

**AUDITORS' REPORT AND
AUDITED ACCOUNTANTS**

ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN)

**College Road, Rajpara, Purbadhala, Netrakona
For the year ended June 30, 2019**



DEWAN NAZRUL ISLAM & CO.
CHARTERED ACCOUNTANTS

**Motijheel Plaza (Aziz Square), 193/C/1 Fakirpool (3rd Floor), Box
Culvert Road, Dhaka-1000, Bangladesh. Phone: 7194022,
8126373, Mobile: 01715199965**



DEWAN NAZRUL ISLAM & CO.

CHARTERED ACCOUNTANTS

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 2018 to 30 June 2019 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, 2019 and of the results of its operations and its cash flow for the year then ended.

We also report that:

- a) 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.
- b) 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.
- c) The financial statements of the organization dealt with in this report are in agreement with the books of accounts.

Dated, The Dhaka
08, April, 2020




DEWAN NAZRUL ISLAM & CO.
Chartered Accountants

Motijheel Plaza (Aziz Square), 193/C/1 Fakirapool (3rd Floor), Box Culvert Road,
Dhaka-1000, Bangladesh. Phone: 7194022, 8126373, Mobile: 01715199965

ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN)

College Road, Rajpara, Purbadhala, Netrakona

STATEMENT OF FINANCIAL POSITION

As at June 30, 2019

		Amount in Taka	
	Note	FY 2018-2019	FY 2017-2018
<u>PROPERTY AND ASSETS:</u>			
Non-Current Assets			
Property, Plant and Equipment	5	6,463,068	7,792,497
Total Non-Current Assets:		6,463,068	7,792,497
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	9,370	10,710
Cash at bank	9	1,689,494	768,904
Total Current Assets:		8,204,893	7,285,643
Total Property and Assets:		14,667,961	15,078,140
<u>CAPITAL FUND AND LIABILITIES:</u>			
Capital Fund:			
Fund Account	10	7,632,924	8,218,776
Total Capital Fund		7,632,924	8,218,776
Current Liabilities			
Membership Savings	11	2,254,552	2,254,552
Bangladesh Bank Loan	12	1,600,000	1,600,000
Others Payable	13	3,180,485	3,004,812
Total Current Liabilities		7,035,037	6,859,364
Total Capital Fund Liabilities:		14,667,961	15,078,140

Executive Director, ARBAN

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

Date: April 08, 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

INCOME:

Income: Training Room & Resort Rent	1,855,000
Income: Computer Training	6,863,838
Income: Skill Training on Block batic	4,074,338
Income: Skill Training on Tailoring & Swing Program	4,874,588
Admission Fees	1,057,000
Membership Fees	10,500
Grants in Aid/Donation	9,295,081
Training for Income Generating Activities (IGA) Program	3,200,500
Networking Business	2,595,000
Local Donation (Chairman & ED)	260,000
Others	505,500

Total Income:

34,591,346

EXPENDITURES:

A. General & Administrative Cost:

Salary and Honorarium	4,586,950
Honorarium for ED	875,000
Repair & Maintenance Cost	100,500
Examination Cost	910,000
Office Rent/School Rent	660,000
Travel & Perdiem	325,500
Telephone & Postage	42,000
Printing & Stationary	184,500
Fuel Cost	469,500
Paper Bill	12,600
Electricity Bill	126,000
Project Proposal Preparation	250,000
Bank Charges	3,750
Audit & Professional Charges	50,000
Overhead Cost	452,597
Meeting & Seminar	155,000

B. Program/ Project Cost:

i. ARBAN IT Project Cost	575,500
ii. Media Communication Cost	250,000
iii. No formal Education Program	355,200
iv. Skilled Development Training on Blockbatic	2,455,000
v. Training on Tailoring & Swing Program	3,390,700
vi. Disaster Preparedness Training Program	35,500
vii. Computer Training Program	8,061,932
viii. ARBAN Health project	86,840
ix. ARBAN Networking Program	8,657,450
x. Aquaculture for Small Scale Farmers Project	750,000
Depreciation	769,327

Total Expenditures:

34,591,346



ACTIVITY FOR REFORMATION OF BASIC NEEDS (ARBAN)

