



# Annual Report

## 2022-2023





## Message from the Chairperson

Bangladesh is the 7th most climate-impacted country in the world, with communities exposed to repeated disasters. Each time people work hard to recover from a disaster, dedicating all they have to build back their homes and livelihoods, another cyclone, flood or erosion leaves them broken once again. How can people overcome this vicious cycle of debt and poverty?

But those who have dedicated their lives to development know that our people are resilient. They are strong. Even those in the most difficult condition will turn their lives around, given the opportunity to do so.

Microfinance is an instrument that many organisations have used successfully to transform the lives of people in Bangladesh and around the world. However, some of the most climate-impacted and impoverished regions in the country remain deprived of financial services—even though these are the communities that are in most dire need. The sheer distance and inaccessibility of these regions and the extreme economic difficulties faced by the communities, make it far more difficult to extend services here.

These barriers notwithstanding, there is no alternative to creating economic opportunities for communities that are the most marginalised and unaddressed. True progress in any society or country is represented by the progress of

those who are least privileged within it. APDS has taken up this important mission, to take financial services to the most impoverished and marginalised communities.

One of the most interesting elements in the work of APDS is that loanees are identified by their capacity to return the loans: those who have ability and sense of accountability in their communities, and nurtured with training for the loans they take.

Of course, working in the most climate-impacted and hard-to-reach areas in the country has its unique challenges and realities. In these areas, it is important to take time to refine the organisation's model to the point where it can deliver the impact that we aspire. These efforts have been further disrupted by the Covid-19 pandemic, which severely impacted the already-impoverished communities. As this Annual Report will show, despite these challenges, APDS has made significant progress.

There is no point in having financial sustainability of one organisation if we cannot make sustainable the finances of the millions we serve. I am proud to be associated with APDS and the admirable mission the organisation has undertaken. I wish for its success, and for continued support of its stakeholders.

In solidarity and hope,

*Runa Khan*

**RUNA KHAN**



## Message from the CEO

APDS is a decade-old entity. In fact, a decade is a considerable amount of time for any organization to achieve some success and to expand and diversify its programmes and operations. In that sense, APDS's achievement may appear slightly less than expected. However, the organization is currently undertaking active initiatives to extend its scope and reach. In this regard, the Annual Report is a crucial way for any organization to evaluate and to reflect on its operations, achievements, and directions. It may be mentioned here that APDS pays special attention to various qualitative and quantitative achievements.

One special commitment of APDS is to include the most marginalized section of society living in the country's remote areas in the mainstream development. We have a solid determination to translate this commitment into action. To achieve this goal, we have increased the branches of the loan programme from 6 to 14 branches in the current financial year. APDS aims at vertical expansion for its growth. Our loans, savings and other products are designed considering the convenience of poor category people. In the last financial year, the Voluntary Savings scheme was introduced.

Considering the benefits of the target people, we have obtained low-cost soft funds from various sources at home and abroad. FRIENDSHIP Luxembourg awarded us USD 200,000 in funding in the current fiscal year. It will significantly contribute to realizing our mission and expanding

services. We are particularly grateful to FRIENDSHIP Luxembourg for this cooperation. We also thank the Commercial Bank of Ceylon for advancing the loan at the most critical time and assisting us in obtaining international funds. Notably, the arrangement is the first of its kind in the Microfinance industry.

APDS's other priority is developing Networks and partnerships. It may be mentioned here that we have already successfully developed a formal partnership with the ADA. We also prioritize the structural development of the organization. We have already adopted some new policies to facilitate this structural development, including a Human Resources Development Policy, a Finance and Accounting Management Policy, and a Procurement Policy.

We are immensely delighted that APDS has already introduced a provident fund scheme for its staff. The organization is also actively considering the possibility of raising the salary, allowances and other benefits of employees to a competitive level. It can be noted here that while COVID-19 has negatively impacted the operations of many organizations, APDS continued to run all its programmes during the pandemic. This smooth functioning of the organization during this crisis period can be attributed to its proper planning, strong determination, and unwavering commitment. We would like to acknowledge that the generosity of FRIENDSHIP has been the primary source of our determination. We hope that FRIENDSHIP continues its generous support to enable us to deliver our services in the future.

It is needless to mention that various challenges lie before us. For instance, we have yet to ensure the smooth fund flow that is instrumental in sustainably achieving our desired goals. We look forward to innovative strategies, renewed spirit and reformed mindsets to rejuvenate and accelerate our programmes.

**MD. MONERUL ISLAM KHAN**



# CONTENTS

Message from Chairperson	Page 2
Message from CEO	Page 3
Vision, Mission and Objective	Page 7-8
Registration & Compliance Related Information:	Page 9
Regulators & Development Partners	Page 9
Governing Process & Structure	Page 10
Strategic partner	Page 11
Program description	Page 12
Savings	Page 13
Loan	Page 14
Microfinance at a glance	Page 15
Case Study	Page 16
Social activities	Page 17-19
Departments	Page 20
Capacity Building	Page 21
External Audit Report	Page 22-51



# **VISION AND MISSION**



### Vision:

To create a society free from poverty and discrimination where every person lives with dignity and rights.

### Mission:

To improve the quality of life of the poor through appropriate quality economic development programmes, skill development programmes and various social programmes.

### Values:

Honesty, dignity, justice, humanity and quality service

### Objectives:

To eliminate all kinds of discriminations including poverty alleviation of the marginalized and under privileged people by taking integrated initiatives including health, education, financial assistances, and sustainable development approaches.

### General Information on Registration & Partnership

Name of Organization: ASSOCIATION FOR PEOPLES DEVELOPMENT STREAM (APDS)

CEO & Focal Person:  
Md. Monerul Islam Khan

Head Office: House No. 548, Road – 13,  
Baridhara DOHS Dhaka-1206

Phone: +8802 -226618385

Mobile: +880 -1817293178

E-mail: apds.bd@gmail.com

Face book ID: apds.ngo



## Registration and Compliance Related Information:

<b>SL. No</b>	<b>Registration Information</b>	<b>Registration Number</b>
1	Social Welfare	DHA-04570
2	NGO Affairs Bureau (NAB)	3032
3	Microcredit Regulatory Authority (MRA)	21112-00537-00812
4	Income Tax Registration	862920928205

## Regulators and Development Partners:

Social Welfare
The Microcredit Regulatory Authority (MRA)
NGO Affairs Bureau (NAB)
Friendship Bangladesh
Friendship Luxembourg, France, Netherlands and UK
ADA asbl, Luxembourg ( <a href="http://www.ada-microfinance.org">www.ada-microfinance.org</a> )

## Network Partners:

Credit and Development Forum ([www.cdfbd.org](http://www.cdfbd.org))

## Governing Process and Structure:



### General Body:

The General Body is the highest policy-making body of the organization. All members of the Executive Committee are also the members of the General Body. The body includes twenty-one learned, experienced and distinguished citizens from various professions representing different strides of social life. At the Annual General Meeting, members of the General Body evaluate all APDS activities, approve future plans and budgets. In addition, the General Body elects a 7-members Executive Committee in every 3 (three) years interval.

### Executive Committee:

The APDS has an executive committee of seven members to execute plan and to carry out its functions. The Executive Committee conducts activities, formulates policies, makes important decisions, and performs a variety of approvals. The Executive Committee meets (one in every quarter at least) regularly to review the activities of the organisation and take necessary decisions.

