



জে. আর. চৌধুরী এন্ড কোং  
J. R. Chowdhury & Co.  
Chartered Accountants

**RURAL DEVELOPMENT SANGSTHA (RDS)**

**Auditors' Report and Consolidated Financial Statements**  
**for the year ended 30 June 2018**



## AUDITORS' REPORT

We have audited the accompanying financial statements of Rural Development Sangstha(RDS) which comprise the consolidated statement of financial position as at 30 June 2018 the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of receipts and payments and changes in equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1994 and other applicable laws and regulations. This responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June 2018 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act, 1994 and other applicable laws and regulations.

### **We also report that:**

- 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;
- in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of these books;
- the statement of financial position (balance sheet) and statement of profit or loss and comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- the expenditure incurred was for the purposes of the company's business.

  
Auditors  
J. R. Chowdhury & Co.

Dhaka, the 15 September 2018



**RURAL DEVELOPMENT SANGSTHA (RDS)**

**Consolidated Statement of Financial Position**

as at 30 June 2018

Properties and assets	Notes	Staff Fund Taka	General Fund and Projects Taka	Micro Credit Program Taka	IDCOL Solar Home System Taka	30/06/2018 Taka	30/06/2017 Taka
<b>Non Current Assets</b>							
Property, plant & equipment	6	2,088,405	992,093	12,289,331	6,854,086	22,223,915	13,056,960
<b>Total Non-current assets</b>		<b>2,088,405</b>	<b>992,093</b>	<b>12,289,331</b>	<b>6,854,086</b>	<b>22,223,915</b>	<b>13,056,960</b>
<b>Current assets</b>							
Inventories	7	-	-	-	2,307,828	2,307,828	2,666,658
Loan to Beneficiaries	8	-	272,703	398,152,880	34,870,852	433,236,535	412,355,771
Other loan short term (Employee Loan)	9	-	-	1,175,912	-	1,175,912	1,346,819
Accounts Receivables	10	-	-	3,254,133	792,912	4,047,045	5,211,860
Other Receivable of TRIKHABIKA	11	-	-	-	9,510,255	9,510,255	9,510,255
Advance Deposit and Prepayment	12	-	-	650,918	5,104,159	5,755,077	1,280,722
Debt Service Reserve Account	13	-	-	-	10,050,925	10,050,925	9,828,046
Short Term Loan	13	-	-	-	3,428,050	3,428,050	12,672,813
Suggest Account	14	-	-	224,552	-	224,552	224,552
Unsettled Staff Advance	14	-	-	-	-	-	149,603
Loan to Housing Fund	15	-	-	-	-	-	100,000
Loan to VGD project	15	6,720,303	-	-	-	6,720,303	5,230,572
Staff loan	15	-	-	-	-	-	100,000
Loan to PF Fund	15	-	-	-	-	-	384,684
Loan to Gratuity Fund	15	358,864	-	-	-	358,864	25,000
Major Cycle Loan	15	-	-	-	-	-	100,000
Project Security	16	-	100,000	-	-	100,000	1,956,725
Receivable from MC	17	-	-	-	-	-	6,368,061
Loan to MC	17	9,150,000	-	-	-	9,150,000	-
Advance	17	-	10,000	-	-	10,000	-
Interest receivable from FDR	18	63,360	-	-	-	63,360	39,971
Interest receivable	18	371,783	-	-	-	371,783	-
Fixed deposits	18	3,250,000	-	26,204,610	-	29,454,610	12,817,705
Cash & cash equivalents	19	3,303,223	1,666,470	17,803,609	5,739,716	28,533,018	3,472,976
<b>Total Current assets</b>		<b>23,238,533</b>	<b>2,049,173</b>	<b>447,466,714</b>	<b>71,804,637</b>	<b>544,559,117</b>	<b>485,822,773</b>
<b>Total Property and Assets</b>		<b>25,326,938</b>	<b>3,041,266</b>	<b>459,756,045</b>	<b>78,658,723</b>	<b>566,783,032</b>	<b>498,919,733</b>





Fund and liabilities:					
	Cumulative Surplus		86,726,139	-	86,726,139
	Statutory Reserve Fund		9,636,237	-	9,636,237
	Capital fund	30	-	2,796,706	2,796,706
	Retained Earnings		955,282	-	955,282
	<b>Capital Fund</b>		<b>955,282</b>	<b>2,796,706</b>	<b>3,751,988</b>
				22,133,042	22,133,042
				<b>22,133,042</b>	<b>47,247,406</b>

