

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30,  
2018**

## 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, 2018 and income & expenditure account, 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, income & 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.

#### 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* 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.

In connection with our audit of the financial statements, our responsibility is to read information and, in doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact otherwise we have nothing to report in this regard.

### **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 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 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.

From the matters communicated with the board of Members, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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
- b) the statement of financial position, the income & expenditure account together with notes thereon have been drawn up in conformity with the applicable accounting standards in Pakistan for Not for Profit Organization 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).

### Other Matter

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

Lahore:  
November 27, 2018



*Munawar Hussain*  
MUNAWAR ASSOCIATES  
CHARTERED ACCOUNTANTS

**THE FRONTIER ASSOCIATION FOR MENTALLY  
HANDICAPPED, MARDAN  
BALANCE SHEET  
AS AT JUNE 30, 2018**

FUNDS AND LIABILITIES	NOTE NO.	2018 RUPEES	2017 RUPEES
Accumulated Surplus		14,410,594	13,358,839
<b>CURRENT LIABILITIES</b>			
Expenses / Creditors Payables (Lohar)		-	-
Accrued Expenses		33,000	24,000
		33,000	24,000
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>14,443,594</b>	<b>13,382,839</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	02	1,288,471	1,436,436
Capital Work in Progress		10,511,987	10,328,297
<b>CURRENT ASSETS</b>			
<b>CASH AT BANKS</b>			
Advance to Abdul Shakoor Sb.		30,000	-
Cash at Bank		2,603,136	1,608,106
Security Deposit		10,000	10,000
		2,643,136	1,618,106
<b>TOTAL ASSETS</b>		<b>14,443,594</b>	<b>13,382,839</b>

MARDAN: NOVEMBER 27, 2018

PRESIDENT

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GENERAL SECRETARY

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**THE FRONTIER ASSOCIATION FOR MENTALLY  
HANDICAPPED, MARDAN  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2018**

	NOTE NO.	2018 RUPEES	2017 RUPEES
INCOME	03	2,417,194	1,219,465
<b>EXPENDITURE</b>			
Salaries and Wages		856,360	661,500
Communication & Internet		-	-
Medicines		-	8,630
Audit Fee		21,500	14,650
Postage & Telegram		-	320
Printing and Stationery		10,560	885
Electricity / Sui Gas		79,724	68,875
Repair and Maintenance Vehicle		129,510	79,950
Motor Vehicle Registration		-	9,868
Withholding Tax / Bank Charges		9,358	11,388
Petrol & Oil		61,772	137,740
Entertainment		9,755	10,060
School Building Rent		10,000	110,000
Travelling & Conveyance / Uniform		1,550	22,300
Repair and Maintenance		13,230	2,805
Sanitation		-	1,705
Miscellaneous Expenses		14,155	1,600
Depreciation		147,965	174,077
		<u>1,365,439</u>	<u>1,316,353</u>
<b>EXCESS OF INCOME/(EXPENDITURE) OVER EXPENDITURE/(INCOME)</b>		1,051,755	(96,888)
<b>PRIOR YEAR ADJUSTMENT (Audit Fee &amp; Expenses)</b>		-	9,350
<b>EXCESS OF INCOME/(EXPENDITURE) OVER EXPENDITURE/(INCOME) FOR THE YEAR</b>		1,051,755	(106,238)
<b>EXCESS OF INCOME OVER EXPENDITURE BROUGHT FORWARD</b>		13,358,839	13,465,077
<b>EXCESS OF INCOME OVER EXPENDITURE CARRIED FORWARD</b>		<u>14,410,594</u>	<u>13,358,839</u>

MARDAN: NOVEMBER 27, 2018

PRESIDENT

*[Signature]*

GENERAL SECRETARY

*[Signature]*



**THE FRONTIER ASSOCIATION FOR MENTALLY  
HANDICAPPED, MARDAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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. Full year depreciation is provided on addition irrespective of the date of addition.

**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.

2018  
RUPEES

2017  
RUPEES

**02 PROPERTY, PLANT & EQUIPMENT**

Schedule is annexed

1,288,471

1,436,436

**03 INCOME**

Donation / Subscription

2,373,100

1,179,615

Membership Fee

-

-

Profit on PLS Account

44,094

39,850

2,417,194

1,219,465



MARDAN: NOVEMBER 27, 2018

PRESIDENT

GENERAL SECRETARY

*[Signature]*

*[Signature]*



02-PROPERTY, PLANT & EQUIPMENT

PARTICULARS	C O S		RATE %	D E P R E C I A T I O N		WRITTEN DOWN VALUE
	AS ON 01/07/2017	ADDITION (DELETION)		AS AT 30/06/2018	AS AT 30/06/2018	
Land	450,000	-	0%	-	-	450,000
Building	277,090	-	15%	243,287	5,070	28,733
Vehicles	839,800	-	15%	682,732	23,560	133,508
Play Units	1,045,667	-	15%	290,173	113,324	642,170
Other Assets	87,745	-	15%	47,675	6,011	34,060

2018 Rupees 2,700,302 - 2,700,302

1,263,866 147,965 1,411,831 1,288,471

2017 Rupees 2,679,002 21,300 2,700,302

1,089,789 174,077 1,263,866 1,436,436

MARDAN: NOVEMBER 27, 2018

PRESIDENT

*Handwritten signature*

GENERAL SECRETARY

*Handwritten signature*



THE FRONTIER ASSOCIATION FOR MENTALLY  
HANDICAPPED, MARDAN  
BANK RECONCILIATION STATEMENT  
AS AT JUNE 30, 2018

2018  
RUPEES

BALANCE AS PER BANK BOOK

2,572,588

ADD:

Cheque Issued but not presented in the Bank

Cheque #.20708255

68,500

68,500

BALANCE AS PER BANK STATEMENT

2,641,088