

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**



## **Independent Auditor's Report to the "Trustees"**

### **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, 2023, and the statement of income and expenditure and other comprehensive income, the statement of changes in net assets 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 present fairly, in all material respects, the financial position of the Association as at June 30, 2023, 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 Organization 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 Organization is responsible for the preparation of financial statements in accordance with statement of Financial Position & Income and Expenditure account, on the basis of accounting described in note 1-2 to the financial statements, and for such internal control as the Association determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.





In preparing the financial statements, Management committee is responsible for assessing the Organization 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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization 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 is 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, misrepresentation, 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 Organization internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. ✓





# M. Saleem Associates

Chartered Accountant ♦ Audit Tax Advisory

- Conclude on the appropriateness of Organization use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty. Exists related to events of conditions that may cast significant doubt on the Organization 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 our auditor's report. However, future events or conditions may cause the Organization 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.

The financial statements of previous year were audited by A. F. Ferguson & Co (Chartered Accountants) on which they express an un-modified opinion.

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.



**M.SALEEM ASSOCIATES**  
**CHARTERED ACCOUNTANTS,**  
**Mr. Muhammad Saleem**  
Karachi **02 DEC 2023**  
UDIN: AR2023102890uXSeCbQB



AL-UMEED REHABILITATION ASSOCIATION  
FOR CEREBRAL PALSY  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2023

	Note	2023 ------(Rupees)-----	2022
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	7	11,690,421	13,403,822
Long-term investments	8	36,102,843	36,102,843
Long-term deposits	9	175,000	175,000
		47,968,264	49,681,665
<b>CURRENT ASSETS</b>			
Short-term investments	10	7,850,838	30,250,990
Accrued return	11	1,635,277	1,036,803
Advances and prepayments	12	1,718,275	1,116,246
Cash and bank balances	13	38,222,796	18,033,913
		49,427,186	50,437,952
<b>TOTAL ASSETS</b>		<b>97,395,450</b>	<b>100,119,617</b>
<b>FINANCED BY:</b>			
General fund - Unrestricted	14	37,674,431	40,187,859
Endowment fund - Restricted	15	59,427,990	58,587,990
		97,102,421	98,775,849
<b>CURRENT LIABILITIES</b>			
Accrued expenses and other liabilities	16	293,029	1,343,768
		<b>97,395,450</b>	<b>100,119,617</b>

The annexed notes form an integral part of these financial statements

  
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President

  
\_\_\_\_\_  
General Secretary

  
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Treasurer

AL-UMEED REHABILITATION ASSOCIATION  
FOR CEREBRAL PALSY  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE 2023

	Note	2023 ------(Rupees)-----	2022
<b>INCOME</b>			
Donations		2,724,970	5,345,142
Donations in kind		-	83,046
Zakat receipts		3,880,800	4,956,569
Sponsorship		3,938,118	2,569,659
Tuition and other fee	17	3,240,000	2,103,000
Investment income	18	9,547,575	5,831,237
Exchange gain on foreign currency account		690,716	402,655
Other income		4,700	27,250
		24,026,879	21,318,558
<b>EXPENDITURE</b>			
Rehabilitation and education program	19	23,120,547	17,075,277
Program administration	20	3,419,760	3,385,906
		26,540,307	20,461,183
(Deficit) / Surplus of expenditure over income		<b>(2,513,428)</b>	<b>857,375</b>



President



General Secretary



Treasurer

**AL-UMEED REHABILITATION ASSOCIATION  
FOR CEREBRAL PALSY  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30TH JUNE, 2023**

