

**Auditor's Report of the
Audited Financial Statements of
ACTIVITY FOR REFORMATION OF BASIC NEEDS
(ARBAN)**

College Road, Rajpara, Purbadhala, Netrakona
for the year ended 30 June 2018

DNIC **DEWAN NAZRUL ISLAM & CO.**
CHARTERED ACCOUNTANTS

Motijheel Plaza (Aziz Square), 193/C/1 Fakirapool (3rd Floor)
Box Culvert Road, Dhaka 1000, Bangladesh Phone: 088-2-97194022, 01715199965



Auditors' Report

We have audited the annexed Financial Position, Comprehensive Income Statement and Statement of Receipts and Payments Account of **ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN)** College Road, Rajpara, Purbadhala, Netrakona for the period from 01 July 2017 to 30 June 2018 and a summary of Significant accounting policies and other explanatory information.

Management is responsible for preparation and fair presentation of these financial statements in accordance with Internationally Accounting Standards (IAS) as adopted in Bangladesh. This responsibility includes: designing, implementing and maintaining internal control relevant to preparation and fair presentation of financial statements that are free from materials misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from materials misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor judgment, including the assessment of the risks of materials misstatement of the financial statement, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that the appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of affairs of the mentioned project as on June 30, 2018 and of the results of its operations and its cash flow for the year then ended.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- In our opinion, proper books of accounts as required have been kept by the organization so far as it appeared from our examination of those books.
- The financial statements of the organization dealt with in this report are in agreement with the books of accounts.

Dated, The Dhaka
Date: December 20, 2018


DEWAN NAZRUL ISLAM & CO.
Chartered Accountants



ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN)

College Road, Rajpara, Purbadhala, Netrakona

STATEMENT OF FINANCIAL POSITION


As at June 30, 2018

	Note	Amount in Taka	
		FY 2017-2018	FY 2016-2017
<u>PROPERTY AND ASSETS:</u>			
Non-Current Assets			
Property, Plant and Equipment	5	7,792,497	6,680,272
Total Non-Current Assets:		7,792,497	6,680,272
Current Assets :			
Loan to Beneficiaries	6	6,502,259	4,602,509
Advance Accounts	7	-	31,800
Accounts Receivable	8	-	8,115
Stock in Store	9	3,770	3,770
Closing Balance:			
Cash in hand	10	10,710	2,160
Cash at bank	11	768,904	4,870
Total Current Assets:		7,285,643	4,653,224
Total Property and Assets:		15,078,140	11,333,496
<u>CAPITAL FUND AND LIABILITIES:</u>			
Capital Fund:			
Fund Account	12	8,218,776	5,944,408
Total Capital Fund		8,218,776	5,944,408
Current Liabilities			
Membership Savings	13	2,254,552	1,104,276
Bangladesh Bank Loan	14	1,600,000	1,280,000
Others Payable	15	3,004,812	3,004,812
Total Current Liabilities		6,859,364	5,389,088
Total Capital Fund Liabilities:		15,078,140	11,333,496

Executive Director, ARBAN

Signed in terms of our separate report of even date annexed.

Date: December 20, 2018


DEWAN NAZRUL ISLAM & CO.
 Chartered Accountants



ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN)

College Road, Rajpara, Purbadhala, Netrakona

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

PARTICULARS	General Fund	ARBAN Health Project	ARBAN Academy	Networking Program	Aquaculture for Small Scale Farmers Project	Total
INCOME:		-				-
Training Room & Resort Rent	1,875,000	-	-	-		1,875,000
Computer Training	6,090,000	-	-	-		6,090,000
Admission Fees	35,500	-	821,500	-		857,000
Membership Fees	10,500	-	-	-		10,500
Monthly Fees	-	-	962,000	-		962,000
Grants in Aid/Donation	-	150,000	-	-	1,897,880	2,047,880
Networking Business	2,500,000	-	-	575,000		3,075,000
Training for IGA Program	300,000	-	-	50,000		350,000
Local Donation (Chairman & ED)	-	-	260,000	-		260,000
Service Charge Collection	377,768	-	-	-		377,768
Others	65,500	-	-	-		65,500
Total Income:	11,254,268	150,000	2,043,500	625,000	1,897,880	15,970,648
EXPENDITURES:						
Salary and Honorarium	1,367,900		1,475,300	150,000	593,750	3,586,950
Honorarium for ED	195,000	-	280,000	-		475,000
Issue based Camp	-	35,500	-	-		35,500
Meeting & Seminar		55,000	-	25,000		80,000
Repair & Maintenance Cost	30,368	-	-	-		30,368
Examination Cost	85,500	-	-	-		85,500
Office Rent/School Rent	150,000	-	-	-		150,000
Travel & Perdiem	21,300	7,500	35,700	-		64,500
Telephone & Postage	16,000	-	23,500	-		39,500
Printing & Stationary	78,500	12,700	103,000	-		194,200
Fuel Cost	48,912	-	5,200	-		54,112
Transportation Cost	22,573	-	-	-	196,150	218,723
Arban Academy Building	-	-	30,000	-		30,000
Paper Bill	2,575	-	11,200	-		13,775
Electricity Bill	36,900	-	25,780	-		62,680
Project Proposal Preparation	75,500	-	-	-		75,500
Project Cost	6,229,000			450,000		6,679,000
Training Cost	2,750,000				170,884	2,920,884
Bank Charges	1,125	-	500	-		1,625
Audit & Professional Charges	15,000	-	-	-		15,000
Provision for Others						-
Overhead Cost	50,000	30,300	53,685		75,000	208,985
Total Expenditures:	11,176,153	141,000	2,043,865	625,000	1,035,784	15,021,802
Revenue Surplus/(Deficit):	78,115	9,000	(365)	-	862,096	948,846
Total:	11,254,268	150,000	2,043,500	625,000	1,897,880	15,970,648



ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN)

College Road, Rajpara, Purbadhala, Netrakona

RECEIPTS & PAYMENTS STATEMENT

For the year ended 30 June 2018

PARTICULARS	General Fund	ARBAN Health Project	ARBAN Academy	Networking Program	Aquaculture for Small Scale Farmers Project	Total
Opening Balance	-	-	-	-	-	-
Cash in hand	3,528	-	1,575	-	-	5,103
Cash at Bank	1,955	-	1,050	-	-	3,005
RECEIPT:						
Group Members Savings	739,138	-	-	-	-	739,138
Revolving Loan Collection	2,725,125	-	-	-	-	2,725,125
Service Charge Collection	377,768	-	-	-	-	377,768
Advance	31,000	-	-	-	-	31,000
REVENUE:						
Training Room & Resort Rent	1,875,000	-	-	-	-	1,875,000
Computer & Skill Development Training	6,090,000	-	-	-	-	6,090,000
Admission Fees	35,500	-	821,500	-	-	857,000
Membership Fees	10,500	-	-	-	-	10,500
Monthly Fees	-	-	962,000	-	-	962,000
Grants in Aid/Donation	-	150,000	-	-	1,897,880	2,047,880
Networking Business	2,500,000	-	-	575,000	-	3,075,000
Temporary Loan (ED)	895,000	-	-	50,000	-	945,000
Local Donation (Chairman & ED)	-	-	260,000	-	-	260,000
Others	65,500	-	-	-	-	65,500
Opening Balance & Total Receipts:	15,350,014	150,000	2,046,125	625,000	1,897,880	20,069,019
PAYMENTS:						
CAPITAL:						
Loan Disbursement	3,675,000	-	-	-	-	3,675,000
Saving Return	164,000	-	-	-	-	164,000
Interest on Savings	54,378	-	-	-	-	54,378
Computers & Accessories	-	-	-	-	99,225	99,225
REVENUE:						
Salary and Honorarium	1,367,900	-	1,475,300	150,000	593,750	3,586,950
Honorarium for ED	195,000	-	280,000	-	-	475,000
Issue based Camp	-	35,500	-	-	-	35,500
Meeting & Seminar	150,000	55,000	-	25,000	-	230,000
Repair & Maintenance Cost	30,368	-	-	-	-	30,368
Examination Cost	85,500	-	-	-	-	85,500
Office Rent/School Rent	150,000	-	-	-	-	150,000
Travel & Perdiem	21,300	7,500	35,700	-	-	64,500
Telephone & Postage	16,000	-	23,500	-	-	39,500
Printing & Stationary	78,500	12,700	103,000	-	-	194,200
Fuel Cost	48,912	-	5,200	-	-	54,112
Transportation Cost	22,573	-	-	-	196,150	218,723
Arban Academy Building Constriction	-	-	30,000	-	-	30,000
Paper Bill	2,575	-	11,200	-	-	13,775
Electricity Bill	36,900	-	25,780	-	-	62,680
Project Proposal Preparation	200,500	-	-	-	-	200,500
Project Cost	6,229,000	-	-	450,000	-	6,679,000
Training Cost	2,750,000	-	-	-	170,884	2,920,884
Bank Charges	1,125	-	500	-	-	1,625
Audit & Professional Charges	15,000	-	-	-	-	15,000
Overhead Cost	50,000	30,300	53,685	-	75,000	208,985
Total Payments:	15,344,531	141,000	2,043,865	625,000	1,135,009	19,289,405
Closing Balance:						
Cash in hand	500	9,000	1,210	-	-	10,710
Cash at Bank	4,983	-	1,050	-	762,871	768,904
Total Payments & Closing Balance:	15,350,014	150,000	2,046,125	625,000	1,897,880	20,069,019



ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN)

College Road, Rajpara, Purbadhala, Netrakona

Notes to the Financial Statements

for the year ended June 30, 2018

1.0 Background of the Organization:

ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN) is an NGO formed with the active initiative of a social workers along with some other philanthropists of the Netrokona district who have long experience in the field of development. The organization is duly registered with the Directorate of Social Welfare, Government of People's Republic of Bangladesh under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961. ARBAN is also registered with the NGO Affairs Bureau, Prime Minister's Office, Government of the People's Republic of Bangladesh under the Foreign Donation (Voluntary Activities) Regulation Ordinance 1978. The major objective of the organization is to improve the socio-economic and health condition of the poor people who have been suffering from landlessness and abject poverty.

