

**THE FRONTIER ASSOCIATION  
FOR MENTALLY HANDICAPPED,  
MARDAN**

**FINANCIAL STATEMENTS**

For the year ended June 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

To the board of members of "The FRONTIER ASSOCIATION FOR MENTALLY HANDICAPPED, MARDAN (The Society)".

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of THE FRONTIER ASSOCIATION FOR MENTALLY HANDICAPPED, MARDAN (The Society) which comprise the statement of financial position as at June 30, 2020 and the income and expenditure account for the year then ended 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 purpose of the audit.

In our opinion and to the best of our information and according to explanation given to us, the statement of financial position, the income and expenditure account together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan.

#### Basis for Opinion

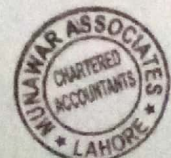
We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the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

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

*Munawar Associates*



## Responsibilities of Management for the Financial Statements

Management is responsible for preparation and fair presentation of the financial statements in accordance with the accounting standards as applicable in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan and for such internal control as management 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, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Board of Members is responsible for overseeing the Society's financial reporting process.

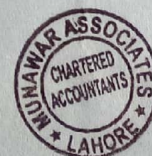
## Auditor's Responsibilities for the Audit of the Financial Statements

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 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 procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide audit 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 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 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

*Munawar Hussain*



inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as 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 the board of members 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.

We also provide the board of members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) Proper books of accounts have been kept by the Society as required by the applicable accounting standards in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan;
- b) the statement of financial position, the income and expenditure account together with notes thereon have been drawn up in conformity with the applicable accounting standards in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan and are in agreement with the books of accounts and returns;
- c) investments made, expenditure incurred during the year were for the purpose of Society's business; and
- d) No zakat was deductible at source under the Zakat and Usher Ordinance 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Munawar Hussain.

**Lahore:**  
December 18, 2020

  
*Munawar Hussain*  
**MUNAWAR ASSOCIATES**  
Chartered Accountants

**THE FRONTIER ASSOCIATION FOR MENTALLY  
HANDICAPPED, MARDAN  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2020**

	NOTE NO.	2020 RUPEES	2019 RUPEES
<b>FUNDS AND LIABILITIES</b>			
Accumulated Surplus		13,585,977	14,733,322
<b>CURRENT LIABILITIES</b>			
Accrued Expenses		32,250	16,500
		32,250	16,500
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>13,618,227</b>	<b>14,749,822</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	03	12,811,103	2,067,950
Capital Work in Progress		-	11,047,167
<b>CURRENT ASSETS</b>			
<b>CASH AT BANKS</b>			
Advance to Abdul Shakoor Sb.		30,000	30,000
Cash at Bank		767,124	1,594,705
Security Deposit		10,000	10,000
		807,124	1,634,705
<b>TOTAL ASSETS</b>		<b>13,618,227</b>	<b>14,749,822</b>

MARDAN: DECEMBER 02, 2020

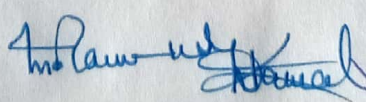
PRESIDENT

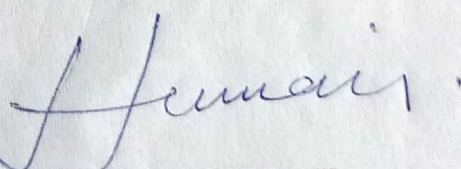
GENERAL SECRETARY

**THE FRONTIER ASSOCIATION FOR MENTALLY  
HANDICAPPED, MARDAN  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2020**

	NOTE NO.	2020 RUPEES	2019 RUPEES
<b>INCOME</b>	<b>04</b>	333,478	1,911,518
<b>EXPENDITURE</b>			
Salaries and Wages		797,000	863,500
Audit Fee		16,500	16,500
Postage & Telegram		470	560
Printing and Stationery		3,500	260
Electricity / Sui Gas		16,563	18,069
Vehicle Running & Repair and Maintenance		236,230	327,580
Motor Vehicle Registration		-	44,470
Withholding Tax / Bank Charges		18,133	19,163
Entertainment		7,072	6,727
Travelling & Conveyance / Uniform		3,200	1,000
Repair and Maintenance		1,300	4,300
Miscellaneous Expenses		2,000	4,140
Depreciation		379,606	285,521
		1,481,574	1,591,790
<b>EXCESS OF EXPENDITURE OVER INCOME</b>		(1,148,096)	319,728
PRIOR YEAR ADJUSTMENT (Audit Fee & Expenses)		(750)	(3,000)
<b>INCOME / (LOSS) FOR THE YEAR BEFORE TAXATION</b>		(1,147,346)	322,728
<b>TAXATION</b>	<b>02</b>	-	-
<b>EXCESS OF EXPENDITURE OVER INCOME</b>		(1,147,346)	322,728
<b>ACCUMULATED INCOME BROUGHT FORWARD</b>		14,733,322	14,410,594
<b>ACCUMULATED INCOME CARRIED FORWARD</b>		<b>13,585,977</b>	<b>14,733,322</b>

