

AUDITOR'S REPORT

On The

FINANCIAL STATEMENTS

OF

Association for Peoples Development Strem (APDS)

Ka-14/2a, Baridhara North Road (kalachandpur), Dhaka-1212

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 30TH JUNE, 2022

Ashraf Uddin & CO.

Chartered Accountants

142/B, Green Road (04th Floor),

Dhaka-1215, Bangladesh.

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Association for Peoples Development Strem
MICRO CREDIT PROGRAMME

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Ashraf Uddin & Co.

CHARTERED ACCOUNTANTS

Since 1979

Member of



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Independent firms

MANAGING PARTNER:

MD. ASHRAF UDDIN AHMED
LLB, CFC, FCA

PARTNERS:

ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC

Corporate Address: 142/B, Green Road (3rd & 4th Floor)
Dhaka- 1215, Bangladesh.

Registered Address: Rahman Chamber (5th Floor)
12-13, Motijheel Commercial Area, Dhaka. Bangladesh

INDEPENDENT AUDITOR'S REPORT IN THE FINANCIAL STATEMENTS TO GOVERNING BODY OF ASSOCIATION FOR PEOPLES DEVELOPMENT STREM (APDS)

Opinion

We have audited the financial statements of Consolidated Report of "**Association for Peoples Development Strem (APDS)**" which comprise the Statement of Consolidated Financial Position as at 30th June 2022, Statement of Comprehensive Income, Statement of Receipts and Payments Accounts for the year then ended 30th June 2022, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our Opinion, the accompanying financial statements of the Consolidated Report of "**Association for Peoples Development Strem (APDS)**" give a true and fair view of the financial position as at 30th June 2022 and its financial performance, Statement of Comprehensive Income and its Receipts & Payments for the year then ended in accordance with International Financial Reporting Standards (IFRS) and other applicable laws and regulations including MRA guidelines.

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 Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Consolidated and Separate Financial Statements and Internal Controls.

Management is responsible for the preparation of financial statement that give a true and fair view in accordance with the Accounting policies 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 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.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether 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:

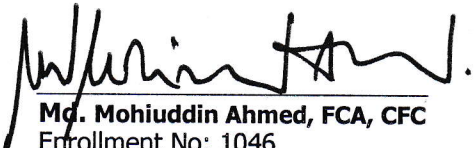
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the organization'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 the Organization'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 reports to the related disclosures in the consolidated and separate 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 Organization 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.

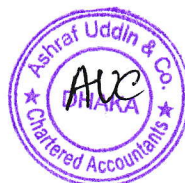
Report on other Legal & Regulatory Requirements

We also report the following:

- 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 MRA ACT & Rules have been kept by **Association for Peoples Development Strem (APDS)** so far as it appeared from our examination of these books, and
- c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account.

Place: Dhaka
Date: 11th September, 2022.


Md. Mohiuddin Ahmed, FCA, CFC
Enrollment No: 1046
Partner
Ashraf Uddin & CO.
Chartered Accountants
DVC:2209111046AO961839



Annexure- A1/2

Association for Peoples Development Strem
MICRO CREDIT PROGRAMME
Statement of Financial Position
As at 30 June, 2022

Particulars	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
Assets			
Non-Current Assets			
Property Plant and Equipment	6	1,561,133	554,875
		1,561,133	554,875
Current Assets:			
Loan to Beneficiaries	7	119,927,495	92,546,988
FDR	8	3,797,476	2,543,641
Account Receivable	8.1	672,696	153,866
Cash and Cash Equivalents	9	9,539,104	28,152,575
Total Current Assets:		133,936,771	123,397,070
Total Assets		135,497,904	123,951,945
Capital Fund and Liabilities:			
Capital Fund:			
Fund Account	10	87,355,408	5,114,059
Statutory Reserve Fund	11	933,573	5,348,905
Total		88,288,981	10,462,964
Non-Current Liabilities:			
Loan from Friendship	12	-	73,693,470
Other Loans	13	12,000,000	12,000,000
		12,000,000	85,693,470
Current Liabilities:			
Member Insurance Fund	14	3,189,473	2,506,064
Group Members Savings	15	22,559,916	11,170,957
Loan Loss Provision (L.L.P)	16	8,840,406	5,891,444
Loan from Janata Bank		-	7,500,000
Grant Liabilities (SEDMP)		-	54,950
Liabilities for Expenses	17	619,128	672,096
Total Current Liabilities:		35,208,923	27,795,511
Total Capital Fund and Liabilities:		135,497,904	123,951,945

The accompanying notes from 1 to 20 an integral part of the financial statements.

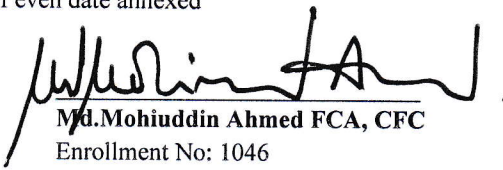

Finance Manager


Chief Executive Officer


Chairman

Signed in terms of our report of even date annexed

Place: Dhaka
Date: 11th September, 2022.


