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 2024

A member of
Nexia
International

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Center 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 Center for Autism Rehabilitation and Training, Sindh (C-ARTS) ("the Company"), which comprise the statement of financial position as at 30 June 2024, and the statement of income and expenditure, 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 material accounting policy information 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 statement of income and expenditure, 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 2024 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 are 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 statement of income and expenditure, the statement 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 Junaid Ashraf.

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 29 October 2024
UDIN: AR202410045woUhRWylG

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 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipments	4	**219,663,990**	107,619,349
Intangible asset	5	**-**	-
Long term deposit		**289,600**	-
		219,953,590	107,619,349
CURRENT ASSETS			
Deposits and prepayments		**291,036**	33,000
Cash and bank balances	6	**292,306,620**	99,813,230
		292,597,656	99,846,230
TOTAL ASSETS		**512,551,246**	207,465,579
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income	7	**94,289,526**	102,111,828
CURRENT LIABILITIES			
Accrued and other payables	8	**201,557,274**	3,945,716
TOTAL LIABILITIES		**295,846,800**	106,057,544
NET ASSETS		**216,704,446**	101,408,035
REPRESENTED BY:			
Accumulated fund		**216,704,446**	101,408,035
Contingencies and commitments	9		

The annexed notes from 1 to 19 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 INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
INCOME			
Grant income	10	**294,379,303**	158,445,719
Tender income		**22,500**	60,000
		294,401,803	158,505,719
EXPENDITURE			
Operational expenses	11	**(129,491,269)**	(89,448,437)
Administrative expenses	12	**(49,614,123)**	(25,665,520)
Surplus of income over expenditure before tax		**115,296,411**	43,391,762
Taxation	13	**-**	-
Surplus of income over expenditure after tax		**115,296,411**	43,391,762

The annexed notes from 1 to 19 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 2024

	2024 Rupees	2023 Rupees
Surplus of income over expenditure after tax	**115,296,411**	43,391,762
Other comprehensive income:		
Items that will not be reclassified to statement of income and expenditure	-	-
Items that may be reclassified subsequently to statement of income and expenditure	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**115,296,411**	43,391,762

The annexed notes from 1 to 19 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 2024

	Accumulated fund Rupees
Opening balance as at 1 July 2023	58,016,273
Total comprehensive income for the year ended 30 June 2023	
Surplus of income over expenditure after tax	43,391,762
Other comprehensive income	-
	43,391,762
Balance as at 30 June 2023	101,408,035
Total comprehensive income for the year ended 30 June 2024	
Surplus of income over expenditure after tax	**115,296,411**
Other comprehensive income	-
	115,296,411
Balance as at 30 June 2024	**216,704,446**

The annexed notes from 1 to 19 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 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus of income over expenditure before tax		**115,296,411**	43,391,762
Adjustments for non cash items:			
Amortisation - intangible asset		-	72,933
Depreciation		**17,933,957**	4,655,072
Amortisation of deferred grant		**(11,662,302)**	(2,759,329)
		6,271,654	1,968,676
Deposits and prepayments		**121,568,065**	45,360,438
Decrease / (increase) in current assets			
Deposits and prepayments		**(547,636)**	7,500
Increase in current liabilities			
Accrued and other payables		**197,611,558**	3,015,330
Cash flow generated from operations		**197,063,922**	3,022,830
Net cash generated from operating activities		**318,631,987**	48,383,268
CASH FLOW FROM INVESTING ACTIVITIES			
Addition in property and equipments		**(129,978,597)**	(99,653,974)
Net cash used in investing activities		**(129,978,597)**	(99,653,974)
CASH FLOW FROM FINANCING ACTIVITIES			
Grant received during the year		**3,840,000**	101,970,000
Net cash flow from financing activities		**3,840,000**	101,970,000
Net increase in cash and cash equivalents		**192,493,390**	50,699,294
Cash and cash equivalents at the beginning of the year		**99,813,230**	49,113,936
Cash and cash equivalents at the end of the year	6	**292,306,620**	99,813,230

The annexed notes from 1 to 19 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 2024

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. The Company operates through its branch offices (as disclosed in note 4 of the financial statements).

