



ANNUAL REPORT

2023-2024





Message from the Chairperson

Living in the most climate-impacted country in the world, with communities perennially exposed to disasters, it is challenging, but not impossible, to make a positive impact on the livelihoods of the vulnerable communities.

We know that our people are strong and resilient. Development organizations are always ready to lend a hand to communities in times of crisis. APDS aspires to be part of this support system by extending financial services to the most vulnerable communities in Bangladesh. This year we commemorated a decade of working with microfinance - an instrument that successfully transforms the lives of people in the area where we work.

APDS, from its inception, has been working with the most climate-impacted and impoverished regions in the country – communities in the chars and coastal areas – and designed products according to their needs. The core objective of APDS's initiatives is the progress of the least privileged. APDS identifies beneficiaries by capacity and prioritizes women alongside promoting family-based entrepreneurship.

To address emerging challenges, it is crucial to develop staff capacity-building. Last year, the APDS management focused on digitalization of its operation by incorporating various apps in the operation to improve efficiency and better data management. The digitalization will be an ongoing process. Additionally, APDS started sending out weather forecasts to members so they can make advance decision on crop management. APDS has also began piloting heat insurance as part of advancing inclusivity and casting light on the need for more risk coping mechanism and insurance. This annual report will show how APDS has made significant progress despite the many challenges faced throughout the year

An organization's financial stability is irrelevant if the millions served do not have sustainable finances. I wish APDS all the success with the continued support of all stakeholders.

Runa Khan

In solidarity and hope,

RUNAKHAN



Message from the CEO

Last fiscal year was full of challenges. The latter half we experienced political turmoil along with financial crisis. The influence of inflation was prominent. APDS adapted to the situation and strategized accordingly. Access to fund remains a challenge as the majority of activities involve microfinance.

A key priority for APDS is to include marginalized communities in mainstream development, particularly those in char and coastal areas. This year we focused on horizontal growth. This vertical growth supports our mission to serve the poorer members of the community. We invested a lot in capacity-building of our members. Farmers receive weather forecast notifications which enables them to make plans emergency weather conditions in advance.

In addition to financial expansion, APDS is deeply committed to inclusive finance. To better support vulnerable groups, especially farmers, we have introduced general and heat insurance products, ensuring protection against risks, and improving their livelihoods. We are also investing in the digitization of our operations to enhance efficiency and monitoring. This step ensures better oversight of programs and data-driven decision-making, helping us improve our services and increase our impact. APDS also worked on Risk Management strategy to better manage the challenges.

Last year we extended our partnership to IBISA Network and KM Dastur & Company Ltd, two international institutions who specialize in designing microinsurance.

We would like to extend our gratitude to Friendship Bangladesh, Friendship Luxembourg, Commercial Bank of Ceylon, and ADA for their ongoing support. The partnership helps us a lot in accessing more international partners.

Md. Monerul Islam Khan

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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 programs, skill development programs and various social programs.



Values

- Honesty
- Dignity
- Justice
- Humanity
- Quality service

Objective:

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

Focal Person

- Md. Monerul Islam Khan, CEO

Address

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

Telecommunication & Email

- Telephone +8802-226618385
- Email - apds.bd@gmail.com
- Facebook - apds.ngo

Registration and Compliance Related Information

| SL. No | Registration Information | Registration Number |
|--------|--|---------------------|
| 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 |
| Friendship Bangladesh |
| Friendship Luxembourg, France, Netherlands and UK |
| ADA asbl, Luxembourg (www.ada-microfinance.org) |

Network Partners

Credit and Development Forum (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 21 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, and approve plans and budgets. In addition, the General Body elects the 7-member Executive Committee every three years.

Executive Committee:

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



Executive Committee Members:

| SL | Name | Position |
|----|---------------------------|------------------|
| 1 | Zakiya Shahrood Khan Runa | 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 |

Friendship and APDS Complementing Each Other

A unique bond exists between APDS and Friendship – a social purpose organization renowned for flagship programmes of Health (floating hospitals dedicated to char people) and Climate Action, Inclusive Citizenship, Sustainable Economic Development (SED) and Education for climate vulnerable people, especially in chars and coastal areas.

Friendship piloted microfinance back in 2007-08 and later shifted the microfinance portfolio to APDS who in due course received a licence from the Microcredit Regulatory Authority.

APDS serves alongside Friendship in the same working areas, sharing the same vision to serve the most under-served community. Friendship's SED programme provides training to farmers and APDS provides them with loans so that capacity-building and finance go together. Veteran field facilitators help carry out agriculture extension services.

Friendship Farmers Club, a meeting place for farmers through which the capacity-building and knowledge transfer are implemented is part of this collaborative approach.



Microfinance Programme

APDS's microfinance programme started in 2014 with a social mission to improve the quality of life of the poor through suitable quality economic development programmes, skill development programs and various social programmes. The main target was the marginalized and climate vulnerable section of society. Since inception, APDS has focused on more intensive and sustainable development for marginalized people. From this perspective, the microfinance programme has been more successful. In 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 program has already provided loan and savings services to thousands of households in five districts. The main objectives of the microfinance program 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 customer interests. Although the impact of the coronavirus pandemic in 2019-2021 affected the loan program, the APDS has dealt with it very successfully. Currently, it is implementing loan programs in Satkhira, Patuakhali, Gaibandha, Kurigram, and Mymensing districts. Soon APDS's loan programme will expand to more districts.