<b>SL</b>	<b>Name</b>	<b>Position</b>
1	Runa Khan	Chairperson
2	Enayet E Rabbi	Vice-Chairperson
3	Molla Md. Abdul Baset	Secretary
4	Muhammed Shameem Reza	Treasurer
5	Tarik Sayed Haroon	Executive Member
6	Mahbuba Hoque	Executive Member
7	Md. Rafiqujjaman	Executive Member

## Strategic partner:

There is a unique bond between APDS and Friendship. Friendship is known for its flagship Health programme (floating hospital dedicated for river island communities), Climate Action, Inclusive



Citizenship (IC), Sustainable Economic Development (SED) and Education for climate-vulnerable people especially in the chars (river islands), and initiated microfinance as pilot back in 2007/08. Later it shifted its microfinance portfolio to APDS who in due course got license from MRA. APDS still serving poor communities from Friendship working areas holding the same vision to



assist the most under-served community. So far, the SED programme of Friendship provides training to farmers and APDS advances loan to those farmers so that the capacity building and finance go together. In addition, Farmers Clubs are meeting places for farmers through which the capacity building and knowledge transfer are being done. The agricultural extension services are also being carried out by the trained and experienced field facilitators.



## Program description:

APDS's Microfinance Programme started in 2014 with a social mission of improving the quality of life of the poor through appropriate economic development programmes, skill development programmes and various social programmes. Its main target was the marginalised and climate vulnerable section of society. Since its inception, APDS has focused on more intensive and sustainable development for marginalised people. From this point of view, APDS's microfinance (MF) programme is relatively successful. In the field of development, APDS has always been working on the integrated model as a priority. Based on the unique partnership with Friendship, APDS is trying to bring the target population into a holistic development stream by imparting capacity building and knowledge transfer with microfinance operation.

The loan programme has already provided loan and savings services to thousands of households in five districts. The main objectives of the MF programme are poverty alleviation, employment generation, income growth, economic mobility and reduction of income inequality. APDS always strives to provide maximum customer satisfaction with product offerings and services provided by loans and savings. APDS works uncompromisingly in delivering the best customer service and protecting the customer's vital interests. Although the impact of the Covid pandemic in 2019-2021 damaged the loan programme, the APDS has dealt with it very successfully. Currently, it is implementing loan programmes in Satkhira, Patuakhali, Gaibandha, Kurigram and Mymensing districts. Shortly, APDS's loan programme will be extended to a few more districts.

The programme is implemented through both the group and individual model. Loan applications, repayments and savings deposits are made in the weekly, fortnightly or monthly group meetings.

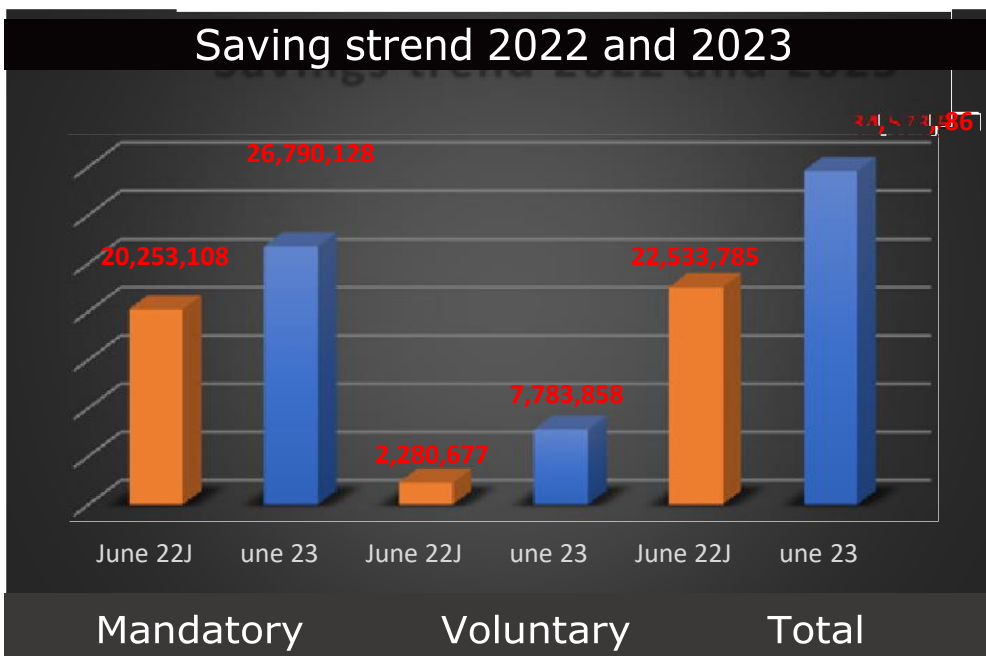
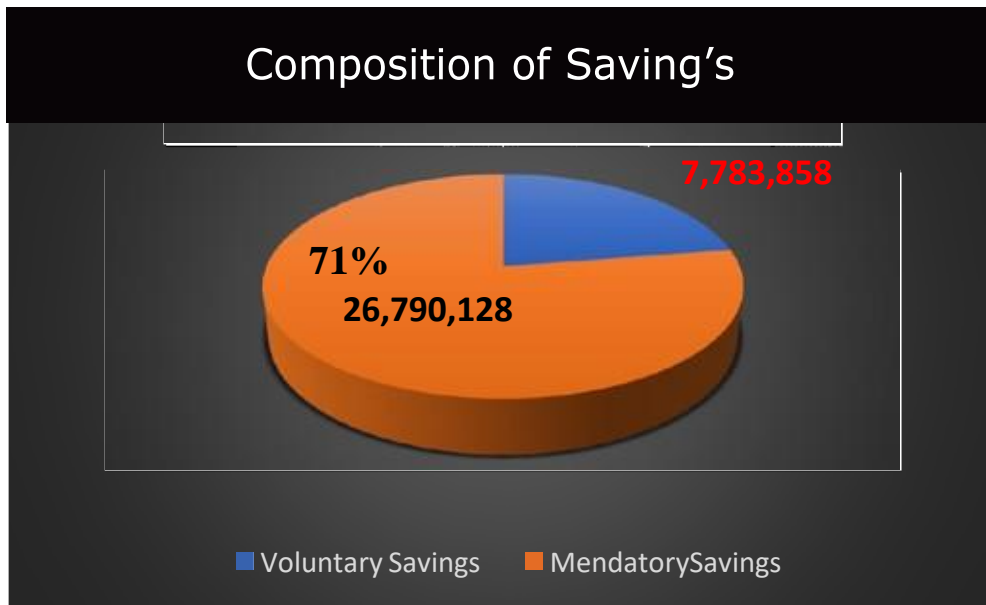
It offers both seasonal loan and general loan. The programme is absolutely collateral free and, in all terms, very client friendly. The programme offers variety of loan products giving special emphasis for the extremely low-income households.

For the primary security as well as to ensure productive use of loan it require a guarantor to co-sign the loan agreement where the guarantor becomes responsible for making loan payment if the member concerned is unable to pay the loan.



## Savings:

APDS gives special emphasis on savings, specially to ensure a sustainable model of development for the extremely marginalised community. The motivation for savings was very poor within our working area. Last year immediately after the Covid pandemic we gave special focus on savings. We did offer financial literacy course for group members and that paid off. Members use to save in weekly/bi-weekly and monthly



basis. Members can save in two deposit accounts; compulsory that comes with loan installment and voluntary savings as per their capacity. Last financial year the growth in savings was 70%.

