

**CENTRE FOR SPEECH AND  
HEARING, MARDAN  
(CSHM)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2019**

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR**

**Opinion**

We have audited the financial statements of **CENTRE FOR SPEECH AND HEARING, MARDAN**, which comprise the balance sheet as at June 30, 2019, 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 present fairly, in all material respects, the financial position of **CENTRE FOR SPEECH AND HEARING, MARDAN**, as at June 30, 2019, 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.

**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.

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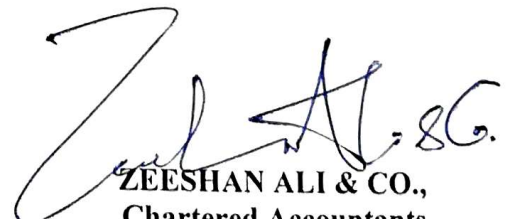
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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

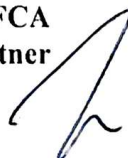
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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: 03 FEB 2020  
PESHAWAR

  
ZEESHAN ALI & CO.,  
Chartered Accountants

Zeeshan Ali, FCA  
Engagement Partner



**CENTRE FOR SPEECH AND HEARING, MARDAN**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2019**

	Note	<u>June 30, 2019</u> Rupees	<u>June 30, 2018</u> Rupees
<b>Property and assets</b>			
<b>Non current assets</b>			
Fixed assets	5	17,729,104	11,910,163
<b>Current assets</b>			
Advance to supplier		-	7,250,000
Cash and bank balances	6	7,671,448	1,093,163
		7,671,448	8,343,162
		<u><b>25,400,552</b></u>	<u><b>20,253,325</b></u>
<b>Funds and liabilities</b>			
<b>Funds</b>			
Deferred grant	7	1,241,676	1,460,796
Funds	8	24,077,875	18,741,530
		25,319,552	20,202,326
<b>Current liabilities</b>			
Audit fee payable		50,000	20,000
EOBI payable		31,000	31,000
		81,000	51,000
		<u><b>25,400,552</b></u>	<u><b>20,253,325</b></u>

The annexed notes from 1 to 12 form an integral part of these accounts.

  
**DIRECTOR**

**CENTER FOR SPEECH AND HEARING, MARDAN  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees Restated
<b>Income</b>			
School tuition fee		6,170,709	7,087,043
Provincial government grant		5,000,000	-
Gain on disposal		2,113,147	-
Donation through bank		853,024	278,633
Grant income realized	7	219,119	257,787
Sales	9	226,821	215,357
Exchange gain		105,772	67,639
Vocational center income		127,560	-
Registration fee		28,500	-
Miscellaneous		36,525	43,785
Donation from Embassy of Japan		-	7,848,991
		14,881,178	15,799,235
<b>Expenditure</b>			
Salaries		5,780,190	6,164,584
Depreciation		1,819,164	769,626
Vehicle running expenses		1,011,511	678,690
Utilities		238,303	203,920
Printing and stationery		154,958	102,615
Speech & hearing educational and therapy expenses	10	137,420	817,174
EOBI contribution		92,400	31,000
Repair and maintenance:			
- machinery		81,550	173,780
- vehicles		34,825	89,980
- building		10,788	164,430
- repair of furniture		10,685	-
Entertainment		17,591	8,130
Audit fee		30,000	16,000
Bank charges		22,700	79,406
Miscellaneous		102,748	77,199
		9,544,832	9,376,534
Income for the year before tax		5,336,345	6,422,701
Tax	4.7	-	-
Income for the year before tax		5,336,345	6,422,701

The annexed notes from 1 to 12 form an integral part of these accounts.

  
**DIRECTOR**

**CENTRE FOR SPEECH AND HEARING, MARDAN**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**1 CENTER AND ITS ACTIVITIES**

Centre of Speech and Hearing Mardan is registered under The Voluntary Social Welfare Agencies (Registration and Control Ordinance) and has been involved in providing 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.

**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.

**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 on additions of fixed assets when fixed asset is available for use and ceases when it is disposed or no more is available for use. 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 on receipt basis.

