

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

FINANCIAL STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

MUNAF YUSUF & CO
CHARTERED ACCOUNTANTS

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A154- 298

23 September 2020

The Board of Trustees
Al-Umeed Rehabilitation Association
For Cerebral Palsy
Karachi

Dear Madams/Sirs

DRAFT FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

With reference to the above we enclose herewith 3 copies each of the draft financial statements of Al-Umeed Rehabilitation Association for Cerebral Palsy (AURA) for the year ended 30 June 2020 together with our report thereon duly initialed by us for identification. We shall be pleased to sign our report after these have been approved by the Board of Trustees and signed by the Honorary President, Honorary General Secretary and Honorary Treasurer and after we have received a copy of the resolution evidencing approval of the same

We also require specific approval for the following:

- a) Additions to fixed assets of Rs 164,600
- b) Receipt of Rs 12,574,196 for the Endowment Fund
- c) Concession given for tuition and van fee during the year amounting to Rs 7,278,200
- d) Investment in short term deposits amounting to Rs 60,000,000 invested at year end
- e) Donations in kind amounting to Rs 2,529,878

We place on record our appreciation for the cooperation extended to us by the staff during the course of the audit

Yours truly

Munaf Yusuf & Co

CHARTERED ACCOUNTANTS

encl: as above

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF AL-UMEED
REHABILITATION ASSOCIATION FOR CEREBRAL PALSY**

Opinion

We have audited the annexed financial statements of AL-UMEED REHABILITATION ASSOCIATION FOR CEREBRAL PALSY (the Association), which comprise the statement of financial position as at 30 June 2019, and the statement of income and expenditure and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We understand there will be no other information accompanying the financial statements. Accordingly, we do not have any obligation to report on such information.

Responsibilities of management and those charged with Governance for the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with approved 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, the 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

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intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

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MUNAF YUSUF & CO
CHARTERED ACCOUNTANTS

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.

The engagement partner on the audit resulting in this independent auditor's report is Tasneem Yusuf.

Munaf Yusuf & Co

CHARTERED ACCOUNTANTS

Karachi

Date

26 SEP 2020

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AL-UMEED REHABILITATION ASSOCIATION
FOR CEREBRAL PALSY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
FUNDS AND LIABILITIES			
General fund	3	43,450,412	48,420,851
Endowment fund		44,832,397	32,258,201
		88,282,809	80,679,052
CURRENT LIABILITIES			
Accrued and other liabilities	4	307,725	136,610
		<u>88,590,534</u>	<u>80,815,662</u>
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	18,025,907	20,261,967
Long term deposits	6	176,000	176,000
		<u>18,201,907</u>	<u>20,437,967</u>
CURRENT ASSETS			
Short term investments	7	60,094,562	50,091,501
Advances, prepayments and other receivables	8	3,133,090	2,990,978
Bank and cash balances	9	7,160,975	7,295,216
		70,388,627	60,377,695
		<u>88,590,534</u>	<u>80,815,662</u>

The annexed notes 1 to 12 form an integral part of these financial statements

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M. Ali.

Hon. President

[Signature]

Hon. General Secretary

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Hon. Treasurer

AL-UMEED REHABILITATION ASSOCIATION
FOR CEREBRAL PALSY

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
INCOME			
Donations		2,204,704	13,933,985
Donations in kind		2,529,878	363,858
Foreign donations		-	14,050
Zakat receipts		2,751,000	3,428,696
Sponsorship		2,129,500	875,000
Tuition and other fee (net)	10	2,893,200	2,668,000
Profit on investments / deposit		6,299,255	3,667,940
Gain / (loss) on revaluation of short term investment		3,061	(36,499)
Exchange gain on foreign currency account		44,435	352,024
Liability no longer payable written back		-	247,791
Other income		32,100	46,600
		<u>18,887,133</u>	<u>25,561,445</u>


EXPENDITURE

Rehabilitation and education program			
Salaries and benefits		11,310,989	10,547,872
Postage and telephone		59,933	42,811
Printing and stationary		101,391	144,230
Repair and maintenance		2,028,437	433,330
Computer and internet expenses		-	19,800
Vehicle running expenses		2,030,290	2,480,417
Electricity, fuel and gas		473,878	402,795
Entertainment		126,035	283,806
Insurance		287,931	260,164
Stores and supplies consumed		198,463	49,807
Depreciation		1,826,081	2,094,699
		18,443,428	16,759,731
Program administration			
Salaries and benefits		3,660,240	2,975,041
Printing and stationary		66,048	20,982
Repair and maintenance		642,228	108,332
Vehicle running expenses		165,174	186,698
Electricity, fuel and gas		161,118	134,265
Entertainment		25,774	35,077
Insurance		97,896	86,721
Stores and supplies consumed		3,647	1,018
Fees and subscription		8,450	7,800
Expenses on seminar, functions etc		1,300	746,889
Bank charges		7,690	5,630
Asset no longer receivable written off		-	5,000
Depreciation		574,579	625,689
		5,414,144	4,939,142
Total operating expenditure		23,857,572	21,698,873
(Deficit) / surplus for the year		<u>(4,970,439)</u>	<u>3,862,572</u>