M.d.Mohiuddin Ahmed FCA, CFC
Enrollment No: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2209111046AO961839



Annexure- A1/3

Association for Peoples Development Stream
MICRO CREDIT PROGRAMME
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Notes	Amount in Taka	
		2021-2022	2020-2021
INCOME:			
Service Charge	18	19,449,339	16,943,116
Other Income :			
Admission Fees		16,795	8,370
Bank Interest		143,138	220,870
FDR Interest		160,958	-
Sale of Passbook		17,400	9,360
Local Donation		6,000,000	-
Sale of loan Form		37,215	26,295
Subscription		3,240	-
Total Income		25,828,085	17,208,011
EXPENDITURE:			
Administrative Expenses	19	4,568,187	1,689,298
Staff Salary	20	13,232,078	8,301,840
Interest paid on Member Savings		734,411	516,176
Loan Loss Provision		2,948,962	3,881,779
Audit Fees		51,750	40,020
Consultancy fees		-	383,130
Depreciation		138,727	104,704
Expenditure:		21,674,115	14,916,947
Income Tax Provision		21,423	79,469
Total Expenditure		21,695,538	14,996,416
Surplus/(Deficit) of Income over Expenditure		4,132,548	2,211,595
Total		25,828,085	17,208,011

The accompanying notes from 1 to 20 an integral part of the financial statements.

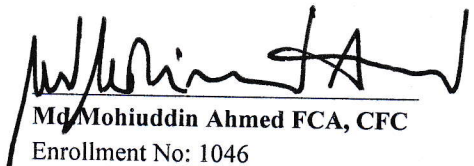

Finance Manager


Chief Executive Officer


Chairman

Signed in terms of our report of even date annexed

Place: Dhaka
Date: 11th September, 2022.


Md. Mohiuddin Ahmed FCA, CFC
Enrollment No: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2209111046AO961839



Association for Peoples Development Strem
MICRO CREDIT PROGRAMME
Statement of Receipts and Payments
For the year ended 30 June 2022

	Notes	Amount in Taka	
		2021-2022	2020-2021
RECEIPTS:			
Cash at Bank		27,762,853	13,212,958
Less: Adjustment		-	-
Opening Cash at Bank			13,212,958
Cash in Hand	9	389,722	687,464
Opening Balance:		28,152,575	13,900,422
Service Charge Received		19,449,339	20,558,527
Savings Collection		12,948,490	5,043,237
Loan Recovery Principle		133,447,493	134,844,098
Recover from employee		-	2,000
Loan Refund received		6,000	-
Fund Transfer received		53,563,650	-
Local Donation		6,000,000	-
Loan received from Janata Bank		-	7,500,000
Member Insurance Recovery		1,622,150	1,409,690
Bank Interest		143,138	113,273
Subscription		3,240	-
Admission Fees		16,795	8,370
Sale of Passbook		17,400	9,360
Application form Sales		37,215	26,295
		227,254,910	169,514,850
Total Receipts:		255,407,485	183,415,272
PAYMENTS:			
Administrative Expenses	19.00	4,489,071	1,689,298
Staff Salary		13,208,664	8,050,157
Savings Refund		2,293,942	1,397,380
Consultancy fees		73,660	320,630
Bank Loan refund		7,500,000	-
Loan refund to Friendship		-	156,909
Furniture		304,979	19,318
Equipment		756,005	194,441
Fund Transfer		53,563,650	-
Software		84,000	-
Advance to Employee		662,696	59,993
Advance Office rent		10,000	-
Income Tax		34,973	19,882
Loan Disbursement		160,828,000	140,969,000
Group Member Insurance Refund		938,741	565,689
FDR		1,120,000	1,820,000
Total Payments:		245,868,381	155,262,697
Closing Balance:			
Cash in Hand		1,020,461	336,064
Cash in Hand SEDMP		-	53,658
Cash at Bank		8,518,643	27,762,853
Total		9,539,104	28,152,575
		255,407,485	183,415,272

The accompanying notes from 1 to 20 an integral part of the financial statements.


Finance Manager


Chief Executive Officer


Chairman

Signed in terms of our report of even date annexed

Annexure-A1/5

Association for Peoples Development Strem
MICRO CREDIT PROGRAMME
Statement of Changes in Equity
For the year ended 30 June 2022

(Amount In BDT)

	Capital Fund	Retained Earnings	Total Taka
Opening Balance (1 July 2021)	1,286,388	3,827,671	5,114,059
Add: Surplus/(Deficit) for the year		4,132,548	4,132,548
Less: Reserve Fund		(413,255)	(413,255)
Add: Previous Year Loan waive from Friendship amount treated as Capital			73,693,470
Add: Previous Year Loan Climate Protection and Default Payment amount treated Capital			4,828,586
Closing Balance (30 June 2022)	1,286,388	7,546,964	87,355,408

The Accompanying notes from 1 to 20 an integral part of these financial statements.



Finance Manager



Chief Executive Officer



Chairman

Signed in terms of our report of even date annexed



Annexure-A1/6

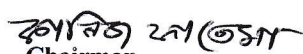
**Association for Peoples Development Strem
MICRO CREDIT PROGRAMME
Statement of Cash Flows
For the year ended 30 June 2022**