Non-Current Liabilities:					
	Loans from IDCOL	21	-	27,219,486	27,219,486
	Loans from PKSF	22	-	68,770,829	68,770,829
	Loans from BB Housing	23	-	2,484,000	2,484,000
	Loans from General Fund to Gachayan Tahabi		-	-	-
	<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>72,266,829</b>	<b>72,266,829</b>
				<b>27,219,486</b>	<b>99,486,325</b>

Current Liabilities:					
	Karmi Kollin Tahabi	24	622,535	-	622,535
	Karmi Jamanat Fund		2,213,892	-	2,213,892
	Staff savings	25	1,291,849	-	1,291,849
	Loan From PKSF		-	68,999,994	68,999,994
	Advance from PKSF(Enrich program)		-	1,879,702	1,879,702
	Loan from Housing Fund		-	2,464,000	2,464,000
	Loan From Commercial Banks-(current portion)		-	15,000,000	15,000,000
	Other Loans -Short Term		-	12,150,000	12,150,000
	Member Savings Deposits	26	-	157,863,752	157,863,752
	Loan Loss Provision(LLP)	27	-	10,090,875	10,090,875
	Insurance Fund		-	-	-
	Staff Security Fund	28	-	21,181,682	21,181,682
	Staff Welfare Fund		-	29,890	29,890
	Staff Fund		-	70,415	70,415
				<b>1,463,091</b>	<b>1,463,091</b>





Creditors for expenses									
Gratuity fund	29	-	8,474,851	-	-	-	1,496,825	-	854,188
Provident fund	30	-	11,312,874	-	-	-	8,474,851	-	5,257,265
Loans from PF		-	359,864	-	-	-	11,312,874	-	10,251,121
PF loans insurance		-	95,791	-	-	-	359,864	-	264,864
Loans from Baiton Grechayan Tababil		-	-	-	-	-	95,791	-	62,761
Group Member Savings		-	-	-	14,000	-	14,000	-	14,000
Loans from General fund		-	-	-	50,915	-	50,915	-	50,915
Loans from CCCP		-	-	-	-	-	-	-	300,000
Loans from ED		-	-	-	-	-	-	-	60,000
Loans from PCPO	31	-	-	-	2,007	-	2,007	-	2,007
Loans from IDCOL		-	-	-	160,388	-	160,388	-	155,878
Accounts Payable		-	-	-	-	-	-	-	10,000,000
Other Liabilities		-	-	-	-	-	-	-	926,271
Provision for expenses	32	-	-	-	17,250	-	17,250	-	918,048
Total Current Liabilities		-	24,371,656	-	244,560	-	10,000,000	-	10,000,000
Total Capital Fund and Liabilities		-	25,326,938	-	3,041,266	-	29,306,245	-	926,271
		-	-	-	-	-	78,658,783	-	918,048
		-	-	-	-	-	17,479,176	-	1,285,039
		-	-	-	-	-	345,049,301	-	7,178,402
		-	-	-	-	-	565,783,032	-	313,792,177
		-	-	-	-	-	498,919,733	-	498,919,733

The attached notes form an integral part of these accounts

*[Signature]*

Finance Manager  
Pallab Karmaka  
Finance Manager  
Board Development Sangstha (BDS)  
Sherpur-2100

*[Signature]*  
Executive Director  
(MD. NOUR UDDIN)  
Executive Director  
RDS-Sherpur-2100

As per annexed report of even date

*[Signature]*  
J.R. Chowdhury & Co  
Chartered Accountants





**RURAL DEVELOPMENT SANGSTHA (RDS)**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
for the year ended 30 June 2018

