

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 30TH JUNE, 2023

Ashraf Uddin & CO.

Chartered Accountants

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

Dhaka-1215, Bangladesh.

Tele: 88-02-9116183

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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 (3rd & 4th Floor)
Dhaka- 1215, Bangladesh.
Registered Address : Rahman Chamber (5th 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 30th 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 30th 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
Assets			
Non-Current Assets			
Property Plant and Equipment	6	2,425,422	1,561,133
		2,425,422	1,561,133
Current Assets:			
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
Total Current Assets:		187,612,100	133,936,771
Total Assets		190,037,522	135,497,904
Capital Fund and Liabilities:			
Capital Fund:			
Fund Account	10	87,735,607	87,355,408
Statutory Reserve Fund	11	975,291	933,573
Total		88,710,898	88,288,981
Non-Current Liabilities:			
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 Luxumbourg		20,000,000	-
Total		55,085,310	12,000,000
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	-
Total Current Liabilities:		46,241,313	35,208,923
Total Capital Fund and Liabilities:		190,037,522	135,497,904

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
INCOME:			
Service Charge	18	32,996,539	19,449,339
Other Income :			
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
Total Income		36,621,684	25,828,085
EXPENDITURE:			
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
Total Expenditure		36,204,507	21,695,538
Surplus/(Deficit) of Income over Expenditure		417,177	4,132,547
Total		36,621,684	25,828,085

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
RECEIPTS:			
Opening Cash at Bank and Hand:			
Cash at Bank		8,518,643	27,762,853
	9		
Cash in Hand		1,020,461	389,722
Opening Balance		9,539,104	28,152,575
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-APPui 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
Subcription		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
Total Receipts:		493,229,668	255,407,485
PAYMENTS:			
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
Total Payments:		473,433,223	245,868,381
Cash in Hand		5,974,540	1,020,461
Cash at Bank		13,821,905	8,518,643
Total		19,796,445	9,539,104
		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
Closing Balance 30th June 2023	79,813,184	7,922,423	87,735,607

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

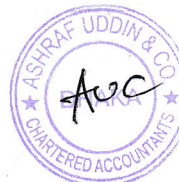
Particulars	Amount in Taka	
	2022-2023	2021-2022
A. Cash Flows from Operating Activities:		
Surplus for the year	417,177	4,132,548
Add: Amount considered as non-cash items:		
Depreciation	315,075	138,727
Loan Loss Provision (L.L.P)	(637,716)	2,948,962
Sub Total of non-cash items:	94,536	7,220,237
Loan 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
Net cash used in Operating Activities:	(14,678,947)	(8,714,651)
B. Cash Flows from Investing Activities:		
FDR	(16,974,399)	(1,253,835)
Fixed Asset (Furniture & Equipment, Motorbike)	(1,189,159)	(1,060,984)
Software	(80,000)	(84,000)
Net cash used in Investing Activities:	(18,243,558)	(2,398,819)
C. Cash Flows from Financial Activities:		
Loan from Bank & Others	43,085,310	(7,500,000)
Net cash from Financial Activities:	43,085,310	(7,500,000)
D. Net increase/(decrease) in	10,257,341	(18,613,471)
Cash and Bank Balance at the beginning of the year	9,539,104	28,152,575
Cash and Bank Balance at the end of the year	19,796,445	9,539,104

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 vides 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.	Registrati on 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 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
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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:

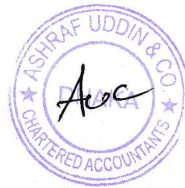
To avail loan a beneficiary should deposit 5-10% of required loan amount to the savings fund. The loan has to be refunded by the beneficiaries on weekly basis with 15 days Grace period. The beneficiaries have to pay for the pass book. The organization charged @ 24% p a under reducing balance declining 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
6.00 Property Plant & Equipment:		
A. Cost		
Opening balance	1,874,654	729,670
Add: Addition During the year	1,179,365	1,144,984
Total	3,054,019	1,874,654
B. Depreciation		
Opening	313,522	174,794
Add: Depreciation during the year	315,075	138,727
Accumulated Depreciation	628,597	313,521
Written Down Value (A-B)	2,425,422	1,561,133

