

INDEPENDENT AUDITOR'S REPORT

To the Members of ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM (ACELP)

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of the **ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM (ACELP)** (The Association), which comprise the financial position as at June 30, 2025 and the statement of receipt and expenditure accounts for the year ended, the statement of other comprehensive income, the statement of cash flows, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us the statement of financial position, the statement receipt and expenditure accounts, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof confirm with the accounting and reporting standards as applicable in Pakistan, in the manner so required and respectively give a true and fair view of the state of the association's affairs as at June 30, 2025 and of its Profit for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the association 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.

Other Matter Paragraph

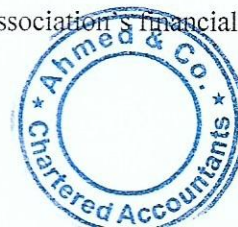
The financial statements of the association for the year ended June 30, 2024 were audited by another firm of Chartered Accountants, whose report dated November 20, 2024 expressed an unmodified opinion on such financial statements.

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 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 association'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 association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's 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 association'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 association'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 association 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Adeel Ahmed. *Al.*



Ahmed & Co.
(Chartered Accountants)
Place: Karachi
Date: 12/11/2025
UDIN: AR202510756RMYQ67Vz4

**ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025**

	Note	<u>June 30, 2025</u> Rupees	<u>June 30, 2024</u> Rupees
NON CURRENT ASSETS			
Fixed assets	4	31,019,729	30,889,426
(At Cost Less Accumulated Depreciation)			
CURRENT ASSETS			
Investment	5	9,745,953	1,581,860
Prepaid insurance		107,098	106,722
Account receivable		48,500	11,969
Cash and bank balances	6	3,651,743	93,105
Loan, advances and prepayments	7	2,531,708	4,240,451
Advances for expenses		298,250	7,000
		16,383,253	6,041,107
Total ASSETS		<u><u>47,402,981</u></u>	<u><u>36,930,533</u></u>
FUNDS AND LIABILITIES			
	8		
General fund		20,884,039	18,389,255
Zakat fund	8.1	3,405,874	(389,878)
Education sponsor fund	8.2	3,044,313	(451,762)
Fixed asset fund		15,918,409	14,686,068
Fund Balance		43,252,635	32,233,683
NON-CURRENT LIABILITIES			
Deferred liabilities	9	2,017,185	2,194,332
CURRENT LIABILITIES			
Salaries, accrued and other payable	10	2,133,161	2,502,517
Contingencies and commitment	16		
TOTAL FUND AND LIABILITIES		<u><u>47,402,981</u></u>	<u><u>36,930,533</u></u>

The annexed notes from Note 1 to Note 19 form an integral part of these financial statements.

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Z.M. Hasan

President



B. Hasan

Treasurer

**ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
STATEMENT OF RECEIPT AND EXPENDITURE ACCOUNTS
FOR THE PERIOD ENDED JUNE 30, 2025**

	Note	<u>June 30, 2025</u> Rupees	<u>June 30, 2024</u> Rupees
Concessional fees income	11	20,644,807	14,361,850
Donation		23,146,545	7,965,586
Operative, administrative and general expenses	13	(40,850,351)	(36,559,867)
Financial charges	14	(40,135)	(10,912)
		<u>(40,890,486)</u>	<u>(36,570,779)</u>
Surplus / (Deficit) for the year before Other Income		<u>2,900,866</u>	<u>(14,243,343)</u>
Other income	15	826,258	773,352
Surplus / (Deficit) for the year		<u><u>3,727,124</u></u>	<u><u>(13,469,991)</u></u>

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

Z. H. Hasan
President



B. S. Hasan
Treasurer

**ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2025**

	<u>June 30, 2025</u> Rupees	<u>June 30, 2024</u> Rupees
Surplus / (Deficit) for the year	3,727,124	(13,469,991)
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>3,727,124</u></u>	<u><u>(13,469,991)</u></u>

