

AUTISM SOCIETY OF PAKISTAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

**Grant Thornton Anjum
Rahman**302 B, 3rd Floor,
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Aga Khan Road, F-5/1,
Islamabad, Pakistan.**T** +92512271906**F** +92512273874**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNERS****Opinion**

We have audited the accompanying financial statements of Autism Society of Pakistan ("the Society") which comprise the statement of financial positions as at June 30, 2021 and statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund balance and the statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

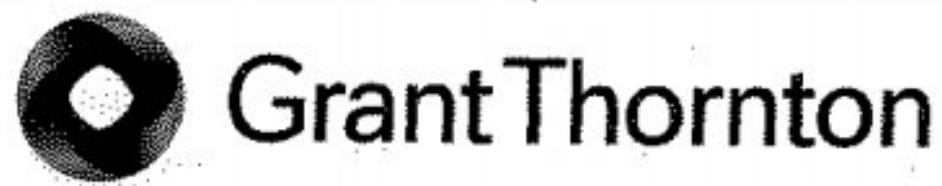
The Board of Governors is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Governors is responsible for assessing the Society's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

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.

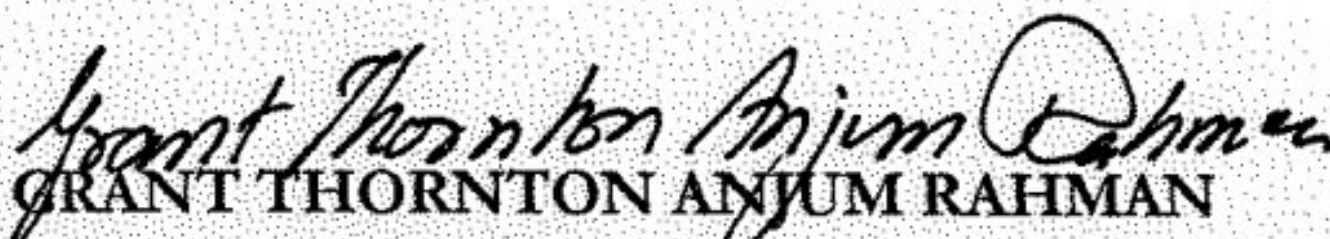


Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 the 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'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 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 Society's 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.


GRANT THORNTON ANJUM RAHMAN
Chartered Accountants

Engagement Partner: Waqas Waris
Islamabad
October 14, 2021

AUTISM SOCIETY OF PAKISTAN
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 PKR	2020
NON - CURRENT ASSETS			
Property and equipment	4	6,270,310	10,298,269
Intangibles	5	47,259	57,959
		6,317,569	10,356,228
CURRENT ASSETS			
Fee receivable		-	195,690
Deposits and prepayments	6	541,480	596,475
Other financial assets	7	9,541,819	9,036,550
Cash and bank balances	8	14,849,374	15,460,206
		24,932,673	25,288,921
TOTAL ASSETS		<u>31,250,242</u>	<u>35,645,149</u>
FUND AND LIABILITIES			
Accumulated fund		26,273,395	27,717,377
NON - CURRENT LIABILITIES			
Deferred capital grant	9	387,751	519,908
Lease liability	10	963,698	4,440,654
		1,351,449	4,960,562
CURRENT LIABILITIES			
Trade and other payables	11	148,442	132,542
Current portion of lease liability	10	3,476,956	2,834,668
		3,625,398	2,967,210
TOTAL FUND AND LIABILITIES		<u>31,250,242</u>	<u>35,645,149</u>
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes from 1 to 21 form an integral part of these financial statements.



