

**SONA WELFARE FOUNDATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2022**



## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF SONA WELFARE FOUNDATION

### Opinion

We have audited the financial statements of the Sona Welfare Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2022, statement of comprehensive income, statement of changes in funds 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 give a true and fair view of the financial position of the Foundation as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small & Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) and the Accounting Standard for Not for Profit Organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

### 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 Foundation 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 Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and Accounting Standard for NPOs, and for such internal control as trustees 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, trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 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.

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As part of an audit in accordance with ISAs, 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 Foundation'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 Foundation'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 Foundation 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.



Chartered Accountants  
Islamabad: September 27, 2023

Engagement Partner: JehanZeb Amin  
UDIN: AR2022100835KYoBE1Mk

SONA WELFARE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2022

	Note	2022 Rupees	2021 Restated Rupees	2020 Restated Rupees	Note	2022 Rupees	2021 Restated Rupees	2020 Restated Rupees
<b>FUNDS</b>								
Endowment Fund	4	10,000,000	10,000,000	10,000,000	5	-	-	37,195,034
Restricted grant	6	328,691,757	91,971,422	143,384,333				
<b>NON CURRENT LIABILITIES</b>								
Deferred grant	7	-	-	37,195,034				
<b>CURRENT LIABILITIES</b>								
Accrued and other liabilities	8	2,313,274	46,234,138	2,872,422	10	129,320,196	43,521,333	43,243,509
					11	211,684,835	104,684,227	113,013,246
<b>TOTAL SURPLUS AND LIABILITIES</b>		<u>341,005,031</u>	<u>148,205,560</u>	<u>193,451,789</u>		<u>341,005,031</u>	<u>148,205,560</u>	<u>193,451,789</u>
<b>CONTINGENCIES AND COMMITMENTS</b>								
	9	-	-	-				
<b>TOTAL ASSETS</b>								
						<u>341,005,031</u>	<u>148,205,560</u>	<u>193,451,789</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

*Signature*

*Signature*  
Trustee

**BRIG MUHAMMAD ARIF (RETIRED)**  
CHAIRMAN / CO-OPERATION OFFICER

*Signature*  
Trustee

**SARFARAZ AHMED REHMAN**  
CHAIRMAN

**SONA WELFARE FOUNDATION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Note	2022 Rupees	2021 Restated Rupees
<b>INCOME</b>			
Grant income recognized through restricted grant	7&8	438,532,827	117,500,912
<b>EXPENDITURE</b>			
Welfare expenses	12	(436,690,138)	(116,437,538)
Administrative and General expenses	13	<u>(1,842,689)</u>	<u>(1,063,374)</u>
		<b>(438,532,827)</b>	<b>(117,500,912)</b>
<b>SURPLUS FOR THE YEAR - CONTINUED OPERATIONS</b>		-	-
<b>SURPLUS FOR THE YEAR - DISCONTINUED OPERATIONS</b>	14	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>			
Items not to be reclassified to comprehensive income in subsequent periods		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>-</u></u>	<u><u>-</u></u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

*Signature*

  
**BRIG. MUHAMMAD ARIF (RETD)**  
**CHIEF OPERATION OFFICER**

  
**Trustee**  
**SANFARAZ AHMED REHMAN**  
**CHAIRMAN**

**SONA WELFARE FOUNDATION  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Endowment Fund	Restricted Grant	Total
	-----Rupees-----		
Balance as at January 01, 2021 - as previously reported	10,000,000	143,384,333	153,384,333
Impact of Restatement - Note 5	-	-	-
Balance as at January 01, 2021 - Restated	<u>10,000,000</u>	<u>143,384,333</u>	<u>153,384,333</u>
Receipts during the year - Restated	-	207,943,838	207,943,838
Total comprehensive income for the year	-	-	-
Utilized during the year - Restated	-	(122,922,442)	(122,922,442)
Transferred to deferred grant - Restated	-	(72,810,110)	(72,810,110)
Transferred to FACE - Restated	-	(63,624,197)	(63,624,197)
Balance as at December 31, 2021 - Restated	<u>10,000,000</u>	<u>91,971,422</u>	<u>101,971,422</u>
Balance as at January 1, 2022 - Restated	10,000,000	91,971,422	101,971,422
Receipts during the year	-	675,253,162	675,253,162
Total comprehensive income for the year	-	-	-
Utilized during the year	-	(438,532,827)	(438,532,827)
Balance as at December 31, 2022	<u>10,000,000</u>	<u>328,691,757</u>	<u>338,691,757</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