Particulars	Amount in Taka	
	2021-2022	2020-2021
A. Cash Flows from Operating Activities:		
Surplus for the year	4,132,548	2,211,596
Add: Amount considered as non-cash items:		
Depreciation	138,727	104,704
Provision for Climate Protection, default payment		3,725,109
Loan Loss Provision (L.L.P)& others	2,948,962	3,881,779
Previous year office rent provision		84,000
Grant Unspent (Including Provision)	-	
Sub Total of non-cash items:	7,220,236	10,007,188
Loan to beneficiaries	(27,380,507)	(6,124,902)
Accounts Receivable	(518,830)	(133,984)
Group Members Savings	11,388,959	4,158,999
Liabilities for expenses	(107,919)	64,651
Member Insurance Fund	683,409	844,001
Net cash used in Operating Activities:	(8,714,652)	8,815,953
B. Cash Flows from Investing Activities:		
FDR	(1,253,835)	(1,850,040)
Fixed Asset (Furniture & Equipment)	(1,060,984)	(213,759)
Software	(84,000)	
Net cash used in Investing Activities:	(2,398,819)	(2,063,799)
C. Cash Flows from Financial Activities:		
Loan from Friendship & other	-	
Loan from Janata Bank	(7,500,000)	7,500,000
Net cash from Financial Activities:	(7,500,000)	7,500,000
D. Net increase/(decrease) in Cash & Bank Balance (A+B+C)	(18,613,471)	14,252,153
Cash and Bank Balance at the beginning of the year	28,152,575	13,900,422
Less: Adjustment		
Add: Cash and Bank Balance at the beginning of the year	28,152,575	13,900,422
Cash and Bank Balance at the end of the year	9,539,104	28,152,575

The accompanying notes from 1 to 20 an integral part of the financial statements.


Finance Manager


Chief Executive Officer


Chairman



Annexure-A1/7

Association For Peoples Development Strem
MICRO CREDIT PROGRAMME
Notes to the Financial Statements
For the year ended 30 June 2022

1.00 BACKGROUND OF THE ORGANIZATION:

Association for Peoples Development Strem is a non -profit voluntary development organization registered with Department of Social Welfare, Government of the People's Republic of Bangladesh vide Registration No. Dhaka-04570 dated 20 May 1999. It is also registered with the NGO affairs Bureau, Government of the People's Republic of Bangladesh vide registration No. 3032 dated 28 July 2016. Association for Peoples Development Strem has also taken approval from Micro Credit Regulatory Authority (MRA) vide registration No.21112-00537-00812 dated 20 November 2018.

2.00 CORPORATE INFORMATION OF THE MFI:

Name of the MFI	Association for Peoples Development Strem		
Year of establishment	1999		
Legal entity:	Registration Authority	Registration No.	Date
	Social Welfare Department	Dhaka-04570	5/20/1999
	NGO Bureau Affairs	3032	7/28/2016
	MRA	21112-00537-00812	20 November 2018
Nature of operations (programs)	Micro-credit Program.		
Statutory audit conducted up to	01 July 2021 to 30 June 2022.		
Name of statutory auditor for last year	Ahsan Manzur & Co. Chartered Accountants.		
Name of auditor for current year	Ashraf Uddin & Co		
No. Executive Committee meeting held FY 2021-2022	4times		

List of Executive Committee Members:				
Name	Designation	Profession	Qualification	Present Address
Ms. Kaniz Fatema	Chairman	House wife	M.S.S	10/1, Tallabagh, Mohammadpur, Dhaka-1207
Enayet E Rabbi	Secretary General	Retired Banker	B. Com	House 15, Road-8, Gulshan-1, Dhaka
Mr. Muhammed Shamim Reza	Treasurer	Private Service	FCA	Navana Garden, Flat no 2c, Building Tulip, Shahid Miner Road, Mohammadpur-1207



Mr. Md Rafiquzzaman	Executive Member	Self Employee	M. A	Road -4, House 21, Block -D, Section 6, Mirpur Dhaka
Ms. Al Aksha	Executive Member	Self Employee	MBA	73/16,, Subajtu, Taj Vila, Flat no-1, A/2, Kazi Motahar Hosain Road, GPO 1000
Mr. Mohammad Enamul Haque	Executive Member	Self Employee	M.S.S	Road 3, House 18, Block A, Section 2, Mirpur - Dhaka.

3.00 Basis of Accounting:

The financial statements are prepared under historical cost convention on accrual basis except service charges which are computed following cash basis of accounting.

4.00 Summary of significant accounting policies:

Insurance policy

APDS makes provision of 1% insurance on the disbursement amount for each disbursement. This provision amount is deducted from the disbursement amount given to the borrowers. This insurance can be claimed only for two instances.

1. Death of the borrower or the earning member of the family; and
2. For the above-mentioned instances, the outstanding of the borrower can be adjusted with the insurance provision amount.

Service charge on Agriculture product

Risk sharing

Service charges on risk sharing agriculture products will be 24% declining. All Agriculture risk sharing products will have a tenure of 8 months and will be repaid at the end of tenure in one single payment.

4.01 Currencies:

The financial statements have been prepared and presented in Bangladeshi Taka.

4.02 Revenue Recognition:

Association for peoples Development Strem (APDS) collects service charges from beneficiaries , sale of loan form & Pass book and recognized as income in the financial Statements only when the service charges and sales are actually received.

4.03 a. Interest Income and Expenses:

✦ **Service Charges on Loan:**

Service Charges have been recognized on cash basis.

✦ **Interest Expenses:**

Interest Expenses have been recognized on accrual basis.

✦

Other Expenses:

Other Expenses have been recognized on accrual basis.

b. Interest Paid on Savings:

6% Interest have been paid to the members on accrual basis at the end of the year on their savings and accounted for accordingly.



4.04 Fixed Assets and Depreciation:

Fixed assets has been shown in the financial position at book value less depreciation . Depreciation has been charge on the reducing balance method. In respect of of all asset , Depreciation provided on reducing method over their expected useful life. Depreciation is charged monthly usage basis.