**4.4 Grant income realization**

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

**CENTRE FOR SPEECH AND HEARING, MARDAN**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**4.5 Expenditure recognition and measurement**

Expenditure is recognized on accrual basis and at 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**

CHSM is approved "Not for Profit Organization" under section 2(36) of the Income Tax Ordinance, 2001 therefore, no tax provision has been booked in the financial statements as the organization is subject to 100% tax credit under section 100(C) of the said ordinance.

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
<b>5 Fixed assets (Schedule annexed)</b>		17,729,104	11,910,163
<b>6 Cash and bank balances</b>			
Cash in hand		-	-
HBL foreign currency (dollar account)	6.1	388,915	660,493
UBL current account		7,282,532	432,670
		7,671,448	1,093,163
<b>6.1</b> Closing balance as at June 30, 2019 is USD 2384.39/- which has been converted into PKR at interbank exchange rate of 1 USD = PKR 163,1089 as at June 30, 2019			
<b>7 Deferred grant</b>			
<b>Opening balance</b>			
Capital grant		508,902	598,708
Generator 30 KVA (Donated)		951,894	1,119,875
		1,460,796	1,718,583
<b>Less:</b>			
Income realized on capital grant	7.1	(76,335)	(89,806)
Income realized on generator	7.1	(142,784)	(167,981)
		(219,119)	(257,787)
<b>Closing balance</b>			
Capital grant		432,567	508,902
Generator 30 KVA (Donated)		809,110	951,894
		1,241,676	1,460,796
<b>7.1</b> This amount represents 15% of capital grant realized each year.			
<b>8 Funds</b>			
Opening balance		18,741,530	12,318,829
Surplus for the year		5,336,345	6,422,701
		24,077,875	18,741,530

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CENTRE FOR SPEECH AND HEARING, MARDAN  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2019

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Note	<u>June 30, 2019</u> Rupees	<u>June 30, 2018</u> Rupees
<b>9 Sales</b>		
Sale of stationery items	85,815	83,192
Sale of audio items	141,005	132,165
	<u>226,821</u>	<u>215,357</u>
<b>10 Speech &amp; hearing educational and therapy expenses</b>		
Student educational expenses	7,300	579,380
Audiology equipment	80,990	150,675
Vocational center expenses	49,130	87,119
	<u>137,420</u>	<u>817,174</u>

**11 Foreign currency account**

The income and expenditure account, balances sheet and fixed assets schedule of foreign currency account along with auditor's report is separately annexed to these financial statements as per annexure - A. The foreign currency account financial statements are consolidated in these financial statements.

**12 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**

Particulars	W.D.V	Additions	(Deletion)	AS ON	Rate	Depreciation	W.D.V
	AS ON			30-06-2019			AS ON
	<b>01-07-2018</b>			<b>30-06-2019</b>	<b>%</b>		<b>30-06-2019</b>
Land	4,122,250	-	-	4,122,250	-	-	4,122,250
Building	2,861,491	-	-	2,861,491	3	85,845	2,775,647
Furniture and fixture	93,917	34,740	-	128,657	10	12,866	115,792
Vehicles	1,094,429	-	(136,853)	957,576	15	143,636	813,940
Vehicles (Foreign currency account)	-	7,627,858	-	7,627,858	15	1,144,179	6,483,679
Electric appliances	66,745	-	-	66,745	10	6,675	60,071
Generator (Donated)	951,894	-	-	951,894	15	142,784	809,110
Educational equipment's	72,853	45,500	-	118,353	10	11,835	106,518
Audiology items	2,613,779	66,860	-	2,680,639	10	268,064	2,412,575
Other equipment's	32,804	-	-	32,804	10	3,280	29,524
<b>June 30, 2019 (PKR)</b>	<b>11,910,163</b>	<b>7,774,958</b>	<b>(136,853)</b>	<b>19,548,268</b>		<b>1,819,164</b>	<b>17,729,104</b>
<b>June 30, 2018(PKR)</b>	<b>12,605,989</b>	<b>73,800</b>	<b>-</b>	<b>12,679,789</b>		<b>769,626</b>	<b>11,910,163</b>

## AUDITOR'S REPORT TO DIRECTOR

We have audited the accompanying financial statements of "CENTRE FOR SPEECH AND HEARING FOREIGN CURRENCY ACCOUNT, MARDAN" as at June 30, 2019 and the statement of income and expenditure for the year then ended.

