

**FINANCIAL STATEMENTS  
OF  
SINDH DEVELOPMENT ORGANIZATION  
FOR THE YEAR ENDED JUNE 30, 2021**

**RAZA SIDDIQUI & CO.**

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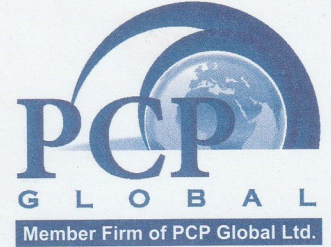
CHARTERED ACCOUNTANTS

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# RAZA SIDDIQI & CO.

## CHARTERED ACCOUNTANTS



### INDEPENDENT AUDITORS' REPORT

To the Management Committee of Sindh Development Organization

Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **Sindh Development Organization**, which comprise the statement of financial position as at **30 June, 2021**, and the income and expenditure account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, income and expenditure accounts together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, the manner so required and respectively give a true and fair view of the state of the organization affairs as at **30 June, 2021** and of the surplus for the year then ended.

#### Basis for Opinion

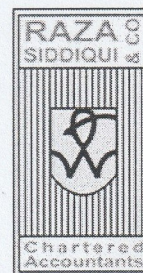
We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and for such internal control as management determines 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, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Management of the Association is responsible for overseeing the Association's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 on the basis of 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 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 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 Association'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 Association'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 Association 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 the Management of the Association 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.

The engagement partner on the audit resulting in this independent auditor's report is Shafqat Raza.

**Raza Siddiqui & Co**  
**Chartered Accountants**

Place: Karachi

Date

**SINDH DEVELOPMENT ORGANIZATION  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2021**

	<u>Note</u>	<u>2021 Rupees</u>	<u>2020 Rupees</u>
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Property and equipment	4	1,920,000	2,280,000
<b>CURRENT ASSETS</b>			
Cash and bank balance	5	22,435,471	8,424,349
		<u>24,355,471</u>	<u>10,704,349</u>
<b>EQUITY AND LIABILITIES</b>			
Surplus of income and expenditure		24,285,271	10,650,349
<b>CURRENT LIABILITIES</b>			
Accrued expenses		70,200	54,000
		<u>24,355,471</u>	<u>10,704,349</u>

The annexed notes form an integral part of these Financial Statements.

**CHIEF EXECUTIVE**

**MEMBER-EC**

**SINDH DEVELOPMENT ORGANIZATION  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Note</u>	<u>2021 Rupees</u>	<u>2020 Rupees</u>
<b>INCOME</b>			
Donation	6	234,968,899	105,956,258
<b>EXPENDITURE</b>			
Welfare and development expenses	7	203,853,213	88,146,679
General and administrative expenses	8	17,152,709	9,592,439
Bank charges and withholding taxes		328,055	205,093
		221,333,977	97,944,211
<b>Surplus of income over expenditure</b>		<u>13,634,922</u>	<u>8,012,047</u>
Accumulated surplus brought forward		10,650,349	2,638,302
<b>Accumulated surplus carried forward</b>		<u><u>24,285,271</u></u>	<u><u>10,650,349</u></u>

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

**CHIEF EXECUTIVE**

**MEMBER-EC**

**SINDH DEVELOPMENT ORGANIZATION  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**1 LEGAL STATUS AND OPERATION:**

Sindh Development Organization (SDO) was registered on 27 November, 2011 as welfare and development Non Government Organization under Society Act of XXI 1860, with the registration Number 591. The office of SDO is situated in City Naudero near Sindh Bank, District Larkana.

The principal activity of SDO is to work for sustainable development and change in the lives of rural communities through social mobilization, advocacy and client centered approach, provision of basic necessities and supports and welfare activities. Currently SDO is mainly working over water projects and also gets engaged in distribution of food, Qurbani etc.

**2 STATEMENT OF COMPLIANCE**

These Financial Statements have been prepared with in accordance with the approved accounting and financial reporting standards as applicable in Pakistan which includes Revised Accounting and Financial Reporting Standards International for Small Sized Entities (AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and the guidelines of Accounting Standards for Non Profit Organizations issued by ICAP and provisions of Society Act of XXI 1860 and rules of SDO.

**3 SIGNIFICANT ACCOUNTING POLICIES:**

**3.1 ACCOUNTING CONVENTION**

These accounts have been prepared under the historical cost convention.