Income:	Notes*	Self Fund Taka	General Fund and Projects Taka	Micro Credit Program Taka	IDCOL Solar Home System Taka	30/06/2018 Taka	30/06/2017 Taka
Sales (SHS & TR KABITA) Service Charge	33	-	-	-	87,423,622	87,423,622	63,004,663
Grant from IDCOL		-	-	-	106,538	106,538	3,460,830
Fund Received		-	3,346,248	-	-	3,346,248	885,354
Tuition Fee	34	-	885,807	-	-	885,807	376,050
Received from ALO Project		-	-	-	-	-	146,457
Service Charge on Member Loan		523,626	-	93,180,616	-	93,704,442	74,086,544
Enrich program income		-	-	4,652,207	-	4,652,207	4,494,191
PO contribution for programs and project exp		-	-	509,670	-	509,670	-
Admission /Membership Fees		-	-	105,340	-	105,340	-
Donation for revenue expenditure from PKSP(SDL)		-	-	2,209,000	-	2,209,000	-
Service Charge on Employee Loan		-	-	5,600	-	5,600	7,150
Interest on FDR		23,389	-	666,725	231,449	921,563	1,416,072
Sale On Pass Book etc.		-	-	147,030	-	147,030	163,870
Loan Processing Fee/Sale of Loan from		-	-	116,300	-	116,300	131,034
Bad Debt realized		-	-	11,000	-	11,000	4,780
Employee penalty		-	-	40,060	-	40,060	40,834
RBA Test		-	-	15,600	-	15,600	-
Health Service		-	-	47,190	-	47,190	62,430
Loan loss Provision adjustment		-	-	458,468	-	458,468	489,817
Office/Mess rent		-	-	443,093	-	443,093	375,869
Health Card		-	-	330,000	-	330,000	-
Donation- Received	35	-	129,697	-	-	129,697	254,208
Bank Interest		89,921	12,165	168,829	30,405	301,311	198,437
Member Fee		-	21,375	-	-	21,375	-
Project Income from Khamarayan		-	367,929	-	-	367,929	-
Students Admission Fee		-	30,800	-	-	30,800	118,940
Miscellaneous Income	36	269,755	14,320	345,179	2,282,217	2,901,471	11,549,377
Interest on Gratuity Loan		194,000	-	-	-	194,000	1,263
Interest on Loan		37,726	-	-	-	37,726	-
Interest from MIC		681,621	-	-	-	681,621	-
		<b>1,790,238</b>	<b>4,818,241</b>	<b>103,451,898</b>	<b>90,073,231</b>	<b>200,133,608</b>	<b>161,883,013</b>





Expenditure					
Cost of Goods Sold	-	-	38,512,245	30,512,245	35,765,445
Administrative Expenses	-	-	36,073,011	39,073,011	15,225,520
Selling and Promotional Expenses	-	-	2,584,375	2,584,375	1,975,144
Financial Expenses	-	-	1,325,003	1,325,003	3,173,352
Interest on Member Saving	-	7,625,844	-	7,625,844	6,967,359
Service charge on Housing Loan	-	5,586,687	-	5,586,687	5,002,878
Electricity, Gas and Water Bill	-	85,932	-	85,932	39,134
Interest on Gratuity	-	388,015	-	388,015	294,091
Interest on others loan	-	174,359	-	174,359	171,328
Interest on bank loan	-	938,786	-	938,786	514,250
Salary and Allowance	-	437,567	-	437,567	-
Postage, Telephone and Internet	-	36,251,394	3,668,523	39,919,917	40,439,948
Fuel Cost	-	976,945	-	976,945	870,513
Conveyance and Travelling	-	565,463	-	565,463	520,262
Newspaper and Periodicals	-	890,760	-	890,760	1,503,286
Legal Exp	-	62,497	-	62,497	53,205
Loan and fees provision(LLP)	-	514,295	-	514,295	107,765
Rebate on Motorcycle loan	-	2,797,132	-	2,797,132	1,898,246
Advertisement and Circulation	-	24,000	-	24,000	24,000
Automation charge	-	63,010	-	63,010	57,350
Gratuity	-	378,786	-	378,786	352,600
Contributions to Erach prog	-	4,387,080	-	4,387,080	303,246
Contributions to Provident Fund	-	1,129,132	-	1,129,132	290,563
Health Service	-	235,603	-	235,603	319,692
Employee Recruitment	-	53,121	-	53,121	162,144
Culture program	-	78,865	-	78,865	29,317
Development Fair	-	435,869	-	435,869	-
Erach Prog. Exp	-	4,852,207	-	4,852,207	4,374,908
Staff Salary	-	-	-	-	446,530
Teachers Salary	1,307,685	-	-	1,307,685	354,620
ED Honorarium	672,505	-	-	672,505	35,900
PM Honorarium	-	-	-	-	18,900
CC Honorarium	-	-	-	-	18,900
Admin Honorarium	-	-	-	-	18,900
Expediture of ALO Project	-	-	-	-	129,419
Contribution (CCCP)	-	-	-	-	29,650
Printing and Stationary	734	-	-	734	-
Office rent	-	-	-	-	972,259
School room rent	25,398	946,861	-	972,259	1,071,376
Instrument Rent	81,425	1,948,037	-	2,029,462	1,626,953
Entertainment	90,000	-	-	90,000	81,900
Training	460	-	-	460	2,000
Mobile Bill	28,613	544,719	-	573,332	509,568
Day Celebration	11,400	696,683	-	810,083	747,884
	10,353	35,245	-	45,598	18,300
					36,146



