

Lahore Association Pakistan (Registered)  
(Fukuoka School for Special Children)

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Financial Statements for the Year Ended  
June 30, 2017

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE  
LAHORE ASSOCIATION PAKISTAN (REGISTERED) (FUKUOKA SCHOOL FOR SPECIAL CHILDREN)**

**Opinion**

We have audited the financial statements of **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)**, which comprise the balance sheet as at **June 30, 2017**, and the income and expenditure account and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)** as at **June 30, 2017**, and its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards for Not for Profit Organizations issued by the Institute of Chartered Accountants of Pakistan as applicable in Pakistan.

**Basis for Opinion**

We conducted our audit in accordance with the 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 **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)** in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), 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.

**Responsibilities of management and those charged with governance for the financial statements**

The members are responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Not for Profit Organizations issued by the Institute of Chartered Accountants of Pakistan as applicable in Pakistan, and for such internal control as the members determine 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, members are responsible for assessing **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)**'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 **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)** 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 *W*

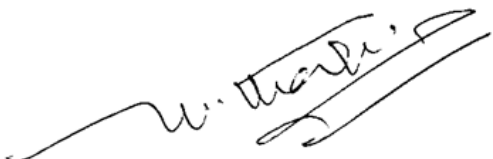
in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a 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 **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)s'** internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on 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 **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)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 **Lahore Association Pakistan (Registered) (Fukuoka School for Special Children)** to cease to continue as a 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 those charged with governance 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. *u*

Date 05 FEB 2018  
Lahore  
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 2017**

	Note	2017 Rupees	2016 Rupees
<b>NON-CURRENT ASSETS</b>			
Property and Equipment	3	3,254,770	3,629,140
Long Term Security Deposits	4	<u>10,000</u>	<u>10,000</u>
		3,264,770	3,639,140
<b>CURRENT ASSETS</b>			
Accrued profit	5	249,356	-
Cash & Bank Balances	6	17,696,888	13,484,263
<b>TOTAL ASSETS</b>		<u><u>21,211,014</u></u>	<u><u>17,123,403</u></u>
<b>CURRENT LIABILITIES</b>			
Security Deposits from Employees		4,400	4,400
<b>NET ASSETS</b>		<u><u>21,206,614</u></u>	<u><u>17,119,003</u></u>
<b>Represented by :</b>			
Fund Account	7	21,206,614	17,119,003
Contingencies & Commitments	8	-	-
		<u><u>21,206,614</u></u>	<u><u>17,119,003</u></u>

The annexed notes from 1 to 11 form an integral part of these financial statements *μ*

*Wardet*

Treasurer

*Munir*

Principal

*Lawrence*

President

**Lahore Association Pakistan (Registered)**  
**(Fukuoka School For Special Children)**  
**Income and Expenditure Account**  
**For the Year Ended 30 June 2017**

	Note	2017 Rupees	2016 Rupees
<b>Incomes</b>			
Donations		5,132,116	3,489,796
Contributions		177,350	149,680
Profit on Bank Deposits	9	1,043,906	927,874
		<b>6,353,372</b>	<b>4,567,350</b>
<b>Expenditure</b>			
Staff Salaries		1,558,019	1,059,946
Vehicle Running Charges		128,861	91,825
Utilities Bills		59,038	59,835
Repair & Maintenance		56,088	13,873
Others		54,425	34,815
Printing & Stationary		31,359	5,267
Bank Charges		3,601	3,183
Depreciation	3	374,370	431,937
		<b>2,265,761</b>	<b>1,700,681</b>
Surplus for the year transferred to Fund account		<b><u>4,087,611</u></b>	<b><u>2,866,669</u></b>

The annexed notes from 1 to 11 form an integral part of these financial statements *μ*

*Wardat*  
 \_\_\_\_\_  
 Treasurer

*Munira*  
 \_\_\_\_\_  
 Principal

*Samir*  
 \_\_\_\_\_  
 President

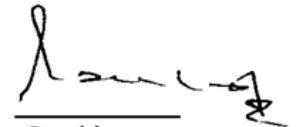
Lahore Association Pakistan (Registered)  
(Fukuoka School For Special Children)  
Cash Flow Statement  
For the Year Ended 30 June 2017