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, Government of Sindh for its operations.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 BASIS OF PREPARATION

a) 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.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

c) 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 3.5)
• Impairment of non-financial assets	(Note 3.7)
• Impairment of financial assets	{Note 3.9(c)}
• Provisions	(Note 3.15)

The revisions to accounting estimates (if any) are recognized 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 year 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 amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement').
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income Taxes').
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').
- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

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

3.2 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 2023 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 standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

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 01 January 2024. 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'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above amendments and improvements are likely to have no significant impact on the financial statements.

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 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.

3.5 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 as and when incurred.

Depreciation

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets at the rates mentioned in Note 4. Depreciation on additions and disposals during the year is charged from the date asset is available for use while no depreciation is charged from the date asset is disposed. When parts of an item of asset have different useful lives, they are accounted for as separate item in property and equipments. The residual values and useful lives are reviewed at each reporting date and adjusted, if required.

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. Gain or loss on disposal of property and equipment are determined by comparing proceeds with the carrying amount. Any gain or loss arising on de-recognition of the asset is included in the statement of income and expenditure in the year the asset is de-recognized.

3.6 Intangible assets

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

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

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

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

3.7 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 statement of income and expenditure.

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 statement of income and expenditure.

3.8 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.

3.9 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 amortised 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.

Financial assets at amortised cost

Financial assets at amortised 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.

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.

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 amortised 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 amortised 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 amortised 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 amortised 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 amortised 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.

3.10 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.

iii. 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 legally 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.

3.11 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.

3.12 Trade and other payables

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

3.13 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.

3.14 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.

3.15 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.

3.16 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupees, unless otherwise stated.

4. PROPERTY AND EQUIPMENTS

	Note	2024 Rupees	2023 Rupees
Operating assets	4.1	**219,663,990**	15,077,030
Capital work in progress	4.2	**-**	29,412,319
Advance for purchase of vehicles	4.3	**-**	63,130,000
		219,663,990	107,619,349

4.1 Operating assets

	Buildings	Vehicle	Furniture and fixtures	Electrical fittings and Equipments	General Equipments	Computer Equipments	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At 01 July 2023							
Cost	**-**	**8,777,475**	**7,732,116**	**7,377,881**	**2,898,206**	**3,081,555**	**29,867,233**
Accumulated depreciation	**-**	**(6,133,867)**	**(4,324,100)**	**(1,907,167)**	**(1,049,923)**	**(1,375,146)**	**(14,790,203)**
Net carrying value	**-**	**2,643,608**	**3,408,016**	**5,470,714**	**1,848,283**	**1,706,409**	**15,077,030**
Year ended 30 June 2024							
Opening carrying amount	**-**	**2,643,608**	**3,408,016**	**5,470,714**	**1,848,283**	**1,706,409**	**15,077,030**
Additions	**-**	**66,300,100**	**12,042,538**	**33,473,357**	**2,437,811**	**2,973,475**	**117,227,281**
Transfer from capital work in progress	**105,293,635**	**-**	**-**	**-**	**-**	**-**	**105,293,635**
Depreciation charged for the year	**(1,067,360)**	**(10,715,116)**	**(2,208,880)**	**(2,330,926)**	**(542,476)**	**(1,069,198)**	**(17,933,957)**
Disposals-carrying amount	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment charged for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying value	**104,226,275**	**58,228,592**	**13,241,674**	**36,613,145**	**3,743,618**	**3,610,686**	**219,663,990**
At 30 June 2024							
Cost	**105,293,635**	**75,077,575**	**19,774,654**	**40,851,238**	**5,336,017**	**6,055,030**	**252,388,149**
Accumulated depreciation	**(1,067,360)**	**(16,848,983)**	**(6,532,980)**	**(4,238,093)**	**(1,592,399)**	**(2,444,344)**	**(32,724,159)**
Net carrying value	**104,226,275**	**58,228,592**	**13,241,674**	**36,613,145**	**3,743,618**	**3,610,686**	**219,663,990**
	10%	**20%**	**20%**	**15%**	**15%**	**33.33%**	
At 01 July 2022							
Cost	-	8,685,475	5,987,226	4,230,075	2,290,806	1,561,996	22,755,578
Accumulated depreciation	-	(4,382,972)	(3,102,045)	(1,048,433)	(658,730)	(942,951)	(10,135,131)
Net carrying value	-	4,302,503	2,885,181	3,181,642	1,632,076	619,045	12,620,447
Year ended 30 June 2023							
Opening carrying amount	-	4,302,503	2,885,181	3,181,642	1,632,076	619,045	12,620,447
Additions	-	92,000	1,744,890	3,147,806	607,400	1,519,559	7,111,655
Transfer from capital work in progress	-	-	-	-	-	-	-
Depreciation charged for the year	-	(1,750,895)	(1,222,055)	(858,734)	(391,193)	(432,195)	(4,655,072)
Disposals-carrying amount	-	-	-	-	-	-	-
Impairment charged for the year	-	-	-	-	-	-	-
Net carrying value	-	2,643,608	3,408,016	5,470,714	1,848,283	1,706,409	15,077,030
At 30 June 2023							
Cost	-	8,777,475	7,732,116	7,377,881	2,898,206	3,081,555	29,867,233
Accumulated depreciation	-	(6,133,867)	(4,324,100)	(1,907,167)	(1,049,923)	(1,375,146)	(14,790,203)
Net carrying value	-	2,643,608	3,408,016	5,470,714	1,848,283	1,706,409	15,077,030
Depreciation rate	10%	20%	20%	15%	15%	33.33%	

