

**AL-UMEED REHABILITATION ASSOCIATION
FOR CEREBRAL PALSY**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2022**

The Treasurer
Al-Umeed Rehabilitation
Association for Cerebral Palsy
Street No. 2, Block No. 3
KDA Scheme 36, Gulistan-e-Jauhar
Karachi

April 13, 2023

ASR 4425

Dear Sir

We are pleased to return two copies of the financial statements of Al-Umeed Rehabilitation Association for Cerebral Palsy for the year ended June 30, 2022 alongwith our audit report thereon duly signed.

Yours truly

A Ferguson & Co
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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF AL-UMEED REHABILITATION
ASSOCIATION FOR CEREBRAL PALSY****Opinion**

We have audited the financial statements of Al-Umeed Rehabilitation Association for Cerebral Palsy (the Association), which comprise the statement of financial position as at June 30, 2022, and the statement of income and expenditure and other comprehensive income, the statement of changes in net assets and the 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 the Association as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for 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 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 and Those Charged with Governance for the Financial Statements

The 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.

Those charged with governance i.e., the Trustees of the Association 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 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 trustees 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 Junaid Mesia.


A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: April 13, 2023

UDIN: AR202210611nqEyGFifr

**AL-UUMEED REHABILITATION ASSOCIATION
FOR CEREBRAL PALSY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022**

As at June 30,

2022

2021

Note -----Rupees-----

ASSETS

NON-CURRENT ASSETS

| | | | |
|------------------------|---|------------|------------|
| Property and equipment | 6 | 13,403,822 | 15,244,245 |
| Long-term investments | 7 | 36,102,843 | - |
| Long-term deposits | 8 | 175,000 | 175,000 |
| | | 49,681,665 | 15,419,245 |

CURRENT ASSETS

| | | | |
|----------------------------------|----|-------------|------------|
| Short-term investments | 9 | 30,250,990 | 67,130,523 |
| Accrued return | 10 | 1,036,803 | 336,287 |
| Tuition and other fee receivable | | - | 549,800 |
| Advances and prepayments | 11 | 1,116,246 | 1,124,667 |
| Cash and bank balances | 12 | 18,033,913 | 8,622,013 |
| | | 50,437,952 | 77,763,290 |
| | | 100,119,617 | 93,182,535 |

TOTAL ASSETS

CURRENT LIABILITIES

| | | | |
|--|----|-------------------|-------------------|
| Accrued expenses and other liabilities | 13 | 1,343,768 | 46,093 |
| | | 98,775,849 | 93,136,442 |

NET ASSETS

FINANCED BY:

| | | | |
|-----------------------------|----|-------------------|-------------------|
| General fund - Unrestricted | 14 | 40,187,859 | 39,330,484 |
| Endowment fund - Restricted | 15 | 58,587,990 | 53,805,958 |
| | | 98,775,849 | 93,136,442 |

The annexed notes 1 to 23 form an integral part of these financial statements.

Afzal

Abbas

President

Dawn

General Secretary

S. T. Tariq

Treasurer

**AL-UUMEED REHABILITATION ASSOCIATION
FOR CEREBRAL PALSY
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022**

| | Note | 2022 | 2021 |
|--|------|-------------------|--------------------|
| | | Rupees----- | |
| INCOME | | | |
| Donations | | 5,345,142 | 2,043,568 |
| Donations in kind | | 83,046 | 122,876 |
| Zakat receipts | | 4,956,569 | 3,783,129 |
| Sponsorship | | 2,569,659 | 2,684,577 |
| Tuition and other fee | 16 | 2,103,000 | 1,412,800 |
| Investment income | 17 | 5,831,237 | 4,473,230 |
| Exchange gain / (loss) on foreign currency account | | 402,655 | (91,135) |
| Liability no longer payable written back | | - | 35,631 |
| Other income | | 27,250 | 13,400 |
| | | <u>21,318,558</u> | <u>14,478,076</u> |
| EXPENDITURE | | | |
| Rehabilitation and education program | 18 | 17,075,277 | 15,871,954 |
| Program administration | 19 | 3,385,906 | 2,327,580 |
| | | <u>20,461,183</u> | <u>18,199,534</u> |
| Taxation | | - | - |
| Surplus / (deficit) of income over expenditure for the year | | <u>857,375</u> | <u>(3,721,458)</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income / (loss) | | <u>857,375</u> | <u>(3,721,458)</u> |

The annexed notes 1 to 23 form an integral part of these financial statements.