## APDS loan products and its features:

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Product	Tenure	Repayment Mode	Rate of interest
Agri Seasonal	5 to 8 months	Single	20% to 24%
Agri. Equipment	Max 24 months	Monthly	Not over 24%
General (SL & EPL)	12 months	Weekly/bi-weekly/ monthly	20 % to 24%
Risk Share	6 months	Single	66:24 profit shared
Emergency Loan	As per core loan	As per core loan	As per core loan

Under Agriculture, it provides i) crop loan and ii) Input supply/equipment loan.

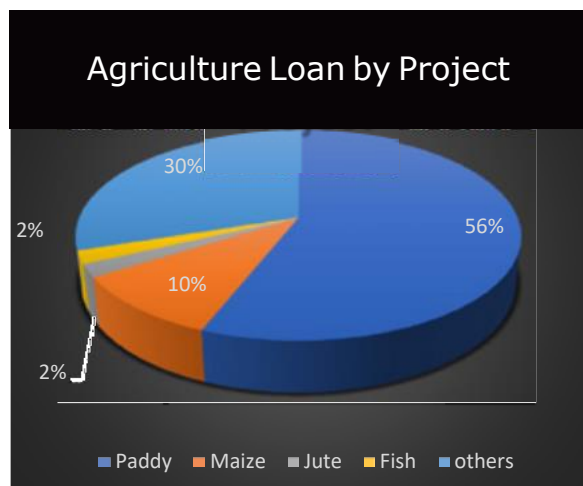
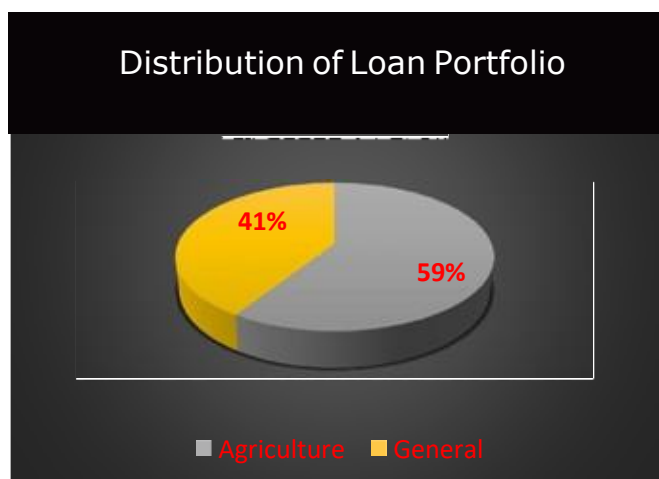
The repayment tenure of crop loan being disbursed is based on the crop cycle. The loan ceiling can be from BDT 15,000 to 200,000. The first loan usually disbursed is up to BDT 25,000. The increment of next cycle loan depends on crop and land portion but normally not over 30%.

In the case of loan for input supply (equipment), the tenure may be for long term between 12 and 24 months. The loan amount for equipment may be from BDT 10,000 to 200,000. There is no ceiling bar for equipment loan. For all loans a minimum 10% savings is mandatory.



## Microfinance at a glance:

Districts Covered	5
Number of branches	14
Number of programme staff	65
Number of members	7407
Number of borrowers	5579
Loan disbursement during 2022-23	256.2 million
Loan outstanding	146.3 million
Average loan size	36,000
OTR	96%
CRR	97%



## Case Study:



58-year-old Fatema Begum, with her nine member family, lives in North Nawabs, Panchgachi, Kurigram Sadar. Her husband, Md. Montaj Ali, was an impoverished day labourer. Ali had to struggle hard to run the family on his wages. There was a constant need in the family throughout the year. Knowing the extreme situation of the family, APDS first offered Fatema Begum membership and thus, stood beside her. Soon after, the organisation granted her a loan of BDT 10,000 in 2015 and provided her with training in vegetable cultivation. This financial incentive boosted her confidence and motivation as well. Fatema, with active cooperation from her husband, started vegetable cultivation in 2 bighas of leased land. Eventually, their hard work was rewarded, as she made a net profit of around BDT 8,500 in the initial year. In the subsequent years, she began to renew her loans to expand her cultivation by taking more leased land. She not only expanded her agricultural fields but also experimented with a variety of vegetables and crops.

She started rearing chickens, ducks, goats, and milking cows alongside vegetable cultivation. In her seven years with APDS, she kept poverty at bay. She raised her living standards by investing in family health maintenance and sanitary matters, such as installing tube wells and building toilets. As of today, she has made a substantial saving with APDS. Hard labour, strong willpower, and high confidence in her ability enabled Fatema to step out of poverty. Now, she looks forward to a bright future for herself and her family. Meanwhile, she has become an example of success in her locality, motivating others to take the initiative to improve their lives.



## Social activities:



With its limited resources, APDS undertook number of development initiatives other than microfinance.

Scholarship to meritorious students from the char community under the Bangabandhu Scholarship Scheme. From 2022, APDS started assisting poor but meritorious students admitted in public universities/institutions from its surplus. Last year three students received this need-based scholarship. These three scholarship recipients, Asadul, Sufi, and Sayed, enrolled in MBBS, Textile Engineering, and Geography and Environmental Science programmes respectively. We have a plan to support more students in future.



Water tank distribution. This project aimed to enable salinity-affected people of Shaymgar upazilla of Satkhira district to collect rain water. In total six tanks were distributed to the people of Shyamgar, a salinity-prone area, to enable them to collect rain water for drinking and agricultural use as well.

Seed distribution to support the Honorable Prime Minister's campaign to use barren land for production is another initiative of APDS where all the borrowers of the organisation received seeds so that they could grow their own vegetables in unused land adjacent to their home or in rooftops with a view to maximising food production.



Distribute vermicompost to support safe food campaign. Last year we distributed 3 tons of vermicompost for homestead vegetable gardening. APDS actively advocates for increased use of vermicompost as part of campaign for safe food and increasing land fertility.



Tree plantation to support green movement. Trees and plants have a crucial role to play in protecting and



preserving the environment. It purifies the air, conserves water, and helps in climate control. APDS took it as a mission to raise awareness among its members about the importance of planting trees as a means of leaving in a safer environment for our posterity. We truly believe that small individual efforts by our members can potentially create a big impact on the environment surrounding us. In 2022 we managed to plant 3,400 trees. APDS will continue this effort in the years to come.

Financial Literacy for group leaders. As many as 150 sessions were organised in 14 branches. Two members from each group participated in each session. The sessions were on family budgeting, importance of savings and identifying priority of expenditure. These sessions seemed to have a positive impact on members' savings. We recorded 69% growth in savings balance in 2022 and 2023. The initiative was funded by ADA, Luxembourg.



## **Departments:**

### **Internal Audit:**

APDS intends to form an internal audit unit headed by a dedicated team leader. Currently, all programmes, projects and branches are audited at least once a year by an internal supervisory team. However, more frequent audits are conducted where closer monitoring is required. A professional audit department is in the queue of employment.

### **External Audit:**

APDS always would try to follow international principles and rules for the presentation of financial accounts and maintain international accounting standards. Besides the internal audit, every year APDS's accounts are audited by a renowned audit firm known for their professionalism and quality. Every year APDS shares the audited report with all the regulators, partners and stakeholders concerned.