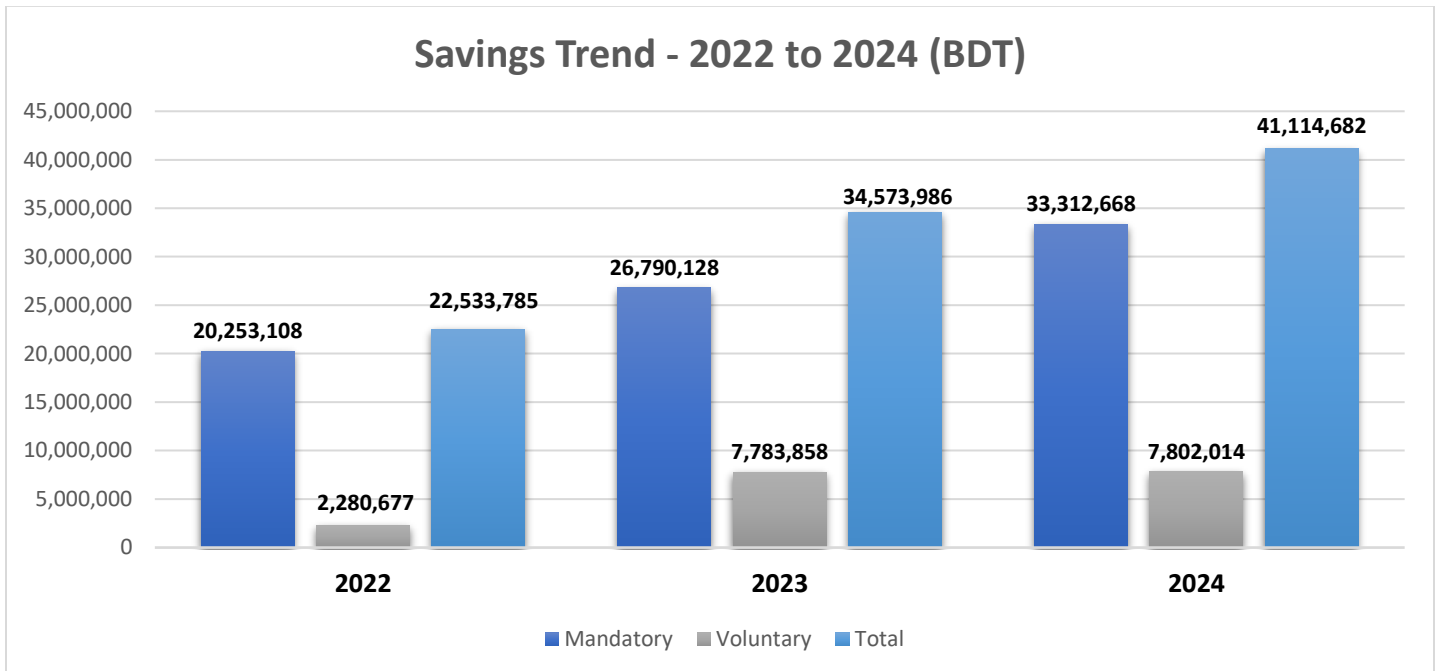


The program is implemented through both the group and individual model. Loan applications, repayments and savings deposits are made in the weekly, fortnightly, or monthly group meetings.

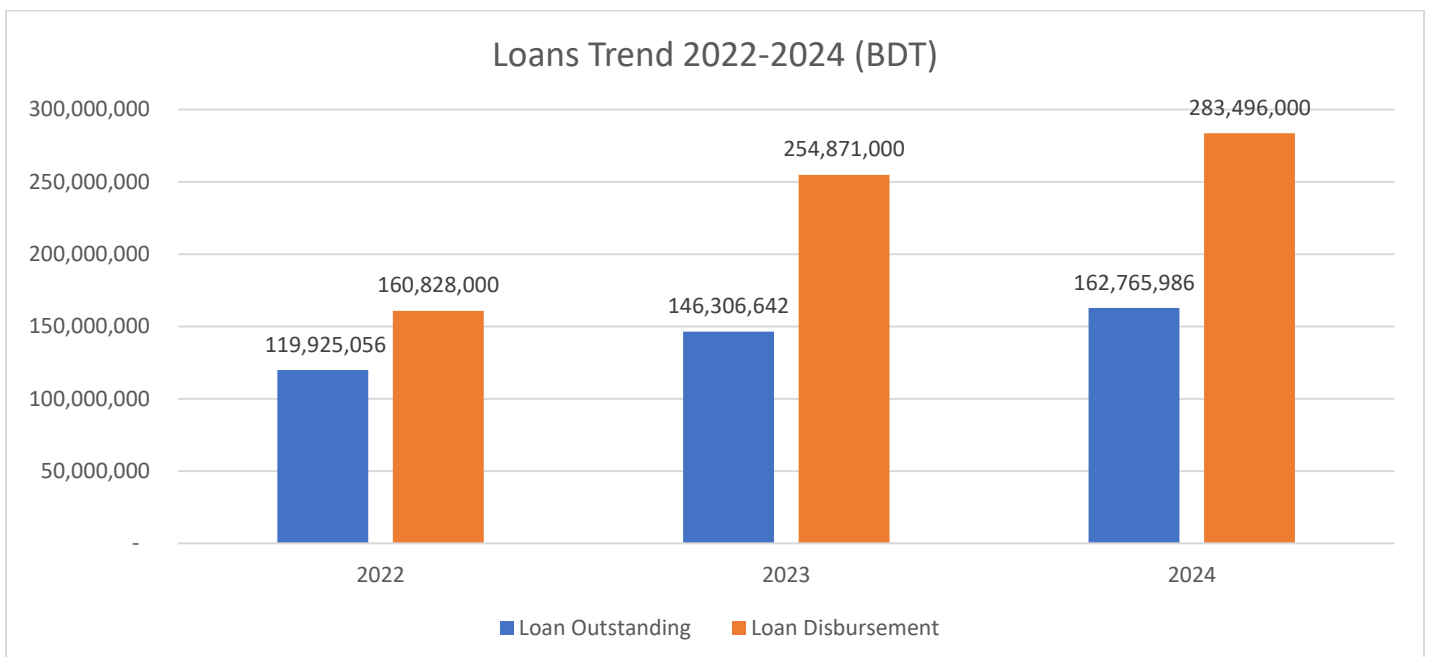
It offers both seasonal loans and general loans. The program is collateral-free and very client-friendly in all terms. The program offers a variety of loan products particularly emphasising for the extremely low-income households. For the primary security as well as to ensure productive use of loans, APDS requires a guarantor to co-sign the loan agreement where the guarantor become responsible for making the loan

payment if the member concerned is unable to pay the loan.

Savings Programme



APDS also places special emphasis on savings, especially to ensure a sustainable model of development for extremely marginalized communities. The motivation for savings was very poor within the APDS working area. Last year, immediately after the COVID-19 pandemic passed, APDS started offering financial literacy courses for group members. It paid off immensely well, evident through the 70% growth in savings in the last financial year. Members can save on a weekly, fortnightly, and monthly basis. They can save in two deposit accounts; a compulsory account that comes with loan instalments and voluntary savings as per their capacity.



APDS Loan Products and Features

| 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.

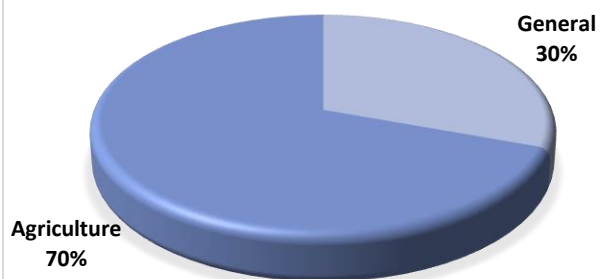
The repayment tenure of crop loan being disbursed based on crop cycle. The loan ceiling can be from 15,000 to 200,000. The first loan usually disbursed up to BDT25,000. The increment of next cycle loan depends on crop and land portion but normally not over 30%.