*SARFARAZ*

  
\_\_\_\_\_  
**Trustee**  
**BRIG MUHAMMAD ARIF (RETD)**  
CHIEF OPERATION OFFICER

  
\_\_\_\_\_  
**Trustee**  
**SARFARAZ AHMED REHMAN**  
CHAIRMAN

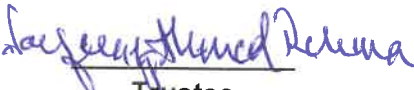
**SONA WELFARE FOUNDATION  
STATEMENT OF CASHFLOW  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
Note	Rupees	Restated Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Grant received during the year	675,253,162	109,628,083
Payment for welfare, administrative and general expenses	(523,599,993)	(114,873,135)
Payments for FACE expenses	(42,134,002)	(21,490,194)
Advance tax paid	(2,518,559)	(1,702,888)
Discontinued operations	-	92,894,225
<b>Net cash used in operating activities</b>	<b>107,000,608</b>	<b>64,456,091</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Discontinued operations	-	(72,810,110)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net decrease in cash and cash equivalents	107,000,608	(8,354,019)
Cash and cash equivalents at beginning of the year	104,684,227	113,038,246
Cash and cash equivalents at end of the year	15 <u>211,684,835</u>	<u>104,684,227</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

*SARFARAZ*

  
 \_\_\_\_\_  
 Trustee  
**BRIG MUHAMMAD ARIF (RETD)**  
 CHIEF OPERATION OFFICER

  
 \_\_\_\_\_  
 Trustee  
**SARFARAZ AHMED REHMAN**  
 CHAIRMAN



**SONA WELFARE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**1. THE ENTITY AND ITS OPERATIONS**

Sona Welfare Foundation ("the Foundation") was registered in Rawalpindi, Pakistan on May 4, 2011 under the Societies Registration Act, XXI of 1860. The Foundation was established by the Fauji Fertilizer Company Limited (the Company), through trustees. The principal office of the Foundation is situated at Sona Tower, 156 The Mall, Rawalpindi.

The principal objective of the Foundation is to carry out benefit and welfare activities. All the income generated by the Foundation is to be applied towards furtherance of its objectives. The business of the Foundation is conducted under the overall supervision of its Board of Trustees.

The Company has confirmed that it will continue to provide financial and operational support to the Foundation to carry out public welfare and related activities in foreseeable future.

**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 approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB); and
- Accounting standard for Not for Profit Organisations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan.

**2.2 Accounting convention**

These financial statements have been prepared on the basis of historical cost convention.

**2.3 Functional and presentation currency**

Items included in the financial statements are measured using the currency of primary economic environment in which the Foundation operates. The financial statements are presented in Pakistan Rupees, which is the Foundation's functional currency.

**2.4 Summary of significant accounting estimates**

The preparation of financial statements in conformity with the approved accounting standards require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

*Signature*



The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed in the ensuing paragraphs.

**i) Provisions**

The Foundation reviews the carrying amount on a regular basis and appropriate amount of provision is made as and when necessary.

**ii) Impairment**

The carrying amount of the Foundation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these financial statements are as follows:

**3.1 PROPERTY AND EQUIPMENT**

These are stated at cost less accumulated depreciation and impairment loss, if any. Cost of an item of fixed assets comprise purchase price, import duties and other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Capital work in progress is stated at cost less impairment losses, if any and is transferred to the respective item of property and equipment when available for intended use.

Depreciation is provided on a straight-line basis and charged to profit and loss account to write off the depreciable amount of each asset over its estimated useful life at the rates specified in note 5. Depreciation on property and equipment is charged from the date when the asset becomes available for use up to the date of its disposal.