Meeting and Seminar						273,178
Conveyance of Teachers	0,000					5,670
Traveling, transportation and per diem	38,743					48,938
Fuel and maintenance						7,043
Refreshers course	19,750					22,510
Block Board	14,400					10,870
Block Board painting						-
Mat	26,308					20,088
Overhead cost	3,680					75,434
Tools	10,016					800
Sign Board						3,750
Workshop						360
Project cost						547,724
Depreciation	29,489					788,769
Project Expenses of Khamatayan	207,324					
Electric Bill	2,534					
Teachers Orientation	3,300					
Other Office Accessories	22,831					
Audit Fee	17,250					
Bank Charge	7,390					
Interest on STC						
VAT and Tax	16,000					
Rebate On service Charge						
PF interest						
Repair & Maintenance						
Miscellaneous Expense						
Registration Fee						
<b>Total Expenditure</b>	<b>80,000</b>	<b>25,000</b>	<b>58,262</b>	<b>183,262</b>	<b>15,000</b>	
	<b>777,710</b>	<b>2,706,918</b>	<b>83,498,322</b>	<b>85,163,157</b>	<b>172,144,107</b>	<b>133,608,999</b>
Net surplus for the year	1,012,528	2,111,323	19,955,576	4,910,074	27,889,501	28,274,014
	<b>1,790,238</b>	<b>4,818,241</b>	<b>103,451,898</b>	<b>90,073,231</b>	<b>200,133,608</b>	<b>161,883,013</b>









Bad Debt realized					11,000	4,780
Employee penalty					40,080	40,834
Health Service					47,190	62,430
Office/Mess rent					443,093	375,806
Health Card					330,000	-
RBA Test					15,600	-
Bills Receivables on ENRUCH					6,136,205	3,658,360
Karmi Kallam Tehsil					251,651	-
Staff Security Deposit					1,581,490	-
Fund Received	34	3,346,248			3,346,248	885,354
Tuition Fee		895,807			895,807	378,050
Interest on MC		327,664			327,664	-
Interest on FDR				886,726	886,726	973,836
Interest receivable on FDR						96,727
Received from ALO Project						146,457
Donations Received						264,208
Provident Fund	35	129,597			129,597	1,259,004
Loan from FF		3,848,917			3,848,917	1,550,249
Interest on Gratuity Loan		3,394,898			3,394,898	1,283
Loan from General Fund		194,000			194,000	300,000
Loan Refund from VGD		4,800			4,800	321,000
Miscellaneous Income						739,746
Bank Interest	36	259,755	14,320	345,179	619,254	138,476
Gratuity Fund		85,921	12,165	168,820	270,808	-
Advance accounts		5,146,960			5,146,960	-
Service charge on loan		523,826	45,000		45,000	41,000
Loan from Katan					923,826	-
Loan from MC		4,287,586			4,287,586	60,000
Loan from PO					60,052	1,331,939
Loan from COOP			50,052		50,052	155,878
Loan from Gratuity Fund			100,000		100,000	100,000
Motor Cycle Loan			25,000		25,000	5,000
Member Fee			21,375	105,340	126,715	118,940
Loan from VGD			100,000		100,000	-
Loan insurance		33,030			33,030	15,040
Loan from Provident Fund			100,000		100,000	-
Project Income from Khamatrayan			367,929		367,929	-
Students Admission Fee			30,800		30,800	-
Loan from 47-p			90,950		90,950	-
Loan from 10-pp			78,425		78,425	-
		20,442,402	5,573,296	1,147,878,290	1,173,893,988	920,192,040