4.1.1 The Government of Sindh through its Modified PC-1 dated 02 December 2016 allocated Rupees 66.148 million for the establishment 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. Subsequently, the Company has established branches on various locations detailed as under following the directives from the Government of Sindh and incurred capital expenditure.

Name	Address	Legal title of Land	Building on Land owned by	Further capital expenditure incurred by	Amount captalized in Buildings
Head Office	ST-31, Block-15, Gulistan-e-Johar, Karachi				-
Hyderabad Center (Branch)	Hilal-Ahmer Hospital Unit#06 Latifabad, Hyderabad			**C-ARTS**	**31,766,878**
Korangi Adult Autism Center (Branch)	2-1/2 Sector 41-B adjacent to LRBT Eye Hospital Korangi, Karachi	**Government of Sindh**	**Government of Sindh**	**C-ARTS**	**73,526,757**
Gambat Centerr (Branch)	Taluka City Hospital Gambat District Khairpur Mir's				-
Orangi Town Center (Branch)	Nc-240, Main Shahrah-e-Qaddafi,Gulshan-e-Bahar,Sector 16 Orangi Town				-
					105,293,635

4.1.2 Depreciation charged of owned assets has been allocated as follows:

	2024 Rupees	2023 Rupees
Operational expenses	17,037,260	4,422,317
Administrative expenses	896,698	232,754
	17,933,957	4,655,072

4.1.3 As at 30 June 2024, the gross carrying amount (cost) of fully depreciated owned assets that are still in use is Rupees 9,768,359 (30 June 2023: Rupees 8,513,827).

		Note	2024 Rupees	2023 Rupees
4.2	**CAPITAL WORK IN PROGRESS**			
	Opening balance		**29,412,319**	-
	Addition during the year		**75,881,316**	29,412,319
	Less: Transferred to property and equipments		**(105,293,635)**	-
	Closing balance		**-**	29,412,319
4.3	**ADVANCE FOR PURCHASE OF VEHICLES**			
	Opening balance		**63,130,000**	-
	Addition during the year		-	63,130,000
	Less: Adjusted during the year		**(63,130,000)**	-
				63,130,000
5.	**INTANGIBLE ASSET**			
	As at 1 July			
	Cost		**565,000**	565,000
	Accumulated amortisation		**(565,000)**	(492,067)
	Net book value		**-**	72,933
	Year ended 30 June			
	Opening net book value		-	72,933
	Additions-at cost		-	-
	Amortisation		-	(72,933)
	Closing net book value		-	-

5.1 As at 30 June 2024, the gross carrying amount (cost) of fully amortised software's that are still in use is Rupees 565,0000 (30 June 2023: Rupees 565,000).

