

**NETWORK OF ORGANISATIONS
WORKING FOR PEOPLE WITH
DISABILITIES, PAKISTAN**

**AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2021**

DAUDALLY, LALANI & CO. CHARTERED ACCOUNTANTS

Unit # 08, Plot No. FL-12, Karsaz Town, Block 5, Clifton, Karachi, Tel: (92-21) 35868483

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of **NETWORK OF ORGANIZATIONS WORKING FOR PEOPLE WITH DISABILITIES, PAKISTAN** which comprise statement of financial position as at June 30, 2021, and statement of income and expenditure (here-in-after referred to as the financial statements) 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 of the Society which comprise statement of financial position as at June 30, 2021 and its statement of income and expenditure for the year then ended are prepared in accordance with Accounting Standard for Not for Profit Organizations (NPOs) and Revised Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSE) both issued by the Institute of Chartered Accountants of Pakistan (ICAP) as described in note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Executive Committee is responsible for the preparation of the financial statements in accordance with basis of accounting described in note 2 to the financial statements, and for such internal control as the Executive Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Executive Committee is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Society is going to be dissolved u/s 13 of the Societies Registration Act, 1860 or Executive Committee has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 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 Executive Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 to cease to continue as a going concern.

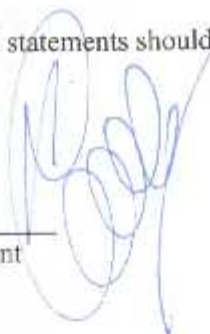
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


CHARTERED ACCOUNTANTS
KARACHI 07 DEC 2021
ENGAGEMENT PARTNER: SOHAIL LALANI

NETWORK OF ORGANISATIONS WORKING FOR PEOPLE WITH DISABILITIES, PAKISTAN
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
NON-CURRENT ASSETS			
Property & equipment	4	7,004,939	7,443,158
CURRENT ASSETS			
Advance, deposits, prepayment and other receivable	5	1,165,442	2,816,872
Cash and bank	6	17,967,670	31,991,855
		19,133,112	34,808,727
		<u>26,138,051</u>	<u>42,251,885</u>
RESERVE & LIABILITIES			
RESERVE			
Accumulated surplus		16,097,060	13,198,830
NON-CURRENT LIABILITIES			
Loans	7	452,724	2,052,724
CURRENT LIABILITIES			
Creditors, accrued expenses & other liability	8	2,588,267	1,999,209
Deferred income	9	7,000,000	25,001,122
		<u>26,138,051</u>	<u>42,251,885</u>

These financial statements should be read in conjunction with the annexed notes.



 President



 Honorary General Secretary




 Honorary Treasurer

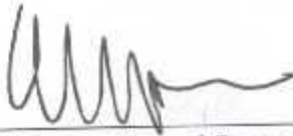
**NETWORK OF ORGANISATIONS WORKING FOR PEOPLE WITH DISABILITIES, PAKISTAN
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
Income	10	81,252,153	46,772,173
Expenditure			
Administration	11	(9,390,574)	(8,119,492)
Program	12	(68,963,349)	(34,705,530)
		(78,353,923)	(42,825,022)
Surplus for the year		2,898,230	3,947,151
Accumulated surplus brought forward		13,198,830	9,251,679
Accumulated surplus carried forward		16,097,060	13,198,830

These financial statements should be read in conjunction with the annexed notes.



President



Honorary General Secretary



Honorary Treasurer

**NETWORK OF ORGANISATIONS WORKING FOR PEOPLE WITH DISABILITIES, PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1 LEGAL STATUS & NATURE

Network of Organizations Working for People with Disabilities, Pakistan (NOWPDP) Karachi, was registered under the Societies Registration Act, 1860, on May 18, 2009 as charitable organization for the purpose of providing strategic support to organizations working for people with disabilities to make a significant contribution to the welfare and improved quality of life of such people and to impart training to people with disabilities. Its registered office is at 1st floor, Cotton Exchange Building, I.I. Chundrigar Road, Karachi.

2 BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Accounting Standard for Not for Profit Organizations (NPOs) and Revised Accounting and Financial Reporting Standard for Small and Medium Sized Entities (AFRS for SSE) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies which have been adopted in the preparation of these financial statements are as follows:

3.1 Accounting convention

These financial statements have been prepared on the historical cost convention without any adjustments for the effects of inflation or revaluation of assets.

3.2 Equipment

These are stated at written down value.

Depreciation is charged to income applying the straight line method whereby the cost of an asset is written off over its estimated service life. Depreciation on additions is charged from the month in which the asset is available to use and on disposals up to the month the respective asset was in use.

Maintenance and repairs are charged to income as and when incurred.

Gains and losses on disposal of assets, if any, are included in income currently.