<i>Note</i>	2023 ----- <i>(Rupees)</i> -----	2022
<b>Cash Flows From Operating Activities</b>		
Net (Deficit) / Surplus for the year	(2,513,428)	857,375
<b>Adjustments for items not involving in movement of funds:</b>		
Depreciation on operating fixed assets	1,781,081	2,153,923
Bad debts written off	-	549,800
<b>Net cash flow before working capital changes</b>	<b>(732,347)</b>	<b>3,561,098</b>
<b>(Increase)/ decrease in current assets</b>		
Advances and prepayments	(602,029)	8,421
Accrued return	(598,474)	(700,516)
	(1,200,503)	(692,095)
<b>Increase/(decrease) in current liabilities</b>		
Accrued expenses and other liabilities	(1,050,739)	1,297,675
<b>Net Cash flow from operating activities</b>	<b>(2,983,589)</b>	<b>4,166,678</b>
<b>Cash flows from investing activities</b>		
Short-term investments	22,400,152	36,879,533
Long term investments	-	(36,102,843)
Addition to property plant & equipment	(67,680)	(313,500)
<b>Net cash flow from investing activities</b>	<b>22,332,472</b>	<b>463,190</b>
<b>Cash flows from financing activities</b>		
Contribution in endowment fund	840,000	4,782,032
<b>Net cash flow from investing activities</b>	<b>840,000</b>	<b>4,782,032</b>
Net increase in cash and cash equivalent	20,188,883	9,411,900
Cash and cash equivalents at the beginning of the year	18,033,913	8,622,013
<b>Cash and cash equivalents at the end of the year 13</b>	<b>38,222,796</b>	<b>18,033,913</b>

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



President



General Secretary



Treasurer

AL-UMEED REHABILITATION ASSOCIATION  
FOR CEREBRAL PALSY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2023

PARTICULARS	General fund - Unrestricted	Endowment fund - Restricted	Total
	----- (Rupees) -----		
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	<u>40,187,859</u>	<u>58,587,990</u>	<u>98,775,849</u>
Contribution received during the year (note 15)	-	840,000	840,000
Deficit of expenditure over income for the year	(2,513,428)	-	(2,513,428)
Balance as at June 30, 2023	<u><u>37,674,431</u></u>	<u><u>59,427,990</u></u>	<u><u>97,102,421</u></u>

The annexed notes form an integral part of these financial statements ✓

Have  
President

Ravi  
General Secretary

S. K. Singh  
Treasurer



**AL-UMEED REHABILITATION ASSOCIATION  
FOR CEREBRAL PALSY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2023**

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**1 NATURE AND STATUS OF THE BUSINESS**

**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 also engaged in providing school facilities to children suffering from cerebral palsy. Its activities also include providing medical therapy to special children.

**1.2 Registered office**

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

**1.3** 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 September 23, 2022. This exemption certificate is valid upto 30-06-2023 unless cancelled or revoked earlier.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the applicable approved accounting and financial reporting standards as applicable in Pakistan. Approved accounting and financial reporting standards comprise of Accounting and Financial reporting Standards for Small-sized Entities (AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and Accounting standards for Not for Profit Organizations (Accounting Standard For NPOs) issued by the Institute of Chartered Accountants of Pakistan

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, unless otherwise stated.

**3 SIGNIFICANT ACCOUNTING POLICIES**

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

**3.1 Property plant and equipment**

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost less accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the property and equipment.

Depreciation on property and equipment is charged to the income and expenditure account applying the reducing balance method. Depreciation is charged from the month in which the asset is available for use and on disposals up to the month the respective asset is derecognized. Depreciation method, useful lives and residual values of property and equipment are reviewed, and adjusted prospectively if appropriate, at each reporting date.

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

Maintenance and normal repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements, if any, are capitalized if the recognition criteria is met.

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

### **3.2 Investments - Held-to-maturity**

Investments with fixed maturity where management has both the intent and ability to hold to maturity, are classified as held-to-maturity.

All investments are initially recognized at cost, being the fair value of the consideration given including transaction costs associated with the investment. After initial recognition, investments held to maturity investments are measured at amortized cost.

### **3.3 Advances, deposits, prepayments and other receivables**

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

### **3.4 Cash and cash equivalents**

Cash and cash equivalents are stated at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand and bank balances.

### **3.5 Taxation**

As stated in note 1.3 to the financial statements the Organization has been granted tax exemption by the Commissioner of Income Tax under section 2(36) of the Income Tax Ordinance 2001, vide their letter dated September 23, 2022 therefore no provision for taxation is provided in these financial statements.