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

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Z. M. Hasam

President



R. Hasan

Treasurer

**ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
STATEMENT OF CHANGES IN FUNDS
FOR THE PERIOD ENDED JUNE 30, 2025**

	<u>June 30, 2025</u> Rupees
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	<u>32,233,683</u>
Surplus fund for the year	3,727,124
Surplus fund during the year	7,291,827
Balance as at June 30, 2025	<u>43,252,635</u>

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

Z.M. Hasan
President




B. Hasan
Treasurer

**ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
CASH FLOW STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	Rupees	Rupees
Surplus / (Deficit) for the year	3,727,124	(13,469,991)
Adjustment for:		
Depreciation	2,596,961	2,423,476
Gain on disposal of fixed asset	-	-
Operating surplus before working capital change	<u>6,324,085</u>	<u>(11,046,515)</u>
Cash flow from operating activities		
(Increase) / decrease in current assets:		
Investment	(8,164,093)	(1,581,860)
Prepaid insurance	(376)	1,152
Account receivable	(36,531)	(11,969)
Loan, advances and prepayments	1,925,087	(1,936,087)
Advance for expenses	(291,250)	84,500
Increase / (decrease) in current liabilities:		
Accrued and other liabilities	(369,356)	2,129,206
Deferred liabilities	(177,147)	14,391
Net cash flow from operating activities	(7,113,666)	(1,300,667)
Taxes paid	(216,345)	(221,281)
Net inflow from operating activities	(1,005,926)	(12,568,463)
Cash flow from investing activities		
Deletion of fixed assets	9,684	4,719
Surplus fund during the year	7,291,827	6,148,408
Addition to fixed assets	<u>(2,736,948)</u>	<u>(989,362)</u>
Sale proceed during the year	-	-
Net cash increase in cash and cash equivalent	<u>3,558,637</u>	<u>(7,404,698)</u>
Cash and cash equivalent at the beginning of the year	93,106	7,497,804
Cash and cash equivalent at the end of the year	<u><u>3,651,743</u></u>	<u><u>93,106</u></u>

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


President




Treasurer

**ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2025**

1 LEGAL STATUS AND BUSSINESS ACTIVITIES OF THE ASSOCIATION

Association for Children with Emotional and Learning Problem the Association was incorporated on July 02,1975 under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961 (XI,VI of 1961) as not for profit entity. Principal activity of the Association is to establish and manage a diagnostic, treatment and training centre for children manifesting specific or diverse emotional, behavioural and educational problems and learning deficits in their development.

The Association's office together with school building are situated 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 significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated

3.1 PROPERTY AND EQUIPMENT

Fixed assets are stated at cost less accumulated depreciation and impairment if any.
Full year depreciation is charged in the year of purchase while no deprecation is charged in the year of disposal.
Maintenance and normal repairs are charged to income as and when incurred. Major renewals, renovation and improvements are capitalized and the assets so replaced, if any are retired.
Gains and losses on disposal of assets if any are included in income currently.

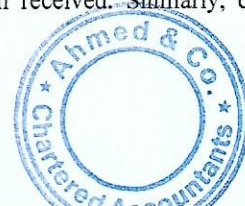
3.2 INVESTMENT

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

3.3 INCOME RECOGNITION

Tuition, transportation fees, and other fees are recognized when received. Similarly, donations are recognized when received.
Profit on investment is also recognized when received.

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3.4 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.

3.5 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

3.6 CASH AND CASH EQUIVALENTS

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

3.7 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

3.8 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, zakat fund, education sponsor fund and fixed asset fund

3.9 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

3.10 ZAKAT FUND

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

3.11 EDUCATION SPONSOR FUND

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

3.12 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 there after depreciated as per the policy of the institute

3.13 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 stationary and miscellaneous expense. On the other hand, expenses such as depreciation are allocated based on the individual funds.