For input supply (Equipment) loans, the tenure may be long-term, between 12 to 24 months. The loan amount for equipment may be from BDT10,000 to 200,000. There is no ceiling for equipment loans. For all loans, a minimum 10% savings is mandatory.

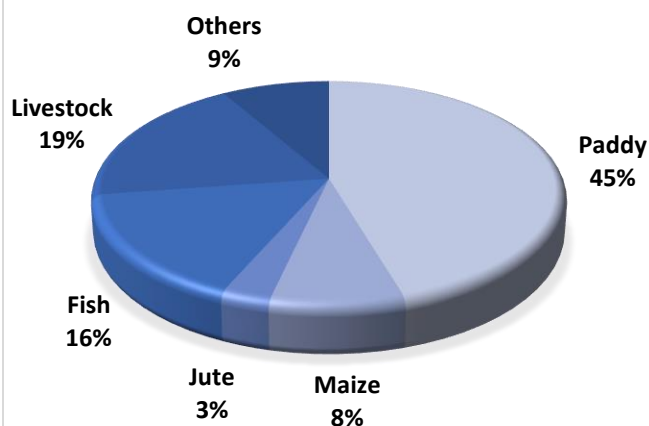
Microfinance At A Glance, June 2023

| | |
|---|-------------|
| District Covered | 5 |
| No of Branches | 14 |
| No of Program Staff | 63 |
| No of Members | 8,061 |
| No of Borrowers | 6,249 |
| Loan Disbursement during 2023-24 in crore | 28.62 crore |
| Loan outstanding in crore | 16.27 |
| Average loan size | 40,000 |
| OTR | 97% |
| CRR | 98% |

LOAN DISBURSEMENT



SECTOR WISE LOAN PORTFOLIO (BDT)



Case Study

Burying Poverty in the Past



Chunuwara Begom, a 37-year-old with a 5-member family, lives in Dori Naogaon of Haluaghat under Mymensingh District. Her husband, Mohammad Akbor Ali, used to manage a grocery shop before but could not keep it afloat. He tried his luck by migrating to Dhaka for several years but returned with naught but empty hands.

Faced with a bleak future, Chunuwara saw a glimpse of hope and opportunity in APDS. She joined APDS as a member and took a BDT18,000 loan to raise chicken and cultivate fish in a small pond. The results were so successful that she found enough confidence to take on bigger projects and apply for further loans to finance them. With the help of her husband, she currently manages two separate initiatives of poultry and fish farming.

In her third year of entrepreneurship, she leased out a pond to farm more fish. Chunuwara is now on her fifth loan of BDT70,000 on top of making substantial savings with APDS. She has three children, two of whom go to school. APDS is proud to have supported her in her time of need.

Chunuwara is a model of successful entrepreneurship in her community. Her strong will and resolve emboldened her to work hard towards overcoming the threat of poverty.



Social Activities

Despite the limited resources at hand, APDS undertook a number of development initiatives apart from microfinance.

- ❖ **Scholarship** to meritorious students of char community under the Poor Students Scholarship Scheme. Since 2022, APDS has assisted poor but meritorious students admitted to public universities/institutions from its surplus. Last year, three students received this needs-based scholarship. These three scholarship recipients, Asadul, Sufi, and Sayed, enrolled in MBBS, Textile Engineering, and Geography and Environmental Science programmes respectively. APDS will support more students in future.



❖ **Weather forecast notification to farmers:**

APDS has selected farmers from the most climate vulnerable communities to notify weather updates in every week. It helped farmers in getting early warning on heavy rain, heat, and flood. It reduces irrigation cost and risk of losing crop.

আবহাওয়ার পূর্বাভাস অনুযায়ী, ২৫ থেকে ৩০ জুন গাইবান্ধা উপজেলায় ৫ থেকে ১৬ মিলিমিটার হালকা ও মাঝারি বৃষ্টিপাতের সম্ভাবনা রয়েছে। পরিপক্ক সবজি ও ফল সংগ্রহ করে ফেলুন। জমি থেকে অতিরিক্ত পানি নিষ্কাশন ব্যবস্থা রাখুন।

❖ **Soil test:** APDS is supporting 1,300 farmers by ensuring soil health test facilities for them to better manage irrigation and plan required use of manure and pesticides. The initiative started in May 2024 and will continue till December 2024. The initiative will improve soil fertility with effective use of irrigation and fertilizers.

❖ **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 adopted planting trees as a mission to raise awareness among the members about the importance of planting trees as a means of bequeathing a better environment to future generations. We truly believe that small individual efforts by our members can potentially create a big impact on the environment around us. In 2023, APDS planted 5,000 trees. APDS will continue this effort in the years to come.

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. More frequent audits are conducted where closer monitoring is required. A professional audit department is being recruited.

External Audit

APDS strives to abide by 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. The audit report is shared every year with all the regulators, partners and stakeholders concerned.

Finance

APDS Finance and Accounts Department strives for excellence and transparency in financial reporting. The report produced by the department provide quality and accurate information to assist the management with proper decision-making process, organizational efficiency and promoting transparency and accountability.

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

Procurement

APDS has a well-written procurement policy and accordingly a procurement committee of three members is formed in every operational unit. If required, in few cases, an instant procurement committee can also be formed with the approval of the 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's 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 members, totalling 69 at the time of this report. A three-member team guides the human resources activities.

The staff recruitment is driven by APDS's values and strategies, fulfilling the required criteria. Gender equality is always a priority in APDS's recruitment policy.

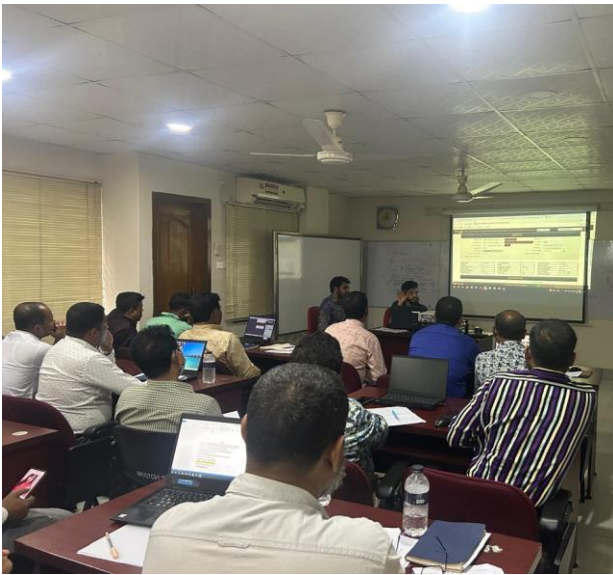
The Human Resources Unit is also responsible for maintaining a personal file for each staff member. Staff evaluation is conducted once in a year to recognize achievements and provide feedback for further improvements. APDS intends to create a fair, congenial atmosphere and a supportive working environment 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 endeavours to promote staff development through training and career development.

