



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF SR HOMES REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We were engaged to audit the Proposed financial statements of **SR HOMES** (the Company), which comprise the statement of financial position at June 30, 2023, and the statement of income and expenditure, statement of changes in fund for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of information and according to explanation given to us, the proposed balance sheet, proposed profit and loss account statement together with the notes forming part thereof are in accordance with the book of accounts and records provided to us, maintained by the management.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the director's report, but does not include the financial statements of the company and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, on other information obtained prior to the date of this auditor's report, we conclude 'that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors 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 the requirements of Companies Act, 2017(XIX of 2017) 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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OTHER OFFICES:-

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• PESHAWAR

• KABUL



Boards of directors are responsible for overseeing the Company'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 Company'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 Company'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.

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SAEED METHANI MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

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 Company 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.

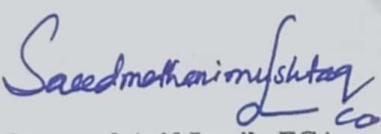
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Asif Jamil- FCA.


Muhammad Asif Jamil- FCA

Engagement Partner:

Date: 06/10/2023



SAEED METHANI MUSHTAQ & CO
*CHARTERED ACCOUNTANTS
PESHAWAR

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SR HOMES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

| | 2023 | 2022 |
|---|-------------------------|-------------------------|
| | Rupees | Rupees |
| NON CURRENT ASSETS | | |
| Operating fixed assets (At cost less accumulated depreciation) | 4 4,527,625 | 920,695 |
| CURRENT ASSETS | | |
| Advance to staff | 130,560 | 138,007 |
| Receivable From Sr Homes | 34,785 | - |
| Tax Asset Refundable Asset | - | 26,337 |
| Cash and Bank balance | 5 908,986 | 118,152 |
| | <u>5,601,956</u> | <u>1,203,191</u> |
| CURRENT LIABILITIES | | |
| Accrued expenses - audit fee | 70,000 | 80,000 |
| Provision for taxation | | |
| NET ASSETS | <u><u>5,531,956</u></u> | <u><u>1,123,191</u></u> |
| REPRESENTED BY: | | |
| General and reserve funds | <u><u>5,531,956</u></u> | <u><u>1,123,191</u></u> |

The annexed notes 1 to 10 form an integral part of these financial statements.



CHIEF EXECUTIVE

DIRECTOR

SR HOMES
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|--|------|-------------------------|------------------------|
| INCOME | | | |
| Donation from public | | 35,430,386 | 8,641,779 |
| EXPENDITURES | | | |
| Operational expenses | 6 | 30,398,553 | 8,492,695 |
| Administrative expenses | 7 | 623,069 (31,021,622) | 232,299 (8,724,995) |
| Surplus for the year / period before taxation | | 4,408,764 | (83,216) |
| Less: Taxation - current | | - | - |
| Surplus for the year / period before taxation | | 4,408,764 | (83,216) |
| Other comprehensive surplus | | | |
| Total comprehensive surplus for the year / period | | 4,408,764 | (83,216) |

The annexed notes 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



SR HOMES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|---|------|--------------------|----------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Surplus for the year / period before taxation | | 4,408,764 | (83,216) |
| Non cash item adjustments | | | |
| Depreciation | | 503,069 | 102,299 |
| Operating surplus/(Deficte) before working capital | | <u>4,911,833</u> | <u>19,083</u> |
| Increase/decrease in current assets | | (1,000) | (138,007) |
| Increase/decrease in current liabilities | | (10,000) | - |
| Tax Paid | | | |
| Net cash used in operating activities | | 4,900,834 | (118,924) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets | | <u>(4,110,000)</u> | <u>-</u> |
| Net cash used in investing activities | | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Net increase in cash and cash equivalents | | 790,834 | (118,926) |
| Cash and cash equivalent at the beginning of the year | | 118,152 | 237,077 |
| Cash and cash equivalent at the end of the year | | <u>908,986</u> | <u>118,152</u> |

The annexed notes 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



SR HOMES
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

| Descriptions | Opening Fund | Reserve Fund | Surplus/(Deficit) for the year Rupees----- | Total |
|--|-------------------------|--------------|---|-------------------------|
| Balance as at 30 June 2021 | <u>340</u> | - | <u>1,206,068</u> | <u>1,206,408</u> |
| Total comprehensive surplus for the year | 1,206,408 | - | (83,216) | 1,123,192 |
| Balance as at June 30, 2022 | <u>1,206,408</u> | - | (83,216) | <u>1,123,192</u> |
| Total comprehensive surplus for the year | 1,123,192 | - | 4,408,764 | 5,531,956 |
| Balance as at June 30, 2023 | <u>1,123,192</u> | - | 4,408,764 | <u>5,531,956</u> |

The annexed notes 1 to 10 form an integral part of these financial statements.