		Note	2024 Rupees	2023 Rupees
6.	**CASH AND BANK BALANCES**			
	Cash in hand		**9,248**	19,372
	Cash at bank - current accounts		**292,297,372**	99,793,858
			292,306,620	99,813,230
7.	**DEFERRED INCOME**			
	Deferred income relating to property and equipments other than vehicle and buidings			
	Opening balance		**733,828**	1,605,157
	Amortisation for the year		**(470,270)**	(871,329)
		7.1	**263,558**	733,828
	Deferred income relating to vehicle			
	Opening balance		**63,130,000**	-
	Grant received during the year	7.2	-	63,130,000
	Amortisation for the year		**(8,531,238)**	-
			54,598,762	63,130,000

DEFERRED INCOME	Note	2024 Rupees	2023 Rupees
Deferred income relating to buildings			
Opening balance		**35,000,000**	-
Grant received during the year	7.3	**-**	35,000,000
Amortisation for the year		**(354,795)**	-
		34,645,205	35,000,000
		89,507,526	98,863,828
Deferred income relating to stipend to enrolled children			
Opening balance		**3,248,000**	1,296,000
Grant received during the year	7.4	**3,840,000**	3,840,000
Amortisation for the year		**(2,306,000)**	(1,888,000)
		4,782,000	3,248,000
		94,289,526	102,111,828

7.1 This represents deferred balance of 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.

7.2 This represents amount received from Department of Empowerment of Persons with Disabilities (Ex-Special Education Department), Government of Sindh against purchase of vehicles, in order to provide pick and drop facility to the children.

7.3 This represents funds received from Department of Empowerment of Persons with Disabilities (Ex-Special Education Department), Government of Sindh against the construction of Korangi Adult Autism Center and Hyderabad Center.

7.4 This represents amount received from Department of Empowerment of Persons with Disabilities (Ex-Special Education Department), Government of Sindh under grant to the children with special needs enrolled in Government special education and rehabilitation centers special education department, Government of Sindh.

8. ACCRUED AND OTHER PAYABLES

	Note	2024	2023
Accrued liabilities		**827,250**	1,888,768
Payable to Ujala-II project	8.1	**200,000,000**	-
Withholding tax payable		**1,279**	1,471,628
EOBI payable		**391,434**	195,414
Other payable		**337,311**	389,906
		201,557,274	3,945,716

8.1 This amount represents the fund received from Department of Empowerment of Persons with Disabilities (DEPD), Government of Sindh on behalf of UJALA-II for the establishment of UJALA-II Center for children with special needs enrolled in Government special education and rehabilitation centers special education department, Government of Sindh. The project is in process of opening of bank account where the fund will be deposited by CARTS.The Company is responsible for the professional and technical support to the UJALA-II project.

9.	CONTINGENCIES AND COMMITMENTS	Note	2024 Rupees	2023 Rupees
	Contingencies			
	There were no contingencies outstanding at the reporting date (2023: Nil).			
	Commitments			
	Contracts for capital expenditures		-	88,236,954

10. GRANT

	Note	2024 Rupees	2023 Rupees
Grant received	10.1	**282,717,000**	155,686,390
Amortisation - grant related to property and equipments		**470,270**	871,329
Amortisation - grant related to stipend for enrolled children		**2,306,000**	1,888,000
Amortisation - grant relating to buildings		**354,795**	-
Amortisation - grant relating to vehicles		**8,531,238**	-
		294,379,303	158,445,719

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

11. OPERATIONAL EXPENSES

	Note	2024 Rupees	2023 Rupees
Salaries, allowances and other benefits		**80,389,028**	64,286,055
Kids teaching material		**8,770,532**	3,833,535
Office supplies and consumable items		**3,452,909**	822,279
Stipend for enrolled children		**2,306,000**	1,888,000
Utilities		**7,418,644**	8,910,700
Repair and maintenance		**3,584,265**	1,389,497
Security services charges		**986,040**	501,752
Fees and subscription		**413,810**	423,377
Printing and stationary		**388,133**	395,137
Diesel for generator		**632,121**	76,317
Events and ceremonies		**1,516,540**	646,850
Legal and professional charges		**567,655**	387,500
Entertainment		**320,294**	188,658
Depreciation	4	**17,037,260**	4,422,318
Amortisation	5	-	69,286
Vehicle insurance		**640,823**	513,300
Advertisement and marketing		**367,543**	236,348
Miscellaneous expenses		**699,672**	457,528
		129,491,269	89,448,437