The cost of replacing a part of item of fixed asset is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Foundation and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of the fixed assets are recognised in income and expenditure as incurred. Gains and losses on disposal are included in income.

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### **3.2 RESTRICTED GRANTS**

Restricted grants received for specific purpose are deferred when received and charged to income to the extent of actual expenditure incurred. Expenditure incurred against grant committed but not received is accrued and recognised in income and is reflected as fund receivable. Unspent portion of such fund are reflected as restricted fund in the statement of financial position. Returns, if any accruing or arising on balance of restricted grants are accumulated thereto and unless restricted by the donor, are considered to be utilized for objectives and activities of the Fund upon approval by the Trustees of the Fund. Any surplus / (deficit) after completion of milestone or interest income received on placements with bank is transferred to unrestricted grant if not specifically earmarked by the donor for any other activity.

### **3.3 ACCRUED AND OTHER LIABILITIES**

Liabilities for accrued and other payables are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Foundation.

### **3.4 PROVISION**

A provision is recognised in the financial statements when the Foundation has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

### **3.5 TAXATION**

The Foundation holds status of a not for profit organization under the Income Tax Ordinance, 2001 (Ordinance), thus it claims exemption from income tax in accordance with the related provisions of the Ordinance and therefore, no provision for taxation has been made in these financial statements.

### **3.6 ADVANCES AND OTHER RECEIVABLES**

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each statement of financial position date to determine whether there is an indication that an asset may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying value.

Disbursements made for the purposes of activity support to recipients / donee are recognised as advances at the time of actual disbursement. These advances are recognised as an expense on the basis of activity performed, details and supporting documents submitted by recipient / donee for the expenditure relating to the year.

### **3.7 INVESTMENTS**

Investments with fixed or determinable payments and fixed maturity, which the Foundation has the positive intent and ability to hold to maturity, are carried at amortised cost, using the effective interest rate method less impairment losses, if so determined.

### **3.8 CASH AND CASH EQUIVALENTS**

Cash in hand and in banks is carried in the statement of financial position at cost. Cash and cash equivalents for the purpose of statement of cash flows comprise of cash and bank balances and short term investments, with a maturity period of less than three months.

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### 3.9 Revenue recognition

#### (i) Unrestricted grant

Grants received without any conditions are recognized as income during the year of receipt.

#### (ii) Restricted grant

Grants received to undertake the welfare activities are initially recognised as restricted grant and are recognised as income over the period in which the Foundation recognizes the related costs for which grants are intended to compensate.

#### (iii) Deferred grant

Grants received for procurement of assets are initially recorded as deferred grants in the statement of the financial position. Subsequently, these are recognized as income on a systematic basis over periods necessary to match them with the carrying value of the related assets.

#### (iv) Interest Income

Profit on 'investments at amortised cost' and bank deposits are recognised on time proportion basis by reference to the principal outstanding and the applicable rate of return.

(v) Free of cost facilities provided by the Company are not valued and accordingly, are not recognized in the financial statements as income of the Foundation.

### 3.10 Impairment

#### Financial assets

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of estimated cash flows discounted at the original effective interest rate.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in income and expenditure account.

#### Non-financial assets

The carrying amount of the Foundation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in the income and expenditure account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### 4. ENDOWMENT FUND

This represents the amount contributed by the Company and endowed upon Trustees of the Foundation upon registration of the Foundation as per the trust deed of the Foundation.

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5 PROPERTY AND EQUIPMENT

2022  
2021  
Restated  
(Rupees in thousand)

Year ended December 31

	Note	2022	2021 Restated
Capital work in progress	5.1	-	-
Fixed assets	5.2	-	-
		<u>-</u>	<u>-</u>

5.1 Capital work in progress

Balance at the start of the year	-	36,501,838
Additions during the year	-	55,954,047
Disposals during the year	-	(92,455,885)
	-	<u>-</u>

