

**Auditors' Report & Audited Financial Statements  
of  
Association for Peoples Development Strem.**

**For the year ended 30 June 2019**

**Auditors' Report & Audited Financial Statements**  
**of**  
**Association for Peoples Development Strem.**

**For the year ended 30 June 2019**

**Independent Auditor's Report  
To the Member of General Body of  
Association for Peoples Development Strem.**

**Opinion**

We have audited the financial statements of Association for Peoples Development Strem which comprise the Financial Position as at 30 June 2019 and Statement of Income and Expenditure, Statement of Receipts & Payments, for the year then ended 30 June 2019 and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 30 June 2019 and of its financial performance for the year ended in accordance with International Financial Reporting Standards (IFRSs) as explained in notes 2

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information:**

We have audited of Association for Peoples Development strem for the year ended 30 June 2019 and Atik Khaled Chowdhury Chartered Accountants was the predecessor auditor of this client.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and MRA rules, 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. Management have to ensure effective internal audit, internal control and risk management functions of the organization.

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

*AMK*

### **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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or 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, 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.
- 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 the Company'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 Company 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 consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

*AMC*

We also provide those charged with governance 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 those charged with governance, 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 auditors' 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.

**We also report on other Legal and Regulatory Requirements**

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Organization so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns;

Place: Dhaka

Dated: 29 September 2019

*Ahsan Manzur & Co.*  
Ahsan Manzur & Co  
Chartered Accountants


Association for Peoples Development Strem

Statement of Financial Position

For the year 30 June 2019

Particulars	Notes	Amount in Taka 30-Jun-19	Amount in Taka 30-Jun-18
<b>Non-Current Assets</b>			
Property and Equipment	4	29,030.40	32,256
<b>Total Non-Current Assets</b>		<b>29,030</b>	<b>32,256</b>
<b>Current Assets:</b>			
Microfinance loan	5	16,933,498	13,772,972
FDR	6	150,000	-
Cash and Cash Equivalents:	7	7,068,096	1,804,948
		<b>24,151,594</b>	<b>15,577,920</b>
<b>Total Assets</b>		<b>24,180,625</b>	<b>15,610,176</b>
<b>Capital Fund and Liabilities</b>			
Fund Account	8	1,226,178	1,067,478
Statutory Reserve Fund	9	91,266	89,842
		<b>1,317,444</b>	<b>1,157,320</b>
<b>Current Liabilities:</b>			
Member's Savings	10	3,859,513	2,774,925
Other loans	11	12,000,000	11,000,000
Loan from Friendship	12	5,000,000	-
Liabilities for Expenses	13	685,610	677,931
Loan Loss Provision	14	1,318,058	-
		<b>22,863,181</b>	<b>14,452,856</b>
<b>Total Capital Fund and Liabilities</b>		<b>24,180,625</b>	<b>15,610,176</b>

The accompanying notes (1-15) form an integral part of these financial statements.

  
Chief Executive Officer

  
Finance Manager

Signed in terms of our report of even date annexed

Place: Dhaka  
Dated: 29 September 2019

  
Ahsan Manzur & Co.  
Chartered Accountants



Association for Peoples Development Strem

Statement of Comprehensive Income  
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka 30-Jun-19	Amount in Taka 30-Jun-18
<b>Income:</b>			
Service Charge		2,874,954	2,369,915
Service Charge Rebate		106,985	-
Application Form Sales		7,605	-
Passbook & Form Sales		8,430	13,065
Bank Interest		17,222	1,144
Admission Fees		8,270	5,370
		<b>3,023,466</b>	<b>2,389,494</b>
<b>Total Income</b>		<b>3,023,466</b>	<b>2,389,494</b>
<b>Expenditure</b>			
Salaries & Allowances	15	1,456,603	1,181,331
Stationary		25,324	26,022
Bank Charges		22,586	13,955
MRA Fees		17,250	5,750
House Rent		36,000	-
Audit Fees		21,750	-
Depreciation		3,226	3,584
Service charge rebate		106,985	-
Interest on Member's Savings		184,762	118,712
Loan Loss Reserve		1,134,739	183,321
		<b>3,009,225</b>	<b>1,532,675</b>
<b>Excess/(Deficit) of Income over Expenditures</b>		<b>14,241</b>	<b>856,819</b>

The annexed notes (1-15) form an integral part of these financial statements.