MARDAN: DECEMBER 02, 2020

  
PRESIDENT

  
GENERAL SECRETARY

**THE FRONTIER ASSOCIATION FOR MENTALLY  
HANDICAPPED, MARDAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**01 SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Accounting Convention**

These accounts have been prepared under the historical cost convention.

**1.2 Property, Plant & Equipment And Depreciation**

These are stated at cost less accumulated depreciation. Depreciation has been charged on reducing balance method at the normal rates as specified in Note-2. Depreciation is charged from Month of asset is installed till the month of disposal of asset.

**1.3 Figures**

have been rounded off to the nearest rupee.

of the previous year have been re-arranged and re-grouped wherever necessary for the purpose of comparison.

**02 TAXATION**

Generally, by purview of Section 100C of ITO, 2001 NPOs are taxable. The said section was substituted through Finance Act-2014. However, the entity has applied for exemption certificate in compliance to Section 100C of ITO, 2001 for the financial year under report and for preceding years also. Although the exemption certificate yet not issued by FBR but the management of the entity has firm believe that it will be granted ASAP. So, therefore, the provision for this year as well as for preceding years is not recognized in compliance to Section 100C of ITO, 2001.

**03 PROPERTY, PLANT & EQUIPMENT**

Schedule is annexed

2020 RUPEES	2019 RUPEES
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<b>12,811,103</b>	<b>2,067,950</b>
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**04 INCOME**

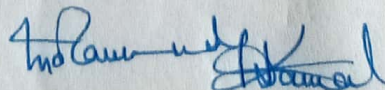
Donation / Subscription

Profit on PLS Account

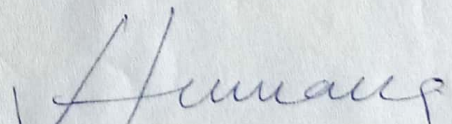
2020 RUPEES	2019 RUPEES
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267,100	1,850,600
66,378	60,918
<b>333,478</b>	<b>1,911,518</b>

MARDAN: DECEMBER 02, 2020



PRESIDENT



GENERAL SECRETARY




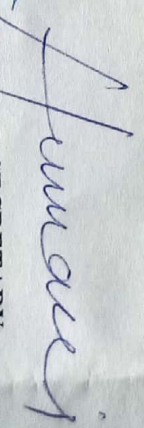
03 PROPERTY, PLANT & EQUIPMENT

PARTICULARS	C O S T			RATE %	D E P R E C I A T I O N			WRITTEN DOWN VALUE
	AS ON 01/07/2019	ADDITION (DELETION)	AS AT 30/06/2020		AS ON 01/07/2019	FOR THE YEAR	AS AT 30/06/2020	
Land	450,000	-	450,000	0%	-	-	450,000	
Building	277,090	11,113,759	11,390,849	15%	252,667	139,227	391,894	10,998,955
Vehicles	1,904,800	-	1,904,800	15%	886,068	152,310	1,038,878	865,922
Play Units	1,045,667	-	1,045,667	15%	499,822	81,377	581,699	463,968
Other Assets	87,745	9,000	96,745	15%	58,794	5,393	64,487	32,258

<b>2020</b>	<b>Rupees</b>	<b>3,765,302</b>	<b>11,122,759</b>	<b>14,888,061</b>	<b>1,697,352</b>	<b>379,606</b>	<b>2,076,958</b>	<b>12,811,103</b>
<b>2019</b>	<b>Rupees</b>	<b>2,700,302</b>	<b>1,065,000</b>	<b>3,765,302</b>	<b>1,411,831</b>	<b>285,521</b>	<b>1,697,352</b>	<b>2,067,950</b>

MARDAN: DECEMBER 02, 2020


  
 Md. Rouf  
 PRESIDENT


  
 General Secretary