	Note	2017 Rupees	2016 Rupees
Surplus as per Income and Expenditure Account		4,087,611	2,866,669
Add: Adjustments for Non- cash items :			
Depreciation	3	374,370	431,937
Net Cash Flow from operating activities before working capital changes		4,461,981	3,298,606
Decrease/(Increase) in operating assets		-	-
Accrued profit		(249,356)	
Net Cash Flow from operating activities		4,212,625	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to Furniture		-	(250,150)
Net cash outflow from investing activities		-	(250,150)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
		-	-
Increase/(decrease) in Cash and Cash Equivalents		4,212,625	3,048,456
Cash and Cash Equivalents at beginning of the Year		13,484,263	10,435,807
Cash and Cash Equivalents at the end of the Year	6	17,696,888	13,484,263

The annexed notes from 1 to 11 form an integral part of these financial statements  $\mu$

  
Treasurer

  
Principal

  
President

**Lahore Association Pakistan (Registered)**  
**(Fukuoka School For Special Children)**  
**Notes to the Financial Statements For the Year Ended 30 June 2017**

**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. *μ*

Lahore Association Pakistan (Registered)  
(Fukuoka School For Special Children)

Notes to the Financial Statements For the Year Ended 30 June 2017

3 Property and Equipment

PARTICULARS	Cost			Rate %	Depreciation		W.D.V as at 30th June 2017	
	July 01, 2016	Additions	Disposal		June 30, 2017	Provided for the year		Disposal
	-----Rupees-----							
Land	700,000	-	-	-	-	-	700,000	
Building	2,584,883	-	-	10%	1,284,841	130,004	1,414,845	
Furniture & Fixtures	560,999	-	-	15%	302,453	38,782	341,235	
Teaching Equipment	177,708	-	-	15%	159,664	2,707	162,371	
Solar Panels	180,350	-	-	15%	27,053	22,995	130,302	
Security equipments	69,800	-	-	15%	10,470	8,900	50,430	
Crockery	2,095	-	-	15%	1,888	31	176	
Vehicles	2,324,580	-	-	15%	1,184,906	170,951	968,723	
<b>June 30, 2017</b>	<b>6,600,415</b>	<b>-</b>	<b>-</b>		<b>2,971,275</b>	<b>374,370</b>	<b>3,345,645</b>	

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	-	-	10%	1,140,392	144,449	1,284,841	
Furniture & Fixtures	560,999	-	-	15%	256,827	45,626	302,453	
Teaching Equipment	177,708	-	-	15%	156,480	3,184	159,664	
Solar Panels	-	180,350	-	15%	-	27,053	27,053	
Security equipments	-	69,800	-	15%	-	10,470	10,470	
Crockery	2,095	-	-	15%	1,852	36	1,888	
Vehicles	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>2,539,338</b>	<b>431,937</b>	<b>3,629,140</b>	



**Lahore Association Pakistan (Registered)**  
**(Fukuoka School For Special Children)**  
**Notes to the Financial Statements For the Year Ended 30 June 2017**

**4 Long Term Security Deposits**

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

**5 Accrued Income**

It represents amount of profit on funds deposited of Rs. 8,000,000/- with Sindh Bank Limited for 12 months period to be ended on 31st. December 2018.

**6 Cash and Bank Balances**

	Note	2017 Rupees	2016 Rupees
Cash in Hand		3,648	854
Cash with Banks:			
- in saving accounts		9,693,240	5,483,409
- in term deposit account		8,000,000	8,000,000
		<u>17,693,240</u>	<u>13,483,409</u>
		<u><b>17,696,888</b></u>	<u><b>13,484,263</b></u>

**7 Fund Account**

Opening Balances	17,119,003	14,252,334
Add: Surplus transferred from the I & E account	<u>4,087,611</u>	<u>2,866,669</u>
	<u><b>21,206,614</b></u>	<u><b>17,119,003</b></u>

**8 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.

**9 Profit on Bank Deposits**

Profit on Bank Saving Accounts	294,546	185,373
Profit on Term Deposit Receipts	<u>749,360</u>	<u>742,501</u>
	<u><b>1,043,906</b></u>	<u><b>927,874</b></u>

**10 Date of Authorization**

These financial statements were authorized for issue by the Board of Trustees of the association on 03 FEB 2018.

**11 General**

11.1 Figures have been rounded off to the nearest rupee.

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

*Waqar*  
 \_\_\_\_\_  
 Treasurer

*Mumtaz*  
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 Principal

*Imam*  
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 President