Affid

Kasra

Ramzi

S. T. Tariq

President

General Secretary

Treasurer

**AL-UUMEED REHABILITATION ASSOCIATION
FOR CEREBRAL PALSY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022**

| | General Fund - Unrestricted | Endowment Fund - restricted | Total |
|---|--|--|-------------------|
| | Rupees----- | | |
| Balance as at July 1, 2020 | 43,051,942 | 44,832,397 | 87,884,339 |
| Contribution received during the year (note 15) | - | 8,973,561 | 8,973,561 |
| Deficit of income over expenditure for the year | (3,721,458) | - | (3,721,458) |
| Balance as at June 30, 2021 | 39,330,484 | 53,805,958 | 93,136,442 |
| Contribution received during the year (note 15) | - | 4,782,032 | 4,782,032 |
| Surplus of income over expenditure for the year | 857,375 | - | 857,375 |
| Balance as at June 30, 2022 | 40,187,859 | 58,587,990 | 98,775,849 |

The annexed notes 1 to 23 form an integral part of these financial statements.

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Hasan

President

Ramz

General Secretary

S.T. Tariq

Treasurer

**AL-UUMEED REHABILITATION ASSOCIATION
FOR CEREBRAL PALSY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. LEGAL FORM AND NATURE OF ACTIVITIES

1.1 Al-Umeed Rehabilitation Association for Cerebral Palsy (the Association) is a non-profit, non-governmental organization (NGO) registered in 1989, under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961. Its main objective is the treatment, welfare and rehabilitation of physically disabled children especially children suffering from cerebral palsy. The Association is presently engaged in providing school facilities to children suffering from cerebral palsy. Its activities also include providing medical therapy to special children.

The status of the Association as a non-profit organisation has been approved by the Commissioner of Income tax under clause (c) of sub section 36 of section 2 of the Income Tax Ordinance, 2001 read with rules 212 and 214 of the Income Tax Rules, 2002 through an Order dated July 14, 2020.

The registered office of the Association is situated at Street no. 2, Block 3, KDA Scheme 36, Gulistan-e-Jauhar, Karachi.

2. BASIS OF PREPARATION AND 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:

- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan; and
- Revised Accounting and Financial Reporting Standard for Small-Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan.

Where provisions of Revised AFRS for SSEs differ from the requirements of Accounting Standards for NPOs, the provisions of Revised AFRS for SSEs have been followed.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as otherwise stated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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4.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Assets having cost exceeding the minimum threshold of Rs 5,000 (Rupees five thousand) are capitalised and asset received in donation qualifying to be capitalised are recorded at fair value. All other costs are charged to statement of income and expenditure in the year in which they are incurred.

Depreciation on operating assets is charged to the statement income and expenditure using the reducing balance method at the rates stated in note 6. Depreciation is charged from the month of additions during the year and no depreciation is charged in the month of disposal.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the statement of income and expenditure.

Maintenance and normal repairs are charged to statement of income and expenditure in the year in which they are incurred. Major renewals and improvements, if any, are capitalised and depreciated in a manner that represents the consumption pattern.

The assets annual rate of depreciation are continually reviewed by the Association and adjusted if impact on depreciation is significant.

The carrying values of property and equipment are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit is written down to its recoverable amount. The recoverable amount of property and equipment is the greater of fair value less cost to sell and value in use.

4.2 Taxation

The Association is allowed a tax credit equal to 100% of the tax payable including minimum and final taxes under Section 100C of the Income Tax Ordinance, 2001 on fulfillment of the conditions mentioned therein. Consequently, no provisions for taxation has been made in these financial statements.

4.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand and deposits held with banks.

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4.4 Income

Unrestricted contributions are recognised as income in the current period. Since unrestricted contributions are for use at the Association's discretion, they are available to fund operations of current and future periods as required. This increase in economic resources is recognised when it occurs, by reporting such contributions as income of the current period.

Restricted contributions, related to expenses of future periods, are deferred and recognised as income in the period in which the related expenses are incurred.

Donations are recognised as and when received.