Payments:							
Cameras	36,300	-	-	-	-	-	-
Staff Salary	36,251,394	-	-	-	-	-	32,644,503
Loan Disbursals to members	766,210,000	-	-	-	-	-	680,124,000
Loan Disbursals to staff	2,266,762	-	-	-	-	-	558,994
Refund to PKSF Loan / IDCOL	79,562,502	-	-	-	-	-	50,783,337
Refund to Housing Loan	1,960,000	-	-	-	-	-	500,000
Refund to other fund	26,324,500	-	-	-	-	-	5,661,939
FDI	15,791,267	-	-	-	-	-	6,067,705
Refund to Saving	127,370,274	-	-	-	-	-	88,886,475
Fixed Assets Purchase	4,339,320	-	-	-	-	-	772,997
Program advance	8,724,381	-	-	-	-	-	3,585,431
Motor Cycle Loan	-	-	-	-	-	-	-
Interest Receivable	-	-	-	-	-	-	-
Interest Receivable	-	-	-	-	-	-	-
Suspense A/C	-	-	-	-	-	-	-
Unsettled Advance	-	-	-	-	-	-	-
Advance A/T	224,552	-	-	-	-	-	224,552
PF Fund Refund	58,000	-	-	-	-	-	-
Staff security refund	3,854,816	-	-	-	-	-	1,285,249
Staff Fund Refund	-	-	-	-	-	-	93,329
Wellfare Fund Refund	4,369,456	-	-	-	-	-	1,063,584
Provision for expenses	251,651	-	-	-	-	-	60,867
Loan risk fund	854,188	-	-	-	-	-	148,035
PKSF Advance	2,563,787	-	-	-	-	-	2,029,576
Bills receivable on ENR/ICH	5,516,743	-	-	-	-	-	3,407,797
Interest on member savings	4,652,207	-	-	-	-	-	4,374,988
Service charge on PKSF Loan / IDCOL	6,834	-	-	-	-	-	12,228
Service charge on Housing Loan	5,598,687	-	-	-	-	-	5,002,876
Sundry Creditor	85,932	-	-	-	-	-	39,134
Cost of Goods Sold	-	-	-	-	-	-	-
KHABRIKA Exp	-	-	-	-	-	-	-
Interest on PF	197,425	-	-	-	-	-	-
Interest on Gratuity	174,358	-	-	-	-	-	-
Interest on others loan	938,766	-	-	-	-	-	-
Interest on bank loan	437,567	-	-	-	-	-	-
Electricity, Gas & Water bill	388,515	-	-	-	-	-	288,991
Postage, Telephone & Internet	976,945	-	-	-	-	-	870,513
Conveyance & Travelling	890,760	-	-	-	-	-	1,503,268
Newspaper assed Periodicals	62,497	-	-	-	-	-	53,205
Legal expenses	514,295	-	-	-	-	-	107,755
Enrich Program expenses	4,652,207	-	-	-	-	-	4,374,998
Audit fee	68,250	-	-	-	-	-	354,020
Teachers Salary	-	-	-	-	-	-	400,475
Staff security	38,890	-	-	-	-	-	35,900
ED Honorarium / Honorarium	-	-	-	-	-	-	126,600
Medical Allowance	4,000	-	-	-	-	-	599,553
Provident Fund	976,281	-	-	-	-	-	2,754,664
Gratuity loan	2,443,000	-	-	-	-	-	-
Gratuity Refund	407,518	-	-	-	-	-	371,813
	572,501	-	-	-	-	-	-
	299,263	-	-	-	-	-	-
	4,000	-	-	-	-	-	-
	976,281	-	-	-	-	-	-
	2,443,000	-	-	-	-	-	-
	407,518	-	-	-	-	-	-