College Road, Rajpara, Purbadhala, Netrakona

RECEIPTS & PAYMENTS STATEMENT

For the year ended 30 June 2019

Opening Balance:	
Cash in hand	
Cash at Bank	10,710
RECEIPT:	768,904
Temporary Loan (ED)	-
Advance Adjusted to Project	2,545,000
REVENUE:	2,179,485
Income: Training Room & Resort Rent	-
Income: Computer Training	1,855,000
Income: Skill Training on Block batic	6,863,838
Income: Skill Training on Tailoring & Swing Program	4,074,338
Admission Fees	4,874,588
Membership Fees	1,057,000
Grants in Aid/Donation	10,500
Training for Income Generating Activities (IGA) Program	4,929,744
Networking Business	3,200,500
Local Donation (Chairman & ED)	2,595,000
Others	260,000
Opening Balance & Total Receipts:	505,500
PAYMENTS:	35,730,108
Computers & Accessories	
REVENUE:	209,225
A. General & Administrative Cost:	
Salary and Honorarium	
Honorarium for ED	4,586,950
Repair & Maintenance Cost	875,000
Examination Cost	100,500
Office Rent/School Rent	910,000
Travel & Perdiem	660,000
Telephone & Postage	325,500
Printing & Stationary	42,000
Fuel Cost	184,500
Paper Bill	469,500
Electricity Bill	12,600
Project Proposal Preparation	126,000
Bank Charges	250,000
Audit & Professional Charges	3,750
Overhead Cost	50,000
Meeting & Seminar	452,597
B. Program/ Project Cost:	155,000
i. ARBAN IT Project Cost	
ii. Media Communication Cost	575,500
iii. No formal Education Program	250,000
iv. Skilled Development Training on Blockbatic	355,200
v. Training on Tailoring & Swing Program	2,455,000
vi. Disaster Preparedness Training Program	3,390,700
vii. Computer Training Program	35,500
viii. ARBAN Health project	8,061,932
ix. ARBAN Networking Program	86,840
x. Aquaculture for Small Scale Farmers Project	8,657,450
Total Payments:	750,000
Closing Balance:	34,031,244
Cash in hand	
Cash at Bank	9,370
Total Payments & Closing Balance:	1,689,494
	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, 2019

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, 2019.

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, 2019 showing assets and liabilities;
- * Income & Expenditure Account for the period from 1st July, 2018 to 30th June, 2019 showing fund receipts & expenditure incurred;
- * Receipts & Payments Account for the period from 1st July, 2018 to 30th June, 2019 based on the cash transactions only. No adjustment or non-cash transactions have been included in this account;



5.0 Property, Plant and Equipment:

Notes	Amount in Taka	
	FY 2018-19	FY 2017-18
Cost:		
Balance as on 01.07.18	7,792,497	7,693,272
Add: Addition during the year	209,225	99,225
Less: Depreciation	769,327	
Balance as on 30.06.19	7,232,395	7,792,497
6.0 Loan to Beneficiaries		
Balance as on 01.07.18	6,502,259	5,552,384
Add: Disbursed during the year	-	3,675,000
	6,502,259	9,227,384
Less: Collection during the year	-	2,725,125
Balance as on 30.06.19	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 30.06.19	3,770	3,770
8 Cash in hand		
Cash in hand	9,370	10,710
Total	9,370	10,710
Cash custody certificate was furnished by the management.		
9 Cash at Bank :		
Cash at Bank	1,689,494	768,904
Total	1,689,494	768,904
10 Fund Account		
Balance as on 01.07.18	8,218,776	7,029,915
Add/Less: Surplus/Deficit for year	(4,365,337)	948,846
	12,584,113	7,978,761
Add/Less: Unutilized Fund	4,951,189	240,015
Balance as on 30.06.19	7,632,924	8,218,776
11 Membership Savings		
Balance as on 01.07.18	2,254,552	1,679,414
Add: Collection during the year	-	739,138
	2,254,552	2,418,552
Less: Return during the year	-	164,000
Balance as on 30.06.18	2,254,552	2,254,552
12 Bangladesh Bank Loan		
Balance as on 01.07.18	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 30.06.19	1,600,000	1,600,000



Notes	Amount in Taka	
	FY 2018-19	FY 2017-18
13 Others Payable		
Balance as on 01.07.18	3,004,812	3,004,812
Add: during the year	2,545,000	
	<u>5,549,812</u>	<u>3,004,812</u>
Less: Advance adjustment during the year	1,001,000	
Add/Less: Adjusted to program	2,179,485	
Balance as on 30.06.19	<u>3,180,485</u>	<u>3,004,812</u>

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 understands its responsibilities clearly and carry out the audit in an ~~orderly~~ fashion.

April '08, 2020


DEWAN NAZRULISLAM & Co
 Chartered Accountants

