Riaz Ahmad & Company
Chartered Accountants

CENTER FOR AUTISM REHABILITATION AND TRAINING, SINDH (C-ARTS)

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

FOR THE YEAR ENDED 30 JUNE 2020

A member of Nexia International

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INDEPENDENT AUDITOR'S REPORT

To the members of Centre for Autism Rehabilitation and Training, Sindh (C-ARTS)

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Centre for Autism Rehabilitation and Training, Sindh (C-ARTS) ("the Company"), which comprise the statement of financial position as at 30 June 2020, and the income and expenditure statement, the statement of comprehensive income, the statement of changes in fund, the 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 and to the best of our information and according to the explanations given to us, the statement of financial position, the income and expenditure statement, the statement of comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 20120 and of the surplus, the other comprehensive income, the changes in fund and its cash flows for the year then ended.

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 Company 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

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Company and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the income and expenditure statement, the statements of comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Date: 06 October 2020

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CENTER FOR AUTISM REHABILITATION AND TRAINING, SINDH (C-ARTS)
(A company set up under section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipments	4	**11,590,498**	10,984,426
Intangible asset	5	**449,563**	-
		12,040,061	10,984,426
CURRENT ASSETS			
Advance		**25,000**	25,000
Cash and bank balances	6	**71,716,960**	25,581,207
		71,741,960	25,606,207
TOTAL ASSETS		**83,782,021**	36,590,633
LIABILITIES			
NON-CURRENT LIABLITIES			
Deferred income relating to property and equipments	7	**3,784,261**	4,901,146
CURRENT LIABLITIES			
Accrued and other payables	8	**387,928**	480,806
TOTAL LIABILITIES		**4,172,189**	5,381,952
NET ASSETS		**79,609,832**	31,208,681
REPRESENTED BY:			
Accumulated fund		**79,609,832**	31,208,681
Contingencies and commitments	9		

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

CHIEF EXECUTIVE OFFICER	**DIRECTOR**	**CHIEF FINANCIAL OFFICER**

CENTER FOR AUTISM REHABILITATION AND TRAINING, SINDH (C-ARTS)
(A company set up under section 42 of the Companies Act, 2017)
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
INCOME			
Grant	10	**107,136,885**	36,465,736
EXPENDITURE			
General and administrative expenses	11	**(58,735,734)**	(23,797,675)
Surplus of income over expenditure before tax		**48,401,151**	12,668,061
Taxation	12	-	-
Surplus of income over expenditure after tax		**48,401,151**	12,668,061

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

CHIEF EXECUTIVE OFFICER | **DIRECTOR** | **CHIEF FINANCIAL OFFICER**

CENTER FOR AUTISM REHABILITATION AND TRAINING, SINDH (C-ARTS)
(A company set up under section 42 of the Companies Act, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	2020 Rupees	2019 Rupees
Surplus of income over expenditure after tax	**48,401,151**	12,668,061
Other comprehensive income:		
Items that will not be reclassified to income and expenditure statement	-	-
Items that may be reclassified subsequently to income and expenditure statement	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**48,401,151**	12,668,061

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

CHIEF EXECUTIVE OFFICER   DIRECTOR   CHIEF FINANCIAL OFFICER

CENTER FOR AUTISM REHABILITATION AND TRAINING, SINDH (C-ARTS)
(A company set up under section 42 of the Companies Act, 2017)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated fund
	Rupees
Opening balance as at 1 July 2018	**18,540,620**
Total comprehensive income for the year ended 30 June 2019	
Surplus of income over expenditure after tax	12,668,061
Other comprehensive income	-
	12,668,061
Balance as at 30 June 2019	**31,208,681**
Total comprehensive income for the year ended 30 June 2020	
Surplus of income over expenditure after tax	48,401,151
Other comprehensive income	-
	48,401,151
Balance as at 30 June 2020	**79,609,832**