PF loan	3,303,000	-	-	-	3,303,000
Rebate on service charge	60,090	-	-	-	7,161,307
Rebate on Motorcycle loan	-	-	-	-	24,000
Advertisements & Circulation	-	-	-	-	63,010
Automation charge	-	-	-	-	378,796
FDR	3,000,000	-	-	-	3,000,000
Saving Refund	132,807	-	-	-	132,607
PM Honorarium	-	-	-	-	18,900
CC Honorarium	-	-	-	-	18,900
Admin Honorarium	-	-	-	-	18,900
Expenditure of ALO Project	-	-	-	-	129,419
Capital adjustment to ALO	-	734	-	-	734
Contribution (CCCP)	-	-	-	-	29,850
Printing and Stationery	-	-	-	-	1,071,376
Office Rent	-	25,398	-	-	972,259
School room rent	-	81,475	-	-	1,626,963
Instrument Rent	-	90,000	-	-	81,900
Entertainment	-	-	460	-	2,000
Training	-	28,613	-	-	509,508
Mobile Bill	-	11,400	-	-	747,884
Miscellaneous Exp	-	122,440	-	-	18,300
Culture Program	-	-	-	-	206,526
Development Fair	-	-	-	-	78,865
Day Celebration	-	10,353	-	-	435,869
Health Service	-	-	-	-	45,598
Employee recruitment	-	-	-	-	235,603
Bank Charge	-	-	-	-	53,121
Death Insurance	-	7,390	-	-	262,197
Meeting and Seminar	-	-	-	-	50,000
Conveyance of teachers	-	9,900	-	-	273,176
Travelling, transportation and per diem	-	38,743	-	-	5,670
Fuel and maintenance	-	-	-	-	46,938
Refreshers course	-	19,750	-	-	565,463
Repairing and maintenance	-	2,990	-	-	527,305
Black Board	-	14,400	-	-	22,510
Black Board painting	-	26,308	-	-	799,124
Mat	-	-	-	-	14,400
Classroom Supplies	-	3,680	-	-	20,089
Toot	-	-	-	-	800
Sign Board	-	-	-	-	3,750
Workshop	-	-	-	-	360
Overhead cost	-	-	-	-	75,434
Project cost	-	10,016	-	-	547,724
Advance accounts	-	55,000	-	-	41,000
Loan Refund to ED	-	-	-	-	2,810





Loan From PC	-	-	-	-	-	37,476
Loan From Robin	-	-	-	-	-	60,000
Loan To General Fund	100,000	-	-	-	200,000	321,000
Loan to MC	6,081,939	-	-	-	6,081,939	1,950,000
Loan to VGSD Project	-	-	-	-	-	100,000
Loan to PF Fund	4,800	-	-	-	4,800	100,000
Loan to Gratuity Fund	200,000	-	-	-	200,000	100,000
Loan to CCCF	-	60,000	-	-	60,000	40,000
Project Security Money	-	-	-	-	-	100,000
Motor Cycle Loan	-	-	-	-	-	30,000
Project Expenses of Khamatayan	-	207,324	-	-	207,324	-
Registration Fee	80,000	25,000	58,262	-	163,262	15,000
VAT and Tax	-	15,000	445,437	-	460,437	259,561
Gratuity	-	-	5,149,018	-	5,149,018	379,068
Contribution to Enrich Program	-	-	1,129,132	-	1,129,132	200,563
Electric Bill	-	-	-	-	2,534	-
Furniture	-	2,534	-	-	115,250	-
Loan to PO	-	115,250	-	-	45,542	-
Teachers Orientation	-	45,542	-	-	3,300	-
Loan to 47-pp	-	3,300	-	-	78,425	-
Loan to 10-p	-	78,425	-	-	90,950	-
Other Office Accessories	-	90,950	-	-	22,831	-
Motor Bike	-	22,831	-	-	351,930	-
Computer Equipments	-	351,930	-	-	223,800	-
Multi Media Screen	-	223,800	-	-	39,500	-
Mobile phone	-	39,500	-	-	49,950	-
<b>Total Payments</b>	<b>17,119,179</b>	<b>3,906,826</b>	<b>1,130,074,681</b>	<b>-</b>	<b>1,151,100,686</b>	<b>917,208,968</b>
<b>Closing Balance :</b>						
Cash	-	16,795	565,825	-	582,620	133,036
Bank	3,323,223	1,949,675	17,237,784	-	22,210,682	2,849,436
	<b>30,442,402</b>	<b>5,573,296</b>	<b>1,147,878,290</b>	<b>-</b>	<b>1,173,893,988</b>	<b>920,192,040</b>





**RURAL DEVELOPMENT SANGSTHA (RDS)**  
Statement of Changes in Equity  
**IDCOL Solar Home System (SHS) Program & GOB TR/KABITA Project**  
for the year ended 30 June 2018

	Fund/ Equity Taka	Retained Earnings Taka	30/06/2018 Taka	30/06/2017 Taka
Opening Balance as at 1 July 2017	-	17,222,968	17,222,968	2,838,517
Profit for the year Adjustment	-	4,910,074	4,910,074	14,384,451
Closing balance as at 30 June 2018	-	22,133,042	22,133,042	17,222,968