Donations received in kind which meet the capitalisation limit are recognised as deferal income and amortised over the useful life of asset from the date the asset is available for its intended use. Donations received in kind which are below the capilatisation limit are recognised as income for the year.

Tuition fee is recognised on a receipt basis.

Admission fee, assessment fee, membership fee and other fees is recognised when services have been rendered. Any fee received in advance is recorded as unearned revenue and credited to income and expenditure on time proportion basis, as and when earned.

Investment income from restricted funds that is not externally restricted is recognised in the statement of income and expenditure.

Dividend income is recognised when the right to receive dividend is established.

Return on Pakistan Investment Bond is recognise using the effective yield basis.

Income on deposit account, term deposit receipts and treasury bills are recognised on the time proportion basis taking into account the effective yield.

4.5 Foreign currency transactions

Foreign currency transactions are recognised or accounted for into Pakistan Rupees using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing on the reporting date. Exchange gain / loss on foreign currency translations are currently included in the statement of income and expenditure.

4.6 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional currency of the Association.

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4.7 Financial assets

- Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Fair value through profit or loss

A financial asset is measured at fair value through profit or loss if it is not measured at amortised cost or at fair value through other comprehensive income.

All financial assets are recognised at the time when the Association becomes a party to the contractual provisions of the instrument. Financial assets at amortised cost are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in the statement of income and expenditure. Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income. Financial assets carried at FVPL are initially recognised at fair value and transaction costs are expensed in the statement of income and expenditure. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVPL are included in the statement of income and expenditure and in the period in which they arise.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of income and expenditure.

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Impairment of financial assets

The Association assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and fair value recognised in other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Association applies the simplified approach to recognise lifetime expected credit losses for trade receivables while general 3-stage approach for long term loans, deposits, other receivables, bank balances, etc i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

4.8 Endowment fund - Restricted

The Association uses deferral method of accounting for the purpose of the Endowment fund. The deferral method is a method of accounting for restricted contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Endowment contributions are reported as direct increases in net assets (i.e. they are not recognized as revenue as they must be maintained permanently).

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of the Association's accounting policies and the reported amounts of assets, liabilities, income and expenditure.

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 judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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6. PROPERTY AND EQUIPMENT

6.1 Operating assets

The following is the statement of operating fixed assets:

