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SALMAN & CO.
CHARTERED ACCOUNTANTS

AUDIT AND ASSURANCE GROUP

Independent Auditor's Report
To the Trustees of Association for Children with Emotional and Learning Problems
Report on the audit of Financial Statement

Opinion

We have audited the financial statements of **Association for Children with Emotional and Learning Problems** (the Trust), which comprise the statement of financial position as at June 30, 2024, and the statement of receipt & expenditure account and, the statement of changes in funds, the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of **Association for Children with Emotional and Learning Problems** as at June 30, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Executive Committee are responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and for such internal control as the Executive Committee 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, Executive Committee are responsible for assessing the Trust'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 Executive Committee either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust'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.

SALMAN & CO. KARACHI Chartered Accountants

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CHARTERED ACCOUNTANTS

AUDIT AND ASSURANCE GROUP

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 Trust'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 Trust'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 Trust 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Karachi
Dated: 20-November-2024

SALMAN & CO. KARACHI Chartered Accountants

Salman Masood, FCA
Salman & Co.
Chartered Accountants.

UDIN: **AR202410457ja6WKYkRT**

ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	June 30, 2024 Rupees	June 30, 2023 Rupees
NON CURRENT ASSETS			
Fixed assets			
(At Cost Less Accumulated Depreciation)	4.	30,889,426	32,328,258
CURRENT ASSETS			
Investment			-
Prepaid insurance	5	1,581,860	107,874
Account receivable		106,722	-
Cash and bank balances		11,969	7,497,783
Loan, Advances and prepayments	6	93,105	2,083,083
Advances for expenses	7	4,240,451	91,500
		7,000	
		6,041,107	9,780,240
Total ASSETS		36,930,533	42,108,498
FUNDS AND LIABILITIES			
General fund		18,389,255	22,530,573
Zakat fund		(389,878)	3,575,790
Education sponsor fund		(451,762)	(1,808,842)
Fixed asset fund		14,686,068	15,257,723
Fund Balance		32,233,683	39,555,244
NON-CURRENT LIABILITIES			
Deferred liabilities	8	2,194,332	2,179,941
CURRENT LIABILITIES			
Salaries, accrued and other payable	9	2,502,517	373,311
Contingencies and commitment			
TOTAL FUND AND LIABILITIES		36,930,533	42,108,498

The annexed notes from Note 1 to Note 16 form an integral part of these financial statements.

Z.M. Hasan
President

Treasurer

ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
STATEMENT OF RECEIPT AND EXPENDITURE ACCOUNTS
FOR THE PERIOD ENDED JUNE 30, 2024

	Note	June 30, 2024	June 30, 2023
		Rupees	Rupees
Concessional Fees Income	10	14,361,850	9,154,810
Donation	10.1	7,965,586	13,167,265
Operative, administrative and general expenses	11	(36,559,867)	(31,576,138)
Financial charges	12	(10,912)	(7,232)
		(36,570,779)	(31,583,370)
Deficit for the year before Other Income		(14,243,343)	(9,261,294)
Other income	13	773,352	3,111,586
Deficit for the year		(13,469,991)	(6,149,708)

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

President

Treasurer

ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
	Rupees	Rupees
Deficit for the year	(13,469,991)	(6,149,708)
Other comprehensive income	-	-
Total comprehensive income for the year	**(13,469,991)**	**(6,149,708)**

The annexed notes from an integral parts of these financial statements.

Z.M. Hasan
President

B.S. Hasan
Treasurer

ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
STATEMENT OF CHANGES IN FUNDS
FOR THE PERIOD ENDED JUNE 30, 2024

	June 30, 2024
	Rupees
Balance as at June 30, 2022	**45,704,954**
Deficit for the year	(6,149,709)
Balance as at June 30, 2023	**39,555,245**
Deficit for the year	(13,469,991)
Surplus fund during the year	6,148,429
Balance as at June 30, 2024	**32,233,683**

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

President

Treasurer

ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
CASH FLOW STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2024