Details shown in Annexure A/4

7.00 Loan to Beneficiaries:		
Opening Balance	119,927,495	92,546,988
Add: Disbursed during the year	254,871,000	160,828,000
Less: Collection during the year	228,491,853	133,447,493
Closing Balance	146,306,642	119,927,495

8.00 FDR :		
Opening Balance	3,797,476	2,543,641
Add: During the year	20,750,000	1,120,000
	24,547,476	3,663,641
Add: Interest	21,875	160,958
Less: AIT	-	27,123
Encash	3,797,476	
Closing Balance	20,771,875	3,797,476

8.1 Advance:		
Advance to employee	618,756	662,696
Accrued Interest (FDR)	-	-
Advance office rent	98,500	10,000
Advance Income Tax	19,882	-
	737,138	672,696

9.00 Cash and Cash Equivalents		
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
	19,796,445	9,539,104

9.01 Cash at Bank:		
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 Chilhari (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



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	-
Hatlaxmipur Janata bank (A/ C 0100238386564)	100,907	-
Kaligonj Janata bank (A/ C 0100238726241)	104,505	-
Uzirpur Janata Bank Ltd (A/ C 0100238728741)	641,244	-
Total	13,821,905	8,518,643

Amount in Taka	
30 Jun 2023	30 Jun 2022
426,416	1,297,285
276,064	636,707
116,840	1,382,845
378,682	328,982
44,501	760,004
66,094	273,455
404,503	-
2,248,435	-
4,647,963	-
100,907	-
104,505	-
641,244	-
13,821,905	8,518,643

10.00 Fund Account:

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	-
Closing Balance	87,735,607	87,355,408

87,355,408	5,114,059
417,177	4,132,548
41,718	(413,255)
-	-
-	-
-	3,232,229
-	1,596,357
-	73,693,470
4,740	-
87,735,607	87,355,408

11.00 Statutory Reserve Fund

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
Closing Balance	975,291	933,573

933,573	5,348,905
-	-
-	4,828,586
41,718	413,254
975,291	933,573

11.01 Transfer from Surplus & Service Charge

Reserve Fund		
Fund for climate Protection		
Fund for Default Payment		
Closing Balance		

11.02 Reserve Fund:

Opening Balance	933,574	520,319
Add: Transfer from Surplus	41,718	413,255
Closing Balance	975,291	933,574

Note:10

933,574	520,319
41,718	413,255
975,291	933,574

11.03 Fund for Climate Protection

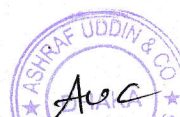
Opening Balance		3,232,229
Add: Transfer from Service Charge		-
Less:		-
Transfer to Capital Account		3,232,229

	3,232,229
	-
	-
	3,232,229
	3,232,229

11.4. Fund for Default Payment

Opening Balance		1,596,357
Add: Transfer from Service Charge		-
Less:		-
Transfer to Capital Account		1,596,357

	1,596,357
	-
	-
	1,596,357
	1,596,357



	Amount in Taka	
	30 Jun 2023	30 Jun 2022
12.00 Loan from Friendship:		
Opening Loan Fund		73,693,470
Add: Loan received during the year	2,000,000	-
	2,000,000	
Less: Loan refund during the Year	-	
Closing Balance		73,693,470
Less: Waive of loan		73,693,470
	-	-
13.00 Other Loans:		
Opening Loan Fund	12,000,000	12,000,000
Add: Loan Collection During the year	-	-
	12,000,000	12,000,000
Less: Loan Payment During the Year	-	-
Closing Balance (13.01)	12,000,000	12,000,000
13.01 Other Loan Breakdown:		
Muhammed Shameem Reza	4,500,000	4,500,000
Zakia Sharood Khan Runa	7,500,000	7,500,000
	12,000,000	12,000,000
14.00 Member Welfare Fund:		
Opening Balance	3,189,473	2,506,064
Add: Collection during the year	1,238,804	1,622,150
	4,428,277	4,128,214
Less: Refund during the year	1,246,140	938,741
Closing Balance	3,182,137	3,189,473
15.00 Group Members Savings:		
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
	47,953,126	24,853,858
Less: Savings Refund during the year	13,590,369	2,293,942
Closing Balance	34,362,757	22,559,916
16.00 Loan Loss Provision (L.L.P):		
Opening Balance	8,840,406	5,891,444
Add: Provision during the year	3,616,390	2,948,962
	12,456,796	8,840,406
Less: Adjustment (Write off) during the year	4,254,106	-
Closing Balance	8,202,690	8,840,406
17.00 Liabilities for Expenses:		
Accrued Salaries & Allowance	94,334	317,499
Audit Fee	63,250	51,750
Vat & Tax Payable	-	10,500
Software Maintence 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
Total	492,152	619,128
17.1 Income Tax Payable		
Opening	-	34,973
Add: Tax during the year	126,842	-
Less: Adjustment	-	34,973
Closing	126,842	-