### **Finance:**

APDS' Finance and Accounts Department strives for excellence and transparency in financial reporting. Report produced by the department provide quality and accurate information thereby assisting the management proper decision-making process, organisational efficiency and promoting transparency and accountability.

APDS has developed a manual with well-written rules and regulations on finance and account management. All the branches, programmes and projects at APDS maintain a separate budget approved by the management. Every branch is maintaining real time software to capture accurate and timely data.

## **Procurement:**

APDS has a well-written procurement policy and accordingly a procurement committee consisting of three members is formed in every operational unit. If required in a few cases, an instant procurement committee can also be formed with the approval of management. The procurement committee is responsible for all sorts of purchases. The committee tries to ensure transparency, fairness, competitiveness and integrity in the procurement process.

## **Human Resources:**

APDS' Human Resources Unit, currently headed by the CEO, is mainly responsible for recruitment, staffing, evaluation, grievance management and capacity building. The unit works to ensure justice, equality and welfare for all staff. A three-member team guides the activities of human resources. At reporting date, APDS has 69 staff members.

It recruits the staff driven by its own values and strategies, fulfilling the required criteria. Gender equality is always a priority in APDS's recruitment policy. Human resource unit is responsible for maintaining a personal file for each. Staff evaluation is conducted once in a year to recognise achievements and provide feedback for further improvements.

APDS intends to create a fair, congenial atmosphere and a supportive working environment for its staff. All forms of grievances are encouraged to be brought to the attention of the Human Resources unit, so that remedial measures can be taken immediately. Accordingly, it endeavors to promote staff development through training and career development.

## Capacity Building:



The digital revolution is intensely transforming the world of finance and driving financial service providers including the microfinance industries to adapt. According to many experts, the digitalisation of microfinance is essential for the survival of the sector. APDS is very much aware of the issue and is gradually trying to acclimate a digitisation process. APDS will try to incorporate different types of digital services in its operation system gradually. Currently it is using real time operational software for loan, savings and accounts. It also incorporated app-based collection reduce paper work which is more convenient for field staff. It has a plan to incorporate digital loan initiation, and to digitise monitoring and audit processes.

Capacity-building initiatives are instrumental in developing an organisation's strength and sustainability. Accordingly, APDS prioritises the capacity development of the employees at all levels in order to attain organisational and individual's goals. The organisation believes that capacity development will extend the organisational infrastructures, management efficiency, and staff capacity.

APDS has tried to ensure that there is at least one training course annually for each employee to enhance their professional skills to achieve the organisation's long-term goals. The underlying aim of this policy is to contribute to the overall human resource development through enhancing individuals' skills. Last year all field staff received training on best practices, due management and policy on anti-money laundering.



# EXTERNAL AUDIT REPORT



**AUDITOR'S REPORT**

**On The**

**FINANCIAL STATEMENTS**

**OF**

**Association for Peoples Development Strem (APDS)**

K-14/2a, Baridhara North Road, kalachadpur, Dhaka-1212.

**Consolidated Statement of Financial Position**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2023**

**Ashraf Uddin & CO.**

**Chartered Accountants**

**142/B, Green Road (04<sup>th</sup> Floor),**

**Dhaka-1215, Bangladesh.**

**Tele: 88-02-9116183**

**Cell Phone: 01819-490550**

**E-mail: mohiuddin.fca@aucbd.com**

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MD. ASHRAF UDDIN AHMED  
LLB, CFC, FCA

**PARTNERS:**  
ENAMUL KABIR, FCA  
MD. MOHIUDDIN AHMED, FCA, CFC  
MOHAMMAD SHIBBIR HOSSAIN, FCA

**Corporate Address :** 142/B, Green Road (3<sup>rd</sup> & 4<sup>th</sup> Floor)  
Dhaka- 1215, Bangladesh.  
**Registered Address :** Rahman Chamber (5<sup>th</sup> Floor)  
12-13, Motijheel Commercial Area, Dhaka, Bangladesh.

## INDEPENDENT AUDITOR'S REPORT

### **Opinion**

We have audited the accompanying financial statements of **Association for Peoples' Development Strem (APDS)** ('the company) which comprise the Statement of Financial Position as on 30<sup>th</sup> June, 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other Explanatory Notes to the Financial Statements.

In our opinion, the financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view of the financial position of **Association for Peoples' Development Strem (APDS)** as on 30<sup>th</sup> June, 2023 and results of its financial performance and its cash flows for the year then ended & comply with the Companies Act 1994, & other applicable laws & regulations.

### **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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance 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 Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 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 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 and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Place: Dhaka  
Date: September 25, 2023

  
**Md. Ashraf Uddin Ahmed FCA, CFC**  
Enrolment No: 210  
Managing Partner  
Ashraf Uddin & Co.  
Chartered Accountants  
DVC: 2309250210AO605177




**Association for Peoples Development Strem**  
**MICRO CREDIT PROGRAMME**  
**Statement of Financial Position**  
**As at 30 June 2023**

Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property Plant and Equipment	6	2,425,422	1,561,133
		<b>2,425,422</b>	<b>1,561,133</b>
<b>Current Assets:</b>			
Loan to Beneficiaries	7	146,306,642	119,927,495
FDR	8	20,771,875	3,797,476
Advance	8.1	737,138	672,696
Cash and Cash Equivalents	9	19,796,445	9,539,104
<b>Total Current Assets:</b>		<b>187,612,100</b>	<b>133,936,771</b>
<b>Total Assets</b>		<b>190,037,522</b>	<b>135,497,904</b>
<b>Capital Fund and Liabilities:</b>			
<b>Capital Fund:</b>			
Fund Account	10	87,735,607	87,355,408
Statutory Reserve Fund	11	975,291	933,573
<b>Total</b>		<b>88,710,898</b>	<b>88,288,981</b>
<b>Non-Current Liabilities:</b>			
Loan From Friendship	12	-	-
Loan from Board Member	13	12,000,000	12,000,000
Loan from Commercial Bank PLC		23,085,310	-
Loan from Luxembourg		20,000,000	-
<b>Total</b>		<b>55,085,310</b>	<b>12,000,000</b>
Member welfare Fund	14	3,182,137	3,189,473
Group Members Savings	15	34,362,757	22,559,916
Loan Loss Provision (L.L.P)	16	8,202,690	8,840,406
Liabilities for Expenses	17	492,152	619,128
Grant Liabilities		1,577	-
<b>Total Current Liabilities:</b>		<b>46,241,313</b>	<b>35,208,923</b>
<b>Total Capital Fund and Liabilities:</b>		<b>190,037,522</b>	<b>135,497,904</b>

The accompanying notes from 1 to 21 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: September 25, 2023

  
**Md. Ashraf Uddin Ahmed FCA, CFC**  
 Enrollment no: 210  
 Managing Partner  
 Ashraf Uddin & Co.  
 Chartered Accountants  
 DVC: 2309250210AO605177




**Association for Peoples Development Strem**  
MICRO CREDIT PROGRAMME  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 30 June 2023