**3.2 PROPERTY AND EQUIPMENT**

Property and equipment are stated at cost less accumulated depreciation. Cost comprises acquisition and other directly attributable costs. Depreciation is charged to income on reducing balance basis at the rates mentioned in note No. 4. Depreciation is charged from the month in which assets becomes available for use, while no depreciation is charged for the month in which the assets is disposed off.

Maintenance and repairs are charged to statement of revenue and expenditure as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off.

The carrying amount of the Company's assets are reviewed at each reporting date to identify circumstances indicating concurrence of impairment loss or reversal of previous impairment losses. If any such indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the statement of revenue and expenditure. Reversal of impairment loss is restricted to the original cost of the asset.

**3.3 CASH AND CASH EQUIVALENT**

For the purpose of cash flow statement, cash and cash equivalents include cash in hand and with banks.

**3.4 TRADE AND OTHER PAYABLE**

Liabilities for trade 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.

**SINDH DEVELOPMENT ORGANIZATION  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**3.5 PROVISION**

Provision is recognized when the company has present, legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and reliable estimate of the amounts can be made.

**3.6 REVENUE**

Donations are recorded on receipt basis.

**3.7 TAXATION**

Provision for taxation is made in accordance with the provisions of Income Tax Ordinance 2001; however the Organization being non-profit organization no provision for income tax is made.

**SINDH DEVELOPMENT ORGANIZATION  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2021**

		<b>2021</b>	<b>2020</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>4 NON CURRENT ASSETS</b>			
Cost		3,000,000	3,000,000
Accumulated depreciation			
Opening		720,000	360,000
Charge for the year		360,000	360,000
		1,080,000	720,000
		1,920,000	2,280,000
<p>Depreciation is charged over five years on straight line basis after deducting 40% residual value from the cost. Title of the vehicle is yet to be transferred in the name of the Organization.</p>			
<b>5 CASH AND BANK BALANCES</b>			
Cash in hand		-	-
Cash in bank		22,435,471	8,424,349
		22,435,471	8,424,349
<b>6 DONATIONS</b>			
Received against			
Water projects	7.1	140,896,142	64,698,835
Qurbani		44,174,886	26,025,001
Food distribution		23,273,823	9,891,868
Ramzan Iftar Dinner		9,559,600	2,269,300
Construction of mosque		11,191,678	1,845,354
Shelter program		-	600,000
Winter Project		260,000	-
Financial Support		570,000	-
Sewing Machine Distribution		989,430	-
Rozgar Rickshaw Distribution		1,037,300	-
Ambulance Project		1,612,500	-
Miscellaneous		1,403,540	625,900
		234,968,899	105,956,258
<b>7 EXPENSES</b>			
Direct expenses related to			
Water projects - material and installation charges	7.1	121,732,070	51,439,003
Qurbani Projects - Live Animals & labour charges		41,750,000	24,749,900
Food distribution material & labour charges		20,627,589	8,335,328
Mosque (Material & Labour Charges)		6,890,000	1,580,093
Shelter (Material & Labour Charges)		750,000	300,000
Sehri Iftari		6,471,554	1,597,355
Winter Project		260,000	-
Financial Support		602,000	-
Sewing Machine Distribution		919,500	-
Rozgar Rickshaw Distribution		1,091,500	-
Ambulance Project		1,810,000	-
Other welfare expenses		949,000	145,000
		203,853,213	88,146,679



**SINDH DEVELOPMENT ORGANIZATION  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>2021</b>	<b>2020</b>
	<b>Rupees</b>	<b>Rupees</b>
	<b>DONATIONS</b>	<b>EXPENSES</b>
<b>7.1 Donations- Water Project</b>		
Installation of small water hand pumps	63,175,188	55,774,157
Installation of large water hand pumps	51,588,426	42,113,785
Solar submersible pump	22,260,027	19,164,928
Digging and developemnt of water wells / tube wells	3,705,000	4,446,700
Electrical water dispenser / cooler	167,500	232,500
2021- Total	<u>140,896,142</u>	<u>121,732,070</u>
2020- Total	<u>64,698,835</u>	<u>51,439,003</u>
<b>8 GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Salaries and benefits	8,578,396	5,698,541
Rent, utilities and other office expenses	4,164,002	3,322,373
Survey and donors visit expenses	3,980,111	157,525
Audit fee	70,200	54,000
Depreciation	360,000	360,000
	<u>17,152,709</u>	<u>9,592,439</u>

**9 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized on \_\_\_\_\_ by the Executive Committee of SDO.

**10 GENERAL**

Figures have been rounded off to the nearest rupee.

**CHIEF EXECUTIVE**

**MEMBER-EC**