5.2 Fixed assets

	Vehicles	Furniture and Fixtures	Computer Accessories	Electrical, Gas and Office Equipment	Machinery	Land Improvements	Total
<b>As at December 31, 2020 - as previously reported</b>	120,800	16,200	260,227	295,969	-	-	693,196
<b>At January 01, 2021</b>							
Cost	151,000	18,000	390,320	348,200	-	-	907,520
Accumulated depreciation	(30,200)	(1,800)	(130,093)	(52,231)	-	-	(214,324)
Net book value	120,800	16,200	260,227	295,969	-	-	693,196
<b>Year ended December 31, 2021</b>							
Opening Net Book Value	120,800	16,200	260,227	295,969	-	-	693,196
Additions	-	11,383,210	505,463	696,150	2,491,358	1,779,882	16,856,063
Disposals / writeoff							
Cost	(151,000)	(11,401,210)	(895,783)	(1,044,350)	(2,491,358)	(1,779,882)	(17,763,583)
Depreciation	60,400	1,141,921	428,657	208,884	124,568	177,988	2,142,418
	(90,600)	(10,259,289)	(467,126)	(835,467)	(2,366,790)	(1,601,894)	15,621,166
Depreciation charge	(30,200)	(1,140,121)	(298,564)	(156,653)	(124,568)	(177,988)	(1,928,094)
Closing net book value	-	-	-	-	-	-	-
<b>As at December 31, 2021</b>							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-
<b>Year ended December 31, 2022</b>							
Opening Net Book Value	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals / writeoff							
Cost	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Depreciation charge	-	-	-	-	-	-	-
Closing net book value	-	-	-	-	-	-	-
<b>As at December 31, 2022</b>							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-
<b>Annual rate of depreciation %</b>	20	10	33.3	15	5	10	

5.2.1 The aforesaid represent the assets purchased / created for FACE project and were donated to FACE.

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Donor	Project Name
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Fauji Fertilizer Company

Sona Welfare Society, Mirpur Mathelo	
Hazrat Bial Trust Hospital, Goh Machhi	
Foundation University Islamabad	
Al Mujtaba Education Trust, Rawalpindi	
School Adoption Program, Goh Machhi	
Agriculture Value Chain Project, Lahore	
Sona Ward of Farmer Scholarship	
Construction of classrooms with verandah at school in Ahmedpur Lamma	
Sona annual golf tournament	
Donation for Sports (Hockey, Football, Volleyball, Kabaddi, Dangaji Etc.) Goh Machhi	
Financial assistance on humanitarian grounds to individual	
Medical assistance program for local population, Goh Machhi	
Tree Plantation Drive	
CSR Health Support	
Liaquat National Hospital	
Establishment of women vocational training center, Goh Machhi	
Relaying of floor of science lab of Government Girl Higher Secondary School, Old Sadqabad	
Construction of left over road Basti Khali To Goh Machhi	
Community welfare, Ahmed Pur Lamma, Goh Machhi	
Community Uplift Program - Mirpur Mathelo	
Community Uplift Program - Goh Machhi	
Ment Scholarship program, Goh Machhi	
Development of Ahmed Pur Lamma Family Park	
Miscellaneous welfare activities	
Stipend to Mr. Syed Hassan Ali Jafar (Yr1 of 2 1/2)	
Scholarship to children of deceased employee - matrie	
Community Uplift Program	
Construction of Low Cost House for Earthquake Affectedes	
Donation for Mass Awareness against Drug Abuse	
Contribution for CSR Events	
Upgradation and Renovation of APL Hospital	
Participation fee UN Leaders Summit	
Annual Fundraiser - Mirpur Mathelo	
Construction of 3 classrooms with verandah and furniture in Govt elementary school basti Khali	
Provision of Notebooks and Stationery to Students of School in the vicinity of Plant site	
Medical assistance program	
Clean and green tree plantation - Both Side of National Highway	
Pink October	
Tree Plantation drive -FCCEL Jhampir	
Construction of Class Rooms Primary School -Goh Machhi	
Equipment for THQ Hospital Sadqabad	
Water Filtration Plants	
Public Relations Funds	
Education and Health Measures-Fauji Foundation	
Donation received for undertaking public welfare and related projects.(General Activities) note 5.1	