	Notes	Amount in Taka	
		2022- 2023	2021-2022
<b>INCOME:</b>			
Service Charge	18	32,996,539	19,449,339
<b>Other Income :</b>			
Admission Fees		28,165	16,795
Bank Interest		47,022	143,138
FDR Interest		243,040	160,958
Sale of Passbook		40,150	17,400
Local Donation		-	6,000,000
Grant received from ADA asbl-APPui Development Autonome		2,827,621	-
Local Contribution from own fund		357,022	-
Sale of loan Form		82,125	37,215
Subscription		-	3,240
<b>Total Income</b>		<b>36,621,684</b>	<b>25,828,085</b>
<b>EXPENDITURE:</b>			
Administrative Expenses	19	5,595,950	4,706,914
Staff Salary & Bonus	20	22,231,348	13,232,078
Interest paid on Member Savings		1,386,084	734,411
Loan Loss Provision		3,616,390	2,948,962
Project Expenses	21	3,184,643	-
Audit Fees		63,250	51,750
Income Tax Provision		126,842	21,423
<b>Total Expenditure</b>		<b>36,204,507</b>	<b>21,695,538</b>
<b>Surplus/(Deficit) of Income over Expenditure</b>		<b>417,177</b>	<b>4,132,547</b>
<b>Total</b>		<b>36,621,684</b>	<b>25,828,085</b>

The accompanying notes from 1 to 21 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: September 25, 2023

  
Md. Ashraf Uddin Ahmed FCA, CFC

Enrollment no: 210  
Managing Partner  
Ashraf Uddin & Co.  
Chartered Accountants  
DVC: 2309250210AO605177



**Association for Peoples Development Strem**  
**MICRO CREDIT PROGRAMME**  
**STATEMENT OF RECEIPTS AND PAYMENTS**  
For the year ended 30 June 2023

	Notes	Amount in Taka	
		2022-2023	2021-2022
<b>RECEIPTS:</b>			
<b>Opening Cash at Bank and Hand:</b>			
Cash at Bank		8,518,643	27,762,853
Cash in Hand	9	1,020,461	389,722
<b>Opening Balance</b>		<b>9,539,104</b>	<b>28,152,575</b>
Service Charge Received		32,996,539	19,449,339
Savings Collection		24,007,126	12,948,490
Loan Recovery Principle		228,491,853	133,447,493
Advance refund		719,705	-
Loan from Friendship		2,000,000	-
Loan from Commercial bank of ceylon PLC		25,600,000	-
Loan from Friendship Luxembourg		20,000,000	-
Grant received from ADA asbl-APPul Development Autonome		2,829,198	-
Local Contribution from own fund		357,022	-
Loan Refund received		-	6,000
Branch Transfer		145,295,137	53,563,650
Local Donation		-	6,000,000
Member Insurance Recovery		1,238,804	1,622,150
Bank Interest-FDR		-	143,138
Subscription		4,740	3,240
Admission Fees		28,165	16,795
Sale of Passbook		40,150	17,400
Application form Sales		82,125	37,215
		483,690,564	227,254,910
<b>Total Receipts:</b>		<b>493,229,668</b>	<b>255,407,485</b>
<b>PAYMENTS:</b>			
Administrative Expenses	19.00	5,331,005	4,489,071
Staff Salary		22,231,348	13,208,664
Savings Refund		13,590,369	2,293,942
Consultancy fees		-	73,660
Bank Loan refund		2,514,690	7,500,000
Furniture		395,415	304,979
Equipment		33,950	756,005
Motorbike		670,000	-
Fund Transfer to branch		145,704,110	53,563,650
Software		80,000	84,000
Advance to Employee & Others		784,147	662,696
Advance		-	10,000
Income Tax		76,406	34,973
Loan refund to Friendship		2,000,000	-
Project Expenses	21	3,154,643	-
Loan Disbursement		254,871,000	160,828,000
Group Member Insurance Refund		1,246,140	938,741
FDR		20,750,000	1,120,000
<b>Total Payments:</b>		<b>473,433,223</b>	<b>245,868,381</b>
Cash in Hand		5,974,540	1,020,461
Cash at Bank		13,821,905	8,518,643
<b>Total</b>		<b>19,796,445</b>	<b>9,539,104</b>
		493,229,668	255,407,485

The accompanying notes from 1 to 21 an integral part of the financial statements.

  
Finance Manager

  
Chief Executive Officer

  
Chairman

Signed in terms of our report of even date annexed



**Association for Peoples Development Strem**  
**MICRO CREDIT PROGRAMME**  
**STATEMENT OF CHANGE IN EQUITY**  
**For the year ended 30 June 2023**

(Amount in BDT)

	Capital Fund	Retained Earnings	Total Taka
Opening Balance ( 1 July 2022)	79,808,444	7,546,964	87,355,408
Add: Surplus/(Deficit) for this period		417,177	417,177
Less: Reserve Fund		41,718	41,718
Board Member subscription	4,740		4,740
<b>Closing Balance 30th June 2023</b>	<b>79,813,184</b>	<b>7,922,423</b>	<b>87,735,607</b>

The Accompanying notes from 1 to 21 an integral part of these financial statements.

  
 Finance Manager

  
 Chief Executive Officer

  
 Chairman


Signed in terms of our report of even date annexed

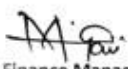


**Association for Peoples Development Strem**  
**MICRO CREDIT PROGRAMME**  
**Statement of Cash Flows**  
**For the year ended 30th June 2023**

Particulars	Amount in Taka	
	2022-2023	2021-2022
<b>A. Cash Flows from Operating Activities:</b>		
Surplus for the year	417,177	4,132,548
<b>Add: Amount considered as non-cash items:</b>		
Depreciation	315,075	138,727
Loan Loss Provision (L.L.P)	(637,716)	2,948,962
<b>Sub Total of non-cash items:</b>	<b>94,536</b>	<b>7,220,237</b>
Loan to beneficiaries	(26,379,147)	(27,380,507)
Advance	(64,442)	(518,830)
Group Members Savings	11,802,841	11,388,959
Liabilities for expenses	(125,399)	(107,919)
Member welfare Fund	(7,336)	683,409
<b>Net cash used in Operating Activities:</b>	<b>(14,678,947)</b>	<b>(8,714,651)</b>
<b>B. Cash Flows from Investing Activities:</b>		
FDR	(16,974,399)	(1,253,835)
Fixed Asset (Furniture & Equipment, Motorbike)	(1,189,159)	(1,060,984)
Software	(80,000)	(84,000)
<b>Net cash used in Investing Activities:</b>	<b>(18,243,558)</b>	<b>(2,398,819)</b>
<b>C. Cash Flows from Financial Activities:</b>		
Loan from Bank & Others	43,085,310	(7,500,000)
<b>Net cash from Financial Activities:</b>	<b>43,085,310</b>	<b>(7,500,000)</b>
<b>D. Net increase/(decrease) in</b>	<b>10,257,341</b>	<b>(18,613,471)</b>
Cash and Bank Balance at the beginning of the year	9,539,104	28,152,575
<b>Cash and Bank Balance at the end of the year</b>	<b>19,796,445</b>	<b>9,539,104</b>

The accompanying notes from 1 to 21 an integral part of the financial statements.