The major on-going project programme of the organization are Organizing the community people in to small groups; Institutional Capacity Building through Computer Training; Education; Health and Nutrition; women & children development; micro-credit support; etc.

To run these activities necessary funds are being managed through grants in aid membership fees, own income, local donation, community contribution, etc. This report covers comments for the year ended 30th June, 2018.

2.0 Significant of Accounting Policies:

Basis of Preparation:

- 2.1 Accounts have been prepared on going concern consumption assumption under historical cost convention on accrual basis.
- 2.2 Fixed assets are stated at written down value. Depreciation has been charged on Fixed Assets on the basis of straight line method at the rate varying from 10% to 20%.

3.0 Accounting Principles:

The financial statement has been prepared in accordance with the Generally Accepted Accounting Principles (GAAP).

4.0 Presentation of financial statements:

The following financial statements were prepared and presented for management information purpose:

- * Balance Sheet as at 30th June, 2018 showing assets and liabilities;
- * Income & Expenditure Account for the period from 1st July, 2017 to 30th June, 2018 showing fund receipts & expenditure incurred;
- * Receipts & Payments Account for the period from 1st July, 2017 to 30th June, 2018 based on the cash transactions only. No adjustment or non-cash transactions have been included in this account;



5.0 Property, Plant and Equipment:

	Amount in Taka	
	FY 2017-18	FY 2016-17
Cost:		
Balance as on 01.07.17	7,693,272	6,680,272
Add: Addition during the year	99,225	1,013,000
	7,792,497	7,693,272
Balance as on 30.06.18	7,792,497	7,693,272
6.0 Loan to Beneficiaries		
Balance as on 01.07.17	5,552,384	4,602,509
Add: Disbursed during the year	3,675,000	3,525,000
	9,227,384	8,277,509
Less: Collection during the year	2,725,125	2,535,000
Balance as on 30.06.18	6,502,259	5,552,384
7.0 Advance Accounts		
Balance as on 01.07.17	31,800	31,800
Add: Paid during the year		
	31,800	31,800
Less: Adjustment during the year	31,800	
Balance as on 30.06.18	-	31,800
8.0 Accounts Receivable		
Balance as on 01.07.17	8,115	8,115
	8,115	8,115
Less: Adjustment during the year	8,115	
Balance as on 30.06.18	-	8,115
9.0 Stock in Store		
Balance as on 01.07.17	3,770	3,770
Less: Adjustment during the year		
Balance as on 30.06.18	3,770	3,770
10 Cash in hand		
Cash in hand	10,710	5,103
Total	10,710	5,103
Cash custody certificate was furnished by the management.		
11 Cash at Bank :		
Cash at Bank	768,904	3,005
Total	768,904	3,005
12 Fund Account		
Balance as on 01.07.17	7,029,915	5,944,408
Add: Surplus/dificit current year	948,846	1,085,507
Total Capital Fund	7,978,761	7,029,915
Add/Less: Prior year adjustment	240,015	
Balance as on 30.06.18	8,218,776	7,029,915
13 Membership Savings		
Balance as on 01.07.17	1,679,414	1,104,276
Add: Collection during the year	739,138	687,571
	2,418,552	1,843,414
Less: Return during the year	164,000	89,000
Balance as on 30.06.18	2,254,552	1,679,414



Notes	Amount in Taka	
	FY 2017-18	FY 2016-17
14 Bangladesh Bank Loan		
Balance as on 01.07.17	1,600,000	1,280,000
Add: Received during the year	-	320,000
	1,600,000	1,600,000
Less: Return during the year		
Balance as on 30.06.18	1,600,000	1,600,000
15 Others Payable		
Balance as on 01.07.17	3,004,812	3,004,812
Add: during the year		
	3,004,812	3,004,812
Less: Adjustment during the year		
Balance as on 30.06.18	3,004,812	3,004,812

16 ACKNOWLEDGEMENT:

We would like to take this opportunity to express our gratitude for the support given to us by the management during the course of our audit. The staffs of the organization were also helpful and cooperative while providing necessary briefing, documents and information. This has helped the audit team to understand its responsibilities clearly and carry out the audit in an orderly fashion.

December '20, 2018


DEWAN NAZRULISLAM & Co
 Chartered Accountants