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4- FIXED ASSETS

(In Rupees)

Particulars	As at June 01,2024	Additions during the year	Disposal made during the year	As at June 30,2025	Accumulated as at July 01,2024	Elimination of disposal	Charge for the year	Accumulated as at 30 June,2025	Book value as at 30 June,2025	Rate%
Amount in pkr										
Owned Assets										
Free hold land	125	-		125		-		-	125	0%
School building	24,882,768	-		24,882,768	11,571,215	-	665,578	12,236,793	12,645,975	5%
Furniture & fixture	1,799,914	-		1,799,914	1,068,294	-	73,162	1,141,456	658,458	10%
Electrical equipment	1,044,015	-	(20,100)	1,023,915	525,905	(16,278)	51,429	561,055	462,860	10%
Educational equipment	791,205	18,000		809,205	533,549	-	27,566	561,114	248,091	10%
Computer and allied equipment	658,245	-	(55,980)	602,265	526,054	(50,117)	37,898	513,835	88,430	30%
CCTV camera	190,855	-		190,855	147,852	-	12,901	160,753	30,102	30%
Motor vehicles	3,660,971	-		3,660,971	2,451,872		241,820	2,693,692	967,279	20%
	33,028,098	18,000	(76,080)	32,970,018	16,824,740	(66,396)	1,110,353	17,868,698	15,101,320	
Donated Assets										
School building	14,952,114	-		14,952,114	4,211,932	-	537,009	4,748,941	10,203,173	5%
C.W.I.P	-	77,040		77,040	-	-	-	-	77,040	0%
Furniture & fixture	288,100	923,586		1,211,686	82,239	-	112,945	195,184	1,016,502	10%
Educational equipment	861,371	-		861,371	145,910	-	71,546	217,456	643,915	10%
Generator	800,000	-		800,000	521,058	-	27,894	548,952	251,048	10%
Electric elevator	2,500,786	-		2,500,786	1,304,668	-	119,612	1,424,280	1,076,506	10%
Electric appliances	607,110	57,500		664,610	277,937	-	38,667	316,604	348,006	10%
Computer and allied equipment	295,200	-		295,200	268,163	-	8,111	276,274	18,926	30%
Solar Panel	-	1,660,822		1,660,822	-	-	332,164	332,164	1,328,658	20%
Motor vehicles	5,829,066	-		5,829,066	4,635,773	-	238,659	4,874,431	954,635	20%
	26,133,747	2,718,948	-	28,852,695	11,447,679	-	1,486,607	12,934,286	15,918,409	
June 30,2025	59,161,845	2,736,948	(76,080)	61,822,713	28,272,419	(66,396)	2,596,961	30,802,984	31,019,729	
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	

FREE HOLD LAND

The land is located at 197/8 Rafiqi shaheed road Karachi and it was provided as grant from the government on march 2nd 1980, and the association only paid stamp duty against registration of the land therefore , the land was recorded at a value of stamp duty paid at RS.125 in this regard. Presently school building is situated over it. The association has not yet determined the fair market value regarding 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 capitalized as it contributes to extending the life-span of the building.



**ASSOCIATION FOR CHILDREN WITH EMOTIONAL AND LEARNING PROBLEM
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2025**