Capacity Building

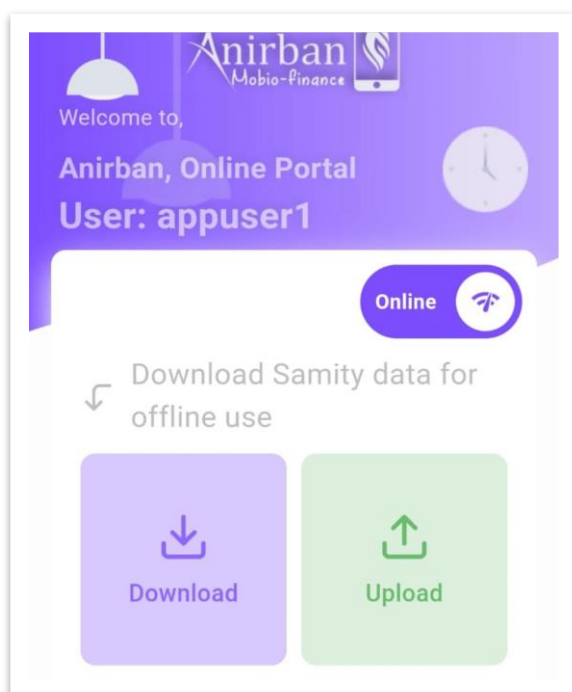
Capacity-building initiatives are instrumental in developing an organization's strength and sustainability. APDS prioritizes the capacity development of the employees at all levels to attain organizational and individual goals. APDS believes that capacity building will improve management efficiency, staff capacity, and organizational infrastructure.

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

Information Technology and Digitalization



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 digitalization of microfinance is essential for the survival of the sector. APDS is trying to gradually incorporate various digital services in its operation systems. Currently APDS uses real-time operational software for loan, savings, and accounts. APDS has also incorporated app-based data collection to reduce paperwork and increase field officer efficiency. APDS has begun incorporating digital loan initiation and digitalize the monitoring and audit processes as well.





AUDITOR'S REPORT

On The

FINANCIAL STATEMENTS

OF

Association for Peoples Development Stream

House-548, Flat-N-1, Road-13, Baridhara DOHS, Dhaka - 1206, Bangladesh

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 30TH JUNE, 2024

Ashraf Uddin & CO.

Chartered Accountants

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Dhaka-1215, Bangladesh.

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**INDEPENDENT AUDITOR'S REPORT IN THE FINANCIAL STATEMENTS
TO GOVERNING BOARD OF ASSOCIATION FOR PEOPLES DEVELOPMENT STREAM**

Opinion

We have audited the financial statements of Micro Finance Program of **"Association for Peoples Development Stream"**, which comprise the Statement of Consolidated Financial Position as at 30th June 2024, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Receipts and Payments Accounts and Statement of Change in Equity for the year then ended 30th June 2024, 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 micro credit program of **"Association for Peoples Development Stream"** give a true and fair view of the financial position as at 30th June 2024 and its financial performance, Statement of Cash Flows 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 Stream"** 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: September 25, 2024


Md. Ashraf Uddin Ahmed FCA, CFC

Enrolment No: 210

Managing Partner

Ashraf Uddin & Co.

Chartered Accountants

DVC: 2409250210AO284015



Association for Peoples Development Stream

MICRO CREDIT PROGRAMME

Statement of Financial Position

As at 30 June 2024

| Particulars | Notes | Amount in Taka | |
|--|-------|--------------------|--------------------|
| | | 30-Jun-24 | 30-Jun-23 |
| Assets | | | |
| Non-Current Assets | | | |
| Property Plant and Equipment | 6 | 2,326,144 | 2,425,422 |
| | | 2,326,144 | 2,425,422 |
| Current Assets: | | | |
| Loan to Beneficiaries | 7 | 162,765,986 | 146,306,642 |
| FDR | 8 | 31,242,473 | 20,771,875 |
| Advance | 9 | 740,841 | 737,138 |
| Cash and Cash Equivalents | 10 | 7,140,081 | 19,796,445 |
| | | 201,889,381 | 187,612,100 |
| Total Assets | | 204,215,525 | 190,037,522 |
| Capital Fund and Liabilities: | | | |
| Capital Fund: | | | |
| Fund Account | 11 | 88,601,823 | 87,735,607 |
| Statutory Reserve Fund | 12 | 1,070,977 | 975,291 |
| Total | | 89,672,800 | 88,710,898 |
| Non-Current Liabilities: | | | |
| Loan From Friendship | 13 | - | - |
| Loan from General Member | 14 | 4,655,560 | 12,000,000 |
| Loan from Commercial Bank of ceylon PLC | | 25,399,585 | 23,085,310 |
| Loan from Friendship Luxumbourg | | 20,000,000 | 20,000,000 |
| Loan from One Bank PLC | | 9,167,153 | - |
| Loan from Employees provident fund | | 900,000 | - |
| Total | | 60,122,298 | 55,085,310 |
| Member welfare Fund | 15 | 3,921,991 | 3,182,137 |
| Group Members Savings | 16 | 41,114,682 | 34,362,757 |
| Loan Loss Provision (L.L.P) | 17 | 6,818,446 | 8,202,690 |
| Liabilities for Expenses | 18 | 2,565,308 | 492,153 |
| Grant Liabilities | | - | 1,577 |
| Total Current Liabilities: | | 54,420,427 | 46,241,314 |
| Total Capital Fund and Liabilities: | | 204,215,525 | 190,037,522 |

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, 2024


Md. Ashraf Uddin Ahmed FCA, CFC

Enrollment no: 210

Managing Partner

Ashraf Uddin & Co.