President

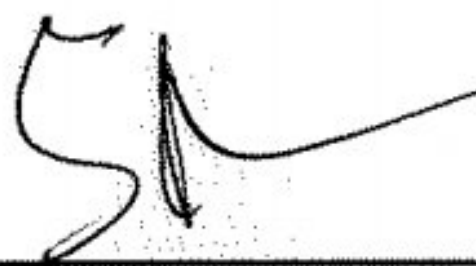



Vice President

**AUTISM SOCIETY OF PAKISTAN
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021**

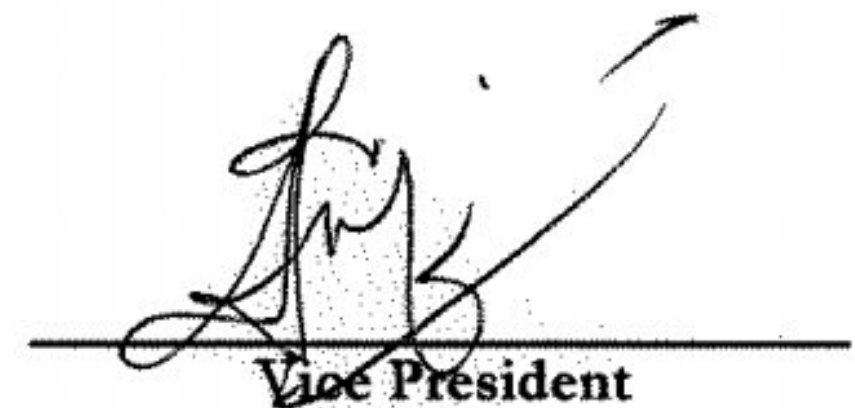
		2021	2020
	Note PKR	
Donations-unrestricted		12,250,870	16,873,812
Tuition fee	13	15,239,580	21,714,325
Amortization of deferred capital grant	9	132,157	214,561
Assessment fee		1,440,888	930,850
Profit on investment		594,432	923,054
Other income	14	426,178	248,520
TOTAL INCOME		30,084,105	40,905,122
EXPENDITURE			
Program cost	15	27,230,691	28,580,014
Administrative expenses	16	4,297,396	5,768,634
TOTAL EXPENDITURE		31,528,087	34,348,648
(DEFICIT)/ SURPLUS FOR THE YEAR		(1,443,982)	6,556,474

The annexed notes from 1 to 21 form an integral part of these financial statements.



President




Vice President

AUTISM SOCIETY OF PAKISTAN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
 PKR	
(Deficit)/ surplus for the year	(1,443,982)	6,556,474
Other comprehensive income for the year	-	-
Total comprehensive (loss)/income for the year	(1,443,982)	6,556,474

The annexed notes from 1 to 21 form an integral part of these financial statements.



President

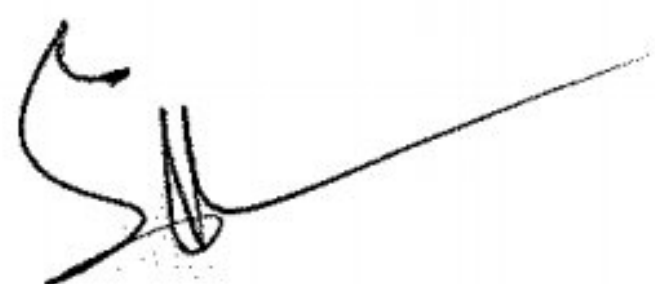


Vice President

AUTISM SOCIETY OF PAKISTAN
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

	Accumulated Fund ... PKR ...
Balance at July 01, 2019	21,160,903
Surplus for the year	6,556,474
Other comprehensive income	-
Balance at June 30, 2020	<u>27,717,377</u>
Balance at July 01, 2020	27,717,377
Deficit for the year	(1,443,982)
Other comprehensive income	-
Balance at June 30, 2021	<u>26,273,395</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.



