

**FINANCIAL STATEMENTS  
OF  
SINDH DEVELOPMENT ORGANIZATION  
FOR THE YEAR ENDED 30TH JUNE, 2022**

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**RAZA SIDDIQUI & CO.**

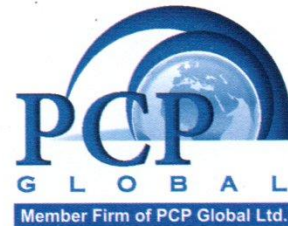
CHARTERED ACCOUNTANTS

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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, 2022**, and the income and expenditure account 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 presents fairly, in all the material respect, the financial position of **Sindh Development Organization**, and of its financial performance, and of the deficit for the year ended **30 June, 2022**.

#### 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

Board of Trustee 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 Trust'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.

Those charged with governance are 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 Fund 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 Board of Trustee of the Fund 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: 24 DEC 2022  
UDIN: AR20221026630odjMBrl

**SINDH DEVELOPMENT ORGANIZATION  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022**

	<u>Note</u>	<u>2022 Rupees</u>	<u>2021 Rupees</u>
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Property and equipment	4	1,560,000	1,920,000
<b>CURRENT ASSETS</b>			
Cash and bank balance	5	6,091,371	22,435,471
		<u>7,651,371</u>	<u>24,355,471</u>
<b>EQUITY AND LIABILITIES</b>			
Surplus of income and expenditure		7,581,171	24,285,271
<b>CURRENT LIABILITIES</b>			
Accrued expenses	6	70,200	70,200
		<u>7,651,371</u>	<u>24,355,471</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, 2022**

	<u>Note</u>	<u>2022 Rupees</u>	<u>2021 Rupees</u>
<b>INCOME</b>			
Donation	7	317,493,044	234,968,899
<b>EXPENDITURE</b>			
Welfare and development expenses	8	301,062,487	203,853,213
General and administrative expenses	9	32,748,074	17,152,709
Bank charges and withholding taxes		386,583	328,055
		334,197,144	221,333,977
<b>(Deficit)/Surplus of income over expenditure</b>		<b>(16,704,100)</b>	<b>13,634,922</b>
Accumulated surplus brought forward		24,285,271	10,650,349
<b>Accumulated surplus carried forward</b>		<b>7,581,171</b>	<b>24,285,271</b>

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, 2022**

**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.

	<b>2022</b>	<b>2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>4 NON CURRENT ASSETS</b>		
Cost	3,000,000	3,000,000
Accumulated depreciation		
Opening	1,080,000	720,000
Charge for the year	360,000	360,000
	<u>1,440,000</u>	<u>1,080,000</u>
	<u>1,560,000</u>	<u>1,920,000</u>

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.

**5 CASH AND BANK BALANCES**

Cash in hand	2,183,792	-
Cash in bank	3,907,579	22,435,471
	<u>6,091,371</u>	<u>22,435,471</u>

**6 ACCRUED EXPENSES**

Audit Fee Payable	70,200	70,200
	<u>70,200</u>	<u>70,200</u>

Received against

Water projects	8.1	205,531,209	140,896,142
Qurbani		24,329,489	44,174,886
Food distribution		30,529,056	23,273,823
Ramzan Iftar Dinner		6,688,410	9,559,600
Construction of mosque		20,305,921	11,191,678
Shelter program		847,400	-
School		10,582,333	-
Village Activities		2,398,800	-
Wheel Chair Distribution		1,798,237	-
Winter Project		-	260,000
Financial Support		1,200,000	570,000
Sewing Machine Distribution		2,623,921	989,430
Rozgar Rickshaw Distribution		-	1,037,300
Ambulance Project		-	1,612,500
Miscellaneous		10,658,268	1,403,540
		<u>317,493,044</u>	<u>234,968,899</u>

**SINDH DEVELOPMENT ORGANIZATION  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**8 EXPENSES**

	<b>2022</b>	<b>2021</b>
	<b>Rupees</b>	<b>Rupees</b>
Direct expenses related to		
Water projects - material and installation charges	8.1 143,686,177	121,732,070
Qurbani Projects - Live Animals & labour charges	51,284,000	41,750,000
Food distribution material & labour charges	25,531,550	20,627,589
Mosque (Material & Labour Charges)	21,284,816	6,890,000
Shelter (Material & Labour Charges)	2,150,000	750,000
Sehri Iftari	22,517,030	6,471,554
Winter Project	-	260,000
Financial Support	1,289,806	602,000
School construction	15,989,645	-
Village Activities	1,882,880	-
Wheel Chair Distribution	1,416,500	-
Sewing Machine Distribution	2,149,500	919,500
Rozgar Rickshaw Distribution	-	1,091,500
Ambulance Project	-	1,810,000
Vocational Skill Training Program	10,955,283	-
Other welfare expenses	925,300	949,000
	<u>301,062,487</u>	<u>203,853,213</u>

**8.1 Donations- Water Project**

	<b>DONATIONS</b>	<b>EXPENSES</b>
Installation of small water hand pumps	73,186,191	57,029,797
Installation of large water hand pumps	97,024,817	62,972,268
Solar submersible pump	30,198,427	21,401,802
Digging and developemnt of water wells / tube wells	4,686,274	2,282,310
Electrical water dispenser / cooler	435,500	-
2022- Total	<u>205,531,209</u>	<u>143,686,177</u>
2021- Total	<u>140,896,142</u>	<u>121,732,070</u>

**9 GENERAL AND ADMINISTRATIVE EXPENSES**

Salaries and benefits	11,404,653	8,578,396
Rent, utilities and other office expenses	16,810,618	4,164,002
Survey and donors visit expenses	4,102,603	3,980,111
Audit fee	70,200	70,200
Depreciation	360,000	360,000
	<u>32,748,074</u>	<u>17,152,709</u>

**10 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized on 24 DEC 2022 by the Executive Committee of SDO.

**11 GENERAL**

Figures have been rounded off to the nearest rupee.

  
CHIEF EXECUTIVE

  
MEMBER-EC

**SINDH DEVELOPMENT ORGANIZATION  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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.

**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.