The annexed notes 1 to 12 form an integral part of these financial statements


Hon. President


Hon. General Secretary


Hon. Treasurer

AL-UMEED REHABILITATION ASSOCIATION
FOR CEREBRAL PALSY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 Rupees	2019 Rupees
(Deficit) / surplus for the year	(4,970,439)	3,862,572
Depreciation	2,400,660	2,720,389
Loss on revaluation of short term investments	(3,061)	36,499
Liability no longer payable written back	-	(247,791)
Asset no longer receivable written off	-	5,000
	<u>2,397,599</u>	<u>2,514,097</u>
	(2,572,840)	6,376,669
Decrease / (increase) in current assets	(142,112)	(1,417,780)
Decrease / (increase) in advances, prepayments and other receivables	<u>(142,112)</u>	<u>(1,417,780)</u>
Increase / (decrease) in current liabilities	171,115	(760,565)
Net cash (used in) / generated from operating activities	<u>(2,543,837)</u>	<u>4,198,324</u>
Net cash flow from investing activities		
Fixed capital expenditure	(164,600)	(274,604)
Investment for endowment fund	12,574,196	10,902,660
Encashment of short term investment	-	26,878,876
Investment in short term deposits	(10,000,000)	(50,000,000)
Net cash inflow / (outflow) from investing activities	<u>2,409,596</u>	<u>(12,493,068)</u>
Net decrease in cash and cash equivalents	<u>(134,241)</u>	<u>(8,294,744)</u>
Cash and cash equivalents at the beginning of the year	7,295,216	15,589,960
Cash and cash equivalents at the end of the year	<u><u>7,160,975</u></u>	<u><u>7,295,216</u></u>

The annexed notes 1 to 12 form an integral part of these financial statements

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M. Ali.

Hon. President

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Hon. General Secretary

[Signature]

Hon. Treasurer

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

**NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE 2020**

1 Status and nature of activities

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 and approved u/s 2(36) of the Income Tax Ordinance, 2001. 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 registered office of the Association is situated at Plot # Street 2, Block 3 Gulistan -e- Jauhar

On March 11, 2020, the World Health Organisation declared COVID-19 a global pandemic impacting countries globally. The announcement of lock-down by the government authorities, resulted in closure of business operations except for specifically exempted industries posing a range of business and financial challenges. During this period, the Association has seen a decline in donations and zakat. However, currently, the potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. Management is confident that based on the philanthropy nature of the people of Pakistan and resourcefulness of the Board of Trustees, the Association will be able to collect funds for the running of the Association. Hence, these financial statements have been prepared on the going concern assumption.

2 Statement of Compliance

These financial statements have been prepared in accordance with the Guideline for Accounting and Financial Reporting by Non Government / Non Profit Organizations (NPO Guidelines) issued by the Institute of Chartered Accountants of Pakistan. As defined by NPO guidelines, the Association has been classified as a "Small Size Not for Profit Organization". Accordingly, the Association has applied Accounting and Financial Reporting Standard (AFRS) for SSEs as issued by the Institute of Chartered Accountants of Pakistan.

These financial statements have been prepared under the historical cost convention except for the investment in NIT units which are measured at fair value.

3 Significant accounting policies and estimates

a) Fixed assets

- i) Operating assets are stated at cost less accumulated depreciation except land which is stated at cost.
- ii) Depreciation on fixed assets is provided on reducing balance method. Full year's depreciation is charged on assets added during the year whereas no depreciation is charged on assets deleted during the year.
- iii) Maintenance and normal repairs are charged to income as and when incurred, major improvements are capitalized.
- iv) Gain or loss on disposal of fixed assets is transferred to income.

b) Investments

- i) These are stated at cost / fair value.
- ii) Gain or loss on disposal of investments is transferred to income.

c) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash and cheques in hand and balances with the banks

d) Trade and other payables

Liabilities for trade 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 billed to the company or not

e) Taxation

Provision for taxation is recognized based on taxable income, if any, for the year determined in accordance with prevailing law and regulation. The Association has been approved as a non-profit organization under section 2(36) of the Income Tax Ordinance, 2001 by the Commissioner Inland Revenue as it is working as a non-profit organization. The income of the organization is subject to 100% tax credit under section 100(C) of the Income Tax Ordinance, 2001

f) Income recognition

i) Donations and zakat are recognized on receipt basis

ii) Donations in kind are valued at their approximate market value

iii) Interest income is recognized on time proportion basis by reference to the principal outstanding and the applicable rate of return

g) Foreign currency transactions

Donations received in foreign currency are translated into Pakistan Rupees (Rupees) at the rate of exchange ruling on the date of receipt. All monetary items denominated in foreign currency at the year end are translated into Rupees at the rate of exchange ruling on the date of balance sheet. Exchange gain or loss is transferred to income

h) The financial statements are presented in Pak rupee, which is the Association's functional and presentation currency