Chartered Accountants

DVC: 2409250210AO284015



Association for Peoples Development Stream
MICRO CREDIT PROGRAMME
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

| | Notes | Amount in Taka | |
|---|-------|-------------------|-------------------|
| | | 2023- 2024 | 2022-2023 |
| INCOME: | | | |
| Service Charge | 19 | 36,308,412 | 32,996,539 |
| Other Income : | | | |
| Admission Fees | | 27,060 | 28,165 |
| Bank Interest | | 61,505 | 47,022 |
| FDR Interest | | 1,070,598 | 243,040 |
| Sale of Passbook | | 35,260 | 40,150 |
| Grant received from ADA asbl-APPui Development Autonome | | - | 2,827,621 |
| Local Contribution from own fund | | - | 357,022 |
| Sale of loan Form | | 80,320 | 82,125 |
| Old Motorbike Sale | | 257,000 | - |
| Total Income | | 37,840,155 | 36,621,684 |
| EXPENDITURE: | | | |
| Administrative Expenses | 20 | 10,691,487 | 5,595,950 |
| Staff Salary & Bonus | 21 | 23,954,579 | 22,231,348 |
| Interest paid on Member Savings | | 1,710,461 | 1,386,084 |
| Loan Loss Provision | | 36,538 | 3,616,390 |
| Project Expenses | 22 | - | 3,184,643 |
| Audit Fees | | 69,000 | 63,250 |
| Income Tax Provision | | 421,228 | 126,842 |
| Total Expenditure | | 36,883,293 | 36,204,507 |
| Surplus/(Deficit) of Income over Expenditure | | 956,862 | 417,177 |
| Total | | 37,840,155 | 36,621,684 |


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


Finance Manager


Chief Executive Officer
Signed in terms of our report of even date annexed


Chairman

Place: Dhaka
Date: September 25, 2024


Md. Ashraf Uddin Ahmed FCA, CFC
Enrollment no: 210
Managing Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2409250210AO284015



Association for Peoples Development Stream

MICRO CREDIT PROGRAMME

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 30 June 2024

RECEIPTS:

Opening Cash at Bank and Hand:

Cash at Bank

Cash in Hand

Opening Balance

Service Charge Received

Savings Collection

Loan Recovery Principle

Advance refund

Loan from Friendship

Loan from Commercial Bank of ceylon PLC

Loan from One Bank PLC

Loan from Friendship Luxumbourg

Grant received from ADA asbl-APPui Development Autonome

Local Contribution from own fund

Loan from Employees Provident Fund

Loan received from Board Member

Branch Transfer

Sale Motorbike

Group Member Welfare fund Recovery

Bank Interest-FDR

Subscription

Admission Fees

Sale of Passbook

Application form Sales

Total Receipts:

PAYMENTS:

Administrative Expenses

Staff Salary

Savings Refund

Loan refund to Board Member

Bank Loan refund

Furniture

Equipment

Motorbike

Fund Transfer to branch

Software

Advance to Employee & Others

Income Tax

Loan refund to Friendship

Project Expenses

Loan Disbursement

Group Member welfare fund Refund

FDR

Total Payments:

Cash in Hand

Cash at Bank

Total

| Notes | Amount in Taka | |
|-------|----------------|-------------|
| | 2023-2024 | 2022-2023 |
| | 13,821,905 | 8,518,643 |
| 10 | 5,974,540 | 1,020,461 |
| | 19,796,445 | 9,539,104 |
| | 36,308,412 | 32,996,539 |
| | 25,164,309 | 24,007,126 |
| | 267,036,656 | 228,491,853 |
| | 161,297 | 719,705 |
| | 5,000,000 | 2,000,000 |
| | 10,000,000 | 25,600,000 |
| | 9,000,000 | |
| | - | 20,000,000 |
| | - | 2,829,198 |
| | - | 357,022 |
| | 900,000 | |
| | 200,000 | - |
| | 94,274,226 | 145,295,137 |
| | 257,000 | - |
| | 2,834,960 | 1,238,804 |
| | 53,375 | - |
| | 5,040 | 4,740 |
| | 27,060 | 28,165 |
| | 35,260 | 40,150 |
| | 80,320 | 82,125 |
| | 451,337,915 | 483,690,564 |
| | 471,134,360 | 493,229,668 |
| 20 | 10,324,418 | 5,331,005 |
| | 22,309,353 | 22,231,348 |
| | 20,122,845 | 13,590,369 |
| | 7,544,440 | - |
| | 7,683,748 | 2,514,690 |
| | 86,213 | 395,415 |
| | 169,265 | 33,950 |
| | - | 670,000 |
| | 95,471,891 | 145,704,110 |
| | - | 80,000 |
| | 165,000 | 784,147 |
| | 126,000 | 76,406 |
| | 5,000,000 | 2,000,000 |
| 22 | - | 3,154,643 |
| | 283,496,000 | 254,871,000 |
| | 2,095,106 | 1,246,140 |
| | 9,400,000 | 20,750,000 |
| | 463,994,279 | 473,433,223 |
| | 4,562,692 | 5,974,540 |
| | 2,577,389 | 13,821,905 |
| | 7,140,081 | 19,796,445 |
| | 471,134,360 | 493,229,668 |

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 Stream
MICRO CREDIT PROGRAMME
STATEMENT OF CHANGE IN EQUITY
For the year ended 30 June 2024

(Amount In BDT)

| | Capital Fund | Retained Earnings | Total Taka |
|--|-------------------|-------------------|-------------------|
| Opening Balance (1 July 2023) | 79,813,184 | 7,922,423 | 87,735,607 |
| Add: Surplus/(Deficit) for this period | | 956,862 | 956,862 |
| Less: Reserve Fund | | 95,686 | 95,686 |
| Board Member subscription | 5,040 | - | 5,040 |
| Closing Balance 30th June 2024 | 79,818,224 | 8,783,599 | 88,601,823 |

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 Stream
MICRO CREDIT PROGRAMME
Statement of Cash Flows
For the year ended 30th June 2024

| Particulars | Amount in Taka | |
|---|---------------------|---------------------|
| | 2023-2024 | 2022-2023 |
| A. Cash Flows from Operating Activities: | | |
| Surplus for the year | 956,862 | 417,177 |
| Add: Amount considered as non-cash items: | | |
| Depreciation | 354,757 | 315,075 |
| Loan Loss Provision (L.L.P) | (1,384,244) | (637,716) |
| Sub Total of non-cash items: | (72,625) | 94,536 |
| Loan to beneficiaries | (16,459,344) | (26,379,147) |
| Advance | (3,703) | (64,442) |
| Group Members Savings | 6,751,925 | 11,802,841 |
| Liabilities for expenses | 2,070,001 | (125,399) |
| Member welfare Fund | 739,854 | (7,336) |
| Net cash used in Operating Activities: | (6,973,892) | (14,678,947) |
| B. Cash Flows from Investing Activities: | | |
| FDR | (10,391,357) | (16,074,399) |
| Fixed Asset (Furniture & Equipment, Motorbike) | (255,478) | (1,189,159) |
| Software | | (80,000) |
| Net cash used in Investing Activities: | (10,646,835) | (18,243,558) |
| C. Cash Flows from Financial Activities: | | |
| Loan from Bank & Others | 5,036,988 | 43,085,310 |
| Net cash from Financial Activities: | 5,036,988 | 43,085,310 |
| D. Net increase/(decrease) in | (12,656,364) | 10,257,341 |
| Cash and Bank Balance at the beginning of the year | 19,796,445 | 9,539,104 |
| Cash and Bank Balance at the end of the year | 7,140,081 | 19,796,445 |

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


Finance Manager


Chief Executive Officer


Chairman



Association for Peoples Development Stream

MICRO CREDIT PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2024

1.00 BACKGROUND OF THE ORGANIZATION:

Association for Peoples Development Stream 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 Stream 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 Stream | | | |
| 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 2023-2024 | 4 | | | |
| Date of Last AGM held | | | | |

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 Rafiquzzaman | 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 |



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 Stream 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

| 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.