3.3 Taxation

The Society is exempt from income tax under clause 36(c) of section 2 of Income Tax Ordinance, 2001 read with Rules 212 and 220 of the Income Tax Rules, 2002.

3.4 Revenue recognition

Income and expenses are accounted on accrual basis.

4 PROPERTY AND EQUIPMENT

PARTICULARS	Written down value as at July 01, 2020	Additions during the year	Total as at June 30, 2021	Depreciation for the year	Written down value as at June 30, 2021	Life
Building and leasehold improvement	3,512,325	346,000	3,858,325	1,048,198	2,810,127	10
Computers & accessories	585,669	1,416,807	2,002,476	1,067,165	935,311	3
Office equipment	589,799	324,999	914,798	151,924	762,874	3
Motor Vehicles	2,319,165	621,204	2,940,369	1,307,163	1,633,206	3
Furniture and fixture	392,063	1,114,780	1,506,843	652,251	854,592	5
Stiching machine	44,137	-	44,137	35,308	8,829	3
2021 : Rupees	7,443,158	3,823,790	11,266,948	4,262,009	7,004,939	
2020 : Rupees	6,131,868	3,464,034	9,595,902	2,152,744	7,443,158	

4.1 Administrative expenses
Program expenses

Note	2021 Rupees	2020 Rupees
11	420,996	902,744
12	3,841,013	1,250,000
	<u>4,262,009</u>	<u>2,152,744</u>

5 ADVANCE, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLE

Advance to employee	129,333	6,000
Deposits with vendors	3,500	3,500
Account receivable	-	498,685
Due from related party	540,122	-
Prepaid expenses	166,252	166,252
Security deposit	16,000	16,000
Other receivables	-	66,200
Advance to suppliers (Subsequent payment received)	-	1,750,000
Loan to Individuals (Disable)	310,235	310,235
	<u>1,165,442</u>	<u>2,816,872</u>

6 CASH AND BANK BALANCES

Cash in hand	26,710	130,000
Cash at bank		
Current accounts	17,940,960	940,219
Saving accounts	-	30,921,636
	<u>17,940,960</u>	<u>31,861,855</u>
	<u>17,967,670</u>	<u>31,991,855</u>

	Note	2021 Rupees	2020 Rupees
7 LOANS			
From the President, NOWPDP		<u>452,724</u>	<u>2,052,724</u>
These are unsecured, interest free and repayable by mutual consent			
8 CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES			
Creditors, accrued expenses			
Salaries		246,675	246,675
Other liability			
Other current liabilities		58,820	1,158,820
EOBI		27,300	27,300
Account payable		600,000	-
Taxes payable		<u>1,655,472</u>	<u>566,414</u>
		<u>2,588,267</u>	<u>1,999,209</u>
9 DEFERRED INCOME			
Department of Empowerment of Persons with Disabilities (DEPD)			
Balance as at July 01,		23,472,146	-
Grant received for the year		-	25,000,000
Expense incurred for the year		(23,472,146)	(1,527,854)
Balance as at June 30,		-	23,472,146
GIZ (Deutsche Gesellschaft)			
Balance as at July 01,		469,665	-
Grant received for the year		5,476,631	9,290,453
Expense incurred for the year		(5,946,296)	(8,820,788)
Balance as at June 30,		-	469,665
DAI Pakistan Private Limited			
Balance as at July 01,		1,059,219	-
Grant received for the year		5,040,577	4,300,000
Expense incurred for the year		(6,099,796)	(3,240,781)
Balance as at June 30,		-	1,059,219

	2021 Rupees	2020 Rupees
Mitsubishi Foundation		
Balance as at July 01,	-	-
Grant received for the year	14,000,000	-
Expense incurred for the year	(7,000,000)	-
Balance as at June 30,	7,000,000	-
Philip Morris (Pakistan) Limited		
Balance as at July 01,	-	-
Grant received for the year	4,961,889	-
Expense incurred for the year	(4,961,889)	-
Balance as at June 30,	-	-
PEPSI CO.		
Balance as at July 01,	-	-
Grant received for the year	-	9,393,839
Expense incurred for the year	-	(9,393,839)
Balance as at June 30,	-	-
Roddenberry Foundation		
Balance as at July 01,	92	-
Grant received for the year	-	2,250,592
Expense incurred for the year	(92)	(2,250,500)
Balance as at June 30,	-	92
	<u>7,000,000</u>	<u>25,001,122</u>

10 INCOME

Grants	47,480,219	17,643,221
Donations	26,906,754	22,446,967
Sale bar	-	1,192,513
Program service revenue	1,337,819	1,770,641
Zakat	4,800,000	2,500,000
Rickshaw revenue	228,650	349,500
Interest income	498,711	869,331
	<u>81,252,153</u>	<u>46,772,173</u>