Opening Balance as at 1 July 2017  
Profit for the year  
Adjustment  
Closing balance as at 30 June 2018





**RURAL DEVELOPMENT SANSTHA (RDS)**  
**Notes to the Consolidated Financial Statements to 30 June 2018**

**1. Background**

Rural Development Sangstha (RDS) is a non-Government Organization registered under voluntary Social Welfare Association (Registration and Control) Act. 1861, Government of the People's Republic of Bangladesh vide registration no: 00193 dated 10 October 1993. It is being carried out since its inception. Its activities are carried within the area of Micro-Credit activities within sixteen branches situated at Sherpur, Jamalpur, Tangail and Mymensingh district in Bangladesh

The Registered Office of the organization is located at 49 Grida Narayanpur, Shepur Town, Sherpur.

**2. Corporate Information of Rural Development Sangstha (RDS)**

Name of the MFI	Rural Development Sangstha (RDS)
Year of establishment	1993
Legal Entity	i) Voluntary Social Welfare Association (Registration and Control) Act. 1861, Government of the People's Republic of Bangladesh vide Reg. No: 00193 dated 10/10/1993. ii) Micro Credit Regulatory Authority vide registration No. 00374 dated 23/02/2009. ii) NGO Affairs Bureau vide registration No. 2789 dated 30/05/2013
Name of operations	Micro Credit Program
Statutory audit conducted upto	30.06.2018
Name of statutory auditor for last year	S. F. Ahmed & Co., Chartered Accountants
Name of statutory auditor for current year	J.R. Chowdhury & Co., Chartered Accountants
No. of Executive Committee Meeting held in 2017-2018	20
Date of last AGM held	05/05/2018





List of Executive committee members

Sl. No	Name & Address	Designation	Education Qualification	Profession
1	Ad. AKM Mossadeque Ferdousi Vill: Gridda Narayanpur P.O: Sherpur Town P.S+Dist: Sherpur	Chairman	BA, LLB	Lawyer
2	Ms. Lutfunnahar Vill: Tatalpur P.O: Sherpur Town P.S+Dist: Sherpur	Vice- Chairman	BA, B Ed	Retired Teacher
3	Md. Nour Uddin Vill: Gridda Narayanpur P.O: Sherpur Town P.S+Dist: Sherpur	Member Secretary	BA	Social Worker
4	Mr. Malay Mohon Ball Vill: Nagpara P.O: Sherpur Town P.S+Dist: Sherpur	Treasurer	BA, M.Ed.	Teacher
5	Advocate Prodip Dey Krisna Vill: Gridda Narayanpur P.O: Sherpur Town P.S+Dist: Sherpur	Member	BA, LLB	Lawyer
6	Sahadat Hossain Bokul Vill: Gridda Narayanpur P.O: Sherpur Town P.S+Dist: Sherpur	Member	HSC	Business
7	Mr. Tarun Chawkraborty Vill: Gridda Narayanpur P.O: Sherpur Town P.S+Dist: Sherpur	Member	M Com	Teacher
8	Ad. Nour-e-Alam Hira Vill: Gridda Narayanpur P.O: Sherpur Town P.S+Dist: Sherpur	Member	M Com, LLB	Lawyer
9	Ms. Niur Samsunnahar Vill: Kharampur P.O: Sherpur Town P.S+Dist: Sherpur	Member	HSC	Social Worker







### **3 Basis of Preparation of Financial Statements**

#### **3. 01 Basis of Accounting**

The consolidated financial Statements have been prepared under historical cost convention on accrual basis except service charges on loan which is computed following cash basis of accounting.

#### **3. 02 Use of estimates and judgments**

The preparation of consolidated financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### **3. 03 Comparative information and rearrangement thereof**

Comparative information has been disclosed in respect of the one year period from 01 July 2016 to 30 June 2017 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figure for the period ended on 30 June 2018 have been rearranged wherever considered necessary to ensure comparability with the current period.

#### **3. 04 Reporting period**

The financial period of the Rural Development Sangstha (RDS) Covers one year period from 01 July 2017 to 30 June 2018.





#### 4.00 Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation and presentation of these financial statements are summarized below:

##### 4.01 Currencies

The consolidated financial statements are presented in Bangladesh Taka (BDT) which is the Rural Development Sangstha (RDS)'s functional currency. All financial information presented in Bangladesh Taka (BDT) has been rounded off to the nearest Taka.

