

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

College Road, Rajpara, Purbadhala, Netrakona
for the year ended 30 June 2020



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 2019 to 30 June 2020 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, 2020 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 09, 2020


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, 2020

	Note	Amount in Taka	
		FY 2019-2020	FY 2018-2019
<u>PROPERTY AND ASSETS:</u>			
Non-Current Assets			
Property, Plant and Equipment	5	6,262,935	6,463,068
Total Non-Current Assets:		6,262,935	6,463,068
Current Assets :			
Loan to Beneficiaries	6	6,502,259	6,502,259
Stock in Store	7	3,770	3,770
Closing Balance:			
Cash in hand	8	4,450	9,370
Cash at bank	9	1,014,437	1,689,494
Total Current Assets:		7,524,915	8,204,893
Total Property and Assets:		13,787,850	14,667,961
<u>CAPITAL FUND AND LIABILITIES:</u>			
Capital Fund:			
Fund Account	10	4,144,188	7,632,924
Total Capital Fund		4,144,188	7,632,924
Current Liabilities			
Membership Savings	11	2,254,552	2,254,552
Bangladesh Bank Loan	12	1,600,000	1,600,000
Others Payable	13	5,789,110	3,180,485
Total Current Liabilities		9,643,662	7,035,037
Total Capital Fund Liabilities:		13,787,850	14,667,961

Executive Director, ARBAN

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

Date: December 09, 2020


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 2019

	Amount in Taka	
	FY 2019-20	FY 2018-19
INCOME:		
Bureau of Non-Formal Education: Basic Literacy Project	3,831,120	-
Exeter University, UK: Covid 19 Project	1,600,000	-
Income: Training Room & Resort Rent	1,808,625	1,855,000
Income: Computer Training	6,692,242	6,863,838
Income: Skill Training on Block batic	4,176,196	4,074,338
Income: Skill Training on Tailoring & Swing Program	4,752,723	4,874,588
Admission Fees	1,004,150	1,057,000
Membership Fees	10,762	10,500
Grants in Aid/Donation	9,311,050	9,295,081
Training for Income Generating Activities (IGA) Program	3,280,512	3,200,500
Networking Business	2,659,875	2,595,000
Local Donation (Chairman & ED)	266,500	260,000
Others	518,137	505,500
Total Income:	39,911,892	34,591,346
EXPENDITURES:		
A. General & Administrative Cost:		
Salary and Honorarium	4,701,623	4,586,950
Honorarium for ED	896,875	875,000
Repair & Maintenance Cost	103,012	100,500
Examination Cost	932,750	910,000
Office Rent/School Rent	676,500	660,000
Travel & Perdiem	333,637	325,500
Telephone & Postage	43,050	42,000
Printing & Stationary	189,112	184,500
Fuel Cost	481,237	469,500
Paper Bill	12,915	12,600
Electricity Bill	129,150	126,000
Project Proposal Preparation	256,250	250,000
Bank Charges	3,843	3,750
Audit & Professional Charges	51,250	50,000
Overhead Cost	463,911	452,597
Meeting & Seminar	158,875	155,000
B. Program/ Project Cost:		
i. ARBAN IT Project Cost	589,887	575,500
ii. Media Communication Cost	256,250	250,000
iii. No formal Education Program	364,080	355,200
iv. Skilled Development Training on Blockbatic	2,516,375	2,455,000
v. Training on Tailoring & Swing Program	3,221,165	3,390,700
vi. Disaster Preparedness Training Program	30,000	35,500
vii. Computer Training Program	8,263,479	8,061,932
viii. ARBAN Health project	90,000	86,840
ix. ARBAN Networking Program	8,070,886	8,657,450
x. Aquaculture for Small Scale Farmers Project	50,000	750,000
xi. Basic literacy Project Cost for Procurement (Register, pen, signboard, black board, Mat, Excercise book, Hariken)	4,438,270	-
xii. COVID -19 Project Cost for PPE, Hand Sanitizer, Mask, Food (Rice, pulses, Flour, Potatoes, oil).	1,618,050	-
Depreciation	969,460	769,327
Total Expenditures:	39,911,892	34,591,346



ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN)