Balance as at January 01, 2022 (Restated)	Received during the year	Inter project transfers	Transferred to Income and Expense	Transferred to Deferred Grant	Transferred to FACE	Balance
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Notes 10

-	50,910,000	-	(43,910,000)	-	-	7,000,000
96,313	4,000,000	-	(4,000,000)	-	-	96,313
546,601	7,540,000	-	-	-	-	569,688
3,506,000	5,000,000	-	(7,516,913)	-	-	3,506,000
7,614,050	1,000,000	-	(3,570,998)	-	-	9,043,052
1,000,000	1,500,000	-	(1,500,000)	-	-	1,000,000
335,000	1,500,000	-	(770,000)	-	-	1,065,000
14,000	-	-	14,000	-	-	14,000
164,683	-	-	164,683	-	-	164,683
1,638,000	-	-	-	-	-	1,638,000
1,000,000	-	-	-	-	-	1,000,000
250,000	-	-	-	-	-	250,000
163,494	-	-	-	-	-	163,494
2,236	-	-	-	-	-	2,236
470,600	-	-	-	-	-	470,600
2,000,000	-	-	-	-	-	2,000,000
8,840,000	-	-	-	-	-	8,840,000
10,000,000	-	-	-	-	-	10,000,000
890,000	750,000	-	(615,000)	-	-	1,025,000
4,000,000	5,000,000	-	(4,755,521)	-	-	4,000,000
1,581,747	720,000	-	(480,000)	-	-	1,826,226
16,060	30,000	-	(30,000)	-	-	240,000
8,000,000	-	-	(8,000,000)	-	-	16,060
3,000,000	-	-	-	-	-	3,000,000
100,247	-	-	-	-	-	100,247
550,000	-	-	-	-	-	550,000
334,070	-	-	-	-	-	334,070
210,978	-	-	-	-	-	210,978
577,920	500,000	-	(491,775)	-	-	586,145
2,800,000	2,800,000	-	(2,813,200)	-	-	186,800
2,100,000	2,100,000	-	(1,948,840)	-	-	151,160
2,500,000	2,500,000	-	(2,499,483)	-	-	517
2,500,000	2,500,000	-	(2,480,751)	-	-	19,249
6,000,000	6,000,000	-	(5,999,826)	-	-	174
200,000	200,000	-	(185,000)	-	-	15,000
269,000,000	269,000,000	-	(269,000,000)	-	-	250,564,253
22,633,941	254,949,382	-	(26,999,070)	-	-	309,668,945
79,335,940	617,489,382	-	(387,366,377)	-	-	

FFC Energy Limited

Technical Training Centre Jhampir  
Yaum-e-Shahada Ceremony  
Others

Mira Pakistan

Technical Training Centre Jhampir

Return on Donors Fund

2021 (Restated)  
Sona Welfare Foundation  
Food Security and Agriculture Centre of Excellence, Ahmedpur Lamma (the Project)

235,698	40,740,000	(20,000)	-	-	-	215,698
185,522	40,740,000	(20,000)	(40,740,000)	-	-	185,522
421,220	40,740,000	(20,000)	(40,740,000)	-	-	401,220
618,118	223,380	-	-	-	-	1,041,498
818,118	223,380	-	-	-	-	1,041,498
11,196,144	16,790,400	20,000	(10,426,450)	-	-	17,560,094
11,196,144	16,790,400	20,000	(10,426,450)	-	-	17,560,094
91,971,422	675,253,162	-	(438,532,827)	-	-	328,691,757
99,844,251	109,628,083	-	(117,500,912)	-	-	91,971,422
43,540,082	98,315,755	-	(6,421,530)	-	-	63,624,197
143,384,333	207,943,838	-	(122,922,442)	-	-	91,971,422

This includes an amount of Rs. 1,842,689 (2021 1,063,374) utilised to meet general and administrative expenses of the foundation upon approval of the Trustees of the Foundation