### **3.6 Provision**

Provisions are recognized in the balance sheet when the Association has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

### **3.7 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 income when received.

Donations received in kind which meet the capitalisation limit are recognised as deferral 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 capitalisation limit are recognised as income for the year.

Tuition fee is recognised as income 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

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 recognised using the effective yield basis.

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

### **3.8 Foreign currency translation**

Transactions in foreign currencies are translated into functional currency (Pakistan Rupees) using exchange rates approximating those ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the balance sheet date. Exchange gains and losses resulting from the settlement of foreign currency transactions and translation of monetary assets and liabilities at the rates prevailing at the reporting date are included in income and expenditure account. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

### **3.9 Functional and presentation currency**

These financial statements have been presented in Pakistani Rupees, which is the Association's functional and presentation currency.

### **3.10 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).

### 3.11 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 asset 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 in the period in which they arise.

#### Derecognition

Financial assets are derecognised when the right 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.

### 4 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Association becomes a party to the contractual provisions of the instrument. All financial assets are derecognized at the time when the Association loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to income and expenditure account.

## **5 Impairment**

### **5.1 Financial assets**

The Association assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Any impairment losses on financial assets including financial assets carried at amortized cost are recognized in income and expenditure account.

### **5.2 Non-financial assets**

The Association assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Association estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income and expenditure account.

## **6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

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 the 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.

7. PROPERTY AND EQUIPMENT

	Rupees											Total			
	Leasehold land	Building on leasehold land	Leasehold improve ments	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	AC power conditioner
Year ended June 30, 2022															
Net book value as at July 1, 2021	466,666	6,058,894	975,163	249,894	938,326	102,988	215,023	148,939	297,021	23,334	850	22,865	5,666,942	55,238	15,244,245
Additions during the year	-	-	313,500	-	-	-	-	-	-	-	-	-	-	-	313,500
Depreciation charge for the year	-	605,900	100,129	37,484	140,749	30,866	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	183,521	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	1,687,520	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	59,190,458
Accumulated depreciation	-	25,483,544	698,986	1,332,140	589,416	122,130	1,531,479	312,802	378,713	34,346	1,377	31,065	14,869,206	383,432	45,776,636
Net book value	466,666	5,453,094	1,188,534	212,410	797,579	72,092	183,521	126,598	252,468	19,834	723	19,435	4,551,154	49,714	13,403,822
Year ended June 30, 2023															
Net book value as at July 1, 2022	466,666	5,453,094	1,188,534	212,410	797,579	72,092	183,521	126,598	252,468	19,834	723	19,435	4,551,154	49,714	13,403,822
Additions during the year	-	-	-	-	-	56,880	-	-	-	-	10,800	-	-	-	67,680
Depreciation charge for the year	-	490,778	106,968	31,861	119,637	34,426	19,352	18,988	37,871	2,875	108	2,916	910,230	4,971	1,781,081
Net book value as at June 30, 2023	466,666	4,962,316	1,081,566	180,549	677,942	94,546	174,169	107,610	214,597	16,859	11,415	16,519	3,640,924	44,743	11,690,421
As at June 30, 2023															
Cost	466,666	30,936,638	1,687,520	1,544,550	1,386,995	251,102	1,725,000	439,400	629,181	54,180	12,900	50,500	19,420,360	443,146	59,248,138
Accumulated depreciation	-	25,974,322	805,954	1,364,001	709,053	156,556	1,550,831	331,790	414,584	37,321	1,485	33,981	15,779,436	398,403	47,557,717
Net book value	466,666	4,962,316	1,081,566	180,549	677,942	94,546	174,169	107,610	214,597	16,859	11,415	16,519	3,640,924	44,743	11,690,421
Rate of depreciation	10%	10%	10%	15%	15%	30%	10%	15%	15%	15%	15%	15%	20%	10%	

