the year		3,500	29,260
Cash and cash equivalents at end of the year		2,711	3,500

The annexed notes form an integral part of these financial statements.




FINANCE SECRETARY


GENERAL SECRETARY


CHAIRPERSON

SINDH RURAL DEVELOPMENT ORGANIZATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund Rupees	Total Rupees
Balance as at December 31, 2019	<u>6,369</u>	<u>6,369</u>
(Deficit) for the year ended December 31, 2020	(5,432)	(5,432)
Balance as at December 31, 2020	<u>938</u>	<u>938</u>
(Deficit) for the year ended December 31, 2021	(5,758)	(5,758)
Balance as at December 31, 2021	<u>(4,819)</u>	<u>(4,819)</u>

The annexed notes form an integral part of these financial statements.



FINANCE SECRETARY



GENERAL SECRETARY



CHAIRPERSON



SINDH RURAL DEVELOPMENT ORGANIZATION (SRDO)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

The organization was registered in Pakistan on January 02, 2015, under the Societies Registration Act. XXI of 1860 as **SINDH Rural Development Organization (SRDO)**. Basic aim of the organization is to serve individuals and families in the poorest communities in the Sindh.

2. BASIS OF PRESENTATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of the Revised Accounting and Financial Reporting Standards for Small Sized Entities issued by the Institute of Chartered Accountants of Pakistan (ICAP) and the Accounting Standards for Nonprofit Organization (NPOs) issued by ICAP.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention.

2.2 Accrual basis of accounting

These financial statements have been prepared under the accrual basis of accounting.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant, and equipment

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

Depreciation is charged on assets acquired/disposed during the year on prorata basis using the reducing balance method at the rates specified in note 4.

The depreciation on additions during the year is charged from the month of addition, while no depreciation is charged on assets disposed off during the month.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred whereas major improvements and modifications are capitalized. Gain or loss on disposal, if any, is included in income currently.

3.2 Provisions

Provisions are recognized when, the company has a present legal or constructive obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.



3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the cash flow statement, cash and cash equivalents comprise of cash in hand & with banks on current and saving accounts.

3.4 Stock in hand

Stock in hand is valued at weighted average cost.

3.5 Advances and other receivables

These are stated at cost less estimates made for any doubtful receivables based on a review of all outstanding amounts at the balance sheet date. Balances considered bad and irrecoverable are written off when identified.

3.6 Fund accounting

Unrestricted funds

These are funds available with the Foundation without any restriction on their utilization.

Restricted funds

These are funds that are available with the Foundation for restricted purposes as imposed by the donors of these funds.

The Foundation acts as a custodian of these funds and consequently these are not available for general use.

3.7 Incoming resources

From own fund

These comprise of unrestricted donations and inflow from various activities.

From Charitable activities

These mainly comprise of donation received from various donors' agencies made available for specific projects/purposes.

3.8 Resources expended

Expenditure is accounted for on accruals basis and is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of the resource.

3.9 Taxation

The income of the Organization is exempt from tax being a recognized Non-Profit Organization



3.10 Financial assets and liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

3.11 Revenue Recognition

- Donations and grants received are taken to income and expenditure account as and when received.
- Subscription fee of member received are taken to income and expenditure account as and when received.
- Return on bank deposit is recognized on receipt basis.



SINDH RURAL DEVELOPMENT ORGANIZATION
PROPERTY AND EQUIPMENT

2021									
Particulars	COST			ACCUMULATED DEPRECIATION				Written Down Value	
	As at Jan 1, 2021	Addition	Disposal	As at Dec 31, 2021	Rate	As at Jan 1, 2021	Charge of the year	As at Dec 31, 2021	As at Dec 31, 2021
Rupees									
Furniture & Fixture	40,000	-	-	40,000	15%	24,914	2,263	27,177	12,823
Computer, Printer, Scanner & Laptop	20,000	-	-	20,000	30%	17,647	706	18,353	1,647
	60,000	-	-	60,000	-	42,562	2,969	45,530	14,470

2020									
Particulars	COST			ACCUMULATED DEPRECIATION				Written Down Value	
	As at Jan 1, 2020	Addition	Disposal	As at Dec 31, 2020	Rate	As at Jan 1, 2020	Charge of the year	As at Dec 31, 2020	As at Dec 31, 2020
Rupees									
Furniture & Fixture	40,000	-	-	40,000	15%	22,252	2,662	24,914	15,086
Computer, Printer, Scanner & Laptop	20,000	-	-	20,000	30%	16,639	1,008	17,647	2,353
	60,000	-	-	60,000	-	38,891	3,671	42,562	17,439

Depreciation for the year has been allocated as under:

Depreciation charge for the year

2021	2020
	Rupees
3,671	2,969



SINDH RURAL DEVELOPMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER , 2021

	Note	2021 Rupees	2020 Rupees
5 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		-	-
6 BANK BALANCES			
PLS Accounts			
Bank A/C		2,711	-
		<u>2,711</u>	<u>-</u>
7 CASH IN HAND			
SRDO		-	3,500
		<u>-</u>	<u>3,500</u>
8 ACCRUED AND OTHER LIABILITIES			
Audit Fee Payable		22,000	20,000
		<u>22,000</u>	<u>20,000</u>

9 CONTINGENCIES AND COMMITMENTS

There are no Contingencies and Commitments as at December 31, 2021.

10 APPROVAL

These financial statements have been approved by Board of Directors on _____


FINANCE SECRETARY


GENERAL SECRETARY


CHAIRPERSON

