

Independent Auditor's Report to the Trustees of the Society

Opinion

We have audited the financial statement of **NATIONAL DISABILITY & DEVELOPMENT FORUM**, which comprises the statement of financial position as at June 30, 2023 and the statement of income and expenditure, statement of comprehensive income, statement of changes in funds, 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 statement presents fairly, in all material respects, the financial position of the Entity as at June 30, 2023 and of its financial performance, statement of comprehensive income, statement of changes in funds, its cash flows for the year ended and notes to the financial statements in accordance with Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and Revised Accounting and Financial Reporting Standard for Small and Medium Sized Entities (AFRS for SMEs) issued by Institute of Chartered Accountants of Pakistan (ICAP) 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 Society 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 for the Financial Statements

The management committee is responsible for the preparation and fair presentation of the financial statement in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the management committee determines is necessary to enable the preparation of the financial statement that are free from material misstatements, whether due to fraud or error.

In preparing the financial statement, management committee is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement 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 statement.

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 Society'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 committee'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 Society'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 statement 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 Society 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.

YAQUB & Co.

Chartered Accountants

We communicate with the management committee 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.



Muhammad Yaqub - FCA

December 12, 2023

Faisalabad

UDIN: AR202310292gZfqoCviw

**NATIONAL DISABILITY & DEVELOPMENT FORUM
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
Non Current assets			
Property, plant and equipment	5	1,782,618	2,568,664
Current assets			
Cash and bank balances	6	921,005	279,218
Contingencies and commitments	7	-	-
Net assets		<u>2,703,623</u>	<u>2,847,882</u>
Net assets represented by			
Fund			
Capital fund	8	1,735,469	279,219
Deferred capital grant	9	968,154	2,568,663
		<u>2,703,623</u>	<u>2,847,882</u>
		-	-
		-	-
		-	-

The annexed notes from 1 to 17 form an integral part of these financial statements.

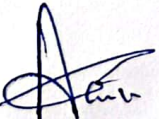

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**NATIONAL DISABILITY & DEVELOPMENT FORUM
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
Income			
Operating income	10	66,994,134	13,678,729
Deferred income realized		1,600,509	1,356,171
Expenditure			
Operational / project			
Salaries and benefits		13,891,828	5,390,500
Procurement		30,283,721	3,512,680
		44,175,549	8,903,180
Administrative			
Rent		3,207,200	1,749,300
Travelling and conveyance		4,251,282	935,450
Printing and stationery		447,300	57,000
Consultancy		164,000	-
Food for Flood Response		10,124,700	-
Communication		165,000	71,100
Legal and professional		919,050	360,000
Utilities		569,000	230,000
Repair and maintenance		400,000	80,000
Bank charges		5,099	102,561
Audit fee		90,000	90,000
Depreciation	5	1,600,509	1,356,170
Others		1,019,704	918,484
		22,962,844	5,950,065
Surplus before tax		1,456,250	181,655
Income tax expense	11	-	-
Surplus for the year		1,456,250	181,655

The annexed notes from 1 to 17 form an integral part of these financial statements.



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**NATIONAL DISABILITY & DEVELOPMENT FORUM
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
Surplus for the year	1,456,250	2,593,615
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,456,250</u>	<u>2,593,615</u>

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**NATIONAL DISABILITY & DEVELOPMENT FORUM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
a Cash flows from operating activities			
Income before taxation		1,456,250	181,655
Adjustments for:			
Deferred income realized		(1,600,509)	(1,356,171)
Depreciation on property, plant and equ	5	1,600,509	1,356,170
Cash generated from operations before working capital changes		<u>1,456,250</u>	<u>181,654</u>
Cash generated from operations		<u>1,456,250</u>	<u>181,654</u>
Income tax		-	-
Net cash generated from operating activities		<u>1,456,250</u>	<u>181,654</u>
b Cash flows from investing activities		(814,463)	-
c Cash flows from financing activities		-	-
Net increase in cash and cash equivalent		641,787	181,654
Cash and cash equivalents at the beginning		279,218	97,564
Cash and cash equivalents at the end of year	6	<u>921,005</u>	<u>279,218</u>

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**NATIONAL DISABILITY & DEVELOPMENT FORUM
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Rupees
Balance as at June 30, 2021	97,564
Surplus for the year	181,655
Other comprehensive income for the year	-
	181,655
Balance as at June 30, 2022	279,219
Surplus for the year	1,456,250
Other comprehensive income for the year	-
	1,456,250
Balance as at June 30, 2023	1,735,469

The annexed notes from 1 to 17 form an integral part of these financial statements.


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**NATIONAL DISABILITY & DEVELOPMENT FORUM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 The company and its activities

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of the Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID-19. The company's operations were not affected as it fell under the exemption provided by the Government of Pakistan to providers of medical services. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise: International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared on accrual basis of accounting except for statement of cash flows. Moreover, these financial statements have been prepared under the historical cost convention, except as otherwise disclosed in the respective accounting policy notes.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the entity's functional and presentation currency. Figures have been rounded off to the nearest rupee unless otherwise specified.

3 Significant accounting estimates and judgments

The preparation of financial statements in conformity with Accounting Standard for Not for Profit Organizations (NPOs) and International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the provision for doubtful receivables, tax and deferred tax. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

4 Summary of significant accounting policies

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

4.1 Creditors, accrued and other liabilities

Creditors, accrued and other liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether billed to the entity or not.

4.2 Provisions

Provisions are recognized when the entity has a present, legal or constructive obligation as a result of past event, 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. However, provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.3 Provision for taxation

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits and tax rebates available under the law.