6.00 Property Plant & Equipment:**A. Cost**

Opening balance

Add: Addition During the year

Total

B. Depreciation

Opening

Add: Depreciation during the year

Accumulated Depreciation

Written Down Value (A-B)**Amount in Taka****30 Jun 2024****30 Jun 2023**

3,054,019

255,478

3,309,497

628,597

354,757

983,354

2,326,144

1,874,654

1,179,365

3,054,019

313,522

315,075

628,597

2,425,422**Details shown in Annexure A/4****7.00 Loan to Beneficiaries:**

Opening Balance

Add: Disbursed during the year

Less: Collection during the year

Closing Balance

146,306,642

283,496,000

267,036,656

162,765,986

119,927,495

254,871,000

228,491,853

146,306,642**8.00 FDR :**

Opening Balance

Add: During the year

Add: Interest Receivable

Less: AIT

Encash

Closing Balance

20,771,875

9,400,000

30,171,875

1,070,598

-

-

31,242,473

3,797,476

20,750,000

24,547,476

21,875

-

3,797,476

20,771,875**9.00 Advance**

Advance to employee

Advance office rent

Advance Income Tax

574,185

160,500

6,156

740,841

618,756

98,500

19,882

737,138**10.00 Cash and Cash Equivalents**

The cash and cash equivalents are made up as under:

Cash in Hand:

Cash at Bank (₹) 10.01

4,562,692

2,577,389

7,140,081

5,974,540

13,821,905

19,796,445**10.01 Cash at Bank:**

The bank balances were held with the following bank:

Janata Bank Ltd (A/C-100112992345)

Janata Bank Ltd (A/C-10112989867)

Janata Bank Ltd (A/C-0100012048879)

Pubali Bank PLC(A/ C-0565901034012)

Agrani Bank Ltd Chilmari (A/C-0200013480328)

Janata Bank Ltd, Haluaghat (A/C-0100173214256)

Janata Bank Ltd, Gaibandha (A/C-0100017740398)

Agrani Bank Ltd, Kuakata (A/C-0200013651462)

962,460

144,460

13,300

355,321

18,784

131,583

73,669

84,423

932,062

589,357

17,220

339,388

1,737,463

422,921

327,340



Janata Bank Ltd, Kurigram(A/C-01290320001007))
Janata Bank Ltd, Shamnagar (A/C-020001380516)
Janata Bank Ltd, Dhubaura (A/C-0100230355848)
Janata Bank Ltd, Munshirhat (A/C-0100232654192)
Janata Bank Ltd, Sundargonj (A/C-0100232525996)
Janata Bank Ltd, Ulipur (A/C-0100232774864)
Agrani bank (0200019556411) Kalapara
Commercial Bank of Ceylon PLC (A/ C 1804019377)
One Bank Ltd(A/ C 1003000000217)
Hatlaxmipur Janata bank (A/ C 0100238386564)
Kaligonj Janata bank (A/ C 0100238726241)
Uzirpur Janata Bank Ltd (A/ C 0100238728741)

Total

| Amount in Taka | |
|------------------|-------------------|
| 30 Jun 2024 | 30 Jun 2023 |
| 9,934 | 426,416 |
| 6,899 | 276,064 |
| 47,480 | 116,840 |
| 83,157 | 378,682 |
| 182,698 | 44,501 |
| 4,762 | 66,094 |
| 126,870 | 404,503 |
| 69,910 | 2,248,435 |
| 1,000 | 4,647,963 |
| 872 | 100,907 |
| 74,369 | 104,505 |
| 185,438 | 641,244 |
| 2,577,389 | 13,821,905 |

11.00 Fund Account:

Opening Balance
Add: Surplus during the year
Less: Transfer to reserve fund on Surplus (10%)
Add: Salary provision
Less: Previous year Income Tax provision
Add: Previous year climate protection
Add: Previous Year default Payment
Add: Previous Year loan waive from Friendship amount treated as Capital
Add: Subscription
Closing Balance

| | |
|-------------------|-------------------|
| 87,735,607 | 87,355,408 |
| 956,862 | 417,177 |
| 95,686 | 41,718 |
| - | - |
| - | - |
| - | - |
| - | - |
| 5,040 | 4,740 |
| 88,601,823 | 87,735,607 |

12.00 Statutory Reserve Fund

Opening Reserve Fund
Add: Transfer from Surplus & Service Charge
Less: Previous year Service Charge
Add: 10% on surplus
Closing Balance

| | |
|------------------|----------------|
| 975,291 | 933,573 |
| - | - |
| - | - |
| 95,686 | 41,718 |
| 1,070,977 | 975,291 |

12.02 Reserve Fund:

Opening Balance
Add: Transfer from Surplus
Closing Balance

Note:102

| | |
|------------------|----------------|
| 975,291 | 933,573 |
| 95,686 | 41,718 |
| 1,070,977 | 975,291 |

13.00 Loan from Friendship:

Opening Loan Fund
Add: Loan received during the year

Less: Loan refund during the Year
Closing Balance

| | |
|-----------|-----------|
| 5,000,000 | 2,000,000 |
| 5,000,000 | 2,000,000 |
| - | - |

14.00 Loan from General Member

Opening Loan Fund
Add: Loan Collection During the year

Less: Loan Payment During the Year
Closing Balance (14.01)

| | |
|-------------------|-------------------|
| 12,000,000 | 12,000,000 |
| 200,000 | - |
| 12,200,000 | 12,000,000 |
| 7,544,440 | - |
| 4,655,560 | 12,000,000 |



14.01 Loan from General member Breakdown:

Muhammed Shameem Reza
Zakia Sharood Khan Runa

| Amount in Taka | |
|----------------|-------------|
| 30 Jun 2024 | 30 Jun 2023 |

| | |
|------------------|-------------------|
| 3,655,560 | 4,500,000 |
| 1,000,000 | 7,500,000 |
| 4,655,560 | 12,000,000 |

15.00 Member Welfare Fund:

Opening Balance
Add: Collection during the year

| | |
|------------------|------------------|
| 3,182,137 | 3,189,473 |
| 2,834,960 | 1,238,804 |
| 6,017,097 | 4,128,214 |