Name of Assets	%
Furniture & Fixture	10%
Equipment	20%

5.00 SIGNIFICANT ORGANIZATIONAL POLICIES:

5.01 Loan Loss Provision:

✦ **Loan Classification:**

Loans are classified in accordance with the guideline of **Microcredit Regulatory Authority** as noted

Particulars	Loan Loss Provision Ratio
Good Loan Outstanding	1%
1-30 days Doubtful Loan Outstanding	5%
31-180 days Doubtful Loan Outstanding	25%
181-365 days Doubtful Loan Outstanding	25%
Above 365 days Bad Loan Outstanding	35%

✦ **Loan Loss Provisioning:**

Provision for loan loss is made in accordance with the guideline of **Microcredit Regulatory Authority**.

✦ **Write Off Policy:**

Loan loss is written off in the financial statements having approval of competent authority if it becomes established that the loan will never be recovered.

5.02 Policy on Loan to Beneficiaries:

To avail loan a beneficiary should deposit 5-10% of required loan amount to the savings fund. 24% interest will be charged on Declining Method on the beneficiaries on outstanding amount. The loan has to be refunded by the beneficiaries on weekly basis with 15 days Grace period. The beneficiaries have to pay for the pass book.

5.03 Policy on Savings Collection:

A group has to be established consisting of at least 5 members. Savings will be collected minimum Tk.20 for micro finance on weekly basis. The collected savings are deposited to the Bank. 6% interest is paid to the members on yearly basis on their savings.

5.04 Policy on Gropup Member Insurance:

Group member insurance are taken from borrower as of 1% of the loan amount. means 10 taka per thousand. Group member Insurance is refunded only after borrower's death, and husband's death in case of female borrower.



	Amount in Taka	
	30 Jun 2022	30 Jun 2021
6.00 Property Plant & Equipment:		
A. Cost		
Opening balance	729,670	537,372
Add: Addition During the year	1,144,984	192,298
Total	1,874,654	729,670
B. Depreciation		
Opening	174,795	70,091
Add: Depreciation during the year	138,727	104,704
Accumulated Depreciation	313,522	174,795
Written Down Value (A-B)	1,561,133	554,875

Details shown in Annexure A/4

7.00 Loan to Beneficiaries:		
Opening Balance	92,546,988	86,422,086
Add: Disbursed during the year	160,828,000	140,969,000
		227,391,086
Less: Collection during the year	133,447,493	134,844,098
Closing Balance	119,927,495	92,546,988

8.00 FDR :		
Opening Balance	2,543,641	693,601
Add: During the year	1,120,000	1,820,000
	3,663,641	2,513,601
Add: Interest	160,958	30,040
Less: AIT	27,123	
Closing Balance	3,797,476	2,543,641

8.1 Accounts Receivables		
Advance to employee	662,696	57,993
Accrued Interest (FDR)		75,991
Advance office rent	10,000	
Advance Income Tax		19,882
	672,696	153,866

9.00 Cash and Cash Equivalents		
The cash and cash equivalents are made up as under:		
Cash in Hand:		
Cash in Hand SEDMP	1,020,461	336,064
Cash at Bank	-	53,658
	8,518,643	27,762,853
	9,539,104	28,152,575

9.01 Cash at Bank:		
The bank balances were held with the following bank:		
Janata Bank Ltd (A/C-100112992345)	566,060	554,121
Janata Bank Ltd (A/C-10112989867)	1,399,743	383,816
Janata Bank Ltd (A/C-0100012048879)	12,483	13,403
Agrani Bank Ltd Chilmari (A/C-0200013480328)	23,900	2,722,954
Janata Bank Ltd, Haluaghat (A/C-0100173214256)	165,056	10,523,158
Janata Bank Ltd, Gaibandha (A/C-0100017740398)	1,008,130	8,903,871
Agrani Bank Ltd, Kuakata (A/C-0200013651462)	663,993	789,846



		Amount in Taka	
		30 Jun 2022	30 Jun 2021
Janata Bank Ltd, Kurigram(A/C-01290320001007))		1,297,285	2,246,875
Janata Bank Ltd, Shamnagar (A/C-020001380516)		636,707	1,623,517
Janata Bank Ltd (A/C 0100178497990 SEDMP)		-	1,292
Janata Bank Ltd, Dhubaura (A/C-0100230355848)		1,382,845	
Janata Bank Ltd, Munshirhat (A/C-0100232654192)		328,982	
Janata Bank Ltd, Sundargonj (A/C-0100232525996)		760,004	
Janata Bank Ltd, Ulipur (A/C-0100232774864)		273,455	
		8,518,643	27,762,853
10.00 Fund Account:			
Opening Balance		5,114,059	3,074,596
Add: Surplus during the year		4,132,548	2,211,596
Less: Transfer to reserve fund		(413,255)	(221,160)
Less: Previous year Income Tax provision		-	(34,973)
Add: Previous year climate protection		3,232,229	84,000
Add: Previous Year default Payment		1,596,357	-
Add: Previous Year loan waive from Friendship amount treated as Capital		73,693,470	
Closing Balance		87,355,408	5,114,059
11.00 Statutory Reserve Fund			
Opening Reserve Fund		5,348,905	520,319
Add: Transfer from Surplus & Service Charge		-	4,828,586
Less: Previous year Service Charge		4,828,586	
Add: 10% on surplus		413,254	
Closing Balance (Note:11.02)		933,573	5,348,905
11.01 Transfer from Surplus & Service Charge Reserve Fund			
Reserve Fund			520,319
Fund for climate Protection			3,232,229
Fund for Default Payment			1,596,357
Closing Balance		-	5,348,905
11.02 Reserve Fund:			
Opening Balance		520,319	299,159
Add: Transfer from Surplus		413,255	221,160
Closing Balance		933,573	520,319
			Note:10.00
11.03 Fund for Climate Protection			
Opening Balance		3,232,229	808,784
Add: Transfer from Service Charge		-	2,423,445
Less:		3,232,229	3,232,229
Transfer to Capital Account		3,232,229	
		-	
11.04 Fund for Default Payment			
Opening Balance		1,596,357	404,391
Add: Transfer from Service Charge		-	1,191,966
Less:		1,596,357	1,596,357
Transfer to Capital Account		1,596,357	
		-	