	Note	2022 Rupees	2021 Restated Rupees
<b>7 DEFERRED GRANT</b>			
Capital expenditure	7.1	-	-
<b>7.1 Grant for capital expenditure</b>			
<b><u>As at January 1</u></b>			
Cost		-	37,409,358
Accumulated Amortization		-	(214,324)
			<u>37,195,034</u>
Opening book value		-	37,195,034
Transferred from restricted fund		-	72,810,110
Amortization charge/ Grant Income recognised for the year		-	(1,928,094)
Deferred grant transferred to FACE		-	(108,077,050)
			<u>-</u>
<b><u>As at December 31</u></b>			
Cost		-	-
Accumulated Amortization		-	-
			<u>-</u>
<b>8 ACCRUED AND OTHER LIABILITIES</b>			
Audit fee		1,350,000	850,000
Payable to FACE	8.1	-	44,413,438
Retention money		-	113,097
Consultancy and professional charges		780,275	-
Others		182,999	857,603
		<u>2,313,274</u>	<u>46,234,138</u>
<b>8.1</b>	This includes bank balance of Nil (2021: Rs. 42,134,003) payable to FACE upon opening of their bank account.		
	Note	2022 Rupees	2021 Rupees
<b>9 CONTINGENCIES AND COMMITMENTS</b>			
<b>9.1</b>	There are no known contingencies at the year end (2021: Nil).		
<b>9.2</b>		<u>309,668,945</u>	<u>100,255,342</u>
<b>10 ADVANCES AND OTHER RECEIVABLES</b>			
Advance Income Tax	10.1	18,365,182	15,846,622
Advance to vendors		34,715,015	654,000
Advance for welfare activities		76,230,000	27,000,711
Receivable From FACE		9,999	-
Due from Fauji Fertilizer Company Limited		-	20,000
		<u>129,320,196</u>	<u>43,521,333</u>
<b>10.1</b>	This represents advance income tax suffered by the Foundation on bank deposits in savings accounts with scheduled banks.		

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	Note	2022 Rupees	2021 Rupees
<b>11 BANK BALANCES</b>			
Cash in hand		-	75,000
Local currency current account		-	636,765
Local currency saving accounts	11.1&11.2	211,684,835	103,972,462
		<u>211,684,835</u>	<u>104,684,227</u>
11.1 These carry interest rate of 8.80% - 14.50% (2021: 6.15% - 12.40%) per annum.			
11.2 This includes bank balance of Nil (2021: Rs. 42,134,003) payable to FACE upon opening of their bank account.			
		<b>2022</b>	<b>2021</b>
			<b>Restated</b>
			<b>Rupees</b>
<b>12 WELFARE EXPENSES</b>			
<b>Through restricted grant</b>			
<b>Financial assistance to :</b>			
Fauji Foundation, for			
- Yaum-e-Shahuda Ceremony		40,740,000	19,720,000
- Education and Health Measures		269,000,000	
Sona Welfare Society, Mirpur Mathelo		43,910,000	34,260,000
Akhuwat Foundation Lahore		8,000,000	-
Hazrat Bilal Trust, Goth Machhi		4,000,000	4,000,000
Foundation University Islamabad			
Al Mujtaba Education Trust, Rawalpindi		-	2,750,000
Shaukat Khanum memorial Trust		-	2,260,000
		<u>365,650,000</u>	<u>62,990,000</u>
<b>Activity support for :</b>			
School Adoption Program, Goth Machhi		7,516,913	6,445,630
Agriculture Value Chain Project, Lahore			
Sona Ward of Farmer Scholarship		3,570,998	4,156,356
Upgradation & Renovation of APL Hospital		-	2,899,753
Technical Training Centre - Jhampir		-	1,067,370
Annual Golf Tournament, Goth Machhi		1,500,000	1,500,000
Sponsors for Sports event (Hockey, Football, Volleyball, Kabaddi, Dangal etc), Goth Machhi		770,000	1,550,000
Financial assistance on humanitarian Grounds to individuals			
Merit Scholarship program, Goth Machhi		615,000	699,000
Scholarship to children of deceased employee - Matric		30,000	29,120
Tree plantation, Goth Machhi		-	1,300,000
Repair of road Chak Amral District Rawalpindi			1,000,000
Pink October Programme		2,613,200	-
Tree Plantation drive -FFCEL Jhampir		1,948,840	-
Construction of Class Rooms Primary School - Goth Machhi		2,499,483	-
Equipment for THQ Hospital Sadiqabad		2,480,751	-
Water filtration Plants		5,999,826	-
Clean and green tree plantation - Both Side of National Highway		491,775	1,422,080
Miscellaneous welfare activities		5,420,521	14,851,549
Financial assistance on humanitarian grounds		4,142,344	7,578,149
Bait Ul Sukoon Trust		500,000	-
Annual Funfair - 2021, Goth Machhi		1,500,000	1,500,000
Annual Funfair - 2021, Mirpur Mathelo		1,500,000	1,500,000
Construction of Mosque in Gujranwal Headquarter 30 Corps		10,000,000	-
FFC Flood Relief Rehabilitation - Goth Machhi		3,999,070	-
FFC Flood Relief Rehabilitation - Mirpur Mathelo		10,000,000	-
Mass Awareness Campaign		-	159,020
FACE building inauguration ceremony		-	489,511
Shaukat Khanum Memorial Trust		-	2,300,000
Education School for Girls Mudrassa Al Binnat		-	2,000,000
Special Olympics Pakistan		-	1,000,000
Al Mujtaba Education Trust, Rawalpindi		2,000,000	-
Tree Plantation Drive - HO		654,000	-
Establishment of Ladies Vocational Centre-FFCEL Jhampir		687,417	-
Diplomatic Conference - Beacon House		100,000	-
Insaf Welfare Organization		500,000	-
		<u>35,582,831</u>	<u>16,526,680</u>
		<u>436,690,138</u>	<u>116,437,538</u>