| | Leasehold land | Building on leasehold land | Leasehold - improvements | Equipment - generators | Equipment - electrical | Equipment - computers and peripherals | Equipment - lift / elevator | Equipment - wheel chairs | Equipment - clinical | Equipment - tools | Equipment - others | Furniture and fixtures | Motor vehicles | A/C power conditioner | Total |
|--|----------------|----------------------------|--------------------------|------------------------|------------------------|---------------------------------------|-----------------------------|--------------------------|----------------------|-------------------|--------------------|------------------------|----------------|-----------------------|------------|
| | Rupees..... | | | | | | | | | | | | | | |
| As at July 1, 2020 | | | | | | | | | | | | | | | |
| Cost | 466,666 | 30,936,638 | 1,574,020 | 1,544,550 | 1,312,995 | 141,722 | 1,725,000 | 419,400 | 624,181 | 54,180 | 2,100 | 50,500 | 19,420,360 | 443,146 | 58,715,458 |
| Accumulated depreciation | - | 24,204,422 | 490,506 | 1,250,557 | 296,139 | 69,596 | 1,486,086 | 267,707 | 280,627 | 26,728 | 1,100 | 23,600 | 12,309,183 | 381,770 | 41,088,021 |
| Net book value | 466,666 | 6,732,216 | 1,083,514 | 293,993 | 1,016,856 | 72,126 | 238,914 | 151,693 | 343,554 | 27,452 | 1,000 | 26,900 | 7,111,177 | 61,376 | 17,627,437 |
| Year ended June 30, 2021 | | | | | | | | | | | | | | | |
| Net book value as at July 1, 2020 | 466,666 | 6,732,216 | 1,083,514 | 293,993 | 1,016,856 | 72,126 | 238,914 | 151,693 | 343,554 | 27,452 | 1,000 | 26,900 | 7,111,177 | 61,376 | 17,627,437 |
| Additions during the year | - | - | - | - | - | 74,000 | 52,500 | - | - | 20,000 | 5,000 | - | - | - | 126,500 |
| - Purchased | - | - | - | - | - | - | 74,000 | 52,500 | - | 20,000 | 5,000 | - | - | - | 25,000 |
| - Received in donation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 151,500 |
| Depreciation charge for the year (note 18 & 19) - restated | - | 673,222 | 108,351 | 44,099 | 152,528 | 21,638 | 23,891 | 22,754 | 51,533 | 4,118 | 150 | 4,035 | 1,422,235 | 6,138 | 2,534,692 |
| Net book value as at June 30, 2021 | 466,666 | 6,058,994 | 975,163 | 249,894 | 938,328 | 102,988 | 215,023 | 148,939 | 297,021 | 23,334 | 850 | 22,865 | 5,688,942 | 55,238 | 15,244,245 |
| As at July 1, 2021 | | | | | | | | | | | | | | | |
| Cost | 466,666 | 30,936,638 | 1,574,020 | 1,544,550 | 1,386,995 | 194,222 | 1,725,000 | 439,400 | 629,181 | 54,180 | 2,100 | 50,500 | 19,420,360 | 443,146 | 58,866,958 |
| Accumulated depreciation | - | 24,877,644 | 598,857 | 1,294,656 | 448,667 | 91,234 | 1,509,977 | 290,461 | 332,160 | 30,846 | 1,250 | 27,635 | 13,731,418 | 387,908 | 43,622,713 |
| Net book value | 466,666 | 6,058,994 | 975,163 | 249,894 | 938,328 | 102,988 | 215,023 | 148,939 | 297,021 | 23,334 | 850 | 22,865 | 5,688,942 | 55,238 | 15,244,245 |
| Year ended June 30, 2022 | | | | | | | | | | | | | | | |
| Net book value as at July 1, 2021 | 466,666 | 6,058,994 | 975,163 | 249,894 | 938,328 | 102,988 | 215,023 | 148,939 | 297,021 | 23,334 | 850 | 22,865 | 5,688,942 | 55,238 | 15,244,245 |
| Additions during the year | - | - | 313,500 | - | - | - | - | - | - | - | - | - | - | - | 313,500 |
| Depreciation charge for the year (note 18 & 19) | - | 605,900 | 100,129 | 37,484 | 140,749 | 30,896 | 21,502 | 22,341 | 44,553 | 3,500 | 127 | 3,430 | 1,137,788 | 5,524 | 2,153,923 |
| Net book value as at June 30, 2022 | 466,666 | 5,453,094 | 1,188,534 | 212,410 | 797,579 | 72,092 | 193,521 | 126,598 | 252,468 | 19,834 | 723 | 19,435 | 4,551,154 | 49,714 | 13,403,822 |
| As at June 30, 2022 | | | | | | | | | | | | | | | |
| Cost | 466,666 | 30,936,638 | 1,887,520 | 1,544,550 | 1,386,995 | 194,222 | 1,725,000 | 439,400 | 629,181 | 54,180 | 2,100 | 50,500 | 19,420,360 | 443,146 | 59,180,458 |
| Accumulated depreciation | - | 25,483,544 | 698,986 | 1,332,140 | 589,416 | 122,130 | 1,531,479 | 312,802 | 376,713 | 34,346 | 1,377 | 31,065 | 14,869,206 | 393,432 | 45,776,636 |
| Net book value | 466,666 | 5,453,094 | 1,188,534 | 212,410 | 797,579 | 72,092 | 193,521 | 126,598 | 252,468 | 19,834 | 723 | 19,435 | 4,551,154 | 49,714 | 13,403,822 |
| Annual rate of depreciation (%) 2022 | - | 10% | 10% | 15% | 15% | 30% | 10% | 15% | 15% | 15% | 15% | 15% | 20% | 10% | |