College Road, Rajpara, Purbadhala, Netrakona

RECEIPTS & PAYMENTS STATEMENT

For the year ended 30 June 2020

	Amount in Taka	
	FY 2019-20	FY 2018-19
Opening Balance:		
Cash in hand	9,370	10,710
Cash at Bank	1,689,494	768,904
RECEIPT:		
Temporary Loan (ED)	2,608,625	2,545,000
Advance Adjusted to Project	-	2,179,485
REVENUE:		
Bureau of Non-Formal Education: Basic Literacy Project	3,831,120	-
Exeter University, UK: Covid 19 Project	1,600,000	-
Income: Training Room & Resort Rent	1,808,625	1,855,000
Income: Computer Training	6,692,242	6,863,838
Income: Skill Training on Block batic	4,176,196	4,074,338
Income: Skill Training on Tailoring & Swing Program	4,752,723	4,874,588
Admission Fees	1,004,150	1,057,000
Membership Fees	10,762	10,500
Grants in Aid/Donation	5,052,987	4,929,744
Training for Income Generating Activities (IGA) Program	3,280,512	3,200,500
Networking Business	2,659,875	2,595,000
Local Donation (Chairman & ED)	266,500	260,000
Others	518,137	505,500
Opening Balance & Total Receipts:	39,961,318	35,730,108
PAYMENTS:		
Computers & Accessories	-	209,225
REVENUE:		
A. General & Administrative Cost:		
Salary and Honorarium	4,701,623	4,586,950
Honorarium for ED	896,875	875,000
Repair & Maintenance Cost	103,012	100,500
Examination Cost	932,750	910,000
Office Rent/School Rent	676,500	660,000
Travel & Perdiem	333,637	325,500
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B. Program/ Project Cost:		
i. ARBAN IT Project Cost	589,887	575,500
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x. Aquaculture for Small Scale Farmers Project	50,000	750,000
xi. Basic literacy Project Cost for Procurement (Register, pen, signboard, black board, Mat, Excercise book, Hariken)	4,438,270	
xii. COVID -19 Project Cost for PPE, Hand Sanitizer, Mask, Food (Rice, pulses, Flour, Potatoes, oil).	1,618,050	
Total Payments:	38,942,432	34,031,244
Closing Balance:		
Cash in hand	4,450	9,370
Cash at Bank	1,014,437	1,689,494
Total Payments & Closing Balance:	39,961,318	35,730,108

ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN)

College Road, Rajpara, Purbadhala, Netrakona

Notes to the Financial Statements

for the year ended June 30, 2020

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; Non-Formul Education Programme; Media Community Programme; Health and Nutrition Programme; Women & Children Health care development Programme; Disuster Preparedness Support programme; 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, 2020.

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 accrtial 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, 2020 showing assets and liabilities;
- * Income & Expenditure Account for the period from 1st July, 2019 to 30th June, 2020 showing fund receipts & expenditure incurred;
- * Receipts & Payments Account for the period from 1st July, 2019 to 30th June, 2020 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 2019-20	FY 2018-19
Cost:		
Balance as on 01.07.19	7,232,395	7,792,497
Add: Addition during the year	-	209,225
Less: Depreciation	969,460	769,327
Balance as on 30.06.20	6,262,935	7,232,395
6.0 Loan to Beneficiaries		
Balance as on 01.07.19	6,502,259	6,502,259
Add: Disbursed during the year	-	-
	6,502,259	6,502,259
Less: Collection during the year	-	-
Balance as on 30.06.20	6,502,259	6,502,259
7.0 Stock in Store		
Balance as on 01.07.18	3,770	3,770
Less: Adjustment during the year	-	-
Balance as on 30.06.20	3,770	3,770
8 Cash in hand		
Cash in hand	4,450	9,370
Total	4,450	9,370
Cash custody certificate was furnished by the management.		
9 Cash at Bank :		
Cash at Bank	1,014,437	1,689,494
Total	1,014,437	1,689,494
10 Fund Account		
Balance as on 01.07.19	7,632,924	8,218,776
Add/Less: Surplus/Deficit for year	(3,488,736)	(4,365,337)
	4,144,188	3,853,439
Add/Less: Unutilized Fund	-	4,951,189
Balance as on 30.06.20	4,144,188	7,632,924
11 Membership Savings		
Balance as on 01.07.19	2,254,552	2,254,552
Add: Collection during the year	-	-
	2,254,552	2,254,552
Less: Return during the year	-	-
Balance as on 30.06.20	2,254,552	2,254,552
12 Bangladesh Bank Loan		
Balance as on 01.07.19	1,600,000	1,600,000
Add: Received during the year	-	-
	1,600,000	1,600,000
Less: Return during the year	-	-
Balance as on 30.06.20	1,600,000	1,600,000



Notes	Amount in Taka	
	FY 2019-20	FY 2018-19
13 Others Payable		
Balance as on 01.07.19	3,180,485	3,004,812
Add: during the year	2,608,625	2,545,000
	5,789,110	5,549,812
Less: Advance adjustment during the year	-	1,001,000
Add/Less: Adjusted to program	-	2,179,485
Balance as on 30.06.20	5,789,110	3,180,485

14 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.

Date: December 09, 2020


DEWAN NAZRUL ISLAM & Co
 Chartered Accountants