### Basis of Preparation

The financial statement has been prepared by the management in accordance with the cash receipts and expenditure basis of accounting.

### Management' Responsibility for the Financial Statements

The Director is responsible for the preparation and fair presentation of this financial statement in accordance with the cash receipts and expenditure basis of accounting and for such internal control as the Director determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

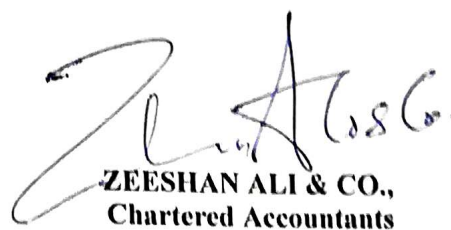
### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by the Director as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of "CENTRE FOR SPEECH AND HEARING FOREIGN CURRENCY ACCOUNT, MARDAN" as at June 30, 2019 and its statement of income and expenditure for the year then ended in accordance with the cash receipts and expenditure basis of accounting.

DATE: 03 FEB 2020  
PESHAWAR

  
ZEESHAN ALI & CO.,  
Chartered Accountants

Zeeshan Ali, FCA  
Engagement Partner

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DATE: 03 FEB 2020  
PESHAWAR

  
ZEESHAN ALI & CO.,  
Chartered Accountants

Zeeshan Ali, FCA  
Engagement Partner



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**CENTRE FOR SPEECH AND HEARING, MARDAN  
FOREIGN CURRENCY ACCOUNT  
BALANCE SHEET  
AS AT JUNE 30, 2019**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
	<u>Rupees</u>	<u>Rupees</u> <u>Restated</u>
<b>Assets</b>		
<b>Non current assets</b>		
Fixed assets	6,483,679	-
<b>Current assets</b>		
Advance to supplier for vehicle	-	7,250,000
Cash and bank balances	388,915	660,493
	388,915	7,910,493
	<u>6,872,595</u>	<u>7,910,493</u>
<b>Funds and liabilities</b>		
<b>Funds</b>		
Fund balance	6,864,595	7,910,493
<b>Current liabilities</b>		
Audit fee payable	8,000	-
	<u>6,872,595</u>	<u>7,910,493</u>

AUDITOR'S REPORT ANNEXED

  
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DIRECTOR

## Annexure - A

**CENTRE FOR SPEECH AND HEARING, MARDAN**  
**FOREIGN CURRENCY ACCOUNT**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
	<u>Rupees</u>	<u>Rupees</u> <u>Restated</u>
<b>Income</b>		
Exchange gain	105,772	67,374
Grant received from embassy of Japan	-	7,848,991
Bank profit	565	265
	<u>106,338</u>	<u>7,916,630</u>
<b>Expenditure</b>		
Bank charges	(57)	(58,680)
Audit fee	(8,000)	-
Depreciation	(1,144,179)	-
	<u>(1,152,236)</u>	<u>(58,680)</u>
(Deficit) / Surplus for the year	<u>(1,045,898)</u>	<u>7,857,950</u>
Opening surplus fund balance	7,910,493	52,543
Closing surplus fund balance	<u><u>6,864,595</u></u>	<u><u>7,910,493</u></u>



**DIRECTOR**

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

**Fixed assets schedule**

<b>Particulars</b>	<b>W.D.V AS ON 01-07-2018</b>	<b>Additions</b>	<b>AS ON 30-06-2019</b>	<b>Rate %</b>	<b>Depreciation</b>	<b>W.D.V AS ON 30-06-2019</b>
Vehicles	-	7,627,858	7,627,858	15	1,144,179	6,483,679
<b>June 30, 2019 (PKR)</b>	<b>-</b>	<b>7,627,858</b>	<b>7,627,858</b>		<b>1,144,179</b>	<b>6,483,679</b>
<b>June 30, 2018 (PKR)</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>