  
Chief Executive Officer

  
Finance Manager

  
Chairman



**Association For Peoples Development Strem**  
**MICRO CREDIT PROGRAMME**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30th June 2023**

**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.	Registration No.	Date
	Social Welfare Department	Dhaka-04570	Dhaka-02317	5/20/1999
	NGO Bureau Affairs	3032	488	7/28/2016
	MRA	21112-00537-00812	01153-01347-00323	20 November 2018
Nature of operations (programs)	Micro-credit Program.			
Statutory audit conducted up to	30.06.2024			
Name of statutory auditor for last year	Ashraf Uddin & Co, Chartered Accountants			
Name of auditor for current year	Ashraf Uddin & Co, Chartered Accountants			
No. Executive Committee meeting held FY 2022-2023	4			
Date of Last AGM held	30.10.2022			

List of Executive Committee Members:				
Name	Designation	Profession	Qualification	Present Address
Zakia Sharud Khan Runa	Chairman	Founder, Friendship	MA	Flat-402, House 12, Road 136, Gulshan-1, Dhaka
Enayet E Rabbi	Vice Chairman	Retired Banker	B. Com	House 15, Road-8, Gulshan-1, Dhaka
Molla Md. Abdul Based	Secretary General	Retired	B. Com	3/A Ahmuda Monjil, New baily Road, Dhaka-1000
Mr. Muhammed Shamim Reza	Treasurer	Private Service	FCA	Navana Garden, Flat no 2c, Building Tulip, Shahid Miner Road, Mohammadpur-1207
Mr. Md Rafiqzaman	Executive Member	Self Employee	M. A	Road -4, House 21, Block -D, Section 6, Mirpur Dhaka
Tareq Shahid Harun	Executive Member	private Service	M. A	Flat 7B, House 437, Road 2, Adabar, Mohammadpur



Mahmuba Haque	Executive Member	private Service	MSC		Mia Bazar, Post Raja rampur, Thana Chapinababgonj, Chapinababgonj
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**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**

All Agriculture risk sharing products will have a tenure of 6 months and will be repaid at the end of tenure in one single payment. The organization charged @ 24% p a under reducing balance declining method as service charge on local loan fund and also charged @ 20% p a under reducing balance declining method as service charge on foreign loan fund as per approval of Bangladesh bank Circular no -FEPD (EDG)/7004(2.2)/2023-1627 date 28/03/2023 and MRA circular number 53.04.0000.011.34.812.22.539 date 23 October 2022.

**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

**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

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

**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 below:

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	75%
Above 365 days Bad Loan Outstanding	100%

**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. 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. The organization charged @ 24% p a under reducing balance declining method as service charge on local loan fund and also charged @ 20% p a under reducing balance declining method as service charge on foreign loan fund as per approval of Bangladesh bank Circular no - FEPD (EDG)/7004(2.2)/2023-1627 date 28/03/2023 and MRA circular number 53.04.0000.011.34.812.22.539 date 23 October 2022.

**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 Group Member Welfare:**

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 2023	30 Jun 2022
<b>6.00 Property Plant &amp; Equipment:</b>			
<b>A. Cost</b>			
Opening balance	1,874,654	728,670	
Add: Addition During the year	1,179,365	1,144,984	
<b>Total</b>	<b>3,054,019</b>	<b>1,874,654</b>	
<b>B. Depreciation</b>			
Opening	313,522	174,794	
Add: Depreciation during the year	315,075	138,727	
Accumulated Depreciation	628,597	313,521	
<b>Written Down Value (A-B)</b>	<b>2,425,422</b>	<b>1,561,133</b>	
Details shown in Annexure A/4			
<b>7.00 Loan to Beneficiaries:</b>			
Opening Balance	119,927,495	92,546,988	
Add: Disbursed during the year	154,871,000	160,828,000	
Less: Collection during the year	228,491,853	133,447,493	
<b>Closing Balance</b>	<b>146,306,642</b>	<b>119,927,495</b>	
<b>8.00 FDR :</b>			
Opening Balance	3,797,476	2,543,641	
Add: During the year	20,750,000	1,120,000	
	<b>24,547,476</b>	<b>3,663,641</b>	
Add: Interest	21,875	160,958	
Less: A/T	-	27,123	
Encash	3,797,476	-	
<b>Closing Balance</b>	<b>20,771,875</b>	<b>3,797,476</b>	
<b>8.1 Advance:</b>			
Advance to employee	618,756	661,696	
Accrued Interest (FDR)	-	-	
Advance office rent	98,500	10,000	
Advance Income Tax	19,882	-	
	<b>737,138</b>	<b>672,696</b>	
<b>9.00 Cash and Cash Equivalents</b>			
The cash and cash equivalents are made up as under:			
Cash in Hand:	5,974,540	1,020,461	
Cash at Bank (9.1)	13,821,905	8,518,643	
	<b>19,796,445</b>	<b>9,539,104</b>	
<b>9.01 Cash at Bank:</b>			
The bank balances were held with the following bank:			
Janata Bank Ltd (A/C-100112992345)	932,062	566,060	
Janata Bank Ltd (A/C-10112989867)	589,357	1,399,743	
Janata Bank Ltd (A/C-0100012048879)	17,220	12,483	
Agrani Bank Ltd Chilmari (A/C-0200013480328)	339,388	23,900	
Janata Bank Ltd, Haluaghat (A/C-0100173214256)	1,737,463	165,056	
Janata Bank Ltd, Gaibandha (A/C-0100017740398)	422,921	1,008,130	
Agrani Bank Ltd, Kuakata (A/C-0200013651462)	327,340	663,993	



	Amount in Taka	
	30 Jun 2023	30 Jun 2022
Janata Bank Ltd, Kurigram(A/C-01290320001007))	426,416	1,297,285
Janata Bank Ltd, Shamnagar (A/C-020001380516)	276,064	636,707
Janata Bank Ltd, Dhubaura (A/C-0100230355848)	116,840	1,382,845
Janata Bank Ltd, Munshirhat (A/C-0100232654192)	378,682	328,982
Janata Bank Ltd, Sundargonj (A/C-0100232525996)	44,501	760,004
Janata Bank Ltd, Ulipur (A/C-0100232774864)	66,094	273,455
Agrani bank (0200019556411) Kalapara	404,503	-
Commercial Bank of Ceylon PLC ( A/ C 1804019377)	2,248,435	-
One Bank Ltd( A/ C 1003000000217)	4,647,963	-
Hatixmipur Janata bank ( A/ C 0100238386564)	100,907	-
Kalligonj Janata bank ( A/ C 0100238726241)	104,505	-
Uzirpur Janata Bank Ltd ( A/ C 0100238728741)	641,244	-
<b>Total</b>	<b>13,821,905</b>	<b>8,518,643</b>
<b>10.00 Fund Account:</b>		
Opening Balance	87,355,408	5,114,059
Add: Surplus during the year	417,177	4,132,548
Less: Transfer to reserve fund on Surplus (10%)	41,718	(413,255)
Add: Salary provision	-	-
Less: Previous year Income Tax provision	-	-
Add: Previous year climate protection	-	3,232,229
Add: Previous Year default Payment	-	1,596,357
Add: Previous Year loan waive from Friendship amount treated as Capital	-	73,693,470
Add: Subscription	4,740	-
<b>Closing Balance</b>	<b>87,735,607</b>	<b>87,355,408</b>
<b>11.00 Statutory Reserve Fund</b>		
Opening Reserve Fund	933,573	5,348,905
Add: Transfer from Surplus & Service Charge	-	-
Less: Previous year Service Charge	-	4,828,586
Add: 10% on surplus	41,718	413,254
<b>Closing Balance</b>	<b>975,291</b>	<b>933,573</b>
<b>11.01 Transfer from Surplus &amp; Service Charge</b>		
Reserve Fund		
Fund for climate Protection		
Fund for Default Payment		
<b>Closing Balance</b>		
<b>11.02 Reserve Fund:</b>		
Opening Balance	933,574	520,319
Add: Transfer from Surplus	41,718	413,255
<b>Closing Balance</b>	<b>975,291</b>	<b>933,574</b>
<b>11.03 Fund for Climate Protection</b>		
Opening Balance		3,232,229
Add: Transfer from Service Charge		-
Less:		3,232,229
<b>Transfer to Capital Account</b>		<b>3,232,229</b>
<b>11.4. Fund for Default Payment</b>		
Opening Balance		1,596,357
Add: Transfer from Service Charge		-
Less:		1,596,357
<b>Transfer to Capital Account</b>		<b>1,596,357</b>