President





Vice President


AUTISM SOCIETY OF PAKISTAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 PKR	2020
CASH FLOW FROM OPERATING ACTIVITIES			
(Deficit)/ Surplus for the year		(1,443,982)	6,556,474
Adjustments for non-cash items :			
Depreciation		4,048,358	4,068,029
Amortization		10,700	10,700
Amortization of deferred capital grant		(132,157)	(214,561)
Unrealized loss on other financial assets		-	16,543
Financial charges		881,657	1,135,312
Receivable written off		26,400	-
Security deposit written off		27,500	-
Unrealized profit on other financial assets		(505,268)	(776,870)
Operating cash generated before working capital changes		2,913,208	10,795,627
Changes in working capital:			
(Increase) / decrease in current assets:			
Fee receivables		169,290	(195,688)
Deposits and prepayments		27,495	(37)
Increase/(decrease) in current liabilities:			
Trade and other payables		15,900	(47,036)
		212,685	(242,761)
Cash generated from operations		3,125,893	10,552,866
Financial charges paid		(881,657)	(1,135,312)
Net cash generated from operating activities		2,244,236	9,417,554
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property and equipment		(20,400)	(187,200)
Net cash used in investing activities		(20,400)	(187,200)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease rentals		(2,834,668)	(2,404,238)
Net cash used in financing activities		(2,834,668)	(2,404,238)
Net increase/(decrease) in cash and cash equivalents		(610,832)	6,826,116
Cash and cash equivalents at beginning of the year		15,460,206	8,634,090
Cash and cash equivalents at end of the year		14,849,374	15,460,206

The annexed notes from 1 to 21 form an integral part of these financial statements.


President




Vice President

AUTISM SOCIETY OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

Autism Society of Pakistan has been registered under The Societies Act, 1860 in Islamabad (Pakistan) under registration no. RS/ICT/694 on 28 October 2010. Autism Society of Pakistan ("ASP" or "Society") has been established as a non-profit entity as a national umbrella organization with a focused mandate for advocacy, fund raising, training, research, and for generally creating awareness about Autism in Pakistan. It is initially setting-up an Autism Resource Centre ("ARC") in Rawalpindi and later replicate such chapters in all major cities of Pakistan in collaboration with concerned parents and sponsors. A dedicated group of people (primarily affected parents) in Pakistan and abroad have formed a focus group to take this public initiative forward.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprises of International Financial Reporting Standards issued by International Accounting Standards Board as adopted in Pakistan.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Society operates. The financial statements are presented in Pakistani Rupees (PKR), which is the Society's functional and presentation currency. Figures have been rounded off to the nearest rupee, unless otherwise stated.

2.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Society's accounting policies.

Estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

2.4.1 Property and equipment

The Society reviews useful lives and residual value of property and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property and equipment's with a corresponding effect on the depreciation charge and impairment.

2.4.2 Leased assets

The Society applies IFRS 16 to account for its right-of-use assets and the related lease liabilities. The Society assesses whether or not a rental contract contains a lease, whether or not an extension option will be exercised, whether or not a termination option will not be exercised. The Society calculates the appropriate discount rate to use and estimate the lease term. The Society uses its judgement when making these assessments and considers all facts and circumstances.

2.4.3 Impairment of assets

The carrying amounts of the Society's assets are reviewed at each year end to determine whether there is any indication of impairment loss. Any change in estimates in future years might affect the carrying amounts of respective assets with a corresponding effect on depreciation / amortization charge and impairment.

2.4.4 Provisions and contingencies

The Society reviews the status of all the legal cases on a regular basis. Based on the expected outcome and lawyers' judgments, appropriate disclosure or provision is made.

2.4.5 Taxation

The Society takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the Society's view differs from that taken by the income tax department at the assessment stage and where the Society considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

AUTISM SOCIETY OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2.5 New and revised standards and interpretation

2.5.1 New accounting standards, interpretations and amendments applicable during the year

There are certain amendments to standards that are mandatory for accounting periods beginning July 01, 2020 and are considered not relevant or have any significant effect on the Society's financial statements and are therefore not detailed here.