	Amount in Taka	
	30 Jun 2022	30 Jun 2021
12.00 Loan from Friendship:		
Opening Loan Fund	73,693,470	73,550,379
Add: Loan received during the year	-	300,000
Less: Loan refund during the Year		(156,909)
Closing Balance	73,693,470	73,693,470
Less: Waive of loan	73,693,470	
	-	
13.00 Other Loans:		
Opening Loan Fund	12,000,000	12,000,000
Add: Loan Collection During the year	-	-
	12,000,000	12,000,000
Less: Loan Payment During the Year	-	-
Closing Balance	12,000,000	12,000,000
13.01 Other Loan Breakdown:		
Muhammed Shameem Reza	4,500,000	4,500,000
Zakia Sharood Khan Runa	7,500,000	7,500,000
	12,000,000	12,000,000
14.00 Member Insurance Fund:		
Opening Balance	2,506,064	1,662,063
Add: Collection during the year	1,622,150	1,409,690
	4,128,214	3,071,753
Less: Refund during the year	938,741	565,689
Closing Balance	3,189,473	2,506,064
15.00 Group Members Savings:		
Opening Balance	11,170,957	7,011,958
Add: Savings Collection during the year	12,948,490	5,043,237
Add: Savings Interest during the year	734,411	516,176
	24,853,858	12,571,371
Less: Savings Refund during the year	2,293,942	1,400,414
Closing Balance	22,559,916	11,170,957
16.00 Loan Loss Provision (L.L.P):		
Opening Balance	5,891,444	2,009,665
Add: Provision during the year	2,948,962	3,881,779
	8,840,406	5,891,444
Less: Adjustment during the year	-	-
Closing Balance	8,840,406	5,891,444



17.00 Liabilities for Expenses:

Accrued Salaries & Allowance
Audit Fee
Office Rent
Software Maintenance fee
Training & Meeting
Provision of income tax
Welfare fund
(Employee+ org)
VAT & Tax
Total

Amount in Taka	
30 Jun 2022	30 Jun 2021
317,499	251,683
51,750	40,020
10,500	10,993
16,500	-
186,726	186,726
21,423	114,442
11,980	-
2,750	68,232
619,128	672,096

17.10 Income Tax Payable

Opening
Add: Tax during the year
Less: Adjustment
Closing

34,973	34,973
34,973	-
-	34,973



	Amount in Taka	
	2021-2022	2020-2021
18.00 Service Charge		
Service Charge	19,449,339	20,558,527
Less: Provision for Climate Protection		2,423,445
Less: Provision for default Payment		1,191,966
	19,449,339	16,943,116
19.00 Administrative Expenses:		
Stationary	372,490	104,485
Bank Charge	75,867	60,681
Office Rent	301,078	129,632
Local Conveyance	1,262,466	635,538
MRA Fees	29,227	12,934
Office Supplies	113,178	-
Repairs & Maintenance Cost	294,383	23,653
Utilities	46,989	14,340
Medicin	8,444	-
Bank Interest Paid	262,093	-
Postage & Courier	16,810	-
Renewal Registration	42,500	-
Entertainment	84,589	90,281
Communication	335,025	209,688
Advertisement	96,162	10,510
Office Supplies	-	147,769
Donation	10000	-
Honoraum Paid	11000	-
Head office Service Charge	750000	-
Audit fees	120450	-
Software Monthly Fees	249,320	227,606
Membership Subscription	7,000	
Training & Meeting	-	22,181
	4,489,071	1,689,298
Loss A/ C	51,993	
AIT on Interest	27,123	
	4,568,187	
20.00 Staff Salary :		
Salaries & Allowance	13,232,078	8,301,840



**Association for Peoples Development Strem
MICRO CREDIT PROGRAMME
Eligibility Criteria Compliance Certification
For the year ended 30 June 2022**

ANNEXURE: A/2

Sl	Ratio		Calculation of Ratio	Calculations	Ratio	Standard
1	Minimum Loan recovery rates, computed quarterly, based on the					
(I)	Cumulative Recovery Rate (CRR)	=	Cum. Recovery-Advance Recovery (at the end of this year)	410,571,292	*100	94%
			(Cum. Recovery-Advance Recovery)+ Overdue(Principal)	436,411,243		
(II)	Minimum Loan Collection ratio on current dues	=	Summation of regular recovery in the last 12 months		*100	92%
			Summation of Regular recoverable in the last 12 months	121,720,329		
			{Total Loan Recovery (Principal) for the year- Advance Recovery-Previous year's overdue recovery in the current year}+ This Year New overdue	132,701,896		
2	Minimum Liquidity Ratio		STD+Govt. Securities	95,39,104	*100	42.28%
			Total Savings Fund	2,25,59,916		
3	Minimum Current Ratio	=	Current Asset	133,936,771	3.80	2:01
			Current Liability	35,208,923		
		=	Loan Outstanding unspent due + overdue -More than One year passed overdue + Cash+Bank+STD+Advance			
			PKSF fund refundable in the next year (as per schedule) + Savings + Other short term loan			