	Amount in Taka	
	30 Jun 2023	30 Jun 2022
<b>12.00 Loan from Friendship:</b>		
Opening Loan Fund		73,693,470
Add: Loan received during the year	2,000,000	-
Less: Loan refund during the Year	2,000,000	-
<b>Closing Balance</b>	<b>-</b>	<b>73,693,470</b>
<b>Less: Waive of loan</b>	<b>-</b>	<b>73,693,470</b>
	<b>-</b>	<b>-</b>
<b>13.00 Other Loans:</b>		
Opening Loan Fund	12,000,000	12,000,000
Add: Loan Collection During the year	-	-
	<b>12,000,000</b>	<b>12,000,000</b>
Less: Loan Payment During the Year	-	-
<b>Closing Balance (13.01)</b>	<b>12,000,000</b>	<b>12,000,000</b>
<b>13.01 Other Loan Breakdown:</b>		
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
<b>14.00 Member Welfare Fund:</b>		
Opening Balance	3,189,473	2,506,064
Add: Collection during the year	1,238,804	1,622,150
	<b>4,428,277</b>	<b>4,128,214</b>
Less: Refund during the year	1,246,140	938,741
<b>Closing Balance</b>	<b>3,182,137</b>	<b>3,189,473</b>
<b>15.00 Group Members Savings:</b>		
Opening Balance	22,559,916	11,170,957
Add: Savings Collection during the year	24,007,126	12,948,490
Add: Savings Interest during the year	1,386,084	734,411
	<b>47,953,126</b>	<b>24,853,858</b>
Less: Savings Refund during the year	13,590,369	2,293,942
<b>Closing Balance</b>	<b>34,362,757</b>	<b>22,559,916</b>
<b>16.00 Loan Loss Provision (L.L.P):</b>		
Opening Balance	8,840,406	5,891,444
Add: Provision during the year	3,616,390	2,948,962
	<b>12,456,796</b>	<b>8,840,406</b>
Less: Adjustment ( Write off) during the year	4,254,106	-
<b>Closing Balance</b>	<b>8,202,690</b>	<b>8,840,406</b>
<b>17.00 Liabilities for Expenses:</b>		
Accrued Salaries & Allowance	94,334	317,499
Audit Fee	63,250	51,750
Vat & Tax Payable	-	10,500
Software Maintenance fee	-	16,500
Training & Meeting	186,726	186,726
Provision of income tax	126,842	21,423
APDS Welfare fund	-	11,980
Scholarship Payable	21,000	2,750
<b>Total</b>	<b>492,152</b>	<b>619,128</b>
<b>17.1 Income Tax Payable</b>		
Opening	-	34,973
Add: Tax during the year	126,842	-
Less: Adjustment	-	34,973
<b>Closing</b>	<b>126,842</b>	<b>-</b>



	Amount in Taka	
	2022-2023	2021-2022
<b>18.00 Service Charge</b>		
Service Charge	32,996,539	19,449,339
	<b>32,996,539</b>	<b>19,449,339</b>
<b>19.00 Administrative Expenses:</b>		
Stationary	395,418	372,490
Bank Charge	180,541	75,867
Office Rent	844,633	301,078
Local Conveyance	1,367,632	1,262,466
MRA Fees	33,550	29,227
Office Supplies	174,724	113,178
Repairs & Maintenance Cost	696,180	294,383
Utilities	51,065	46,989
Medicin	14,280	8,444
Bank Interest Paid	238,663	262,093
Postage & Courier	26,216	16,810
Renewal Registration	21,400	42,500
Entertainment	91,546	84,589
Communication	448,607	335,025
Advertisement	56,671	96,162
Transport	71,090	-
Legal Expenses	36,230	-
Donation	20,000	10,000.00
Honorarium Paid	-	11,000.00
Head office Service Charge	-	750,000.00
IT Material Expenses	28,870	-
Annual General Meeting	22,257	-
Credit Rating	21,500	-
Audit fees	96,750	120,450.00
Software Monthly Fees	286,125	249,320
Scholarship Paid	36,000	-
Membership Subscription	-	7,000
Training & Meeting	71,057	-
Depreciation	315,075	138,727
	<b>5,646,080</b>	<b>4,627,798</b>
Loss A/ C	-	51,993
AIT on Interest	1,620	27,123
Less : Previous Year Audit fees Paid	51,750	
	<b>5,595,950</b>	<b>4,706,914</b>
Less: Depreciation	315,075	138,727
	<b>5,331,005</b>	<b>4,489,071</b>
<b>20.00 Staff Salary :</b>		
Salaries & Allowance	<b>22,231,348</b>	<b>13,232,078</b>



	2022-2023	2021-2022
21.00 Project Expenses:	Amount in Taka	Amount in Taka
<b>Income Generating Activities to Promote Savings &amp; Agri Input Supply</b>		
Material Development	272,000	-
Training Activities (with Refreshers)	1,805,388	-
Refreshment Cost	291,525	-
Input Supply after Training	490,000	-
Office Operation Cost	89,811	-
Overhead cost	205,919	-
	<b>3,154,643</b>	-
Add: Provision for Audit fees	30,000	-
	<b>3,184,643</b>	-





**MANAGING PARTNER:**  
MD. ASHRAF UDDIN AHMED  
LLB, CFC, FCA

**PARTNERS:**  
ENAMUL KABIR, FCA  
MD. MOHIUDDIN AHMED, FCA, CFC  
MOHAMMAD SHIBBIR HOSSAIN, FCA

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

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


**Association for Peoples Development Strem**  
MICRO CREDIT PROGRAMME  
**ELIGIBILITY CRITERIA COMPLIANCE CERTIFICATION**  
FOR THE YEAR ENDED 30 JUNE 2023

ANNEXURE: A/2

Sl	Ratio		Calculation of Ratio	Calculations	Ratio	Standard
<b>1</b>	<b>Minimum Loan recovery rates, computed quarterly, based on the following:</b>					
(i)	Cumulative Recovery Rate (CRR)	=	Cum. Recovery-Advance Recovery (at the end of this year)  (Cum. Recovery-Advance Recovery)+ Overdue(Principal)	672,059,684 682,707,747	*100	98% 95%
(ii)	Minimum Loan Collection ratio on current dues	=	Summation of regular recovery in the last 12 months	261,488,392	*100	96%
			Summation of Regular recoverable in the last 12 months			
			Total Loan Recovery (Principal) for the Year-Advance Recovery - Previous years overdue recovery in the current year	272,136,455		92%-100%
			[Total Loan Recovery (Principal) for the year-Advance Recovery-Previous year's overdue recovery in the current year]+ This Year New overdue			
2	Minimum Liquidity		STD+Govt. Securities	19,796,445	*100	57.61%
			Total Savings Fund	34,362,757		
3	Minimum Current Ratio	=	Current Asset	187,612,100	4.06	2:01
			Current Liability	46,241,313		
			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)	88,710,899	*100	52.00%
			Total Asset -(Cash+Bank+STD*+Govt. Securities)	170,241,077		
			*STD (Short Term Deposits) includes - All FDR (Because it is encashable at any time)			
5	Minimum Debt Service Cover Ratio	=	Surplus+Total interest payments+Principial Collection on PKSF Funded Loan	1,803,261	*100	4.32:1
			Total Interest Payments+Principal payments on PKSF loan	417,177		
			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)			
		=	Savings + Other Loan	89,462,757		
			Total Capital (Accumulated Surplus)	88,710,899	1:01:00	9:01
	*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	417,177	*100	0.47%
			Average Capital Fund	88,499,940		1%
	*Average Capital		Opening Capital+Closing Capital			
			2			