11 ADMINISTRATION EXPENSES	Note	2021 Rupees	2020 Rupees
Salaries and wages	11.2	5,661,876	5,169,937
Depreciation	4.1	420,996	902,744
Building repair and maintenance		283,282	323,687
Cleaning expense		9,050	50,682
Communication		9,575	-
Consultancy		-	68,414
Courier and postage		3,998	-
Drinking water		30,655	-
Bad debt		56,489	-
Electricity		222,613	-
EOBI		242,697	-
Events		197,322	9,000
Fitting charges		15,523	-
Gas charges		34,780	-
Insurance		53,545	-
Internet		49,961	44,603
Interpretation charges		51,259	-
Kitchen supplies		7,711	600
Landline		42,585	-
Line water		13,407	9,925
Marketing		77,424	-
Mobile phone		29,411	44,509
Newspaper		6,283	16,555
Office supplies		174,012	119,664
Other expenses		5,768	-
Overtime		23,800	-
Parking		10,644	-
Postage and courier		15,578	11,420
Printing and stationery		204,040	25,701
Refreshments		5,140	-
Rent		-	-
Repair and maintenance		242,659	147,740
Security		112,700	-
Tea and coffee		15,041	29,541
Transportation		185,446	233,527
Travelling		165,790	69,715
Utilities		33,336	217,376
Vehicle fuel		195,666	120,398
Vehicle rent		1,491	-
Balance carried forward		8,911,553	7,615,736

	Note	2021 Rupees	2020 Rupees
Balance brought forward		8,911,553	7,615,736
Vehicle repair		33,409	208,387
Video and photography		700	-
Water charges		245	-
Wheelchairs		206,170	-
Bank charges		19,945	282,938
Software		128,254	-
Website charges		90,298	12,150
Fees discount		-	280
		<u>9,390,574</u>	<u>8,119,492</u>

11.1 Allocation of expenses between Administration expenses and Program expenses is on actual basis.

11.2 Salaries include Director's salary amounted to Rs. 3,600,000 (2020: Rs. 3,345,188).

11.3 The auditors of the Society, M/s. Daudally, Lalani & Co. (Chartered Accountants), act as Honorary auditors.

	Note	2021 Rupees	2020 Rupees
12 PROGRAM EXPENSES			
Salaries and wages		22,647,504	9,972,602
Depreciation	4.1	3,841,013	1,250,000
Project expense		20,847,980	-
Building repair and maintenance		2,947,184	1,099,995
Cleaning expense		16,808	-
Community outreach expense		29,875	-
Computer and office accessories		4,750	-
Consultancy		311,908	462,633
Courier and postage		7,426	-
Donation		478,500	215,550
Drinking water		56,930	91,618
Bad debt		508,397	-
Electricity		413,423	-
EOBI		450,723	237,900
Events		1,118,160	95,479
Fuel		6,520	-
Gas		64,591	-
Insurance		99,440	-
Internet		92,785	104,073
Interpretation charges		95,195	-
Balance carried forward		<u>54,039,112</u>	<u>13,529,850</u>

	Note	2021 Rupees	2020 Rupees
Balance brought forward		54,039,112	13,529,850
Kitchen supplies		14,320	279,215
Landline		79,086	-
Line water		24,899	23,159
Marketing		696,815	468,135
Membership		79,245	-
Mobile accessories		19,900	22,390
Mobile phone		54,620	-
Newspaper		11,668	-
Office supplies		323,166	-
Other expenses		10,712	58,085
Parking		19,767	-
Photography and videography expense		253,551	37,622
Postage and courier		28,930	26,646
Printing and stationery		1,836,361	440,339
Rent		396,000	-
Program cost		1,400,000	80,000
Ration		1,801,815	8,549,850
Repair and maintenance		2,183,934	-
Security		209,300	-
Stipend		1,819,305	-
Tea and coffee		27,933	226,807
Training		1,699,984	7,841,771
Transportation		344,400	1,879,677
Travelling		307,897	43,059
Utilities		61,910	507,211
Vehicle fuel		363,380	280,930
Vehicle rent		2,769	-
Vehicle repair		62,046	50,940
Video and photography		1,300	225,135
Water charges		455	-
Wheelchairs		382,888	-
Bank charges		-	2,450
Software		238,186	103,909
Website charges		167,695	28,350
		<u>68,963,349</u>	<u>34,705,530</u>

13 GENERAL

Figures have been rounded off to the nearest rupee.

14 AUTHORIZATION

These financial statements were approved by the Executive Committee for issue on 07 DEC 2021.



President



Honorary General Secretary



Honorary Treasurer