2.5.2 Standards, interpretations and amendments to accounting and reporting standards not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective from the dates mentioned below:

Standard, Interpretation or Amendment		Effective date (annual periods beginning on or after)
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities and Amendments regarding the disclosure of accounting policies	January 1, 2023
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations	January 1, 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates	January 1, 2023
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include then assessing whether a contract is onerous	January 1, 2022
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
IFRS 3	Business Combinations - Amendments updating a reference to the Conceptual Framework	January 1, 2022
IFRS 7	Financial Instruments: Disclosures- Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
IFRS 9	Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018-2020 (fees in the '10 per cent' test for derecognition of	January 1, 2022
IFRS 16	Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021

The above standards and amendments are not expected to have any material impact on the Society's financial statements in the period of initial application.

Following new standard and interpretation has been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First time Adoption of International Financial Reporting Standards

The following interpretation issued by IASB have been waived of by SECP:

IFRIC 12 Service concessions arrangements

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

AUTISM SOCIETY OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3.1 Grant

Restricted grant

Grants received for specific purposes are classified as restricted grant. Such grants are transferred to income to the extent of actual expenditure incurred there against. Unspent portion of such grant are reflected as restricted grant in the statement of financial position.

Deferred capital grant

Restricted funds utilized for capital expenditure are transferred from the restricted grant and accounted for as a deferred capital grant. An amount equal to the charge for depreciation and amortization for the year, on property and equipment acquired, is then recognized in the income and expenditure statement.

Unrestricted grant

An unconditional grant is recognized as income when the grant is received.

3.2 Income recognition

Income from tuition and assessment fee from students is recognised when or as performance obligations are satisfied by transferring control of a promised service over time to schools at an amount that reflects the consideration to which the Society expects to be entitled in exchange for those services.

3.3 Donation-in-kind

Donations-in-kind received has been valued and recorded at their estimated fair value as provided by the donor or, in absence of donor's valuation, at wholesale values estimated by the Society, at the time the goods are received from the donor.

3.4 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost in relation to property and equipment comprises acquisition and other directly attributable costs.

Depreciation is recognized in income and expenditure account on straight line method over the estimated useful life of each part of an item of property and equipment at rates given in note 4 to these financial statements. Depreciation on additions to property and equipment is charged from the month in which property and equipment is acquired or capitalized while no depreciation is charged for the month in which property and equipment is disposed off / derecognized.

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Society and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in income and expenditure account as incurred.

Gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognized in income and expenditure account.

3.5 Leased assets

At inception of a contract, Society assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Society.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, Society's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when Society is reasonably certain to exercise these options.

AUTISM SOCIETY OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in Society's estimate of the amount expected to be payable under a residual value guarantee, or if Society changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of income and expenditure if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain Remeasurements of the lease liability.

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. The Society charges amortization on all additions from the month in which an asset is acquired or capitalized up to the month in which the asset is disposed off.

3.7 Foreign currency transactions

Transactions in foreign currencies are translated into functional currency at exchange rates at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at year end are translated to the functional currency at the exchange rates at that date. Exchange differences are included in the income and expenditure account.

3.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability; or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Society. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Society uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Society determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

AUTISM SOCIETY OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

The Society's Senior Management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Society determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.9 Provisions

A provision is recognized in the financial statements when the Society has a 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 can be made of the amount of obligation.

3.10 Taxation

The Society is registered as not for profit organization under section 2(36) of the Income Tax Ordinance, 2001. The Society is eligible for tax credit under Section 100C of the Income Tax Ordinance 2001 from donations, voluntary contributions, subscriptions and so much of the income chargeable under the head "income from business" as is expended in Pakistan for the purposes of carrying out welfare activities. Hence, the provision for taxation has been not been made in these financials statements.

3.11 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Society becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Society loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of income & expenditure.

3.12 Financial Assets

The Society classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(i) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in statement of income & expenditure.

(ii) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in statement of income & expenditure in the period in which it arises.

