

**Lahore Association Pakistan  
(Registered)  
(Fukuoka School for Special Children)**  
Financial Statements for the Year Ended  
June 30, 2016

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**AUDITORS' REPORT TO THE BOARD OF GOVERNORS**

We have audited the accompanying financial statements of the **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)**, which comprise of the balance sheet as at **June 30, 2016** and the related income and expenditure account and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Governors is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. 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 material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, 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 are 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 the Board of Governors, 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.

In our opinion, the financial statements presents fairly, in all material respects, the financial position of the **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)** as at **June 30, 2016** and of its surplus and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Dated: 2<sup>nd</sup> March 2017

Lahore

Audit Engagement Partner: Muhammad Khalid Qamar

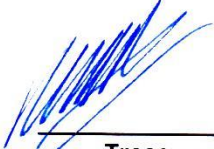


S. M. MASOOD & CO.  
Chartered Accountants


**Lahore Association Pakistan (Registered)**  
**(Fukuoka School For Special Children)**  
**Balance Sheet**  
**As On 30 June 2016**

	Note	2016 Rupees	2015 Rupees
<b>NON-CURRENT ASSETS</b>			
Property and Equipment	3	3,629,140	3,810,927
Long Term Security Deposits	4	<u>10,000</u>	<u>10,000</u>
		3,639,140	3,820,927
<b>CURRENT ASSETS</b>			
Cash & Bank Balances	5	13,484,263	10,435,807
<b>TOTAL ASSETS</b>		<u><u>17,123,403</u></u>	<u><u>14,256,734</u></u>
<b>CURRENT LIABILITIES</b>			
Security Deposits from Employees		4,400	4,400
<b>NET ASSETS</b>		<u><u>17,119,003</u></u>	<u><u>14,252,334</u></u>
<b>Represented by :</b>			
Fund Account	6	17,119,003	14,252,334
Contingencies & Commitments	7	-	-
		<u><u>17,119,003</u></u>	<u><u>14,252,334</u></u>

The annexed notes from 1 to 10 form an integral part of these financial statements *u*

  
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 Treasurer

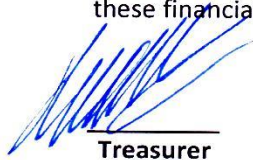
*Mumant*  
 \_\_\_\_\_  
 Principal

  
 \_\_\_\_\_  
 President

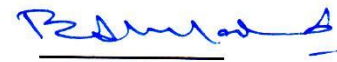
**Lahore Association Pakistan (Registered)**  
**(Fukuoka School For Special Children)**  
**Income and Expenditure Account**  
**For the Year Ended 30 June 2016**

	Note	2016 Rupees	2015 Rupees
<b>Incomes</b>			
Donations		3,489,796	3,043,376
Contributions		149,680	72,400
Profit on Bank Deposits	7	927,874	775,520
		<b>4,567,350</b>	<b>3,891,296</b>
<b>Expenditure</b>			
Staff Salaries		1,059,946	841,855
Vehicle Running Charges		91,825	112,365
Utilities Bills		59,835	37,929
Repair & Maintenance		13,873	104,979
Others		34,815	19,869
Printing & Stationary		5,267	17,722
Bank Charges		3,183	3,499
Depreciation	3	431,937	454,576
		1,700,681	1,592,794
Surplus for the year transferred to Fund account		<b>2,866,669</b>	<b>2,298,502</b>

The annexed notes from 1 to 10 form an integral part of these financial statements *u*

  
Treasurer

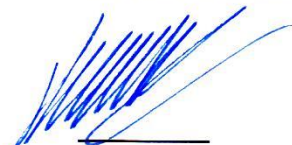
  
Principal

  
President


**Lahore Association Pakistan (Registered)**  
**(Fukuoka School For Special Children)**  
**Cash Flow Statement**  
**For the Year Ended 30 June 2016**

	Note	2016 Rupees	2015 Rupees
<b>Surplus as per Income and Expenditure Account</b>		<b>2,866,669</b>	<b>2,298,502</b>
<b>Add: Adjustments for Non- cash items :</b>			
Depreciation	3	431,937	454,576
<b>Net Cash Flow from operating activities</b>		<b>3,298,606</b>	<b>2,753,078</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to Furniture		(250,150)	(254,000)
Expenditure regarding Building		-	-
<b>Net cash outflow from investing activities</b>		<b>(250,150)</b>	<b>(254,000)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
		-	-
<b>Increase/(decrease) in Cash and Cash Equivalents</b>		<b>3,048,456</b>	<b>2,499,078</b>
<b>Cash and Cash Equivalents at beginning of the Year</b>		<b>10,435,807</b>	<b>7,936,729</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	5	<b>13,484,263</b>	<b>10,435,807</b>

The annexed notes from 1 to 10 form an integral part of these financial statements *W*

  
Treasurer

  
Principal

  
President

**Lahore Association Pakistan (Registered)  
(Fukuoka School For Special Children)  
Notes to the Financial Statements For the Year Ended 30 June 2016**

**1. The Association and its activities**

Lahore Association Pakistan ("the Association") was registered on November 29, 1992 in Lahore under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961. The registered office of the association is located at 248-C, Punjab Co-operative Housing Society (PCHS), Lahore Cantt. The principal activity of the association is to provide free education to mentally handicapped children.