DIRECTOR

CHIEF EXECUTIVE

SR HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 THE SR HOMES AND ITS OPERATION

1.1

The SR Homes (the Home) is registered under Section 42 of the Companies Act , 2017, as Guarantee Limited Company dated: April 07, 2020 at Karachi. The registered office of the company is situated at 56 - F, SME Bank Building, Lower Ground, Nazim udin Road, F-6/1, Islamabad. The Home is to provide, educational facilities to the uneducated people of the underprivileged class, to provide foods, shelter, warm clothes, shoes and other associated goods to poor and needy people and provide scholarships to deserving and needy students and hearing or other aids etc.,

2 BASIS OF PREPARATION

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 standards applicable in Pakistan comprise of: International Financial Reporting Standards for " Small and Medium-Sized Entities (IFRS for SMEs) issued by IASB as notified by SECP and Accounting standard for Not For Profit organization issued by Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Act 2017. In case requirements differ, the provisions and directives of Companies Act 2017 shall Prevail."

2.2 Accounting convention

These accounts have been prepared under the historical cost convention basis.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to income by applying reducing balance method.

Depreciation on additions is charged from the month the asset is available for use and on disposals up to the preceding month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major repairs and renewals are capitalized. The rates of depreciation are stated in note no. 4.

3.2 Income recognition

Donations and zakat are accounted for on receipt basis. Donations in kind are recognised at fair value determined at the time when the donations are received. Donations restricted in its use by the donors are utilised for the purpose specified and are classified as donations under restricted funds.

Profit on investments is recognized on accrual basis.

3.3 Loan and advances

Loans and advances are consist of advance to staff, deposits and various advances paid to others.

Interest free loans to employees are stated at cost and recovered in equal monthly installments through salary of the employees.

3.4 Other Payables

Liabilities for trade and other accounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the company or not.

3.5 Taxation

SR Homes is eligible for the tax credit under section 100C of the Income Tax Ordinance, 2001. resultantly no tax liability is recorded in these financial statements under the provisions of the Income Tax Ordinance, 2001 and rules made thereunder.



4 OPERATING FIXED ASSETS

| Descriptions | Electrical equipment | Furniture & Fixture | Total |
|--|-------------------------|------------------------|-----------|
| | ***** Rs.***** | | |
| Written down value as at June 30, 2021 | 914,868 | 108,126 | 1,022,994 |
| Depreciation during the period | 91,487 | 10,813 | 102,299 |
| Written down value as at June 30, 2022 | 823,381 | 97,313 | 920,695 |
| Value as at July 01, 2022 | 823,381 | 97,313 | 920,695 |
| Addition during the period | 2,690,000 | 1,420,000 | 4,110,000 |
| Depreciation during the year | 351,338 | 151,731 | 503,069 |
| Written down value as at June 30, 2023 | 3,162,043 | 1,365,582 | 4,527,625 |
| Rate of annual depreciation %age | 10% | 10% | |

| | | 2023 | 2022 |
|--|------|------------|-----------|
| | Note | Rupees | Rupees |
| 5 Cash and Bank Balances | | | |
| Cash with banks | | 863,986 | 62,152 |
| Cash in hand | | 45,000 | 56,000 |
| | | 908,986 | 118,152 |
| 6 Operational Expense | | | |
| Salaries, wages and other benefits | | 8,105,000 | 2,285,190 |
| Education Expense for Needy Childrens | | 4,271,014 | 1,238,452 |
| Milk, meat , veg and fruits | | 6,544,740 | 2,991,069 |
| Ration distribution | | 2,499,799 | 1,592,551 |
| School Related Expense | | 7,952,000 | 385,433 |
| General Expense | | 1,026,000 | |
| | | 30,398,553 | 8,492,695 |
| 7 Administration and selling expenses | | | |
| Audit fee | | 70,000 | 80,000 |
| Depreciation | | 503,069 | 102,299 |
| Legal and Professional Charges | | 50,000 | 50,000 |
| | | 623,069 | 232,299 |
| 8 Number of Employees | | | |
| The number of employees as of date of statement of financial position date | | 10 | 10 |
| Average number of employees during the period | | 10 | 10 |

9 Date of Authorization

These financial statements were authorized for issue by the Board of Directors of the Company on _____ . The financial statements are issued by the express approval of the Board of Directors and any subsequent amendment shall be likewise approved by the Board of Directors also.

10 General

Figures have been rounded off to the nearest rupee.

Current year figures represents the transactions and closing balances for the period of 12 months and 03 days. Comparative figures have not been stated, as these are the first financial statements of the Company.

CHIEF EXECUTIVE

DIRECTOR