AUTISM SOCIETY OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3.13 Financial Liabilities

The Society classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Society determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Society has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Amortised cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of income & expenditure, when the liabilities are derecognized as well as through effective interest rate amortization

Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Society assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Fee receivable
- Deposits
- Cash and bank balances

General approach for deposits and cash and bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward-looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

Simplified approach for fee receivable

The Society recognizes life time ECL on fee receivable, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

AUTISM SOCIETY OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

As the Society applies simplified approach in calculating ECLs for fee receivable, the Society does not track changes in credit risk, but instead recognized a loss allowance based on life time ECLs at each reporting date. ECLs on these financial assets are estimated using a provision matrix approach adjusted for forward looking factors specific to the debtors and economic environment.

The Society recognizes an impairment gain or loss in the statement of income & expenditure for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in statement of comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

3.14 Impairment of non-financial assets

The carrying amounts of non financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of income & expenditure, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each balance sheet date. Reversals of the impairment loss are restricted to the original cost of the assets. An impairment loss or reversal of the impairment loss is recognized in income for the year.

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4 PROPERTY AND EQUIPMENT

Description	COST			Rate	ACCUMULATED DEPRICIATION			
	01-Jul-20	Additions	Disposals		01-Jul-20	Disposals	Charge for the year	30-Jun-21
					Amount in PKR			
Furniture and fixtures	2,905,407	15,900	-	10 %	1,418,141	-	291,534	1,709,675
Right of use asset	9,679,561	-	-	33 %	3,226,520	-	3,226,520	6,453,040
Leasehold improvements	1,800,000	-	-	25 %	1,800,000	-	-	1,800,000
Computers and printers	426,350	4,500	-	33 %	384,132	-	43,092	427,225
Office equipments	3,414,540	-	-	10 %	1,282,331	-	341,454	1,623,785
Teaching aid and supplies	728,790	-	-	20 %	545,254	-	145,758	691,012
Vehicles	745,800	-	-	20 %	745,800	-	-	745,800
Total	19,700,448	20,400	-		9,402,179	-	4,048,358	13,450,537

4.1 Property and equipment includes capital assets against deferred grant having book value of Rs. 387,750 (2020: Rs. 519,908) which comprise of furniture and fixture: Rs. 3,908 (2020: 42,108), computer and printers: Nil (2020: 21,457), office equipments: Rs. 383,842 (2020: Rs. 456,343) and vehicle: nil (2020: nil)

PROPERTY AND EQUIPMENT

Description	COST			Rate	ACCUMULATED DEPRICIATION			
	01-Jul-19	Additions	Disposals		01-Jul-19	Disposals	Charge for the year	30-Jun-20
					Amount in PKR			
Furniture and fixtures	2,764,407	141,000	-	10 %	1,133,704	-	284,437	1,418,141
Right of use asset	9,679,561	-	-	33 %	-	-	3,226,520	3,226,520
Leasehold improvements	1,800,000	-	-	25 %	1,800,000	-	-	1,800,000
Computers and printers	381,350	45,000	-	33 %	322,799	-	61,333	384,132
Office equipments	3,188,440	226,100	-	10 %	944,501	-	337,830	1,282,331
Teaching aid and supplies	728,790	-	-	20 %	449,496	-	95,758	545,254
Vehicles	745,800	-	-	20 %	683,650	-	62,150	745,800
Total	19,288,348	412,100	-		5,334,150	-	4,068,029	9,402,179

5 INTANGIBLES

Description	COST			Rate	ACCUMULATED AMORTIZATION			
	01-Jul-20	Additions	Disposals		01-Jul-20	Disposals	Charge for the year	30-Jun-21
AIMS Accounting software	107,000	-	-	10%	49,041	-	10,700	59,741
Total	107,000	-	-		49,041	-	10,700	59,741

Description	COST			Rate	ACCUMULATED AMORTIZATION			
	01-Jul-19	Additions	Disposals		01-Jul-19	Disposals	Charge for the year	30-Jun-20
AIMS Accounting software	107,000	-	-	10%	38,341	-	10,700	49,041
Total	107,000	-	-		38,341	-	10,700	49,041