12. ADMINISTRATIVE EXPENSES	Note	2024 Rupees	2023 Rupees
Salaries, allowances and other benefits		**37,590,915**	15,464,551
Office supplies and consumable items		**1,778,771**	571,414
Advertisement and marketing		**189,340**	164,242
Utilities		**3,821,725**	6,192,182
Repair and maintenance		**1,846,439**	965,582
Security services charges		**507,960**	348,675
Conveyance - office staff		**101,255**	15,945
Printing and stationary		**199,948**	274,587
Courier expense		**3,910**	2,390
Auditors' remuneration	12.1	**350,438**	269,568
Diesel for generator		**325,638**	53,034
Entertainment		**165,000**	131,101
Depreciation	4	**896,698**	232,754
Amortisation	5	**-**	3,647
Insurance		**401,353**	424,471
Directors fees		**30,000**	70,000
Miscellaneous expenses		**1,404,733**	481,377
		49,614,123	25,665,520

12.1 Auditors' remuneration

Audit fee	**223,080**	171,600
Review of Code of Corporate Governance	**84,500**	65,000
Out of pocket	**16,900**	13,000
	324,480	249,600
Sindh sales tax @ 8%	**25,958**	19,968
	350,438	269,568

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 AND EXECUTIVE

	2024		2023	
	Chief executive officer	Executives	Chief executive officer	Executives
	Rupees		Rupees	
Basic pay	**3,880,015**	**4,588,509**	3,430,460	3,813,930
	Numbers		Numbers	
Number of person	**1**	**2**	1	2

14.1 'Executive' means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

15. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Department of Empowerment of Persons with Disabilities, Government of Sindh and key management personnel. The related party transactions during the year other than those disclosed in note 14 and the status of outstanding balances as at the year end are as follows:

15.1

Name of Related party	Relationship with related	Nature of transaction	2024 Rupees	2023 Rupees
Department of Empowerment of Persons with Disabilities, Government of Sindh	Sponsors	Grant received	**286,557,000**	256,285,000

16. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

16.1 Financial risk factors

The Company's activities may 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

Interest rate risk 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 Company 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 and deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 Rupees	2023 Rupees
Deposits	**339,600**	33,000
Bank balances	**292,297,372**	99,793,858
	292,636,972	99,826,858

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external 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	**292,297,372**	99,793,858

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 the Company will encounter difficulty in meeting the obligations associated with its financial liabilities.

The Company manages liquidity risk by maintaining sufficient bank balances. At 30 June 2024, the Company had bank balances of Rupees 292,297,372 (2023: Rupees 99,793,858). Following are the contractual maturities of the financial liabilities. The amount disclosed in the table are undiscounted cash flows:

	2024 Rupees	2023 Rupees
Contractual maturities of financial liabilities:	**Accrued and other payables**	
As at 30 June		
Carrying amount	**201,164,561**	2,278,674
Contractual cash flows:		
6 month or less	**201,164,561**	2,278,674

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.

		2024 Rupees	2023 Rupees
16.4	**Financial instruments by categories**	**At amortized cost**	
	Financial assets as per statement of financial position		
	Deposits	**339,600**	33,000
	Cash and bank balances	**292,306,620**	99,813,230
		292,646,220	99,846,230
	Financial liabilities as per statement of financial position		
	Accrued and other payables	**201,164,561**	2,278,674

		2024 Numbers	2023 Numbers
17.	**NUMBER OF EMPLOYEES**		
	Number of contractual employees as at 30 June	**211**	140
	Average number of employees during the year	**169**	122

18. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's board of directors and authorized for issue on 0 4 OCT 2024.

19. 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