**2. Significant accounting policies**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with the " Guideline for Accounting and Financial Reporting by Non-Government Organisations (NGOs)/ Non-Profit Organisations (NPOs)", issued by the Institute of Chartered Accountants of Pakistan (ICAP).

**2.2 Accounting convention**

These financial statements have been prepared under the historical cost convention.

**2.3 Property and equipment**

Property and equipment, except freehold land, are stated at cost less accumulated depreciation. Freehold land is stated at cost. Cost includes purchase cost and any incidental expenses of acquisition. Depreciation on property, plant and equipment is charged to income & expenditure account using diminishing balance method.

Depreciation on additions to assets is charged from the year in which an asset is acquired or capitalized while no depreciation is charged for the year in which the asset is disposed off.

Gains / losses on sale of property and equipment are credited / charged to the profit and loss account.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account.

**2.4 Income recognition**

Income is recognized when it is probable that economic benefits will flow to the entity and the income can be measured reliably. Zakat and donations are recognized when received. Return on saving account and Term Deposits Receipts are recognized when credited to account by Bank. *u*

Lahore Association Pakistan (Registered)  
(Fukuoka School For Special Children)  
Notes to the Financial Statements For the Year Ended 30 June 2016

3 Property and Equipment

PARTICULARS	Cost			Rate %	Depreciation			W.D.V as at 30th June 2016
	July 01, 2015	Additions	Disposal		June 30, 2016	Provided for the year	Disposal	
	-----Rupees-----							
Land	700,000	-	-	-	-	-	-	700,000
Building	2,584,883	-	-	2,584,883	10%	1,140,392	144,449	1,284,841
Furniture & Fixtures	560,999	-	-	560,999	15%	256,827	45,626	302,453
Teaching Equipment	177,708	-	-	177,708	15%	156,480	3,184	159,664
Solar Panels	-	180,350	-	180,350	15%	-	27,053	27,053
Security equipments	-	69,800	-	69,800	15%	-	10,470	10,470
Crockery	2,095	-	-	2,095	15%	1,852	36	1,888
Vehicles	2,324,580	-	-	2,324,580	15%	983,787	201,119	1,184,906
<b>June 30, 2016</b>	<b>6,350,265</b>	<b>250,150</b>	<b>-</b>	<b>6,600,415</b>		<b>2,539,338</b>	<b>431,937</b>	<b>2,971,275</b>
								<b>3,629,140</b>

PARTICULARS	Cost			Rate %	Depreciation			W.D.V as at 30th June 2015
	July 01, 2014	Additions	Disposal		June 30, 2015	Provided for the year	Disposal	
	-----Rupees-----							
Land	700,000	-	-	700,000	-	-	-	700,000
Building	2,584,883	-	-	2,584,883	10%	979,893	160,499	1,140,392
Furniture & Fixtures	306,999	254,000	-	560,999	15%	203,149	53,677	256,827
Teaching Equipment	177,708	-	-	177,708	15%	152,733	3,746	156,480
Crockery	2,095	-	-	2,095	15%	1,809	43	1,852
Vehicles	2,324,580	-	-	2,324,580	15%	747,176	236,611	983,787
<b>June 30, 2015</b>	<b>6,096,265</b>	<b>254,000</b>	<b>-</b>	<b>6,350,265</b>		<b>2,084,762</b>	<b>454,576</b>	<b>2,539,338</b>
								<b>3,810,927</b>

**Lahore Association Pakistan (Registered)**  
**(Fukuoka School For Special Children)**  
**Notes to the Financial Statements For the Year Ended 30 June 2016**

**4 Long Term Security Deposits**

It represents amount paid as security by the Association to M/s Sui Northern Gas Pipelines Limited.

**5 Cash and Bank Balances**

	Note	2016 Rupees	2015 Rupees
Cash in Hand		854	4,569
Cash with Banks:			
- in saving accounts		5,483,409	2,931,238
- in term deposit account		8,000,000	7,500,000
		<u>13,483,409</u>	<u>10,431,238</u>
		<b><u>13,484,263</u></b>	<b><u>10,435,807</u></b>

**6 Fund Account**

Opening Balances	14,252,334	11,953,832
Add: Surplus transferred from the I & E account	2,866,669	2,298,502
	<u>17,119,003</u>	<u>14,252,334</u>

**7 Contingencies and Commitments**

No Contingencies and Commitments are outstanding in the name of Lahore Association Pakistan (Fukuoka School For Special Children) as on 30 June 2016.

**8 Profit on Bank Deposits**

Profit on Bank Saving Accounts	185,373	169,521
Profit on Term Deposit Receipts	742,501	605,999
	<u>927,874</u>	<u>775,520</u>

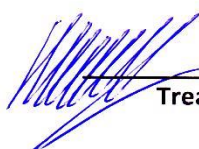
**9 Date of Authorization**

These financial statements were authorized for issue by the Board of Trustees of the association on 28 FEB 2017.

**10 General**

10.1 Figures have been rounded off to the nearest rupee.

10.2 Previous year figures where-ever necessary, have been re-arranged/reclassified, for the purpose of comparison. However no material re-arrangements have been made. *M*

  
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 Treasurer

  
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 Principal

  
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 President