**AL-UMEED REHABILITATION ASSOCIATION  
FOR CEREBRAL PALSY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2023**

	2023	2022
Note	----- <i>(Rupees)</i> -----	
<b>8 <u>LONG-TERM INVESTMENTS</u></b>		
At amortised cost		
Government security		
- Pakistan Investment Bonds (PIBs)	8.1	36,102,843
	<u>36,102,843</u>	<u>36,102,843</u>
8.1 This represents investment from the resources held for the endowment fund, maturing on August 5, 2024 and carrying yield of 13.955% per annum.		
<b>9 <u>LONG-TERM DEPOSITS</u></b>		
Awami Filling Station - Pakistan State Oil (PSO)	150,000	150,000
Pak Telecom Mobile Limited - Ufone	5,000	5,000
Others	20,000	20,000
	<u>175,000</u>	<u>175,000</u>
<b>10 <u>SHORT TERM INVESTMENTS</u></b>		
At amortised cost		
Term Deposit Receipts (TDRs)	-	9,000,000
Government securities - National Investment Trust (NIT) units	85,143	109,313
Treasury Bills (T-Bills)	10.1	21,141,677
	<u>7,765,695</u>	<u>30,250,990</u>
	<u>7,850,838</u>	<u>30,250,990</u>
10.1 This represents investment from the resources held for endowment fund, maturing September 7, 2023 and carrying profit rate 15.938% per annum.		
<b>11 <u>ACCRUED RETURN</u></b>		
Accrued return on TDRs/Deposits	532,603	677,842
Accrued return on PIBs	101,703	101,703
Accrued return on T-Bills	1,000,971	257,258
	<u>1,635,277</u>	<u>1,036,803</u>
<b>12 <u>ADVANCES AND PREPAYMENTS</u></b>		
Advance tax	1,275,431	855,431
Prepaid insurance	191,129	260,815
Others	251,715	-
	<u>1,718,275</u>	<u>1,116,246</u>

	2023	2022
Note	----- <i>(Rupees)</i> -----	
<b>13 CASH &amp; BANK BALANCES</b>		
Cash in hand	28,063	7,218
<u>Cash at bank</u>		
Local currency - Savings account	35,760,308	16,282,987
Foreign currency - Current account	2,434,425	1,743,708
	<u>38,222,796</u>	<u>18,033,913</u>
<b>13.1</b> Profit rate on savings account ranges from 13.5 % to 19.5% (2022: 5.75% to 10.75%) per annum. Out of this amount, Rs. 15,559,452/- has been invested from the resources held for the endowment fund.		
<b>14 GENERAL FUND - UNRESTRICTED</b>		
Balance as at July 1	40,187,859	39,330,484
Transfer from income and expenditure account	(2,513,428)	857,375
	<u>37,674,431</u>	<u>40,187,859</u>
<b>15 ENDOWMENT FUND - INTERNALLY RESTRICTED</b>		
Balance as at July 1	58,587,990	53,805,958
Contributions made during the year	840,000	4,782,032
	<u>59,427,990</u>	<u>58,587,990</u>
<b>16 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Accrued salaries and other benefits	52,500	904,513
Accrued and operating expenses	183,749	437,817
Other liabilities	56,780	1,438
	<u>293,029</u>	<u>1,343,768</u>
<b>17 TUITION AND OTHER FEE</b>		
Tuition and van fee - net	3,108,500	1,989,000
Admission fee	100,000	90,000
Membership fee	6,000	14,000
Assessment & other fee	25,500	10,000
	<u>3,240,000</u>	<u>2,103,000</u>
<b>18 INVESTMENT INCOME</b>		
Dividend on NIT units	2,717	2,302
Return on TDRs	165,831	4,427,089
Return on savings account	2,381,991	1,064,095
Return on PIBs	2,800,000	101,703
Return on T-Bills	4,221,206	257,258
Unrealised (loss) on revaluation of NIT units	(24,170)	(21,210)
	<u>9,547,575</u>	<u>5,831,237</u>
<b>18.1</b> The profit/interest earned from the utilisation of the endowment fund is used to finance the operations of the Association.	17.1	