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		2021	2020
	 PKR	
6 DEPOSITS & PREPAYMENTS	Note		
Prepaid insurance		1,480	1,475
Security deposit		540,000	595,000
		<u>541,480</u>	<u>596,475</u>
7 OTHER FINANCIAL ASSETS			
Meezan Rozana Amdani Fund (MRAF)	7.1	<u>9,541,819</u>	<u>9,036,551</u>
7.1	These represent funds invested in 2021: 190,836 (2020: 180,731) units of mutual funds having market value of Rs. 50 (2020: Rs 50) per unit.		
		2021	2020
8 CASH AND BANK BALANCES	 PKR	
Cash at bank - current account		14,825,926	15,445,445
Cash in hand		23,448	14,761
		<u>14,849,374</u>	<u>15,460,206</u>
9 DEFERRED CAPITAL GRANT			
Cost		1,976,350	1,751,450
Additions		-	224,900
		<u>1,976,350</u>	<u>1,976,350</u>
Amortization of deferred capital grant:			
Opening balance		1,456,442	1,241,882
Charge for the year		132,157	214,561
Closing balance		<u>1,588,599</u>	<u>1,456,442</u>
Net deferred capital grant		<u>387,751</u>	<u>519,908</u>
10 LEASE LIABILITY			
Balance as at July 01, 2020		7,275,322	9,679,561
Interest expenses relating to lease liability		881,657	1,135,312
Payments during the year		(3,716,325)	(3,539,550)
Balance as at June 30, 2021		<u>4,440,654</u>	<u>7,275,322</u>
Lease liability is presented on the statement of financial position is as follows:			
Current		3,476,956	2,834,668
Non-current		963,698	4,440,654
		<u>4,440,654</u>	<u>7,275,322</u>
10.1	Future minimum lease payments as at June 30, 2021 are as follows:		
	1 Year	2 - 5 Years	Total
 PKR		
30-Jun-21			
Lease payments	3,902,141	987,289	4,889,430
Finance cost	(425,185)	(23,590)	(448,776)
Net present value	<u>3,476,956</u>	<u>963,698</u>	<u>4,440,654</u>
	1 Year	2 - 5 Years	Total
 PKR		
30-Jun-20			
Lease payments	3,716,325	4,889,430	8,605,755
Finance cost	(881,657)	(448,776)	(1,330,433)
Net present value	<u>2,834,668</u>	<u>4,440,654</u>	<u>7,275,322</u>

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17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Society has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

The Board of Governors has overall responsibility for the establishment and oversight of the Society's risk management framework and developing and monitoring the Society's risk management policies.

The Society's risk management policies are established to identify and analyze the risks faced by the Society, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Society's activities. The Board of Governors of the Society oversees how management monitors compliance with the Society's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Society.

17.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Society attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Society's credit risk is primarily attributable to fee receivable, deposits and prepayments, other financial assets and cash and bank balance.

The Society's financial assets amounting to Rs. 24,907,745 (2020 : Rs. 25,272,687) are significant to its operations. The carrying values of financial assets represents the maximum credit exposure at the reporting date are as follows:

	June 30, 2021	June 30, 2020
	----- Rupees -----	
Fee receivable	-	195,690
Security deposits	540,000	595,000
Other financial assets	9,541,819	9,036,550
Bank balances	14,825,926	15,445,445
	<u>24,907,745</u>	<u>25,272,685</u>

Geographically there is no concentration of credit risk. None of the financial assets are overdue. Based on the past experience, the management believes that no impairment allowance is necessary in respect of the Society's financial assets.

The credit quality of financial assets, for which the counter party is a bank, can be assessed by reference to external credit ratings as shown below:

Bank name	Rating	Rating Agency	June 30, 2021	June 30, 2020
			----- Rupees -----	
Bank Alfalah Limited	AA+/A-1+	PACRA		
Bank balance			14,825,926	15,445,445
			<u>14,825,926</u>	<u>15,445,445</u>

The management believes that no impairment allowance is necessary in respect of these financial assets unless explicitly stated in the respective notes.

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17.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring any unacceptable loss or damage to the Society's reputation.