		Amount in Taka	
		2022-2023	2021-2022
18.00	Service Charge		
	Service Charge	32,996,539	19,449,339
		32,996,539	19,449,339
19.00	Administrative Expenses:		
	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
	Honoraum 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 Subcription	-	7,000
	Training & Meeting	71,057	-
	Depreciation	315,075	138,727
		5,646,080	4,627,798
	Loss A/ C	-	51,993
	AIT on Interest	1,620	27,123
	Less : Previous Year Audit fees Paid	51,750	-
		5,595,950	4,706,914
	Less: Depreciation	315,075	138,727
		5,331,005	4,489,071
20.00	Staff Salary :		
	Salaries & Allowance	22,231,348	13,232,078



21.00 Project Expenses:

Income Generating Activities to Promote Savings & Agri Input Supply

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

3,154,643

-

Add: Provision for Audit fees

30,000

3,184,643

-





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 (3rd & 4th Floor)
Dhaka- 1215, Bangladesh.
Registered Address : Rahman Chamber (5th 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
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) (Cum. Recovery-Advance Recovery)+ Overdue(Principal)	$\frac{672,059,684}{682,707,747} * 100$	98%	95%
(II)	Minimum Loan Collection ratio on current dues	=	Summation of regular recovery in the last 12 months	$\frac{261,488,392}{272,136,455} * 100$	96%	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			
2	Minimum Liquidity		STD+Govt. Securities	$\frac{19,796,445}{34,362,757} * 100$	57.61%	15%
			Total Savings Fund			
3	Minimum Current Ratio	=	Current Asset	$\frac{187,612,100}{46,241,313}$	4.06	2:01
		=	Current Liability			
		=	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)	$\frac{88,710,899}{170,241,077} * 100$	52.00%	10%
		=	Total Asset -(Cash+Bank+STD*+Govt. Securities)			
			*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	$\frac{1,803,261}{417,177} * 100$	4.32:1	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			

			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%	1%
			Average Capital Fund	88,499,940			
	*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
Total			146,306,642		8,202,690

(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
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 01-07-2022	-
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
8,202,690



(iii) Loan Operational Report:

Sl. No.	Particulars	2022-2023			2021-2022		
		M	F	Total	M		Total
1	Financial Service						
	Loan Product:						
	Total Loan Balance			55,085,310			12,000,000
	Savings Product:						
	Savings Account			34,362,757			22,559,916
	Insurance						
	Members Insurance			3,182,137			3,189,473
		M	F	Total	M		Total
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%	60,869	82,975	-	143,844	746,772
02	Equipment	1,295,453	33,950	-	1,329,403	20%	252,653	215,350	-	468,003	861,400
03	Motor vehicle	-	670,000	-	670,000	10%	-	16,750	*	16,750	653,250
Intangible Assets											
04	Software (Microfin Anirban)	84,000	80,000	-	164,000	-	-	-	-	-	164,000
As at 30 June 2023		1,874,654	1,179,365	-	3,054,019		313,522	315,075	-	628,597	2,425,422
As at 30 June 2022		729,670	1,144,984		1,874,654		174,795	138,727		313,522	1,561,133



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

Member of



MANAGING PARTNER:

MD. ASHRAF UDDIN AHMED
LLB, CFC, FCA

PARTNERS:

ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC
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Dhaka- 1215, Bangladesh.

Registered Address : Rahman Chamber (5th 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