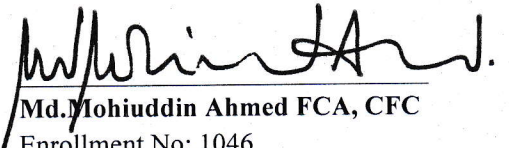


4	Minimum Capital Adequacy Ratio	=	Total Capital (Net Worth)			
			Total Asset - (Cash+Bank+STD*+Govt. Securities) *STD (Short Term Deposits) includes - All FDR (Because it is encashable at any time)	$\frac{882,88,981}{12,43,97,667} * 100$	70.97%	10%
5	Minimum Debt Service Cover Ratio	=	Surplus+Total interest payments+Pricipal Collection on PKSF Funded Loan			
			Total Interest Payments+Principal payments on PKSF loan			
			$\frac{4,866,959}{734,411} * 100$	6.62:1	1.25:1	
			Surplus for the year + Total Principal & Service Charge Payable to PKSF for the year Total Principal & Service Charge Payable to PKSF for the year			
6	Debt to Capital Ratio	=	Debt			
			Total Capital (Net Worth)			
			$\frac{37,749,389}{882,88,981}$	42.80:01	9:01	
			Savings + Other Loan Total Capital (Accumulated Surplus)			
			*Other Loan: eg; Micro Insurance fund, Director's Loan, Bank Loan & Others, etc			



7	Minimum Rate of Return of Capital	Net Surplus				
		Capital Fund				
		Surplus for the Year	4142548	*100	8.95%	1%
		Average Capital Fund	462,34,733			
	*Average Capital Fund	Opening Capital+Closing Capital				
	2					

Place: Dhaka
Date: 11th September, 2022.


Md. Moinuddin Ahmed FCA, CFC
Enrollment No: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2209111046AO961839



Association for Peoples Development Strem
MICRO CREDIT PROGRAMME
Portfolio Report For the year ended 30 June 2022
Review of Loan Classifications and Provisions

Annexure: A/3

(i) Classification of Loan and Loan Loss Provision:

Sl. No.	Particulars	No. of days Outstanding	Outstanding	Required Provision	
			Amount Tk.	Rate	Amount (Tk.)
1	Regular	Loans with no overdue installments	88,781,644	1%	887,817
2	Watchful	Loan default duration between 1-30 days	5,939,434	5%	296,972
3	Sub-standard	Loan default duration between 31-180 days	6,694,570	25%	1,673,643
4	Doubtful	Loan default duration between 181-365 days	4,974,409	25%	1,243,603
5	Bad Loan	Above 365days	13,537,438	35%	4,738,104
	Total Taka:		119,927,495		8,840,138
Total Loan outstanding as on 30th June 2022					

(ii) Loan and Loan Loss Provision (LLP) Status of the MFI:

Particulars	Taka
Required Provision as per MRA policy	8,840,406
Actual Provision made by the MFI	8,840,406
Excess/(Shortfall in Provision)	0
Comment on LLP: It appears from the computation that MFI has made in short provision for the LLP on its outstanding loan balances.	
Disclosure on Written off Loan:	
Loan Written Off Balance 01-07-2020	-
Loan Written Off during the year 2020-2021	-
Written Off Loan Recovered during the year 2020-2021	-
Loan Written Off Balance 30-06-2021	-

Remark

Provision available 01.07.2021
Provision made during the year
Required Provision as per MRA

5,891,444
2,948,962
8,840,406



(iii) Loan Operational Report:

Sl. No.	Particulars	2021-2022			2020-2021		
1	Financial Service Product:						
	Loan Product:						
	Loan from Board	12,000,000			93,193,470		
	Savings Product:						
	Savings Account	22,559,916			11,170,957		
	Insurance Product:						
	Members Insurance	3,189,473			2,506,064		
		M	F	Total	M	F	Total
2	Number of Samities	82	368	450	74	294	368
3	Number of Members	2195	4074	6269	1045	4,598	5643
4	Number of Borrowers	1841	3117	4958	897	3,938	4835
5	Number of Staff	44	1	45	35	1	36
6	Amount (Taka) of Loan outstanding with Samity	119,927,495			92,546,988		
7	Members: Borrower	6269:4958			5643:4835		
8	Average Loan Size	22,610			24,132		



Association for Peoples' Development Strem (APDS)
MICRO CREDIT PROGRAMME
Statement of Property, Plant & Equipments
As at 30 June, 2022

Annexure-A/4

Sl. No.	Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as at 30.06.2022	
		Opening Balance as on 01.07.2021	Addition during this year	Adjustment during this year		Closing balance as on 30.06.2022	Charged during this year	Adjustment during this year		Closing balance as on 30.06.2022
01	Furniture & Fixture	190,222	304,979	-	10%	38,009	22,860	-	60,869	434,332
02	Equipment	539,448	756,005	-	20%	136,786	115,867	-	252,653	1,042,801
Intangible Assets										
03	Software (Microfin Amirban)	-	84,000	-		-	-	-	-	84,000
	As at 30 June 2022	729,670	1,144,984	-		174,795	138,727	-	313,522	1,561,133
	As at 30 June 2021	537,372	192,298	-		70,091	104,704	-	174,795	554,875



Annexure-B

Management Report
On the Accounts of the Association for Peoples Development Stream
MFI for the year ended June 30, 2022

OBSERVATIONS AND RECOMMENDATION

Current year's (2021-2022) observations:

Review of internal control of Financial Management System ensuring accountability and transparency:

- 1. Observation:** We have notice that this institute dose not submit withholding tax return to the income tax Authorized which is mention in Income tax Ordinance, 1984 under section: 75A.