The maturity profile of the Society's financial liabilities based on the contractual amounts is as follows:

	Carrying amount	Within one year	One to five years	Total
 Rupees			
2021				
Financial liabilities				
Lease liability	4,440,654	3,476,956	963,698	4,440,654
Trade and other payables	148,442	148,442	-	148,442
	<u>4,589,096</u>	<u>3,625,398</u>	<u>-</u>	<u>4,589,096</u>
2020				
Financial liabilities				
Lease liability	7,275,322	2,834,668	4,440,654	7,275,322
Trade and other payables	132,542	132,542	-	132,542
	<u>7,407,864</u>	<u>2,967,210</u>	<u>4,440,654</u>	<u>7,407,864</u>

17.3 Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, due to changes in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

17.3.1 Currency risk

Currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Society is not exposed to currency risks as it has no transaction in foreign currency.

17.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rate.

The Society has no significant long-term interest bearing financial asset and liability whose fair value or future cash flows will fluctuate because of changes in market interest rates.

17.3.3 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). Other price risk arises from Society's investment in units of mutual fund.

	2021	2020
Units of mutual funds	<u>190,836</u>	<u>180,731</u>

At the year end the Society is exposed to price risk since there are financial instruments whose fair value or future cash flows will fluctuate because of changes in market prices.

17.4 Off-setting of financial assets and liabilities

The Society does not off-set any of its financial assets and financial liabilities.

UTISM SOCIETY OF PAKISTAN
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17.5 Fair value of financial instruments

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Society is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13, 'Fair Value Measurements' requires the Society to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial asset and financial liability not measured at fair value at the carrying amount is a reasonable approximation of fair value.

	Carrying Amount		Fair Value			
	Amortized cost	Fair value through profit and loss	Total	Level 1	Level 2	Level 3
June 30, 2021						
Rupees						
Current assets						
Security deposits	540,000	-	540,000	-	-	-
Other financial assets	-	9,541,819	9,541,819	9,541,819	-	9,541,819
Bank balances	14,825,926	-	14,825,926	-	-	-
	15,365,926	9,541,819	24,907,745	9,541,819	-	9,541,819
Current liabilities						
Lease liability	4,440,654	-	4,440,654	-	-	-
Trade and other payables	148,442	-	148,442	-	-	-
	4,589,096	-	4,589,096	-	-	-

UTISM SOCIETY OF PAKISTAN

Carrying Amount		Rupees				Fair Value	
Amortized cost	Fair value through profit and loss	Total	Level 1	Level 2	Level 3	Total	
195,690	-	195,690	-	-	-	-	
595,000	-	595,000	-	-	-	-	
-	9,036,550	9,036,550	9,036,550	-	-	9,036,550	
15,445,445	-	15,445,445	-	-	-	-	
16,236,135	9,036,550	25,272,685	9,036,550	-	-	9,036,550	
7,275,322	-	7,275,322	-	-	-	-	
132,542	-	132,542	-	-	-	-	
7,407,864	-	7,407,864	-	-	-	-	

AUTISM SOCIETY OF PAKISTAN
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18 FUND MANAGEMENT

The Society's objective when managing fund is to safe guard Society's ability to continue as a going concern so that it can achieve its objectives, provide benefits to other stakeholders and to maintain a strong fund base to support the sustained development of its activities in line with its objects.

19 RELATED PARTY TRANSACTIONS

Related parties of the Society comprise of key management personnel and Board of Governors. Remuneration paid to key management personnel which comprise of senior management of Society was as follows:

	2021	2020
 Rupees	
Transaction with key management personnel		
Managerial remuneration	2,962,250	3,112,800

20 GENERAL

Figures have been rounded off to the nearest Rupee.

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. Following corresponding figures have been reclassified for the purpose of comparison:

Statement of profit or loss	2020 Rupees
Interest on leased asset	
Reclassification from:	Reclassification to:
Administrative expenses	Program cost
	1,135,312

21 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Governors of the Society on 14 OCT 2021.



President




Vice President