  
Chief Executive Officer

  
Finance Manager

Signed in terms of our report of even date annexed

Place: Dhaka  
Dated: 29 September 2019

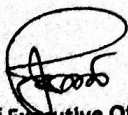
  
Ahsan Manzur & Co.  
Chartered Accountants



**Association for Peoples Development Strem**  
**Receipts and Payments Account**  
**For the year ended 30 June 2019**

Particulars	Amount in Taka	Amount in Taka
	30-Jun-19	30-Jun-18
<b>RECEIPTS</b>		
<b>Opening Balances:</b>		
Cash in Hand	119,921	2,059
Cash at Bank	1,685,027	1,750,832
	<b>1,804,948</b>	<b>1,752,891</b>
Directors' Loan	-	2,000,000
Fund received from Friendship	5,000,000	
Fund received From HO	936,000	2,495,000
Fund received from Gaibandha	483,000	
Fund received from Kurigram	1,000,000	
Loan Collection	22,320,437	18,691,198
Service Charge	2,874,954	2,369,915
Members Savings Collection	1,853,237	1,741,319
Passbook & Form Sales	8,430	13,065
Bank interest	17,222	1,144
Admission Fees	8,270	5,370
Application Form Sales	7,605	
Insurance	254,820	233,700
	<b>34,763,973</b>	<b>27,550,711</b>
<b>Total Receipts</b>	<b>36,568,921</b>	<b>29,303,602</b>
<b>Payments:</b>		
Stationery	25,324	26,022
Audit Fees	4,500	-
Salaries & Allowances	1,343,263	1,087,511
Bank Charge	22,586	13,955
House Rent	12,000	-
Saving Return	768,649	295,364
Insurance Refund	71,491	92,590
MRA Fees	17,250	11,500
Fund Transfer to Gaibandha	-	1,500,000
Fund Transfer to Kurigram	900,000	995,000
Fund Transfer to Head office	519,000	
Interest on Directors Loan	-	-
Interest on Savings	184,762	118,712
FDR Savings	150,000	-
Loan Disbursement	25,482,000	23,358,000
	<b>29,500,825</b>	<b>27,498,654</b>
<b>Total Payments</b>		
<b>Closing Balance:</b>		
Cash in Hand	118,295	119,921
Cash at Bank	6,949,801	1,685,027
	<b>7,068,096</b>	<b>1,804,948</b>
<b>Total</b>	<b>36,568,921</b>	<b>29,303,602</b>

The accompanying notes (1-15) form an integral part of these financial statements.



Chief Executive Officer



Finance Manager

Signed in terms of our report of even date annexed

Place: Dhaka

Dated: 29 September 2019

**Ahsan Manzur & Co.**  
**Ahsan Manzur & Co.**  
**Chartered Accountants**





**Association for Peoples Development Strem**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

**1 Background & Legal Status**

Association for Peoples Development Strem has been registered with the Department of Social Welfare Vide Registration No. DHA-04570 dated 20 May 1999 for the purpose of carrying out certain social activities in also improve the socio-economic condition of the mass people living in rural areas having its registered office at K-14/2A (2nd Floor), Baridhara (Kalachadpur), Dhaka-1212 and objectives are:

- \* Association for people Development Strem is a non profitable and non political organization.
- \* To motivate and organize people in small group for their development.
- \* To enhance the capacity level of leadership & professional skills among the group members.
- \* To alleviate poverty through Credit Program for the improvement of socio-economic status of the target people.
- \* To encourage self-employment through micro-credit and creation of employment opportunity, specially for women through various type of Training and Capital support.

**1.1 The Present Activities of the organization up to 30.06.2019 are given below:**

Total Member = 2143

Total Borrower = 1868

Total Group= 121

Total Staff of Branch office = 13 (Male=12, Female=1)

Total Staff of Head Office 2 ( Chief Executive - Male & Accountant Female)

**1.02 CORPORATE INFORMATION OF THE ORGANIZATION:**

Name of the Organization	Association for Peoples Development strem
Year of establishment	1999
Legal Entity:	
Micro-Credit Regulatory Authority (MRA)	Reg. # 21112-00537-00812
Nature of the Operations (Programs)	Micro Finance Program (MFP)
Statutory audit conducted up to	30.06.2018
Name of the statutory auditor for last year	Atik Khaled Chowdhury
Name of the statutory auditor for current year	Ahsan Manzur & Co. Chartered Accountants
No. of Executive Committee meetings held during 2018-2019	4 (Four)
Date of last AGM held/ Executive Meeting	27-01-2019