Recommendation: Management should take immediate action to submit withholding tax return to Income tax authorities or for default of this section Deputy Commissioner of Taxes may impose upon such person a penalty amounting to ten percent of tax imposed on last assessed income subject to a minimum of [taka one thousand], and in the case of a continuing default a further penalty of [taka fifty] for every day during which the default continues.

Management Response: The withholding tax return to Income Tax Authority has been completed. The Management will comply the return submission issue in future dates.

Compliance of the status of the prior year (2020-2021) Audit observations and mention the percentage thereof

SI No.	OBSERVATIONS	IMPLEMENTATION STATUS	COMMENTS (IF ANY)
1.	During the year (2020-2021) under audit we have observed that APDS has paid house rent expenses, but did not found any rental deed with APDS.	In this year we found rental deed with APDS.	



Auditor's Comments on Terms of Reference (TOR) given by Microcredit Regulatory Authority

Name of Organization: Association for Peoples Development Strem.

Duration of Audit: For the year ended 30 June 2022.

Auditors' observations in compliance with the conditions (Terms of Reference-TOR) from the Microcredit Regulatory Authority 8, Shahid Sangbadik Selina Pervin Sarak Gulfeshan Plaza, 6th Floor, Baro Moghbazar, Dhaka 1217

Condition-01

To check whether the auditee has complied with the International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) while maintaining accounting records and preparing financial statements, and report if any non-compliance was found.

Auditors' observations and comments

We have conducted the audit in accordance with the International Standards on Auditing and maintained the "ICAB Code of Ethics" to ensure independence. The auditee has complied with the International Financial Reporting Standards (IFRS) as adopted by the (ICAB) for maintaining accounting records and preparing financial statements.

Condition-02

To examine whether the auditee has undertaken any activity, involved in transaction or provided services that is contrary to "Microcredit Regulatory Authority Act-2006." Or "Micro credit Regulatory Authority Ordinance-2010." Further to examine whether any transaction that goes against the interest of different donors, beneficiaries or the auditee itself.

Auditors' observations and comments

During the year under audit, and check as per test check there is no activities or transaction which goes against the rules from "Microcredit Regulatory Authority Act-2006." Or "Micro credit Regulatory Authority Ordinance-2010."

Condition-03

To examine whether closing balance of last year's audited financial statement was carried forward as opening balance in current year's accounts.

Auditors' observations and comments

We have matched the closing balances of last year's audited financial statements with current year's opening balances.

Condition-04

To examine whether the auditee has maintained proper books for sector-wise receipt of funds and whether they properly comply with the rules and regulations as per accounting manual provided by the authority.

Auditors' observations and comments

During the year under audit, all the required books of account are maintained by Organization under the double-entry bookkeeping system and as per regulator authority.

Condition-05

To check whether the auditee has kept the records separately for the collected funds under various components of micro credit activities and submit separate reports on that basis.

Auditors' observations and comments

The organization has kept the records separately for the collected funds under various components of micro credit activities and kept separate reports on that basis.

Condition-06

To examine whether the auditee has properly recorded and accounted for the receipt and disbursement of fund from different donor organizations and utilized them as per their principles/terms and conditions of the agreement with the donors.

Auditors' observations and comments

During the year under audit, we have found local donation received from Friendship.

Condition-07

To examine whether the savings collected from the members are properly recoded in accounts and deposited into the bank, besides, whether collection and refund of savings has been done according to the principle and whether interest on savings are paid to members and also examine the rate of interest etc.

Auditors' observations and comments

During the year under audit auditee has properly recoded in accounts and deposited into the bank, besides, whether collection and refund of savings has been done according to the principle and paid interest properly to members.

Condition-08

To check whether the auditee has maintained the formalities and properly complied with the provisions in the rules mentioned before disbursing loan among the beneficiaries.

Auditors' observations and comments

We have check as per test basis, the auditee has maintained the formalities and properly complied with the provisions in the rules mentioned before disbursing loan among the beneficiaries.

Condition-09

To check whether the documents i.e. passbook, loan/savings collection schedule, and loan application form regarding loan write off, bad loan, have been preserved separately.

Auditors' observations and comments

We have checked as per our test check all the mentioned documents have been preserved separately.

Condition-10

To examine whether microcredit organization properly comply with the rules & regulations relating to the constitutions particularly in respect of formation and meetings of General Body and Governing Body.

Auditors' observations and comments

During the year under audit we have found the auditee properly comply with the rules & regulations relating to the constitutions particularly in respect of formation and meetings of General Body and Governing Body.

Condition-11

To examine the physical existence of assets acquired out of surplus service charge and fund received from different sources for institutional development as loan or grants.

Auditors' observations and comments

We have checked the physical existence of assets acquired out of surplus service charge and fund received from different sources for institutional development as loan or grants.

Condition-12

To conduct a sample check for whether the loans was properly utilized by the beneficiary members.