*Signature*



**12.1** Activities of the Foundation are undertaken under the supervision of the Board of Trustees for the benefit and welfare of the community in general and specifically to encourage, assist and support the cause of education, teaching, research, science, medicine, healthcare, arts culture, human resource development, training and instruction, alleviation of poverty, human suffering, illiteracy and the advancement of any other object of general public utility and corporate social responsibility.

		<b>2022</b>	2021
		<b>Rupees</b>	Rupees
<b>13</b>	<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
	Consultancy and professional charges	911,160	58,000
	Auditors' remuneration	500,000	450,000
	Printing, stationary and office supplies	24,032	16,150
	Bank charges	-	3,248
	Project audit fee - FACE	-	400,000
	Cost of Air Tickets and Hotel charges	34,746	-
	Punjab Sales tax on Services	340,386	-
	Registration fee of SWF with Punjab Charity Commission	10,000	-
	Miscellaneous expenses	22,365	135,976
		<u>1,842,689</u>	<u>1,063,374</u>
<b>14</b>	<b>DISCONTINUED OPERATIONS</b>		
<b>14.1</b>	<b>Financial Performance</b>		
	Grant income recognized through restricted grant	-	5,421,530
	Grant income recognized through deferred grant	8	1,928,094
		-	7,349,624
	Welfare expenses	-	(5,421,530)
	Depreciation	5.2	(1,928,094)
		-	(7,349,624)
	<b>Surplus for the year</b>	-	-
	Other comprehensive income for the year	-	-
	Total comprehensive income for the year	<u>-</u>	<u>-</u>
<b>14.2</b>	<b>Cash Flow Information</b>		
	Net cash flows from operating activities	-	92,894,225
	Net cash flows from investing activities	-	(72,810,110)
	Net cash flows from financing activities	-	-
<b>15</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and Bank balances	211,684,835	104,684,227
		<u>211,684,835</u>	<u>104,684,227</u>
<b>16</b>	<b>FINANCIAL INSTRUMENTS</b>		
		<b>Amortized cost</b>	<b>Total</b>
		<b>2022</b>	<b>2021</b>
		<b>Rupees</b>	<b>Rupees</b>
	Financial assets		
	Cash and bank balances	<u>211,684,835</u>	<u>104,684,227</u>
	Financial liabilities		
	Accrued and other liabilities	<u>632,997</u>	<u>4,100,135</u>