Place: Dhaka  
Date: September 25, 2023

  
Md. Ashraf Uddin Ahmed FCA, CFC  
Enrollment no: 210  
Managing Partner  
Ashraf Uddin & Co.  
Chartered Accountants  
DVC: 2309250210AO605177





**Association for Peoples' Development Strem (APDS)**  
**Micro Credit Programme**  
**Portfolio report for the year ended 30th June 2023**  
**Review of Loan Classification and Provision**

**(1) Classification of Loan and loan Loss provision**

Sl	Particulars	No. of days Outstanding	Loan outstanding (Amount in Taka)	Required Provision	
				Percentage	Amount ( TK)
1	Regular loan	Loan with no Overdue installment	133,166,644	1%	1,331,666
2	Watchful loan	Loan default duration between 1-30 days	2,786,569	5%	139,328
3	Sub-standard loan	Loan default duration between 31-180 days	3,770,129	25%	942,532
4	Doubtful loan	Loan default duration between 181-365 days	3,176,550	75%	2,382,413
5	Bad loan	Above 365 days	3,406,750	100%	3,406,750
<b>Total</b>			<b>146,306,642</b>		<b>8,202,690</b>

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

Particulars	Taka
Required Provision as per MRA policy	8,202,690
Actual Provision made by the MFI	8,202,690
<b>Excess/(Shortfall in Provision )</b>	<b>-</b>
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 01-07-2022	-
Loan Written Off during the year 2022-2023	4,254,106
Written Off Loan Recovered during the year 2022-2023	-
Loan Written Off Balance 30-06-2023	-

**Remark**

Provision available 01.07.2022  
Add: Provision made during the year 2022-2023  
Less: Write Off during the year 2022-2023  
**Required Provision as per MRA**

Taka
8,840,406
3,616,390
4,254,106
<b>8,202,690</b>



(iii) Loan Operational Report:

Sl. No.	Particulars	2022-2023			2021-2022		
1	<b>Financial Service</b>						
	<b>Loan Product:</b>						
	Total Loan Balance		55,085,310			12,000,000	
	<b>Savings Product:</b>						
	Savings Account		34,362,757			22,559,916	
	<b>Insurance</b>						
	Members Insurance		3,182,137			3,189,473	
		<b>M</b>	<b>F</b>	<b>Total</b>	<b>M</b>		<b>Total</b>
2	Number of Samities	86	564	650	82	368	450
3	Number of Members	1094	6313	7407	2195	4074	6269
4	Number of Borrowers	829	4760	5589	1841	3117	4958
5	Number of Staff	67	2	69	44	1	45
6	Amount (Taka) of Loan outstanding with Samity	146,306,642			119,927,495		
7	Members: Borrower	7407:5589			6269:4958		
8	Average Loan Size	26,224			22,610		



**Association for Peoples' Development Strem (APDS)**  
**MICRO CREDIT PROGRAMME**  
**STATEMENT OF PROPERTY PLANT & EQUIPMENT**  
**As at 30 June 2023**

Annexure-A/4

Sl. No.	Particulars	Cost				Rate of Dep.	Depreciation			Written Down Value as at 30.06.2023
		Opening Balance as on 01.07.2022	Addition during this year	Adjustment during this year	Closing balance as on 30.06.2023		Charged during this year	Adjustment during this year	Closing balance as on 30.06.2023	
01	Furniture & Fixture	495,201	395,415	-	890,616	10%	82,975	-	143,844	746,772
02	Equipment	1,295,453	33,950	-	1,329,403	20%	215,350	-	468,003	861,400
03	Motor vehicle	-	670,000	-	670,000	10%	16,750	*	16,750	653,250
<b>Intangible Assets</b>										
04	Software (Microfin Anirban)	84,000	80,000	-	164,000	-	-	-	-	164,000
<b>As at 30 June 2023</b>		<b>1,874,654</b>	<b>1,179,365</b>	<b>-</b>	<b>3,054,019</b>		<b>315,075</b>	<b>-</b>	<b>628,597</b>	<b>2,425,422</b>
<b>As at 30 June 2022</b>		<b>729,670</b>	<b>1,144,984</b>		<b>1,874,654</b>		<b>138,777</b>		<b>313,522</b>	<b>1,561,133</b>



**Management Report**  
**On the Accounts of the Association for Peoples Development Stream**  
**MFI for the year ended June 30, 2023**

**OBSERVATIONS AND RECOMMENDATION**

Compliance of the status of the prior year (2021-2022) Audit observations and mention the percentage thereof

Sl No.	OBSERVATIONS	IMPLEMENTATION STATUS	COMMENTS (IF ANY)
1.	During the year (2021-2022) under audit we have observed that APDS has paid house rent expenses, but did not find 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 2023.

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 foreign donation received from ADA asbl-APPui Development Autonome , Luxembourg.

**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 local loan fund and also charged @, 20% p a under reducing balance declining method as service charge on foreign loan fund as per approval of Bangladesh bank Circular no -FEPD (EDG)/7004(2.2)/2023-1627 date 28/03/2023 and MRA circular number 53.04.0000.011.34.812.22.539 date 23 October2022.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 been paid office rent separately.

**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 : 98 %  
On Time Realization Rate : 96 %


**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.

Place: Dhaka  
Date: September 25, 2023

  
**Md. Ashraf Uddin Ahmed FCA, CFC**  
Enrolment No: 210  
Managing Partner  
Ashraf Uddin & Co.  
Chartered Accountants  
DVC: 2309250210AO605177





**Ashraf Uddin & Co.**  
CHARTERED ACCOUNTANTS  
Since 1979



**MANAGING PARTNER:**  
MD. ASHRAF UDDIN AHMED  
LLB, CFC, FCA

**PARTNERS:**  
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**Registered Address:** Rahman Chamber (5<sup>th</sup> Floor)  
12-13, Motijheel Commercial Area, Dhaka, Bangladesh.

## TO WHOM IT MAY CONCERN

The is to certify that we, Ashraf Uddin & Co., Chartered Accountants have performed the audit of **Association for Peoples Development Strem**, K-14/2a, Baridhara North Road, kalachadpur, Dhaka-1212, Bangladesh for the Financial year 2022-2023. During the course of our audit nothing has come to our attention that could imply fraudulent activities or money laundering within the organization. And the organization is not involved in any like nature activities.

Place: Dhaka  
Date: September 25, 2023

  
**Md. Ashraf Uddin Ahmed, FCA, CFC**  
Enrollment No: 210  
Manging Partner  
Ashraf Uddin & Co.  
Chartered Accountants  
DVC: 2309250210AO605177



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