Less: Refund during the year
Closing Balance

| | |
|------------------|------------------|
| 2,095,106 | 1,246,140 |
| 3,921,991 | 3,182,137 |

16.00 Group Members Savings:

Opening Balance
Add: Savings Collection during the year
Add: Savings Interest during the year

| | |
|-------------------|-------------------|
| 34,362,757 | 22,559,916 |
| 25,164,309 | 24,007,126 |
| 1,710,461 | 1,386,084 |
| 61,237,527 | 24,853,858 |

Less: Savings Refund during the year
Closing Balance

| | |
|-------------------|-------------------|
| 20,122,845 | 13,590,369 |
| 41,114,682 | 34,362,757 |

17.00 Loan Loss Provision (L.L.P):

Opening Balance
Add: Provision during the year

| | |
|------------------|-------------------|
| 8,202,690 | 8,840,406 |
| 36,538 | 3,616,390 |
| 8,239,228 | 12,456,796 |

Less: Adjustment (Write off) during the year
Closing Balance

| | |
|------------------|------------------|
| 1,420,782 | 4,254,106 |
| 6,818,446 | 8,202,690 |

18.00 Liabilities for Expenses:

Accrued Salaries & Allowance
Audit Fee
Vat & Tax Payable
Software Maintenance fee
Training & Meeting
Provision of income tax
Scholarship Payable
Total

18.01

| | |
|------------------|----------------|
| 1,775,540 | 94,334 |
| 69,000 | 63,250 |
| 47,189 | - |
| 23,625 | - |
| 186,726 | 186,726 |
| 421,228 | 126,842 |
| 42,000 | 21,000 |
| 2,565,308 | 492,152 |

18.01 Provision of income tax

Opening
Add: Tax during the year
Less: Adjustment
Closing

| | |
|----------------|---------------|
| - | 34,973 |
| 421,228 | - |
| 421,228 | 34,973 |



19.00 Service Charge

Service Charge

| Amount in Taka | |
|-------------------|-------------------|
| 2023-2024 | 2022-2023 |
| 36,308,412 | 32,996,539 |
| 36,308,412 | 36,308,412 |

20.00 Administrative Expenses:

Stationary
Bank Charge
Office Rent
Local Conveyance
MRA Fees
Office Supplies
Repairs & Office Maintenance
Utilities
Medicin
Bank Interest Paid
Computer Accessories
Postage & Courier
Renewal Registration
Car Stikar
Entertainment
Communication
Advertisement
Transport
Legal Expenses
Donation
Service Charge Rebate Expenses
IT Material Expenses
Annual General Meeting
VAT & Tax
Credit Rating
Audit fees
Software Monthly Fees
Scholorship Paid
Website Development
Membership Subcription
Training & Meeting
Depreciation

| | |
|-------------------|------------------|
| 200,882 | 395,418 |
| 267,087 | 180,541 |
| 1,574,348 | 844,633 |
| 1,159,738 | 1,367,632 |
| 56,919 | 33,550 |
| 224,660 | 174,724 |
| 1,534,752 | 696,180 |
| 220,246 | 51,065 |
| - | 14,280 |
| 3,640,932 | 238,663 |
| 420 | |
| 15,769 | 26,216 |
| 9,141 | 21,400 |
| 2,000 | |
| 193,086 | 91,546 |
| 594,780 | 448,607 |
| - | 56,671 |
| 104,370 | 71,090 |
| 24,260 | 36,230 |
| 23,500 | 20,000.00 |
| 213,616 | - |
| - | 28,870.00 |
| - | 22,257.00 |
| 62,200 | |
| 21,500 | 21,500.00 |
| 132,250 | 96,750.00 |
| 283,500 | 286,125 |
| 84,000 | 36,000 |
| 84,467 | |
| 5,040 | - |
| 15,118 | 71,057 |
| 354,757 | 315,075 |
| 10,748,581 | 5,646,080 |
| 6,156 | 1,620 |

AIT on Interest

Less : Previous Year Audit fees
Paid

Less: Depreciation

| | |
|-------------------|------------------|
| 63,250 | 51,750 |
| 10,691,487 | 5,595,950 |
| 354,757 | 315,075 |
| 10,324,418 | 5,331,005 |

21.00 Staff Salary :

Staff Salary & Bonus

| | |
|-------------------|-------------------|
| 23,954,579 | 22,231,348 |
|-------------------|-------------------|



22.00 Project Expenses:**Income Generating Activities to Promote Savings & Agri Input Supply**

Material Development

Training Activities (with Refreshers)

Refreshment Cost

Input Supply after Training

Office Operation Cost

Overhead cost

Add: Provision for Audit fees

2023-2024**Amount in Taka****2022-2023****Amount in Taka**

272,000

1,805,388

291,525

490,000

89,811

205,919

-

3,154,643.00

30000

-

3,184,643.00



Association for Peoples Development Stream
MICRO CREDIT PROGRAMME
ELIGIBILITY CRITERIA COMPLIANCE CERTIFICATION
FOR THE YEAR ENDED 30 JUNE 2024

ANNEXURE: A/2

ANNEXURE A/2

| Sl | Ratio | | Calculation of Ratio | Calculations | | Ratio | Standard | |
|------|--|---|---|--------------|------|---------|----------|--------------|
| 1 | Minimum Loan recovery rates, computed quarterly, based on the following: | | | | | | | |
| (I) | Cumulative Recovery Rate (CRR) | = | Cum. Recovery-Advance Recovery (at the end of this year) | 91,19,00,388 | *100 | 98% | 95% | |
| | | | (Cum. Recovery-Advance Recovery)+ Overdue(Principal | 93,01,09,575 | | | | |
| (II) | Minimum Loan Collection ratio on current dues | = | Summation of regular recovery in the last 12 months | 23,98,40,704 | | 97% | 92%-100% | |
| | | | 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 | | | | | |
| | | | (Total Loan Recovery (Principal) for the year-Advance Recovery-Previous year's overdue recovery in the current year)+ This Year New overdue | 24,74,01,828 | *100 | | | |
| 2 | Minumum Liquidity | | STD+Govt. Securities | 71,40,081 | *100 | 17.36% | 15% | |
| | | | Total Savings Fund | 4,11,14,682 | | | | |
| 3 | Minimum Current Ratio | = | Current Asset | 201,889,381 | 3.71 | 2:01 | | |
| | | | Current Liability | 54,420,427 | | | | |
| | | = | 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) | 8,96,72,800 | | 45.50% | 10% | |
| | | | Total Asset -(Cash+Bank+STD*+Govt. Securities) | | | | | 19,70,75,444 |
| | | | *STD (Short Term Deposits) includes - All FDR (Because it is encashable at any time) | | | | | |
| 5 | Minimum Debt Service Cover Ratio | = | Surplus+Total interest payments+Pricipal Collection on PKSF Funded Loan | 2,667,323 | | 2.78:1 | 1.25:1 | |
| | | | Total Interest Payments+Principal payments on PKSF loan | | | | | |
| | | = | Surplus for the year + Total Principal & Service Charge Payable to PKSF for the year | | | | | 956,862 |
| | | | Total Principal & Service Charge Payable to PKSF for the year | | | | | |
| 6 | Debt to Capital Ratio | = | Debt | 1,012,36,980 | | 1.13:01 | 9:01 | |
| | | | Total Capital (Net Worth) | | | | | |
| | | = | Savings + Other Loan | | | | | |
| | | | Total Capital (Accumulated Surplus) | 8,96,72,800 | | | | |