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

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CENTER FOR AUTISM REHABILITATION AND TRAINING, SINDH (C-ARTS)
(A company set up under section 42 of the Companies Act, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus of income over expenditure before tax	**48,401,151**	12,668,061
Adjustments for non cash items:		
Amortization	**115,437**	-
Depreciation	**2,750,623**	614,736
Amortization of deferred grant	**(1,116,885)**	(614,736)
Surplus before working capital changes	**50,150,326**	12,668,061
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets		
Receivable from sponsor	-	5,555,000
Advance	-	(25,000)
Decrease in current liabilities		
Accrued and other payables	**(92,878)**	(1,925,649)
Cash flow (used in) / from operations	**(92,878)**	3,604,351
Net cash flow from operating activities	**50,057,448**	16,272,412
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	**(3,356,695)**	(2,288,225)
Purchase of intangible asset	**(565,000)**	-
Advance against purchase of vehicles	-	(7,003,000)
Net cash used in investing activities	**(3,921,695)**	(9,291,225)
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net increase in cash and cash equivalents	**46,135,753**	6,981,187
Cash and cash equivalents at the beginning of the year	**25,581,207**	18,600,020
Cash and cash equivalents at the end of the year	**71,716,960**	25,581,207

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

CHIEF EXECUTIVE OFFICER	**DIRECTOR**	**CHIEF FINANCIAL OFFICER**

CENTER FOR AUTISM REHABILITATION AND TRAINING, SINDH (C-ARTS)
(A company set up under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. LEGAL STATUS AND NATURE OF OPERATIONS

1.1 Center for Autism Rehabilitation and Training, Sindh (C-ARTS) is incorporated in Pakistan on 08 March 2018 as a public company limited by guarantee not having share capital. C-ARTS ("the Company") has been granted license under section 42 of the Companies Act, 2017 as a Company not for profit.

1.2 The geographical location and registered office address of the Company is ST-31, Block-15, Gulistan-e-Johar, Karachi, Sindh.

1.3 The principal object of the Company is to setup an Autism Rehabilitation Center as per international standards. The Company receives funds from Department of Empowerment of Persons with Disabilities (Ex-Special Education Department), Government of Sindh for its operations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Previously, the financial statements of the Company were prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs). However, effective from 01 July 2019, the Company has opted to make unreserved compliance of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). This transition has not affected the reported financial position, financial performance, accumulated fund and cash flows. There is also no impact of this transition on periods prior to year ended 30 June 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional and presentation currency. All financial information presented in Pakistan Rupees have been rounded to the nearest Rupee, unless otherwise stated.

2.4 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are documented in the following accounting policies and notes, and relate primarily to:

- Depreciation	(Note 4.1)
- Impairment of non-financial assets	(Note 4.3)
- Impairment of financial assets	{Note 4.5(c)}
- Provisions	(Note 4.10)

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') that are effective in the current period and are relevant to the Company

Following standard, interpretation and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2019:

- IFRS 16 'Leases'
- IFRS 9 (Amendments) 'Financial Instruments'
- IAS 28 (Amendments) 'Investments in Associates and Joint Ventures'
- IFRIC 23 'Uncertainty over Income Tax Treatments'
- IASB's Annual Improvements to IFRSs: 2015 – 2017 Cycle

The above mentioned accounting standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3.2 Interpretations and amendments to published approved standards that are effective in current period but not relevant to the Company

There are other amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2019 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

3.3 Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2020 or later periods:

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing general purpose financial statements in accordance with IFRS.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

The above amendments and improvements do not have a material impact on the financial statements.

3.4 Standards, interpretations and amendments to published approved standards that are not yet effective and not considered relevant to the Company

There are other standards, amendments to published approved standards and new interpretations that are mandatory for accounting periods beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below:

4.1 Property and equipments

Property and equipments are stated at cost less accumulated depreciation and recognized accumulated impairment, if any. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of income and expenditure during the period in which they are incurred.

Depreciation

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged from the month in which the assets are disposed off. Depreciation on operating fixed assets is charged to statement of income and expenditure applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 4. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of Property and equipments is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of income and expenditure in the period the asset is de-recognized.

4.2 Intangible assets

These are recorded initially at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets having finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangibles are amortized over their estimated useful lives using the straight line method at rates mentioned in Note 5.

Intangible assets having indefinite useful life are not amortized. However, these are tested for impairment on annual basis.