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## 17 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of trustees, key management personnel, entities under common directorship, group entities of the company and entity with significant influence over the Foundation. Transactions with related party are as follows:

	2022 Rupees	2021 Rupees
<b>Entity with significant influence over the Foundation - Fauji Fertilizer Company Ltd</b>		
Grants received during the year	617,499,382	194,000,878
Reimbursement of operational expense	200,000	240,000
Due from the Company	-	20,000
<b>Fauji Foundation</b>		
Donations paid during the year to Fauji Foundation	309,740,000	19,720,000
<b>Sona Welfare Society-Mirpur Mathelo</b>		
Donations paid during the year to Sona Welfare Society	109,410,000	35,060,000
<b>FFC Energy Limited</b>		
Donations received during the year	40,740,000	
Reimbursement of operational expenses to FFCEL	-	159,070
<b>Askari Bank Limited</b>		
Donations received during the year	1,200,000	-

## 18 PRIOR YEAR ADJUSTEMENTS

Foundation was supporting the initiative Food Security and Agriculture Center of Excellence (FACE) project and had been making regular contributions. On August 25, 2021 FACE obtained approval as a separate legal entity and consequent thereto decided to recognize assets created out of the donations made by the Foundation. Given the foregoing, the Foundation has aligned its books to reflect the treatment adopted by FACE upon legal incorporation which in essence corresponds with the support extended to FACE project by the Foundation in prior years. In view of the foregoing, the spendings of capital nature by FACE project, which were previously recognized as an expense are now capitalized as Property, plant and equipment and thereafter transferred to the newly incorporated FACE entity with the corresponding deferred grant as required under the requirements of IFRS for SME Standards. The above accounting treatment is identified as prior year adjustments and the financial statements are modified respectively.

The effect of restatements is summarized below:

	As presented	Impact of restatement (Rupees)	Restated
<b>Statement of Financial Position</b>			
<b>As at December 31, 2020</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	-	37,195,034	37,195,034
<b>NON-CURRENT LIABILITIES</b>			
Deferred Grant	-	37,195,034	37,195,034
<b>Net impact</b>		<u><u>-</u></u>	
<b>Statement of Comprehensive Income</b>			
<b>For the year ended December 31, 2021</b>			
Capital expenditure transferred to deferred grant	-	(72,810,110)	-
Expenses related to FACE - reversed	-	(31,206,623)	-
Grant income recognized through restricted grant	221,517,645	(104,016,733)	117,500,912
Welfare expenses	(220,454,271)	104,016,733	(116,437,538)
<b>Discontinued operations</b>			
Grant income recognized through restricted grant	-	5,421,530	5,421,530
Grant income recognized through deferred grant - before incorporation of FACE	-	1,928,094	1,928,094
Welfare expenses-before incorporation of FACE	-	(5,421,530)	(5,421,530)
Depreciation - before incorporation of FACE	-	(1,928,094)	(1,928,094)
<b>Net impact</b>		<u><u>-</u></u>	

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	As presented	Impact of restatement (Rupees)	Restated
<b>Statement of Cashflows</b>			
<b>For the year ended December 31, 2021</b>			
<b>Cashflows from operating activities</b>			
Grant received during the year	212,238,737	(102,610,654)	109,628,083
Payment for welfare, administrative and general expenses	(218,889,868)	104,016,733	(114,873,135)
Payments for FACE expenses	-	(21,490,194)	(21,490,194)
Discontinued operations	-	92,894,225	92,894,225
<b>Cashflows from investing activities</b>			
Discontinued operations	-	(72,810,110)	(72,810,110)
<b>Net impact</b>		<u>-</u>	

**19 GENERAL**

19.1 Figures have been rounded off to the nearest Rupee.

19.2 Prior year figures have been rearranged or reclassified wherever necessary.

**20 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were approved by the Board of Trustees of the Foundation on

*SARFARAZ*

  
Trustee  
BRIG MUHAMMAD ARIF (RETD)  
CHIEF OPERATION OFFICER

  
Trustee  
SARFARAZ AHMED REHMAN  
CHAIRMAN