	2020 Rupees	2019 Rupees
3 General fund		
Opening balance	48,420,851	44,558,279
Transfer during the year		
(Deficit) / surplus for the year	<u>(4,970,439)</u>	<u>3,862,572</u>
	<u>43,450,412</u>	<u>48,420,851</u>
4 Accrued and other liabilities		
Creditors	6,045	91,779
Accrued expenses	239,349	-
Unearned income	18,000	4,500
Other liabilities	<u>44,331</u>	<u>40,331</u>
	<u>307,725</u>	<u>136,610</u>

AL-UMEED REHABILITATION ASSOCIATION
FOR CEREBRAL PALSY

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5 Property, plant and equipment
Operating assets

Particulars	Cost		Depreciation		NBV		Rate	
	As at 01-07-2019	Additions	As at 30-06-2020	As at 01-07-2019	Charge for the year	As at 30-06-2020		As at 30-06-2020
	Rupees		Rupees		Rupees			%
Leasehold land	466,666		466,666	-	-	-	466,666	
Building on leasehold land	30,936,638		30,936,638	23,493,271	711,151	24,204,422	6,732,216	10
Leasehold improvements	1,557,020	17,000	1,574,020	376,050	114,456	490,506	1,083,514	10
Equipment - generators	1,544,550		1,544,550	1,181,624	50,848	1,232,472	312,078	15
Equipment - electrical	1,749,329		1,749,329	1,053,960	97,425	1,151,385	597,944	15
Equipment - computers and peripherals	454,622		454,622	249,215	28,780	277,995	176,627	15
Equipment - lift/elevator	1,711,717		1,711,717	1,454,785	35,999	1,490,784	220,933	15
Equipment - wheel chairs	706,100	67,500	773,600	535,483	28,019	563,502	210,098	15
Equipment - clinical	1,001,096		1,001,096	486,316	72,124	558,440	442,656	15
Equipment - tools	502,458		502,458	352,562	21,001	373,563	128,895	15
Equipment - others	760,014		760,014	657,855	14,313	672,168	87,846	15
Furniture and fixtures	2,184,693		2,184,693	1,686,642	69,779	1,756,421	428,272	15
Motor vehicles	19,274,170	80,100	19,354,270	11,184,189	1,139,273	12,323,462	7,030,808	15
Other assets	464,990		464,990	413,345	7,236	420,581	44,409	15
AC power conditioner	443,146		443,146	369,945	10,256	380,201	62,945	15
Total Rupees	63,757,209	164,600	63,921,809	43,495,242	2,400,660	45,895,902	18,025,907	
2019: Total Rupees	63,482,605	274,604	63,757,209	40,774,853	2,720,389	43,495,242	20,261,967	

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AL-UMEED REHABILITATION ASSOCIATION
FOR CEREBRAL PALSY

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	2020 Rupees	2019 Rupees
6 Long term deposits		
Awami Filling Station	150,000	150,000
Pak Telecom Mobile Limited - Ufone	5,000	5,000
Locker deposit	20,000	20,000
Others	1,000	1,000
	<u>176,000</u>	<u>176,000</u>
7 Short term investments		
Term deposits	60,000,000	50,000,000
NIT units	94,562	91,501
	<u>60,094,562</u>	<u>50,091,501</u>
8 Advances, prepayments and other receivables		
Advance tax	855,431	850,084
Prepaid insurance	254,932	285,583
Interest receivable on term deposits	445,227	1,143,511
Tuition fee receivable	1,577,500	691,800
Advance form suppliers	-	20,000
	<u>3,133,090</u>	<u>2,990,978</u>
9 Bank and cash balances		
With banks in deposit accounts:		
Local currency	5,717,706	5,878,066
Foreign currency	1,432,188	1,387,753
	7,149,894	7,265,819
In hand	11,081	29,397
	<u>7,160,975</u>	<u>7,295,216</u>
10 Tuition and other fee		
Tuition and van fee	10,095,000	4,044,500
Less: concession on tuition and van fee	(7,278,200)	(1,416,400)
	2,816,800	2,628,100
Admission fee	44,000	8,500
Membership fee	16,000	16,000
Assessment fee	16,400	15,400
	<u>2,893,200</u>	<u>2,668,000</u>

12 These financial statements were authorized for issue on 26.9.2020 by the Board of Trustees of the Association

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M. Ali
Hon. President

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Hon. General Secretary

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Hon. Treasurer