11/6/24

| | | Note | 2022 | 2021 |
|------------|---|------|-------------------|-------------------|
| | | | Rupees | |
| 7. | LONG-TERM INVESTMENTS | | | |
| | At amortised cost | | | |
| | Government security - Pakistan Investment Bonds (PIBs) | 7.1 | <u>36,102,843</u> | - |
| 7.1 | This represents investment in PIBs maturing on August 5, 2024 and carrying yield of 13.955% per annum (2021: Nil). | | | |
| 7.2 | This represents investment from the resources held for the endowment fund. | | | |
| 8. | LONG-TERM DEPOSITS | | | |
| | Awami Filling Station - Pakistan State Oil (PSO) | | 150,000 | 150,000 |
| | Pak Telecom Mobile Limited - Ufone | | 5,000 | 5,000 |
| | Others | | <u>20,000</u> | <u>20,000</u> |
| | | | <u>175,000</u> | <u>175,000</u> |
| 9. | SHORT TERM INVESTMENTS | | | |
| | At amortised cost | | | |
| | Term Deposit Receipts (TDRs) | 9.1 | 9,000,000 | 67,000,000 |
| | Government securities - National Investment Trust (NIT) units | | 109,313 | 130,523 |
| | Treasury Bills (T-Bills) | 9.2 | <u>21,141,677</u> | - |
| | | | <u>30,250,990</u> | <u>67,130,523</u> |
| 9.1 | This represents investment in TDRs maturing on September 3, 2022 and carrying profit rate of 10.15% per annum (2021: ranging from 6.15% to 7.20%). | | | |
| 9.2 | This represents investment in T-Bills maturing between November 3, 2022 to March 24, 2023 and carrying profit rate ranging from 14.15% to 14.95% per annum (2021: Nil). | | | |
| 9.3 | These represent Rs 20.835 million invested from the resources held for the endowment fund. | | | |
| 10. | ACCRUED RETURN | | | |
| | | | 2022 | 2021 |
| | | | Rupees | |
| | Accrued return on TDRs and bank deposits | | 677,842 | 336,287 |
| | Accrued return on PIBs | | 101,703 | - |
| | Accrued return on T-Bills | | <u>257,258</u> | - |
| | | | <u>1,036,803</u> | <u>336,287</u> |
| 11. | ADVANCES AND PREPAYMENTS | | | |
| | Advance tax | | 855,431 | 851,051 |
| | Prepaid insurance | | <u>260,815</u> | <u>273,616</u> |
| | | | <u>1,116,246</u> | <u>1,124,667</u> |

A/H/2022

| | Note | 2022 | 2021 |
|---|---|-------------------|-------------------|
| | | Rupees | |
| 12. CASH AND BANK BALANCES | | | |
| Cash in hand | | 7,218 | 16,969 |
| Balances held with banks: | | | |
| Local currency - savings account | 12.1 & 12.2 | 16,282,987 | 7,263,991 |
| Foreign currency - current account | | 1,743,708 | 1,341,053 |
| | | 18,026,695 | 8,605,044 |
| | | 18,033,913 | 8,622,013 |
| 12.1 | Profit rate on savings account ranges from 5.75% to 10.75% (2021: 5.5%) per annum. | | |
| 12.2 | These represent Rs 1.650 million invested from the resources held for the endowment fund. | | |
| 13. ACCRUED EXPENSES AND OTHER LIABILITIES | | 2022 | 2021 |
| | | Rupees | |
| Accrued salaries and other benefits | | 904,513 | 32,760 |
| Accrued expenses | | 437,817 | 13,333 |
| Other liabilities | | 1,438 | - |
| | | 1,343,768 | 46,093 |
| 14. GENERAL FUND - UNRESTRICTED | | | |
| Balance as at July 1 | | 39,330,484 | 43,051,942 |
| Transfer from statement of income and expenditure | | 857,375 | (3,721,458) |
| | | 40,187,859 | 39,330,484 |
| 15. ENDOWMENT FUND - INTERNALLY RESTRICTED | | | |
| Balance as at July 1 | | 53,805,958 | 44,832,397 |
| Contributions made during the year | | 4,782,032 | 8,973,561 |
| | | 58,587,990 | 53,805,958 |
| 16. TUITION AND OTHER FEE | | | |
| Tuition and van fee - net | | 1,989,000 | 1,401,800 |
| Admission fee | | 90,000 | 5,000 |
| Membership fee | | 14,000 | 2,000 |
| Assessment fee | | 10,000 | 4,000 |
| | | 2,103,000 | 1,412,800 |