	<u>June 30, 2025</u> Rupees	<u>June 30, 2024</u> Rupees
INVESTMENT		
5 Investment (treasury bills)	9,745,953	1,581,860
6 CASH AND BANK BALANCES		
Cash in hand	27,865	5,110
Hbl A/c #3848-01 (Zakat)	4,213,538	143,496
Hbl A/c #3849-01 (Non-Zakat)	(386,944)	(268,716)
Hbl A/c #3850-01 (Education)	(202,716)	213,216
Cash at bank in saving accounts	3,623,878	87,995
Total cash in hand	<u>3,651,743</u>	<u>93,105</u>
It carries a mark up of 10.85% to 17.30% per Anum		
7 LOAN, ADVANCES & PREPAYMENTS		
Advance for purchasing fixed assets	-	1,900,087
Advance income tax	2,520,708	2,304,364
Staff loan	11,000	36,000
	<u>2,531,708</u>	<u>4,240,451</u>
8 FUNDS AND LIABILITIES		
Zakat Fund		
Opening balance	(389,878)	3,575,790
8.1 Funds received	7,404,419	2,818,082
Less: Supports operational activities	(3,608,667)	(6,783,750)
Total Zakat Fund	3,405,874	(389,878)
Education Sponsor Fund		
Opening balance	(451,762)	(1,808,842)
8.2 Funds received	7,720,583	3,340,100
Less: Supports operational activities	(4,224,508)	(1,983,020)
Total Education Sponsor Fund	3,044,313	(451,762)
9 DEFERRED LIABILITIES		
Staff security deposit		
Opening balance	2,194,332	2,179,941
Profit on investment on staff security deposit	41,736	132,131
Less: Paid on to staff	(218,883)	(117,740)
Total deferred liabilities	2,017,185	2,194,332
Represented by		
Total assets against staff security deposit	<u>2,017,185</u>	<u>2,194,332</u>

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.



10 SALARIES, ACCRUED AND OTHER PAYABLE

Account payable	390,000	121,795
Accrued tuition fee	21,200	21,200
Advance income tax payable	-	154,014
EOBI contribution	9,250	2,290
Salaries payable	1,712,711	2,203,218
	<u>2,133,161</u>	<u>2,502,517</u>

11 CONCESSIONAL FEES INCOME

Tuition fee	6,231,900	5,053,450
Physio, occupational and speech therapy	5,092,850	3,655,950
Afternoon programs	3,397,800	2,238,600
Transportation	1,491,000	1,349,900
Admission fee	241,000	414,500
Other fee	4,111,757	1,495,550
Stationary fee	78,500	153,900
Total Fees Income	<u>20,644,807</u>	<u>14,361,850</u>

12 DONATION

Donations	14,998,660	7,921,836
Donations in kind	314,710	43,750
Total Donation	<u>15,313,370</u>	<u>7,965,586</u>

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.

13 OPERATIONAL & ADMINISTARTIVE AND GENRAL EXPENDITURE

Operational staff salaries	20,867,570	17,798,854
Administrative staff salaries	5,240,098	5,996,399
Employer's EOBI contribution	692,722	723,120
After noon programs charges	2,843,126	2,261,584
Vehicle running charges	2,317,099	2,526,759
Repair & maintenance	889,614	684,894
Education expenses	262,980	275,794
Depreciation	2,596,961	2,423,476
Utilities expenses	646,014	990,637
Promotional expenses	2,125,351	658,434
Entertainment expenses	7,030	12,387
Splint making charges	20,800	50,720
Printing & stationery	324,348	343,850
Staff welfare expenses	133,083	28,110
Workshops & seminars	14,572	6,280
Security expense	111,438	76,850
Legal and professional	958,340	569,565
Written off	-	16,199
Miscellaneous charges	205,617	248,500
Conveyance charges	15,532	56,101
Rent, rates & taxes exp.	-	22,000
Generator fuel	10,613	33,644
Telephone and internet expenses	153,466	114,528
Trainer and training expenses	20,000	330,130
Water expenses	389,107	303,642
Total expenses	<u>40,850,351</u>	<u>36,559,867</u>



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14 FINANCIAL CHARGES

Bank Charges	40,135	10,912
	<u>40,135</u>	<u>10,912</u>

15 OTHER INCOME

Profit on daily munafa saving account	337,705	748,825
Profit on disposal of fixed assets	29,315	-
Profit on treasury bills	459,238	24,527
	<u>826,258</u>	<u>773,352</u>

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

17 NUMBER OF EMPLOYEES

Average Number of Employees	<u>64</u>	<u>56</u>
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18 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,

19 DATE OF AUTHORIZATION

These financial statements were authorized for issue on **12/11/2025** by the Executive Committee of the Association.

Mo.

ZM Hasam
President

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Treasurer