| | | | | | | |
|---|--|--|--|-------------------------|------|-------|
| | | | *Other Loan: eg; Micro Insurance fund, Director's Loan, Bank Loan & Others, etc | | | |
| 7 | Minimum Rate of Return of Capital | | Net Surplus | 9,56,862 8,84,99,940 | *100 | 1.08% |
| | | | Capital Fund | | | |
| | | | Surplus for the Year | | | |
| | | | Average Capital Fund | | | |
| | *Average Capital | | Opening Capital+Closing Capital | | | |
| | | | 2 | | | 1% |

Place: Dhaka
Date: September 25, 2024


Md. Ashraf Uddin Ahmed FCA, CFC
Enrollment no: 210
Managing Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2409250210AO284015



Association for Peoples' Development Stream
Micro Credit Programme
Portfolio report for the year ended 30th June 2024
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 | 149,685,409 | 1% | 1,496,854 |
| 2 | Watchful loan | Loan default duration between 1-30 days | 3,341,037 | 5% | 167,052 |
| 3 | Sub-standard loan | Loan default duration between 31-180 days | 5,336,686 | 25% | 1,334,172 |
| 4 | Doubtful loan | Loan default duration between 181-365 days | 2,329,943 | 75% | 1,747,457 |
| 5 | Bad loan | Above 365 days | 2,072,911 | 100% | 2,072,911 |
| Total | | | 162,765,986 | | 6,818,446 |

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

| Particulars | Taka |
|--|-----------|
| Required Provision as per MRA policy | 6,818,446 |
| Actual Provision made by the MFI | 6,818,446 |
| Excess/(Shortfall in Provision) | - |
| 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 01-07-2023 | - |
| Loan Written Off during the year 2023-2024 | 1,420,782 |
| Written Off Loan Recovered during the year 2023-2024 | - |
| Loan Written Off Balance 30-06-2024 | - |

Remark

Provision available 01.07.2023
Add: Provision made during the year 2023-2024
Less: Write Off during the year 2023-2024
Required Provision as per MRA

| Taka |
|------------------|
| 8,202,690 |
| 36,538 |
| 1,420,782 |
| 6,818,446 |



(iii) Loan Operational Report:

| Sl. No. | Particulars | 2023-2024 | | | 2022-2023 | | |
|---------|---|-------------|------|-------|-------------|------|-------|
| 1 | Financial Service | | | | | | |
| | Loan Product: | | | | | | |
| | Total Loan Balance | 60,122,298 | | | 55,085,310 | | |
| | Savings Product: | | | | | | |
| | Savings Account | 41,114,682 | | | 41,114,682 | | |
| | Member welfare Fund | | | | | | |
| | Member welfare Fund | 3,921,991 | | | 3,182,137 | | |
| | | M | F | Total | M | | Total |
| 2 | Number of Samities | 81 | 698 | 779 | 86 | 564 | 650 |
| 3 | Number of Members | 936 | 7125 | 8061 | 1094 | 6313 | 7407 |
| 4 | Number of Borrowers | 718 | 5531 | 6249 | 829 | 4760 | 5589 |
| 5 | Number of Staff | 58 | 5 | 63 | 67 | 2 | 69 |
| 6 | Amount (Taka) of Loan outstanding with Samity | 162,765,986 | | | 146,306,642 | | |
| 7 | Members: Borrower | 8061:6249 | | | 6269:4958 | | |
| 8 | Average Loan Size | 26,046 | | | 26,224 | | |



Association for Peoples' Development Stream
MICRO CREDIT PROGRAMME
STATEMENT OF PROPERTY PLANT & EQUIPMENT
As at 30 June 2024

Annexure-A/4

| Sl. No. | Particulars | Cost | | | Rate of Dep. | Depreciation | | | Written Down Value as at 30.06.2024 |
|--------------------------|-----------------------------|----------------------------------|---------------------------|-----------------------------|--------------|----------------------------------|--------------------------|-----------------------------|-------------------------------------|
| | | Opening Balance as on 01.07.2023 | Addition during this year | Adjustment during this year | | Closing balance as on 30.06.2024 | Charged during this year | Adjustment during this year | |
| 01 | Furniture & Fixture | 890,616 | 86,213 | - | 10% | 976,829 | 83,299 | - | 749,687 |
| 02 | Equipment | 1,329,403 | 169,265 | - | 20% | 1,498,668 | 206,133 | - | 824,532 |
| 03 | Motor vehicle | 670,000 | | | 10% | 670,000 | 65,325 | | 587,925 |
| Intangible Assets | | | | | | | | | |
| 04 | Software (Microfin Anirban) | 164,000 | | - | | 164,000 | - | - | 164,000 |
| | As at 30 June 2024 | 3,054,019 | 255,478 | - | | 3,309,497 | 354,757 | - | 2,326,144 |
| | As at 30 June 2023 | 1,874,654 | 1,179,365 | - | | 3,054,019 | 315,075 | - | 2,425,422 |



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

Name of Organization: Association for Peoples Development Stream

Duration of Audit: For the year ended 30 June 2024.

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 period APDS received donations from ADA ASBL, Luxembourg for its "Digitalization and Sustainable Farming" project. The project is on-going and will be completed in FY 2024-2025.

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 Board Chairman and 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 | : | 98 % |
| On Time Realization Rate | : | 97 % |

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, 2024


Md. Ashraf Uddin Ahmed FCA, CFC
Enrolment No: 210
Managing Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2409250210AO284015





Ashraf Uddin & Co.

CHARTERED ACCOUNTANTS
Since 1979

Member of



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 Stream**, House-548, Flat-N-1, Road-13, Baridhara DOHS, Dhaka - 1206, Bangladesh for the Financial year 2023-2024. 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, 2024


Md. Ashraf Uddin Ahmed, FCA, CFC

Enrollment No: 210

Manging Partner

Ashraf Uddin & Co.

Chartered Accountants

DVC: 2409250210AO284015