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| | | 2022 | 2021 |
|-------------|---|--------------------------|--------------------------|
| | | -----Rupees----- | |
| 17. | INVESTMENT INCOME | | |
| | Dividend on NIT units | 2,302 | 1,845 |
| | Return on TDRs | 4,427,089 | 4,075,795 |
| | Return on savings account | 1,064,095 | 359,629 |
| | Return on PIBs | 101,703 | - |
| | Return on T-Bills | 257,258 | - |
| | Unrealised (loss) / gain on revaluation of NIT units | (21,210) | 35,961 |
| | | <u>5,831,237</u> | <u>4,473,230</u> |
| 17.1 | The return and dividend earned from the utilisation of the endowment fund is used to finance the operations of the Association. | | |
| 18. | REHABILITATION AND EDUCATION PROGRAM | | |
| | Salaries and benefits | 9,808,221 | 11,048,332 |
| | Postage and telephone | 48,117 | 46,265 |
| | Printing and stationary | 109,540 | 20,202 |
| | Repair and maintenance | 838,845 | 172,332 |
| | Vehicle running expenses | 2,667,907 | 470,400 |
| | Electricity, fuel and gas | 433,038 | 207,626 |
| | Expenses on seminar, functions etc | 186,398 | 57,699 |
| | Insurance | 327,303 | 250,136 |
| | Stores and supplies consumed | 77,407 | 92,346 |
| | Fees and subscription | - | 315,000 |
| | Bad debt written off | 549,800 | 1,253,500 |
| | Depreciation on property and equipment | 2,028,701 | 1,938,116 |
| | | <u>17,075,277</u> | <u>15,871,954</u> |
| 19. | PROGRAM ADMINISTRATION | | |
| | Salaries and benefits | 1,694,512 | 1,356,868 |
| | Printing and stationary | 6,992 | 9,005 |
| | Repair and maintenance | 53,543 | 34,611 |
| | Vehicle running expenses | 113,100 | 40,310 |
| | Electricity, fuel and gas | 27,641 | 69,209 |
| | Expenses on seminar, functions etc | 7,437 | 19,132 |
| | Insurance | 20,892 | 83,379 |
| | Stores and supplies consumed | 1,909 | 2,212 |
| | Fees and subscription | - | 6,500 |
| | Legal and professional | 1,296,000 | 102,500 |
| | Long-term deposits written off | - | 1,000 |
| | Bank charges | 38,658 | 6,278 |
| | Depreciation on property and equipment | 125,222 | 596,576 |
| | | <u>3,385,906</u> | <u>2,327,579</u> |

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20. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of trustees of the Association, their close family members and other key management personnel. The Association consider its Trustees and Chief Operating Officer as key management personnel. Details of transactions and balances with related parties during the year, other than those which have been disclosed elsewhere in these financial statements are as follows:

| | 2022 | 2021 |
|--------------------------------------|----------------------|--------------------------|
| | ----- (Rupees) ----- | |
| With key management personnel | | |
| Salaries and benefits | 403,114 | 591,935 |
| Donations received | 120,000 | 145,000 |
| Zakat receipts | 300,500 | 20,000 |
| Sponsorship receipts | 432,000 | 432,000 |
| Name of related parties | | Relationship |
| Salaries and benefits | | |
| Syed Irshad Ali | | Key Management Personnel |
| Donations received | | |
| Dr. Ruby Abbasi | | Key Management Personnel |
| Dr. Habiba Hasan | | Key Management Personnel |
| Ms. Zubaida Channa | | Key Management Personnel |
| Ms. Munizeh Ali Habib | | Key Management Personnel |
| Zakat receipts | | |
| Ms. Yasmeen Herekar | | Key Management Personnel |
| Ms. Rasheeda Naviwala | | Key Management Personnel |
| Ms. Nasreen Fatah Hamerani | | Key Management Personnel |
| Mr. Asim Abrar | | Key Management Personnel |
| Sponsorship receipts | | |
| Dr. Ruby Abbasi | | Key Management Personnel |

21. FINANCIAL RISK MANAGEMENT

The Association's activities expose it to a certain financial risks. Such financial risks emanate from various factors that includes, but are not limited to, market risk, credit risk and liquidity risk. The Board of Trustees has overall responsibility for the establishment and oversight of Association's risk management framework. Risk management is carried out by the management under the guidance of the Association's Board of Trustees. The Board is also responsible for developing and monitoring the Association's risk management policies.