	2023	2022
Note	----- <i>(Rupees)</i> -----	
<b>19 REHABILITATION AND EDUCATION</b>		
Salaries and benefits	13,512,739	9,808,221
Postage and communication	154,109	48,117
Printing and stationary	794,172	109,540
Repair and maintenance	960,714	838,845
Vehicle running expenses	4,419,954	2,667,907
Electricity, fuel and gas	792,879	433,038
Expenses on seminar, functions etc	31,298	186,398
Insurance	392,885	327,303
Stores and supplies consumed	373,160	77,407
Bad debt written off	-	549,800
Depreciation on property and equipment	1,688,637	2,028,701
	<u>23,120,547</u>	<u>17,075,277</u>
<b>20 PROGRAM ADMINISTRATION</b>		
Salaries and benefits	2,231,474	1,694,512
Postage and Communication	13,729	-
Printing and stationary	20,885	6,992
Repair and maintenance	85,587	53,543
Vehicle running expenses	105,442	113,100
Electricity, fuel and gas	70,636	27,641
Expenses on seminars, functions etc	2,788	7,437
Insurance	12,195	20,892
Stores and supplies consumed	42,064	1,909
Legal and professional	730,028	1,296,000
Bank charges	12,488	38,658
Depreciation on property and equipment	92,444	125,222
	<u>3,419,760</u>	<u>3,385,906</u>
<b>21 TRANSACTIONS WITH RELATED PARTIES</b>		
Related parties comprise of executive committee/board members of the Association, their close family members and other key management personnel. The Association considers its executive committee/board members 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:		
<b>With key management personnel</b>		
Salaries and benefits	1,150,000	403,114
Donations received	135,620	120,000
Zakat receipts	100,000	300,500
Sponsorship receipts	432,000	432,000
	<u>1,817,620</u>	<u>1,255,614</u>

Note	2023	2022
	----- <i>(Rupees)</i> -----	
<b><u>Name of related parties</u></b>	<b>Relationship</b>	
<b>Salaries and benefits</b>		
Syed Irshad Ali	Key Management Personnel	
<b>Donations received</b>		
Dr. Ruby Abbasi	Key Management Personnel	
Dr. Habiba Hasan	Key Management Personnel	
Ms. Zubaida Channa	Key Management Personnel	
Ms. Rasheeda Naviwala	Key Management Personnel	
<b>Zakat receipts</b>		
Ms. Abida Memon	Key Management Personnel	
Kazi Asad Abid	Key Management Personnel	
<b>Sponsorship receipts</b>		
Dr. Ruby Abbasi	Key Management Personnel	

## 22 **FINANCIAL RISK MANAGEMENT**

The Association's activities expose it to 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 executive committee/board members have 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 executive committee/board. The Board is also responsible for developing and monitoring the

### 22.1 **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..

#### **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. 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 any significant financial instruments exposed to price risk. a

	2023	2022
Note	------(Rupees)-----	
<b>22.2 Credit Risk</b>		
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:		
	2023	2022
Note	------(Rupees)-----	
Long-term deposits	175,000	175,000
Accrued return	1,635,277	1,036,803
Local currency - savings account	35,760,308	16,282,987
Foreign currency - current account	2,434,425	1,743,708
	<u>40,005,010</u>	<u>19,238,498</u>

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 considers such amount as receivable upon termination of service.

#### 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+

#### 22.3 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:

	2023	2022
	Maturity up to one year	
	------(Rupees)-----	
<b>Financial liabilities</b>		
Accrued expenses and other liabilities	<u>293,029</u>	<u>1,343,768</u>

2023

2022

Note

-----*(Rupees)*-----**23 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).

**24 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by managing committee and authorized for issue on

02 DEC 2023.

**25 GENERAL**

- Figures have been rounded off to the nearest Rupee.
- Comparative figures have been rearranged & reclassified where ever necessary.



\_\_\_\_\_  
President



\_\_\_\_\_  
General Secretary



\_\_\_\_\_  
Treasurer