### 1.3 Executive Committee:

The affairs of the Organization are managed by executive committee of 07 (Seven) members, the members' are as follows:

Name	Designation
Mr. Alimur Rahman Khan	Chairman
Ms. Kaniz Fatima	Vice-Chairman
Ms. Syed Wasama Doja	Secretary
Mr. Md. Shamim Reza	Treasurer
Mr. Md. Rafiquzzaman	Executive Member
Ms. Al-Aksha	Executive Member
Mr. Md. Enamul Haque	Executive Member

### 2.00 Basis of Accounting

The Financial Statements of Association for Peoples Development Strem have been prepared on accrual basis except service charge which are accounted on cash basis under historical cost convention inconformity with International Financial Reporting Standards (IFRS).

#### 2.01 Summary of significant accounting policies

#### 2.02 Currencies:

All of organization's assets, liabilities, capital fund, income and expenses are expressed in terms of the Bangladesh taka currency.

#### 2.03 Revenue Recognition :

Association for Peoples Development strem (APDS) collects service charges from beneficiaries, sale of loan forms & pass book and recognizes as Income in the Financial Statements only when the service charges and sales are actually received.

#### 2.03 Interest Income:

##### Service charges on loan:

The Organization is collecting Service Charge from beneficiaries at a Decline Method of 25.00% per annum calculated on the loan provided to them. The principal loan and proportional service charges are collected in 46 weekly installments. Service charges are accounted for on cash basis. The amount of services charges collected from the beneficiaries is recognized as income.

##### Interest Expenses:

Interest expenses have been accounted for on accrual basis.

##### Others Expenses:

Other Expenses have been accounted for on cash basis.

#### 2.04 Fixed Assets & Depreciation:

Fixed assets has been shown in the Statement of Financial Position at book value less depreciation. Depreciation has been charged on the reducing balance method.

In respect of all assets, depreciation provided on reducing method over their expected useful life. Depreciation is charged for full year of asset is acquired at the first of the year and 6 months depreciation is charged for the assets aquired at the 2nd half of the year.

Name of the Assets	Percentage
Furniture & Fixture	10%



**2.05 Significant organizational policies:**

**2.06 Loan Loss Provision: Loan Classifications, loan loss provisioning & write of policy:**

The Organization makes a provision on loan loss as per MRA Circular. The Provision rate are given below:

<b>Loan Classifications:</b>	<b>Overdue Days</b>	<b>Rate</b>
Regular	No Overdue	1%
Watchful	1-30 days	5%
Sub-standard	31-180 days	25%
Doubtful(DF)	181-365 days	75%
Bad Loan(BL)	above 365 days	100%

**3.00 General:**

Figures are rounded off to the nearest taka.

Previous year's figures are rearranged wherever considered necessary to conform to the current year's presentation.



	Amount in Taka 30-Jun-19	Amount in Taka 30-Jun-18
<b>4 Property, Plant &amp; Equipment</b>		
Opening balance	32,256	35,840
Add: During the year	-	-
	32,256	35,840
Less: Depreciation during the year	3,226	3,584
Written Down Value (W.D.V)	<b>29,030</b>	<b>32,256</b>

**5 Microfinance Loan**

The break-up of the sum is as under:

Opening Balance	13,772,972	8,972,672
Add: Loan Outstanding	-	2,887
Add: Loan Loss Provision	-	130,611
Add: Loan Disbursement this year	25,482,000	23,358,000
Less: Loan Realization this year	(22,320,437)	(18,691,198)
Less: Service Charge	(1,037)	-
<b>Total Taka</b>	<b>16,933,498</b>	<b>13,772,972</b>

**6 FDR**

Opening Balance	-	-
Add: During the year	150,000	-
	150,000	-
Less: Encashment	-	-
Closing Balance	<b>150,000</b>	-

**7 Cash and Cash Equivalents:**

The cash and cash equivalents are made-up as under:

Cash in Hand	118,295	119,921
Cash at Bank (Note 7.1)	6,949,801	1,685,027
	<b>7,068,096</b>	<b>1,804,948</b>

**7.1 Cash at Bank:**

The bank balances were held with the following bank:

JBL A/C-0100017839777	-	1,096,585
JBL A/C-0100017740398	-	459,833
SIBL A/C 0131330005896	46,623	46,623
JBL A/C-0494001018069	16,058	24,783
JBL A/C-00300320001318	1,024,983	-
JBL A/C -01290320001007	337,691	-
JBL A/C-0100112992345	394,972	52,922
JBL A/c-010011298967	-	4,281
JBL A/c-13480328	6,265	
JBL A/c-173214256	10,058	
JBL A/c-13480516	5,288	
JBL A/c-13480516	5,106,863	
Agrani A/c 13651462	1,000	-
<b>Sub-Total</b>	<b>6,949,801</b>	<b>1,685,027</b>



**8 Fund Account:**

The break-up of the sum is as under:

Opening balance	1,067,478	41,603
Add: Excess of income over expenditure	14,241	856,819
Add: Loan loss provision expense	-	130,611
Add: Service Charge	-	2,887
Add: Interest on executive Director's Loan	-	27,500
Add: Office Rent	-	125,000
Add: Meeting Expenses	-	26,000
Add: Strem Reserve Fund	53,100	-
Add: Salary Provision	93,820	-
	<b>1,228,639</b>	<b>1,210,420</b>
Less: Strem Reserve Fund	-	53,100
Less: Transferres to Statutory Reserve Fund	1,424	89,842
Less: Service charge	1,037	-
	<b>2,461</b>	<b>142,942</b>
	<b>1,226,178</b>	<b>1,067,478</b>

**9 Statutory Reserve Fund**

Opening Balance	89,842	4,160
Add: Transferred from serplus	1,424	85,682
	91,266	89,842
Less: Adjustment	-	-
	<b>91,266</b>	<b>89,842</b>

**10 Members Savings**

The break up of the sum is as under:

Opening balance	2,774,925	1,328,970
Add: Collection during the year	1,853,237	1,741,319
Add: Investment on Savings	-	-
Less: Savings Refund	(768,649)	(295,364)
<b>Total Taka</b>	<b>3,859,513</b>	<b>2,774,925</b>

**11 Other Loans:**

Opening balance	11,000,000	9,000,000
Add: During the year	1,000,000	2,000,000
	<b>12,000,000</b>	<b>11,000,000</b>

**12 Loan from Friendship**

Opening Balance	-	-
Add: During the year	5,000,000	-
	<b>5,000,000</b>	<b>-</b>

**13 Liabilities for expenses:**

This was made at as follows:

Accrued Salaries & Allowances	113,340	93,820
Loan loss provision	-	183,321
Insurance Fund	531,019	347,690
Strem Reserve fund	-	53,100
Audit Fees	17,251	-
Accrued House rent	24,000	-
	<b>685,610</b>	<b>677,931</b>



**14 Loan Loss provision**

**Opening Balance**

**Add: Addition during the year**

**Less: Adjustment during the year**

-	-
1,318,058	-
1,318,058	-
-	-
1,318,058	-

**Details shown an Annexure A2**

**15 Salaries & Allowances:**

**Salary expenses**

**Accrued Salaries & Allowances**

1,343,263	1,181,331
113,340	
1,456,603	1,181,331

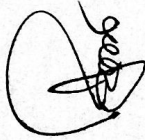


**Association for Peoples Development Strem**  
**Fixed Asset Schedule**  
**For the year ended 30 June 2019**

Annexure-A

**Property Plant and Equipment:**

Particulars	COST				DEPRECIATION				Written Down Value as on 30-07-2019	
	Balance as at 01-07-2018	Addition during the year	Adjustment during the year	Total as at 30-07-2019	Rate	Balance as at 01-07-2018	Charged during the year	Adjustment during the year		Total as at 30-07-2019
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka		Taka
Furniture & Fixture	35,840	-	-	35,840	10%	3,584	3,226	-	6,810	29,030
	35,840	-	-	35,840	0	3,584	3,226	-	6,810	29,030





**Association for Peoples Development Strem.**  
**Loan Loss Provision**  
**For the year ended 30 June 2019**

**Annexure A1**

SL	Types of Loan	Loan Amount	Percentage	Provision Amount
1	Regular loan	15,017,306	1.0%	150,173
2	Watchful	412,935	5.0%	20,647
3	Sub-standard	321,200	25.0%	80,300
4	Doubtful (DF)	460,476	75.0%	345,357
5	Bad Loan (BL)	721,581	100.0%	721,581
6	Total			1,318,058