Amortization on addition and deletion of intangible assets during the year is charged in proportion to the period of use. The useful life and amortization method are reviewed and adjusted, if appropriate, at the reporting date.

4.3 Impairment of non-financial assets

The assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the income and expenditure statement.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the income and expenditure statement.

4.4 Government grants

Government grants are recognised at the fair value of the asset received or receivable.

A grant without specified future performance conditions is recognised in income when the right to receive the grant is established. A grant that imposes specified future performance conditions is recognised in income when all those conditions are met and there is a reasonable assurance that the grant will be received.

Government grants are presented separately from the assets to which they relate. Government grants received before the income recognition criteria are satisfied are presented as a separate liability in the statement of financial position.

Further, the Company does not recognise those forms of government assistance for which a reasonable value cannot be placed on them.

4.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one company and a financial liability or equity instruments of another company.

a) Financial assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through income and expenditure in the context of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

i- Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and 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.

ii- Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and 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.

iii- Financial assets at fair value through income and expenditure

Financial assets at fair value through income and expenditure are those financial assets which are either designated in this category or not classified in any of the other categories.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized at trade date i.e. the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through income and expenditure. Financial assets carried at fair value through income and expenditure is initially recognized at fair value and transaction costs are expensed in the statement of income and expenditure.

Gains and losses arising on financial assets at amortized cost and financial assets at fair value through income and expenditure are recognized in the statement of income and expenditure. Interest calculated under effective interest method, dividend, impairment and foreign exchange gains and losses on financial assets at fair value through other comprehensive income are also recognized in the statement of income and expenditure. Gains and losses from changes in fair value of financial assets at fair value through other comprehensive income are recognized in other comprehensive income and are reclassified to statement of income and expenditure on derecognition or reclassification.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

b) Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through income and expenditure are initially recognized at fair value and transaction costs are expensed in the statement of income and expenditure.

Financial liabilities, other than those at fair value through income and expenditure, are subsequently measured at amortized cost using the effective yield method.
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of income and expenditure.

c) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost and at fair value other comprehensive income is calculated on basis of "expected credit losses" model.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

d) De-recognition

i. Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

ii. Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

e) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current account and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

4.7 Trade and other payables

Liabilities for other payables are initially recognized at fair value plus directly attributable cost. These are subsequently measured at amortized cost.

4.8 Taxation

The Federal Board of Revenue (FBR) has allotted Free Tax Number (FTN) to the Company under Section 49 of the Income Tax Ordinance, 2001 whereby the income of the Company is exempt from tax. Therefore, no provision for taxation has been made in these financial statements and as a result temporary differences do not arise and deferred tax is not recorded.

4.9 Related party and transfer pricing

Transactions and contracts with related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method.

4.10 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions is reviewed at each reporting date and adjusted to reflect current best estimate.

4.11 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the rate of exchange ruling on the reporting date and exchange differences, if any, are charged in the income and expenditure statement.

5. PROPERTY AND EQUIPMENTS

	Note	2020 Rupees	2019 Rupees
Operating fixed assets	5.1	**11,590,498**	3,981,426
Advance against purchase of vehicles		**-**	7,003,000
		11,590,498	10,984,426