	June 30, 2024 Rupees	June 30, 2023 Rupees
Surplus for the year	(13,469,991)	(6,149,708)
Adjustment for:		
Depreciation	2,423,476	2,565,940
Gain on Disposal of fixed asset	-	(1,362,076)
Operating surplus before working capital change	(11,046,514)	(4,945,844)
Cash flow from operating activities		
(Increase) / decrease in current assets:		
Investment	(1,581,860)	-
Prepaid insurance	1,152	(9,121)
Account receivable	(11,969)	-
Loan, Advances and prepayments	(1,936,087)	-
Advance for expenses	84,500	(66,500)
Increase / (decrease) in current liabilities:		
Accrued and other labilities	2,129,206	41,165
Deferred liabilities	14,391	(692,692)
Net cash flow from operating activities	(1,300,667)	(727,148)
Taxes paid	(221,281)	(355,325)
Net inflow from operating activities	(12,568,462)	(6,028,317)
Cash flow from investing activities		
Deletion of fixes assets	4,719	-
Surplus fund during the year	6,148,408	-
Prior year adjustment		
Addition to fixed assets	(989,362)	(6,294,120)
Sale proceed during the year	-	1,463,500
Net cash increase in cash and cash equivalent	(7,404,697)	(4,830,620)
		-
Cash and cash equivalent at the beginning of the year	7,497,804	18,356,740
Cash and cash equivalent at the end of the year	93,105	7,497,804

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

Z.M. Hasan
President

B S Hasan
Treasurer

ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2024

NOTE

1 LEGAL STATUS AND BUSSINESS ACTIVITIES IF THE ASSOCIATION

Association for childern with emotional and learning problem the association was incorporated on July 02,1975 under the vouluntry social welfare agenecies registration and control ordinance 1961 xi,vi of 1961 as not for profit entity.Principle activity of the Association is to establish and manage a diagnostic,treatment and training centre for childern manifesting specific or diverse emotional,behavoiural and educational problems and learning deficits in their development.

The Association's office toghether with school building are situdated at 197/8 Rafiqui shaheed road karachi

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standard as applicable in pakistan on non profit organizations which is accounting standard for non profit organizations NPOs as issued by the institute of Chartered Accountant Of Pakistan(ICAP)

2.2 ACCOUNTING CONVENTION

These financial statements are prepared under the historical cost convention and on an accrual basis of accounting except for the information related to cash flows

2.3 FUNCTIONAL AND PRESENTATIONAL CURRENCY

These financial statements are presented in Pakistan Rupees,which is the Association's functional currency

3 SIGNIFICANT OF ACCOUNTING POLICIES

The siginificant accounting policies adopted in the prepartion of these financial statements are set out below.These policies have been consistently applied to all years presented,unlees otherwise stated

3.5 PROPERTY AND EQUIPMENT

Fixed assets are stated at cost less accumulated depriciation and impairment if any.
Full year depreciation is charged in the year of purchase while no deprication ios charged in the year of disposal
Maintence and normal repairs are charged to income as and when incurred.Major renewals ,renovatiuon and improvements are capatalized and the assets so replaced,if any are retired
Gains and lossess on disposal if assets if any are included in income currently

3.6 INVESTMENT

Investment is stated at fair value prevailing at statemnet of financial position.Investment are valued at current market value and surplus/defict is taken to the statement of income and expenditure

3.7 INCOME RECOGNITION

Tution,transportation fees, and other fees are recognized when received.Similarly,donations are recognized when received.

Profit on investment is accurated for on acccural basis.

3.8 TAXATION

The charge of current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available any however, under section 100C of income tax Ordinance,2001 the Association is availing 100% tax credit over its income

3.9 TRADE AND OTHER PAYBLES

Liabilities for trade and other amount payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services

3.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investment

3.11 **PROVISIONS**

Provision are recognized when the company has a present, legal or constructive, obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made

3.12 **SEGMENTAL FUND ACCOUNTING**

These financial statements are maintained substantially in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting and reporting purposes, that are in accordance with the activities specified by donor in fund accounting funds are distinguished in three categories which are general funds, other fund education sponsor fund and fixed asset fund

3.13 **GENERAL FUND**

There is an unrestricted fund. Grants and donations, utilization of which is not restricted for a specific purpose, are recognized in this fund

3.14 **ZAKAT FUND**

This is a form of restricted utilized for the expenditures for the students who are entitled to received zakat under Islamic sharia

3.15 **EDUCATION SPONSOR FUND**

This represent a restricted fund obtained through tuition fees, admission fees and other associated fee which are subsequently utilized to cover educational expenses

3.16 **FIXED ASSET FUND**

This fund represents the net book value of the tangible fixed assets of the institute. Fixed assets received directly as donations are debited to the property, plant and equipment or intangible account at fair value and a corresponding amount credited to income of this fund. Such items are then after depreciated as per the policy of the institute

3.17 **EXPENSE**

Expense are divided on a proportional basis, determined by the turn over of the respective funds. These expenses include vehicle running charge, repair and maintenance, utilities, promotional, entertainment, printing and stationery and miscellaneous expense. On the other hand expenses such as depreciation are allocated based on the individual funds

4- FIXED ASSETS

(In Rupees)

Particulars	As at June 01,2023	Additions during the year	Disposal made during the year	As at June 30,2024	Accumulated as at July 01,2023	Elimination of disposal	Charge for the year	Accumulated as at 30 June,2024	Book value as at 30 June,2024	Rate%
	Amount in pkr									
Owned Assets										
Free hold land	125	-	-	125	-	-			125	0%
School building	24,882,768	-		24,882,768	10,870,607	-	700,608	11,571,215	13,311,553	5%
Furniture & fixture	1,661,914	138,000		1,799,914	987,003	-	81,291	1,068,294	731,620	10%
Electrical equipment	978,975	73,920	8,880	1,044,015	472,498	4,161	57,568	525,905	518,110	10%
Educational equipment	791,205	-		791,205	504,920	-	28,629	533,549	257,657	10%
Computer and allied equipment	525,970	132,275		658,245	469,401	-	56,653	526,054	132,191	30%
CCTV camera	152,055	38,800		190,855	129,422	-	18,430	147,852	43,003	30%
Motor vehicles	3,660,971	-		3,660,971	2,149,597		302,275	2,451,872	1,209,099	20%
	32,653,983	382,995	8,880	33,028,098	15,583,448	4,161	1,245,453	16,824,740	16,203,358	
Donated Assets										
School building	14,952,114	-		14,952,114	3,646,659	-	565,273	4,211,932	10,740,182	5%
Furniture & fixture	259,100	29,000		288,100	59,366	-	22,873	82,239	205,861	10%
Educational equipment	317,704	543,667		861,371	66,414	-	79,496	145,910	715,461	10%
Generator	800,000	-		800,000	490,064	-	30,994	521,058	278,942	10%
Electric elevator	2,500,786	-		2,500,786	1,171,766	-	132,902	1,304,668	1,196,118	10%
Electric appliances	573,410	33,700		607,110	241,362		36,575	277,937	329,173	10%
Computer and allied equipment	295,200	-		295,200	256,576	-	11,587	268,163	27,037	30%
Motor vehicles	5,829,066	-		5,829,066	4,337,450	-	298,323	4,635,773	1,193,293	20%
	25,527,380	606,367	-	26,133,747	10,269,656	-	1,178,023	11,447,679	14,686,068	
June 30,2024	58,181,363	989,362	8,880	59,161,845	25,853,104	4,161	2,423,476	28,272,419	30,889,426	
June 30,2023	53,633,722	6,294,121	1,746,480	58,181,363	24,932,219	1,645,056	2,565,939	25,853,104	32,328,260	

FREE HOLD LAND

The land is located at 197/8 Rafiqui shaheed road karachi and it was provided as grant from the government on march 2nd 1980, and the association only paid stamp duty againts registration of the land therefore , the land was recoded at a value pf stamp duty paid at RS.125 in this regard.presently school building is situdated over it.The association has not yet determined the fair market value reagrding this land

BUILDING

Due to a fire incident in the school building during the year,an expenditure of approximately 4.3 million was incurred for its restoration.This expenditure is capatalized as it contributes to extending the lifespan of the building

Notes		June 30, 2024 Rupees	June 30, 2023 Rupees
	INVESTMENT		
5	Investment (treasury bills)	1,581,860	-
6	**CASH AND BANK BALANCES**		
	Cash in hand	5,110	5,370
	Hbl A/c #3848-01 (Zakat)	143,496	6,513,573
	Hbl A/c #3849-01 (Non-Zakat)	(268,716)	522,453
	Hbl A/c #3850-01 (Education)	213,216	456,387
	Cash at bank in saving accounts	87,995	7,492,413
	Total cash in hand	93,105	7,497,783
		93,105	**7,497,783**
	It carries a mark up of 14.51% to 19.51% per Anum		
7	**LOAN, ADVANCES & PREPAYMENTS**		
	Advance for purchasing fixed assets	1,900,087	-
	Advance income tax	2,304,364	2,083,083
	Staff loan	36,000	-
		4,240,451	**2,083,083**
8	**DEFERRED LIABILITIES**		
	Staff security deposit		
	Opening balance	2,179,941	2,872,633
	Profit on investment on staff security deposit	132,131	80,808
	Less: Paid on to staff	(117,740)	(773,500)
	Total deferred liabilities	2,194,332	2,179,941
	Represented by		
	Total assets against staff security deposit	**2,194,332**	2,179,941
	The Association runs a staff deposit for permanent employees, deducting 10% of their basic pay monthly. The Association does not contribute to the fund, and it is paid out to employees upon termination of their service. However, the Executive Committee discounted the staff security deposit scheme in 2020, and payments are now made based on employee's needs or departure.		
9	**SALARIES, ACCRUED AND OTHER PAYABLE**		
	Account payable	121,795	151,200
	Accrued tuition fee	21,200	-
	Advance income tax payable	154,014	22,567
	EOBI contribution	2,290	-
	Salaries payable	2,203,218	199,544
		2,502,517	**373,311**
10	**CONCESSIONAL FEES INCOME**		
	Tuition fee	5,053,450	3,535,764
	Physio, occupational and speech therapy	3,655,950	2,187,110
	Afternoon programs	2,238,600	1,078,650
	Transportation	1,349,900	1,011,000
	Admission fee	414,500	198,000
	Other fee	1,495,550	1,144,286
	Stationary fee	153,900	-
	Total Fees Income	**14,361,850**	**9,154,810**
10.1	**DONATION**		
	Donations	7,921,836	12,708,405
	Donations in kind	43,750	458,860
	Total Donation	**7,965,586**	**13,167,265**
	The Association has obtained asset on donation , consisting of consumables are charged to general fund and the other assets of donation in kind has been allocated to the fixed asset fund.		

11 ADMINISTARTIVE AND GENRAL EXPENDITURE

Operational staff salaries	17,798,854	14,622,301
Administrative staff salaries	5,996,399	4,894,106
Employer's EOBI contribution	723,120	85,800
After noon programs charges	2,261,584	1,531,096
Vehicle running charges	2,526,759	2,053,111
Repair & maintenance	684,894	2,260,799
Education expenses	275,794	197,370
Depreciation	2,423,476	2,565,940
Utilities expenses	990,637	713,750
Promotional expenses	658,434	287,280
Entertainment expenses	12,387	6,240
Splint making charges	50,720	14,400
Printing & stationery	343,850	193,175
Insurance expenses	-	172,579
Auditor's remuneration	-	150,000
Workshops & seminars	6,280	484,245
Security expense	76,850	-
Legal and professional	569,565	90,556
Written off	16,199	-
Miscellaneous charges	248,500	283,577
Conveyance charges	56,101	37,360
Loss on disposal	-	5,905
Postage & courier charges	7,410	1,370
Rent, Rate & Taxes Exp.	22,000	42,000
Generator fuel	33,644	57,311
Telephone and internet expenses	114,528	144,263
Trainer and training expenses	330,130	127,120
Water expenses	331,752	554,484
Total expenses	**36,559,867**	**31,576,138**

12 FINANCIAL CHARGES

Bank Charges	10,912	7,232
	10,912	**7,232**

13 OTHER INCOME

Profit on daily munafa saving account	748,825	1,739,789
Profit on disposal of fixed assets	-	1,362,076
Write back of other liability	-	390
Profit on treasury bills	24,527	9,331
	773,352	**3,111,586**

14 CONTINGENCIES & COMMITMENTS

The Association does not have any contingencies and commitments to report at the reporting date,

15 PRESENTATION OF ACCOUNTS

Figures have been rounded off to the nearest rupee. Previous year's Figures have been re-arranged and re-grouped where found necessary for the purposes of comparison,

16 DATE OF AUTHORIZATION

These financial statements were authorized for issue on _____ by the Executive Committee of the Association.

Z.M Hasan
President

BS Haroon
Treasurer