Auditors' observations and comments

During the year under audit we have checked on sample basis that the loans was properly utilized by the beneficiary members.

Condition-13

To check, whether all kinds of transactions were done through bank except collection of savings and disbursement of micro credit.

Auditors' observations and comments

During the year under audit we have checked that all kinds of transactions were done through bank except collection of savings and disbursement of micro credit and petty cash transactions.

Condition-14

To check, whether recovered loan and savings amount from members were duly deposited into bank on the same/earliest date.

Auditors' observations and comments

In course of our test verification we observed that, the organization has been recovered loan and savings amount from members were duly deposited into bank on the same day.

Condition-15

To check whether collected savings are properly recorded and accounted for at member's level and samity level.

Auditors' observations and comments

During the year under audit we have checked that, collected savings are properly recorded and accounted for at member's level and samity level.



Condition-16

To examine that the recovery of loan disbursed out of fund received from several sources are made as per Amortization Schedule and also to examine the effective rate of service charges on loan to the members and to mention the findings in the report.

Auditors' observations and comments

The organization charged @ 24% p a under reducing balance declining method as service charge on loan disburse amount. The recovery of loan disbursed out of found received from several sources is made as per Amortization Schedule and the effective rate of service charges on loan to the members agreed with the terms and condition.

Condition-17

To examine whether loan loss provision has been computed and accounted for as per Microcredit Regulatory Authority Act, 2006 and Micro Credit Regulatory Authority Rules, 2010.

Auditors' observations and comments

During the year under audit we have checked that, loan loss provision has been computed and accounted for as per Microcredit Regulatory Authority Act, 2006 and Micro Credit Regulatory Authority Rules, 2010.

Condition-18

To check the closing cash balance at the time of auditing by counting cash amount physically and issue certificate of balance. To check bank balance of year end by collecting certificate of bank balance and also check Bank Reconciliation Statements that have been prepared.

Auditors' observations and comments

During the year under audit we have checked that, the bank reconciliations and found the cash certificate properly.

Condition-19

To check whether the payments were made with proper approval authority of bills/voucher, whether payment made as per approved price and to examine the "Budgetary Control System".

Auditors' observations and comments

During the year under audit we have checked that, the payments were made with proper approval authority of bills/voucher, whether payment made as per approved price and to examine the "Budgetary Control System".

Condition-20

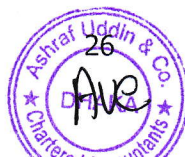
To comment on the reasons for existence of any unused fund if detected during audit and make comments in the audit report.

Auditors' observations and comments

During the year under audit we did not found any unused fund.

Condition-21

To examine appropriateness of audit report and audited financial statement presented to different donor organizations, regulatory authority and other authorities.



Auditors' observations and comments

We confirm that financial report submitted to concern authority and found them in order.

Condition-22

To examine whether there is a proper compliance with the provision of the Income Tax and Value Added Tax (VAT) authority rules implemented by the Government.

Auditors' observations and comments

In course of our test verification we observed that, the organization has properly complied with the provision of the Income Tax and value Added Tax (VAT) authority rules.

Condition-23

To check whether all the policies i.e., the procurement policy, service policy, loan and savings policy etc. are in place and are properly followed by the auditee organization.

Auditors' observations and comments

During the year under audit we have checked that, all the policies i.e., the procurement policy, service policy, loan and savings policy etc. are in place and are properly followed by the auditee organization.

Condition-24

To check whether there is an internal audit arrangement/division in the auditee organization and whether internal audit is conducted regularly and comment thereon.

Auditors' observations and comments

In course of our verification we observed that, the organization have internal audit in practices and report Submit to CEO.

Condition-25

To comment on whether the recommendations on previous year's audit on objections are properly taken care of or not.

Auditors' observations and comments

We have noticed that, auditee has complying last year recommendations.

Condition-26

To check cost sharing between of micro-credit and other program and comments therefore in the report.

Auditors' observations and comments

During the year under audit we have checked that auditee has shared rent space with another program.

Condition-27

To check whether transactions have taken place through bank for significant amounts.



Auditors' observations and comments

During the year under audit, we have checked that transactions have taken place through bank for significant amounts.

Condition-28

To check audit fees are fixed on the basis of total loan portfolio and cost centers/branches or not.

Auditors' observations and comments

Audit fees are fixed on lump sum basis.

Condition-29

To examine and comment on the credit activities funded by different source and from own source, internal control system, loan classification, Loan provision principle and loan recovery rate and to comment in the audit report.

Auditors' observations and comments

In course of our verification we observed that, the overall micro credit activities of own fund and internal control system of the organization is found to be in order.

The loan recovery position of the organization as provided to us is given below:

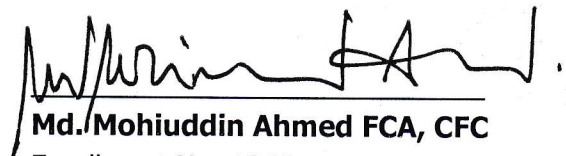
Cumulative Recovery Rate : 94 %
On Time Realization Rate : 92 %

Condition-30

To comment on the utilization of money received under different contracts between donor/financial institute and the microcredit organization.

Auditors' observations and comments

In course of our verification we observed that, the organization did not received any fund under different contracts between donor/ financial institution and the microcredit organization.


Md. Mohiuddin Ahmed FCA, CFC

Enrollment No: 1046

Partner

Ashraf Uddin & Co.

Chartered Accountants

DVC: 2209111046A0961839