5.1 Operating fixed assets

	Vehicle	Furniture and fixtures	Electrical fittings and equipments	General equipments	Computer equipments	Total
	Rupees	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**
At 01 July 2019						
Cost	-	3,249,601	576,433	217,134	592,112	4,635,280
Accumulated depreciation	-	(558,031)	18,334	(10,550)	(66,939)	(653,854)
Net carrying value	-	**2,691,570**	**558,099**	**206,584**	**525,173**	**3,981,426**
Year ended 30 June 2020						
Opening net book value (NBV)	-	2,691,570	558,099	206,584	525,173	3,981,426
Additions	7,357,475	693,304	1,111,800	1,030,004	167,112	10,359,695
Depreciation charge for the year	(1,417,849)	(730,878)	(225,322)	(145,032)	(231,542)	(2,750,623)
Net carrying value	**5,939,626**	**2,653,996**	**1,444,577**	**1,091,556**	**460,743**	**11,590,498**
At 30 June 2020						
Cost	7,357,475	3,942,905	1,688,233	1,247,138	759,224	14,994,975
Accumulated depreciation	(1,417,849)	(1,288,909)	(243,656)	(155,582)	(298,481)	(3,404,477)
Net carrying value	**5,939,626**	**2,653,996**	**1,444,577**	**1,091,556**	**460,743**	**11,590,498**
Year ended 30 June 2019						
Opening net book value (NBV)	-	2,307,937	-	-	-	2,307,937
Additions	-	902,546	576,433	217,134	592,112	2,288,225
Depreciation charge for the year	-	(518,913)	(18,334)	(10,550)	(66,939)	(614,736)
Net carrying value	-	2,691,570	558,099	206,584	525,173	3,981,426
At 30 June 2019						
Cost	-	3,249,601	576,433	217,134	592,112	4,635,280
Accumulated depreciation	-	(558,031)	(18,334)	(10,550)	(66,939)	(653,854)
Net carrying value	-	2,691,570	558,099	206,584	525,173	3,981,426
Depreciation rate	**20%**	**20%**	**15%**	**15%**	**33.33%**	

5.2 The Government of Sindh through its Modified PC-1 dated 02 December 2016 allocated Rupees 66.148 million for the establisment of building for Autism Center. The building is located at ST-31, Block-15, Gulistan-e-Johar, Karachi and is in use of the Company since its incorporation. However, as per available records with the Company legal title of the land and building is not transferred to it.

		Note	2020 Rupees	2019 Rupees
6.	**INTANGIBLE ASSET**			
	For the year ended 30 June			
	Opening net book value		-	-
	Addition- at cost		565,000	-
	Ammortization for the year		(115,437)	-
	Net book value		449,563	-
	As at 30 June			
	Cost		565,000	-
	Accumulated Ammortization		(115,437)	-
	Net book value		449,563	-
	Ammortization rate		33.33%	-

7. CASH AND BANK BALANCES

	2020 Rupees	2019 Rupees
Cash in hand	**29,768**	99,797
Cash at bank - current account	**71,687,192**	25,481,410
	71,716,960	25,581,207

8. DEFFERED INCOME RELATING TO PROPERTY AND EQUIPMENTS

	Note	2020 Rupees	2019 Rupees
Opening balance		**4,901,146**	5,515,882
Amortization for the year		**(1,116,885)**	(614,736)
	8.1	**3,784,261**	4,901,146

8.1 This represents amount received from Department of Empowerment of Persons with Disabilities (Ex-Special Education Department), Government of Sindh under Annual Development Plan (ADP) Scheme on account of purchase of property and equipments for the Company.

9. ACCRUED AND OTHER PAYABLES

	2020 Rupees	2019 Rupees
Accrued liabilities	**191,951**	298,899
Withholding tax payable	**12,820**	40,809
EOBI payable	**63,960**	61,620
Other payables	**119,197**	79,478
	387,928	480,806

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments at the reporting date. (2019: Nil)

11. GRANT

	Note	2020 Rupees	2019 Rupees
Grant received	11.1	**106,020,000**	35,851,000
Amortization - grant related to property and equipments		**1,116,885**	614,736
		107,136,885	36,465,736

11.1 This represents unconditional grant received from Sponsor for operations of the Company.

12. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2020 Rupees	2019 Rupees
Salaries, allowances and other benefits		**50,509,689**	19,055,717
Kids teaching material		**598,982**	1,261,246
Office supplies and consumable items		**467,414**	422,642
Advertisement and marketing		**176,473**	89,292
Utilities		**1,304,858**	384,591
Repair and maintenance		**1,130,648**	306,758
Security services charges		**243,600**	42,300
Fees and subscription		**21,775**	21,390
Conveyance - office staff		**34,678**	46,124
Printing and stationary		**247,112**	114,986
Courier expense		**1,430**	2,810
Auditors' remuneration	12.1	**172,800**	226,800
Diesel for generator		**8,277**	12,065
Events and ceremonies		**36,895**	716,188
Legal and professional charges		**398,831**	169,560
Entertainment		**130,127**	22,902
Depreciation	5	**2,750,623**	614,736
Ammortization	6	**115,437**	-
Vehicle insurance		**39,834**	-
Miscellaneous expenses		**346,251**	287,568
		58,735,734	23,797,675