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21.1 Market risk

Market risk is the risk that changes in market price, will affect the Association's income or the value of its holdings of financial instruments. The Association is exposed to market risk in respect of the following:

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association is not exposed to such risk as of the reporting date.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association has no significant interest-bearing financial instruments, therefore, the Association's income and operating cash flows are substantially independent of changes in market interest rates.

iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). At reporting date, the Association does not have financial instruments exposed to price risk.

21.2 Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation. The Association monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying value of the financial assets which are neither past due nor impaired are as follows:

| | | 2022 | 2021 |
|------------------------------------|------------|---------------|---------------|
| | Note ----- | (Rupees)----- | (Rupees)----- |
| Long-term deposits | 8 | 175,000 | 175,000 |
| Accrued return | 10 | 1,036,803 | 336,287 |
| Local currency - savings account | 12 | 16,282,987 | 7,263,991 |
| Foreign currency - current account | 12 | 1,743,708 | 1,341,053 |

Deposits and other receivables

The Association has deposited an amount as security against credit fuel card at PSO. The management does not expect to incur material losses on amounts and consider such amount as receivable upon termination of service.

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Bank balances

Credit risk from bank deposits are managed by placing deposits with banks having sound credit ratings. The credit quality of Association's bank balances can be assessed with reference to external credit ratings as follows:

| Bank | Rating agency | Rating | |
|---------------------------------|----------------------|-------------------|------------------|
| | | Short term | Long term |
| Habib Metropolitan Bank Limited | PACRA | A1+ | AA+ |

21.3 Liquidity risk

Liquidity risk represents the risk that the Association will encounter difficulties in meeting obligations associated with financial liabilities.

The Association's liquidity management involves maintaining sufficient cash, projecting cash flows and considering the level of liquid assets necessary to meet these.

The table below analyses the Association's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

| Financial liabilities | 2022 | 2021 |
|--|--------------------------------|-----------------|
| | Maturity up to one year | (Rupees) |
| Accrued expenses and other liabilities | 1,343,768 | 46,093 |

22. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

IFRS 13, 'Fair Value Measurement' requires the Association to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Unobservable inputs for the asset or liability (level 3).

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The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

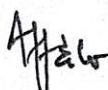
On-balance sheet financial instruments

| | Note | As at June 30, 2022 | | | | | | | | |
|--|------|---------------------|-----------------------------------|---|-----------------------------|-------------------|------------|-------------------|----------|-------------------|
| | | Amortised cost | Carrying amount | | | Total | Fair value | | | Total |
| | | | Fair value through profit or loss | Fair value through other comprehensive income | Other financial liabilities | | Level 1 | Level 2 | Level 3 | |
| Financial assets not measured at fair value | 22.1 | | | | | | | | | |
| PIBs | | 36,102,843 | - | - | - | 36,102,843 | - | 46,628,779 | - | 46,628,779 |
| Long-term deposits | | 175,000 | - | - | - | 175,000 | - | - | - | - |
| TDRs | | 9,000,000 | - | - | - | 9,000,000 | - | - | - | - |
| T-Bills | | 21,141,677 | - | - | - | 21,141,677 | - | 21,298,402 | - | 21,298,402 |
| NIT units | | 109,313 | - | - | - | 109,313 | - | - | - | - |
| Accrued Return | | 1,036,803 | - | - | - | 1,036,803 | - | - | - | - |
| Cash and bank balances | | 18,033,913 | - | - | - | 18,033,913 | - | - | - | - |
| Advances and prepayments | | 1,116,246 | - | - | - | 1,116,246 | - | - | - | - |
| | | <u>86,715,795</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>86,715,795</u> | <u>-</u> | <u>67,927,181</u> | <u>-</u> | <u>67,927,181</u> |
| Financial liabilities not measured at fair value | 22.1 | | | | | | | | | |
| Accrued expenses and other liabilities | | - | - | - | 1,343,768 | 1,343,768 | - | - | - | - |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,343,768</u> | <u>1,343,768</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

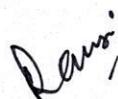
- 22.1** The Association has not disclosed the fair value for these financial assets and financial liabilities other than PIBs and T-Bills as these are either short-term in nature or re-priced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

23. GENERAL

- 23.1** These financial statements were authorised on _____ by the Board of Trustees of the Association.



President



General Secretary



Treasurer