4.4 Contingent liabilities

A contingent liability is disclosed when the entity has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the entity, or the entity has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.5 Property, plant and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses except freehold land which is stated at cost less impairment losses. Cost includes historical cost, borrowing cost pertaining to erection / construction period and directly attributable cost of bringing the assets to working condition. Depreciation is charged to income on reducing balance method at the rates given in the property, plant and equipment note to write off the cost of operating assets over their expected useful lives on a pro-rata basis from the month of use while depreciation on disposals during the year is charged up to the month preceding the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized only when it is probable that the future economic benefits associated with the assets will flow to the entity and the cost of renewal or improvement can be measured reliably. Gain or loss on disposal of operating assets is recognized in current year's income.

4.6 Other receivables

Other receivables are recognised at nominal amount which is fair value of the consideration to be received in future. Balances considered bad are written off when identified.

4.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and balances with banks net off books overdrawn.

4.8 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument and de-recognised when the entity loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired.

Recognition methods adopted by the entity are disclosed in the individual policy statements associated with each item of financial instruments.

4.9 Off-setting of financial asset and financial liability

A financial asset and a financial liability is off-set and net amount is reported in the statement of financial position, if the entity has a legally enforceable right to set-off the recognised amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.10 Related party transactions

Transactions with related parties are carried out at arm's length. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

4.11 Revenue and grants recognition

Unrestricted fund

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business. Receipts and other contributions from members are recognized as income in the period to which these relate.

Grants recognition

Grants received in kind are recorded at their prevailing fair values.

5 Property, plant and equipment

Description	Cost			Depreciation			Written down value as at June 30, 2023	Depreciation rate %
	At July 01, 2022	Additions / (disposals)	At June 30, 2023	At July 01, 2022	For the year	At June 30, 2023		
	Rupees							
Furniture and fixtures	2,680,315	-	2,680,315	1,846,102	402,047	2,248,149	432,166	15
Office equipment	1,334,950	-	1,334,950	926,230	200,243	1,126,473	208,477	15
Computers	1,354,249	814,463	2,168,712	1,354,249	439,559	1,793,808	374,904	30
Motor vehicles	3,490,000	-	3,490,000	2,240,506	523,500	2,764,006	725,994	15
Generator	234,400	-	234,400	158,163	35,160	193,323	41,077	15
Year 2023	9,093,914	814,463	9,908,377	6,525,250	1,600,509	8,125,759	1,782,618	
Year 2022	9,093,914	-	9,093,914	5,169,080	1,356,170	6,525,250	2,568,664	

6 Cash and bank balances

Cash at bank - in current account	530,394	4,745
Cash in hand	390,611	274,473
	<u>921,005</u>	<u>279,218</u>

7 Contingencies and commitments

Contingencies	<u>-</u>	<u>-</u>
Commitments	<u>-</u>	<u>-</u>

8 Capital fund

Opening balance	279,219	97,564
Income for the year	1,456,250	181,655
	<u>1,735,469</u>	<u>279,219</u>

	Note	2023 Rupees	2022 Rupees
9 Deferred capital grant			
Opening balance		2,568,663	3,924,834
Grant income realized against asset		(1,600,509)	(1,356,171)
		<u>968,154</u>	<u>2,568,663</u>
10 Operating income			
Donations		<u>66,994,134</u>	<u>13,678,729</u>

11 Provision for taxation

the entity has applied for approval as non profit organization under section 2(36) of the Income Tax Ordinance 2001. the entity is claiming exemption from levy of tax under various clause of 2nd schedule of Income Tax Ordinance. Hence, no provision has been made.

12 Financial Instruments, risk management, policies and objectives

the entity's Executive Committee has overall responsibility for the establishment and oversight of the entity's risk management framework. The Committee is also responsible for developing and monitoring the entity's risk management policies. the entity has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk - consisting of currency risk, interest rate risk and other price risk

12.1 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 its obligation.

To manage exposure to credit risk in respect of bank balances, bank balances are maintained with sound credit rating banks. the entity attempts to control credit risk in respect of other financial assets by monitoring the credit worthiness of and limiting the credit exposure to counter parties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	2023 Rupees	2022 Rupees
Bank balances		<u>530,394</u>	<u>4,745</u>

After giving due consideration, the management does not expect non performance by these counter parties on their obligations to the entity. The credit risk exposure is also limited in respect of bank balances as these are placed with local banks having good credit rating.

12.2 Liquidity risk

Liquidity risk reflects the entity's inability in raising funds to meet commitments and obligations associated with financial liabilities. The entity is not exposed to liquidity risk.

12.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the entity's income or value of its holding of financial instruments.

(a) 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 entity is not exposed to any currency risk.

(b) Interest rate risk

This risk arises from the possibility that changes in market interest / mark up / profit rates will affect the fair value or future cash flows of financial instruments. The entity is not exposed to any interest rate risk.

(c) Other price risk

Other price risk is 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). The entity is not exposed to other price risk as the entity is not having such investments.

12.4 Financial instruments by category

All financial assets of the entity fall under the category of "loans and advances". All financial liabilities of the entity fall under the category of "financial liabilities at amortized cost".

13 Related party transaction

the entity in the normal course of business carries out transactions with related party which comprise of key management personnel. Remuneration of Executives is disclosed in Note 14. There is no any other transaction during the year.

14 Remuneration to president and other members

During the year, no remuneration / meeting fee is paid to president and members.

15 Number of employees

The average number of employees for the period ended June 30, 2023 was 18 (2022 : 18) and number of employees as at June 30, 2023 was 14 (2022 : 14).

16 Corresponding figures

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. However, no significant reclassification / rearrangements have been made in the financial statements.

17 Date of authorization

These financial statements were authorized for issue on November 13, 2023 by the Executive Committee of Entity.



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