12.1 Auditors' remuneration

	2020 Rupees	2019 Rupees
Audit fee	**100,000**	100,000
Review of Code of Corporate Governance:		
Current	**50,000**	50,000
Prior	**-**	50,000
Out of pocket	**10,000**	10,000
	160,000	210,000
Sindh sales tax @ 8%	**12,800**	16,800
	172,800	226,800

13. TAXATION

The Federal Board of Revenue (FBR) has allotted Free Tax Number (FTN) to the Company under Section 49 of the Income Tax Ordinance, 2001 whereby the income of the Company is exempt from tax. Therefore, no provision for taxation has been made in these financial statements and as a result temporary differences do not arise and deferred tax is not recorded.

14. REMUNERATION OF CHIEF EXECUTIVE OFFICER

	2020	2019
Basic pay	**2,656,000**	1,731,507
Number of person	**1**	1

15. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Department of Empowerment of Persons with Disabilities (Ex-Special Education Department), Government of Sindh and key management personnel. The related party transactions during the year and the status of outstanding balances as at the year end are as follows:

	Name of Related party	Relationship with related party	Nature of transaction	2020 Rupees	2019 Rupees
i.	Department of Empowerment of Persons with Disabilities, Government of Sindh	Sponsor	Grant received	**106,020,000**	35,851,000

16. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

16.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

a) Market risk

(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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to currency risk.

(ii) Other price risk

Other price risk represents 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 interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as the Compnay does not have any interest bearing financial instrument as at the reporting date.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk of the Company arises from deposits with banks, trade debts, accrued mark up and advances and deposits. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2020 Rupees	2019 Rupees
Advance	**25,000**	25,000
Bank balances	**71,687,192**	25,481,410
	71,712,192	25,506,410

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to ext rnal credit ratings (if available) or to historical information about counterparty default rate:

Bank	Rating		Agency		
	Short term	Long term			
Sindh Bank Limited	A-1	A+	VIS	**71,687,192**	25,481,410

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that a company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances and other liquid assets. At 30 June 2020, the Company had Rupees 71.717 million (2019: Rupees 25.581 million) cash and bank balance. Following are the contractual maturities of the financial liabilities. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities:

	Accrued and other payables	
	2020 Rupees	2019 Rupees
As at 30 June 2020		
Carrying amoun	**311,148**	378,377
Contractual cash flows:		
6 month or less	**311,148**	378,377
6 months to 12 months	-	-
More than 1 year	-	-
	311,148	378,377

16.2 Recognized fair value measurements - financial assets

Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels:

'Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

'Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no financial asset and financial liability to be reported under above levels as the carrying amounts of all financial assets and financial liabilities presented in these financial statements are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

16.3 Recognized fair value measurements - non-financial assets

The carrying value of all non-financial assets reflected in these financial statements are approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

16.4 Financial instruments by categories

	At amortized cost	
	2020	**2019**
Financial assets as per statement of financial position	**Rupees**	**Rupees**
Advance	**25,000**	25,000
Cash and bank balances	**71,716,960**	25,581,207
	71,741,960	25,606,207
Financial liabilities as per statement of financial position		
Accrued and other payables	**311,148**	378,377

17. NUMBER OF EMPLOYEES

Number of contractual employees as at 30 June	**85**	82
Average number of employees during the year	**84**	47

18. IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On 23 March 2020, the Government of Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from 24 March 2020. Since the Company is an not-for-profit organization and its core operation is to provide rehabilitation, training and education services to children with Autism and Governemnt of Sindh has restricted the educational and rehabilitation activities as a measure to reduce the impact of the virus. Therefore, the Company's operations remained suspended till the reporting date. Due to this, management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following areas:

- the impairment of tangible and intangible assets under IAS 36 'Impairment of Assets';

- provisions and contingent liabilities under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'; and

- going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

19. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's board of directors and authorized for issue on 06 OCT 2020.

20. GENERAL

- No significant reclassification or rearrangement of the corresponding figures have been made during the year in these financial statements.

- Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER