

**CENTRE FOR SPEECH AND
HEARING, MARDAN
(CSHM)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2021**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of "CENTRE FOR SPEECH AND HEARING MARDAN (CSHM)" which comprise the balance sheet as at June 30, 2021, and the income and expenditure account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements presents fairly, in all material respects, the financial position of CENTRE FOR SPEECH AND HEARING, MARDAN (CSHM) as at June 30, 2021 and of its financial performance for the year ended in accordance with Accounting Standard for Not for Profit Organization (NPOs) and Revised Accounting and Financial Reporting Standard for Small Sized Entities.

Basis for Opinion

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

Emphasis of Matter – No provision for taxation

We draw attention to Note 4.7 of the financial statements, which describes that provision for taxation under the requirements of Income Tax Ordinance, 2001 has not been made in these financial statement. Our opinion is not modified in respect of this matter.

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

The *management is* responsible for the preparation and fair presentation of the financial statements in accordance with the *approved accounting and reporting standards as applicable in Pakistan* and for such internal Control as the management determine(s) 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 organization ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the organization financial reporting process.

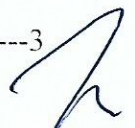
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 organization'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 Organization ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

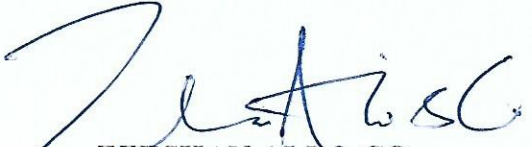
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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DATE: 18-10-2021
PESHAWAR


ZEESHAN ALI & CO.,
CHARTERED ACCOUNTANT

Zeeshan Ali, FCA
Engagement Partner



CENTRE FOR SPEECH AND HEARING, MARDAN
BALANCE SHEET
AS AT JUNE 30, 2021

	Note	<u>June 30, 2021</u> Rupees	<u>June 30, 2020</u> Rupees
Assets			
Non current assets			
Fixed assets	5	15,252,628	16,373,159
Current assets			
Cash and bank balances	6	2,512,659	4,742,453
		2,512,659	4,742,453
		<u>17,765,288</u>	<u>21,115,612</u>
Funds and liabilities			
Funds			
Funds	7	16,540,127	19,979,188
Deferred grant	8	1,144,161	1,055,424
		17,684,288	21,034,612
Current liabilities			
Audit fee payable		50,000	50,000
EOBI payable		31,000	31,000
		81,000	81,000
		<u>17,765,288</u>	<u>21,115,612</u>



AUDITOR'S REPORT ANNEXED

The annexed notes from 1 to 11 form an integral part of these accounts.

Anwar
DIRECTOR

**CENTER FOR SPEECH AND HEARING, MARDAN
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	<u>June 30, 2021</u>	<u>June 30, 2020</u>
		Rupees	Rupees
Income			
General donation		2,573,519	3,081,797
School tuition fee		2,767,530	2,503,020
Donation through bank		616,510	514,634
Grant income recognized	7.1	185,764	186,251
Sales	9	203,150	128,076
Registration fee		50,500	24,800
Vocational center income		52,680	125,495
Exchange (loss)/gain		(13,233)	14,000
Miscellaneous		14,300	121,479
		6,450,720	6,699,553
Expenditure			
Salaries		6,880,631	6,753,340
Vehicle running expenses		370,328	741,750
EOBI contribution		76,440	897,687
Speech & hearing educational and therapy expenses	10	531,457	143,792
Printing and stationery		90,649	106,474
Utilities		223,099	225,515
Repair and maintenance:			
- vehicles		72,170	28,480
- building		49,556	58,755
- machinery		48,560	20,260
- repair of furniture		2,560	5,500
Entertainment		7,070	14,805
Video cassette		1,745	-
Depreciation		1,395,030	1,580,147
Audit fee		30,000	30,000
Bank charges		28,651	9,372
Miscellaneous		81,834	182,365
		9,889,780	10,798,240
(Loss) for the year before tax		<u>(3,439,061)</u>	<u>(4,098,687)</u>
Tax	4.7	-	-
(Loss) for the year after tax		<u>(3,439,061)</u>	<u>(4,098,687)</u>

The annexed notes from 1 to 11 form an integral part of these accounts.

DIRECTOR

CENTRE FOR SPEECH AND HEARING, MARDAN
Statement of Cash Flows
AS AT JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
Rupees			
Cash flows from operating activities			
Profit before tax		(3,439,061)	(4,098,687)
Adjustment for non-cash items:			
Exchange loss/(gain)		13,233	(14,000)
Grant amortized		(185,764)	(186,251)
Depreciation	5	1,395,030	1,580,147
Cash flows (used in) before working capital changes		<u>(2,216,561)</u>	<u>(2,718,793)</u>
Working capital changes:		-	-
Net cash flows (used in) operating activities		<u>(2,216,561)</u>	<u>(2,718,793)</u>
Cash flows from investing activities			
Fixed assets purchased	5	<u>(274,500)</u>	<u>(224,200)</u>
Net cash flows (used in) investing activities		<u>(274,500)</u>	<u>(224,200)</u>
Cash flows from financing activities			
Fixed assets contributed		<u>274,500</u>	-
Net cash flows from financing activities		<u>274,500</u>	-
Net cash outflows for the year		<u>(2,216,561)</u>	<u>(2,942,994)</u>
Cash and cash equivalent at the beginning of the year		4,742,453	7,671,448
Effect of exchange (loss)/gain		(13,233)	14,000
Cash and cash equivalent at the end of the year	7	<u><u>2,512,659</u></u>	<u><u>4,742,453</u></u>

The annexed notes from 1 to 11 form an integral part of these accounts.


Chief Executive

**CENTRE FOR SPEECH AND HEARING, MARDAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1 CENTER AND ITS ACTIVITIES

Centre of Speech and Hearing Mardan has been established to provide the education and training for speech and hearing of blinds and deaf. The center not only arrange for the speech therapy tuition but also provide the students with all the audiology equipment's and hearing aid items free of cost.

Financial Statements of Foreign currency account

The transactions of the foreign currency account are reported in these financial statements and also for donor reporting purpose; the financial statements of foreign currency account is separately annexed as per annexure - A to these financial statements.

Legal Status

The Center for Speech and Hearing Mardan is a "Not for profit organization" registered under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961

Tax Status

CSHM is a "Not for profit organization" under the definition of section 2(36) of the Income Tax Ordinance, 2001 therefore, the organization income is subject to 100% tax credit under section 100(C) of the said ordinance subject to ensuring compliance with the stipulated conditions mentioned under the said section . For further detail ref to note 4.7 of the financial statements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standard applicable in Pakistan. Approved accounting standard comprises of Accounting Standard for Not for Profit Organization (NPOs) as notified by the Institute of Chartered Accountants of Pakistan (ICAP) and Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSE) as applicable in Pakistan.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the organization.

3 BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under historical cost convention.

3.2 The preparation of financial statements in conformity with approved accounting standards requires the management to make judgments and estimates that affect the amount of assets, liabilities, income and expenses reported.

Estimates are reviewed on an on-going basis and revisions, if any, are recognized in the period in which the estimate is revised.

The areas where estimates are significant to the organization's financial statements are as follow:

- (i) Estimate of useful lives and residual value of fixed assets.



**CENTRE FOR SPEECH AND HEARING, MARDAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Fixed assets

Fixed assets, except land, are stated at cost less accumulated depreciation. Depreciation is charged on reducing balance method at the rates specified in fixed assets schedule. Depreciation is charged when fixed asset is available for use and ceases at the earlier of the date when it is classified as held for sale and the date when it is derecognized. Same policy applies to assets donated in kind.

4.2 Donation in kind

Donation in kind is recognized as income in the year of receipt which are in the nature of revenue grants. Capital grants in the form of fixed assets are recognized as deferred income in the year of receipt. When fixed assets are depreciated, value equal to depreciation is recognized as income in the form of grant realized.

4.3 Income

Income is recognized when the right to receipt is established.

4.4 Grant income realization

An amount equivalent to depreciation charge of the donated fixed assets is recognized in the income and expenditure account.

4.5 Expenditure recognition and measurement

Expenditure is recognized on accrual basis and the fair value of the amount paid/payable.

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. The fair value of cash and cash equivalent approximate their carrying amount and comprises of cash in hand and cash at bank.

4.7 Taxation

CSHM is a "Not for profit organization" under the definition of section 2(36) of the Income Tax Ordinance 2001 therefore, the organization income is subject to 100% tax credit under sec 100(C) of the said ordinance. However, the 100% tax credit has been made depended on compliance with the requirements of 100(C) of the Income Tax Ordinance, 2001 and the organization has initiated the process of seeking approval from the commissioner of Inland Revenue as per requirement of clause (36) of section 2, therefore no provision for taxation has been made in these financial statements.

	Note	June 30, 2021	June 30, 2020
		Rupees	Rupees
5 Fixed assets (Schedule annexed)		<u>15,252,628</u>	<u>16,373,158</u>
6 Cash and bank balances			
Cash in hand (PKR)		-	-
Cash in hand (USD converted into PKR) (Current account)	6.1	322,805	336,038
HBL foreign currency (dollar account frozen fund)	6.2	377,175	377,175
UBL current account		1,812,679	4,029,240
		<u>2,512,659</u>	<u>4,742,453</u>

CENTRE FOR SPEECH AND HEARING, MARDAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

6.1 Cash in hand (USD) amounting to 2,005/- as at June 30, 2021(2020 : USD 2,005/- at exchange rate of 1 USD=PKR 167.6) has been converted into PKR at exchange rate of 1 USD = PKR 161 at the closing date.

6.2 The foreign currency (USD) account has been closed by bank on 12 March, 2020 having a balance of USD 2,381.30. The balance will only be released to the organization after ensuring compliance and submitting the required documents to the bank. The organization is in correspondence with the bank for reopening of the bank account.

	Note	June 30, 2021 Rupees	June 30, 2020 Rupees
7 Funds			
Opening balance		19,979,188	24,077,875
(Deficit) / surplus for the year		(3,439,061)	(4,098,687)
		<u>16,540,127</u>	<u>19,979,188</u>
8 Deferred grant			
Deferred grant closing balance	7.2	<u>1,144,161</u>	<u>1,055,425</u>
8.1 Deferred grant recognized			
Deferred grant recognized	7.2	<u>185,764</u>	<u>186,251</u>

Deferred grant income is recognized to the extent of depreciation expense.

8.2 Deferred grant movement

	June 30, 2021				
	Opening Balance	Addition	Rate	Income Recognized	Closing Balance
Capital grant	367,681	-	15%	(55,152)	312,529
Generator 30 KVA (Donated)	687,743	-	15%	(103,161)	584,582
Electric appliances	-	257,500	10%	(25,750)	231,750
Other equipment's	-	17,000	10%	(1,700)	15,300
	<u>1,055,424</u>	<u>274,500</u>		<u>(185,764)</u>	<u>1,144,161</u>
	June 30, 2020				
	Opening Balance	Addition	Rate	Income Recognized	Closing Balance
Capital grant	432,567	-	15%	(64,885)	367,682
Generator 30 KVA (Donated)	809,110	-	15%	(121,366)	687,743
	<u>1,241,677</u>	<u>-</u>		<u>(186,251)</u>	<u>1,055,425</u>

9 Sales

Sale of stationery items	94,650	31,400
Sale of audio items	108,000	78,090
Photostat	500	18,585
	<u>203,150</u>	<u>128,076</u>

CENTRE FOR SPEECH AND HEARING, MARDAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note	<u>June 30, 2021</u> Rupees	<u>June 30, 2020</u> Rupees
10 Speech & hearing educational and therapy expenses		
Student educational expenses	-	13,850
Audiology equipment	448,526	73,979
Vocational center expenses	82,931	55,963
	<u>531,457</u>	<u>143,792</u>

11 General

-Figures have been rounded off to nearest rupee.

-Figures have been rearranged and regrouped, wherever deemed necessary for the purpose of comparison.



DIRECTOR

5. Fixed assets

JUNE 30, 2021						
Particulars	W.D.V AS ON 01-07-2020	Additions	AS ON 30-06-2021	Rate %	Depreciation	W.D.V AS ON 30-06-2021
Own purchased fixed assets						
Land (Freehold)	4,122,250	-	4,122,250	-	-	4,122,250
Building	2,886,377	-	2,886,377	3	86,591	2,799,786
Furniture and fixture	117,172	-	117,172	10	11,717	105,455
Vehicles	691,849	-	691,849	15	103,777	588,071
Vehicle foreign currency account	5,511,127	-	5,511,127	15	826,669	4,684,458
Electric appliances	54,064	-	54,064	10	5,406	48,658
Educational equipment's	95,866	-	95,866	10	9,587	86,280
Audiology items	2,171,318	-	2,171,318	10	217,132	1,954,186
Other equipment's	35,392	-	35,392	10	3,539	31,852
	15,685,415	-	15,685,415		1,264,419	14,420,996
Donated fixed assets						
Generator (Donated)	687,744	-	687,744	15	103,162	584,582
Electric appliances	-	257,500	257,500	10	25,750	231,750
Other equipment's	-	17,000	17,000	10	1,700	15,300
	687,744	274,500	945,244		130,612	831,632
	16,373,158	274,500	16,630,658		1,395,030	15,252,628
June 30, 2021 (PKR)						
Particulars	W.D.V AS ON 01-07-2019	Additions	AS ON 30-06-2020	Rate %	Depreciation	W.D.V AS ON 30-06-2020
Own purchased fixed assets						
Land (Freehold)	4,122,250	-	4,122,250	-	-	4,122,250
Building	2,775,647	200,000	2,975,647	3	89,269	2,886,377
Furniture and fixture	115,792	14,400	130,192	10	13,019	117,172
Vehicles	813,940	-	813,940	15	122,091	691,849
Vehicle foreign currency account	6,483,679	-	6,483,679	15	972,552	5,511,127
Electric appliances	60,071	-	60,071	10	6,007	54,064
Generator (Donated)	809,110	-	809,110	15	121,367	687,744
Educational equipment's	106,518	-	106,518	10	10,652	95,866
Audiology items	2,412,575	-	2,412,575	10	241,258	2,171,318
Other equipment's	29,524	9,800	39,324	10	3,932	35,392
	17,729,104	224,200	17,953,305		1,580,147	16,373,158
June 30, 2020 (PKR)						

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR

Opinion

We have audited the financial statements of **CENTRE FOR SPEECH AND HEARING, MARDAN, FOREIGN CURRENCY ACCOUNT** which comprise the balance sheet as at June 30, 2021, and the income and expenditure account for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **CENTRE FOR SPEECH AND HEARING, MARDAN, FOREIGN CURRENCY ACCOUNT** as at June 30, 2021, and its financial performance for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

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

The director is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as the director 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, director is responsible for assessing the organization ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization financial reporting process.



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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 organization 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 organization ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

DATE: 18-10-2021
PESHAWAR


ZEESHAN ALI & CO.,
Chartered Accountant
Zeeshan Ali, FCA
Engagement Partner

**CENTRE FOR SPEECH AND HEARING, MARDAN
FOREIGN CURRENCY ACCOUNT
BALANCE SHEET
AS AT JUNE 30, 2021**

	Note	<u>June 30, 2021</u> Rupees	<u>June 30, 2020</u> Rupees
Assets			
Non current assets			
Fixed assets	5	4,684,458	5,511,127
Current assets			
Cash and bank balances		838	838
HBL foreign currency (Dollar account frozen fund)		377,175	377,175
		378,013	378,013
		<u>5,062,471</u>	<u>5,889,140</u>
Funds and liabilities			
Funds			
Fund balance		5,054,471	5,881,140
Current liabilities			
Audit fee payable		8,000	8,000
		<u>5,062,471</u>	<u>5,889,140</u>

AUDITOR'S REPORT ANNEXED

The annexed notes from 1 to 6 form an integral part of these accounts.

Anwar
DIRECTOR

**CENTRE FOR SPEECH AND HEARING, MARDAN
FOREIGN CURRENCY ACCOUNT
INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>June 30, 2021</u> Rupees	<u>June 30, 2020</u> Rupees
Income		
Exchange (loss)	-	(11,200)
Bank profit	-	372
	-	(10,828)
Expenditure		
Bank charges	-	(75)
Depreciation	(826,669)	(972,552)
	(826,669)	(972,627)
(Deficit) for the year	<u>(826,669)</u>	<u>(983,454)</u>
Opening surplus fund balance	5,881,140	6,864,595
Closing surplus fund balance	<u><u>5,054,471</u></u>	<u><u>5,881,140</u></u>

The annexed notes from 1 to 6 form an integral part of these accounts.


AMMAR
DIRECTOR

**CENTRE FOR SPEECH AND HEARING, MARDAN
FOREIGN CURRENCY ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1 CENTER AND ITS ACTIVITIES

Centre of Speech and Hearing Mardan has been established to provide the education and training for speech and hearing of blinds and deaf. The center not only arrange for the speech therapy tuition but also provide the students with all the audiology equipment's and hearing aid items free of cost.

Foreign Currency Financial Statements

The financial statements of the foreign currency account are specifically prepared for donor reporting purpose and the transactions of this account are also reported in the financial statements of Centre of Speech and Hearing Mardan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standard applicable in Pakistan. Approved accounting standard comprises of Accounting Standard for Not for Profit Organization (NPOs) as notified by the Institute of Chartered Accountants of Pakistan (ICAP) and Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSE) as applicable in Pakistan.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the organization.

3 BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under historical cost convention.

3.2 The preparation of financial statements in conformity with approved accounting standards requires the management to make judgments and estimates that affect the amount of assets, liabilities, income and expenses reported.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on reducing balance method at the rates specified in fixed assets schedule. Depreciation is charged when fixed asset is available for use and ceases at the earlier of the date when it is classified as held for sale and the date when it is derecognized. Same policy applies to assets donated in kind.



**CENTRE FOR SPEECH AND HEARING, MARDAN
FOREIGN CURRENCY ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4.2 Donation in kind

Donation in kind is recognized as income in the year of receipt which are in the nature of revenue grants. Capital grants in the form of fixed assets are recognized as deferred income in the year of receipt. When fixed assets are depreciated, value equal to depreciation is recognized as income in the form of grant realized.

4.3 Income

Income is recognized when the right to receipt is established.

4.4 Expenditure recognition and measurement

Expenditure is recognized on accrual basis and the fair value of the amount paid/payable.

4.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. The fair value of cash and cash equivalent approximate their carrying amount and comprises of cash in hand and cash at bank.

5 Fixed assets

Fixed assets at cost less accumulated depreciation

<u>June 30, 2021</u>	<u>June 30, 2020</u>
Rupees	Rupees
<u>4,684,458</u>	<u>5,511,127</u>

Fixed assets schedule is annexed as per annexure-A to these financial statements

6 General

-Figures have been rounded off to nearest rupee.

-Figures have been rearranged and regrouped, wherever deemed necessary for the purpose of comparison.

**CENTRE FOR SPEECH AND HEARING, MARDAN
FOREIGN CURRENCY ACCOUNT
FIXED ASSETS SCHEDULE**

Fixed assets schedule

Particulars	JUNE 30, 2021				W.D.V AS ON 30-06-2021
	W.D.V AS ON 01-07-2020	Additions	AS ON 30-06-2021	Rate %	
Vehicle foreign currency account	5,511,127	-	5,511,127	15	826,669
June 30, 2021 (PKR)	5,511,127	-	5,511,127		826,669

Particulars	JUNE 30, 2020				W.D.V AS ON 30-06-2020
	W.D.V AS ON 01-07-2019	Additions	AS ON 30-06-2020	Rate %	
Vehicle foreign currency account	6,483,679	-	6,483,679	15	972,552
June 30, 2020 (PKR)	6,483,679	-	6,483,679		972,552

**CENTRE FOR SPEECH AND HEARING, MARDAN
FOREIGN CURRENCY ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4.2 Donation in kind

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	<u>June 30, 2021</u>	<u>June 30, 2020</u>
	Rupees	Rupees
5 Fixed assets		
Fixed assets at cost less accumulated depreciation	<u>4,684,458</u>	<u>5,511,127</u>
Fixed assets schedule is annexed as per annexure-A to these financial statements		

6 General

-Figures have been rounded off to nearest rupee.

-Figures have been rearranged and regrouped, wherever deemed necessary for the purpose of comparison.