##### 4.02 Other expenses

Other related expenses arise from goods and services being distributed to beneficiaries in accordance with the program objectives and activities. Other expenses has been accounted for on accrual basis.

##### 4.03 General

Certain comparative figures have been rearranged where felt necessary to confirm the current year's presentation.



## RURAL DEVELOPMENT SANGSTHA (RDS)

Notes to the Accounts to 30 June 2018

	30/06/2017	30/06/2018	30/06/2017	30/06/2018
Staff Fund	Taka	Taka	Taka	Taka

6 Property, plant & equipment Cost	2,088,405	1,021,582	14,796,846	7,118,910
Less: Accumulated depreciation	-	29,489	2,506,515	264,824
	<b>2,088,405</b>	<b>992,093</b>	<b>12,289,331</b>	<b>6,854,086</b>
			<b>22,223,915</b>	<b>13,096,960</b>

### 7 Inventories

Opening balance	-	-	2,666,658	4,189,743
Add: Addition during the year	-	-	38,153,415	34,262,360
Less: Adjustment During the year	-	-	40,820,073	38,452,103
Closing balance	-	-	<b>38,512,245</b>	<b>35,785,445</b>
			<b>2,307,828</b>	<b>2,666,658</b>

### 8 Loan to Beneficiaries

Opening balance	-	272,703	376,437,569	35,645,499
Add: Addition during the year	-	-	766,210,000	-
Less: Adjustment During the year	-	272,703	1,142,847,569	35,645,499
Less: Write off	-	-	741,731,198	774,647
Closing balance	-	-	<b>2,763,391</b>	<b>2,763,391</b>
			<b>398,152,980</b>	<b>34,870,852</b>
			<b>433,296,535</b>	<b>412,355,771</b>

### 9 Other loan short term (Employee Loan)

Opening balance	-	-	1,346,819	-
Add: Addition during the year	-	-	2,268,752	-
Less: Adjustment During the year	-	-	3,615,571	-
Closing balance	-	-	<b>2,439,659</b>	<b>2,439,659</b>
			<b>1,175,912</b>	<b>1,175,912</b>
			<b>1,346,819</b>	<b>1,565,404</b>
			<b>558,984</b>	<b>2,124,398</b>
			<b>777,579</b>	<b>1,346,819</b>



**10 Accounts Receivables**

Opening balance  
 Add: Addition during the year  
 Less: Adjustment During the year  
 Closing balance

-	4,738,131	473,729	5,211,860	4,021,493
-	4,652,207	792,912	5,445,119	4,848,727
-	9,390,338	1,266,641	10,656,979	8,870,229
-	6,136,205	473,729	6,609,934	3,658,366
-	<b>3,254,133</b>	<b>792,912</b>	<b>4,047,045</b>	<b>5,211,860</b>

**11 Advance, Deposit and Prepayment**

Opening balance  
 Add: Addition during the year  
 Less: Adjustment During the year  
 Closing balance

-	392,563	888,159	1,280,722	1,848,549
-	8,724,381	5,443,231	14,167,612	11,057,841
-	9,116,944	6,331,390	15,448,334	12,906,390
-	8,466,026	1,227,231	9,693,257	11,625,668
-	<b>650,918</b>	<b>5,104,159</b>	<b>5,755,077</b>	<b>1,280,722</b>

**12 Debt Service Reserve Account**

Opening balance  
 Add: Addition during the year  
 Less: Adjustment During the year  
 Closing balance

-	-	9,828,046	9,828,046	9,477,259
-	-	10,000,000	10,000,000	5,350,787
-	-	19,828,046	19,828,046	14,828,046
-	-	9,777,121	9,777,121	5,000,000
-	-	<b>10,050,925</b>	<b>10,050,925</b>	<b>9,828,046</b>

**13 Short Term Loan**

Opening balance  
 Add: Addition during the year  
 Less: Adjustment During the year  
 Closing balance

-	-	12,672,813	12,672,813	2,668,693
-	-	15,067,500	15,067,500	16,210,030
-	-	27,740,313	27,740,313	18,878,723
-	-	24,312,263	24,312,263	6,205,910
-	-	<b>3,428,050</b>	<b>3,428,050</b>	<b>12,672,813</b>





**14 Unsettled Staff Advance**

Opening balance	-	-	-	-
Add: Addition during the year	-	-	224,552	224,552
Less: Adjustment During the year	-	-	224,552	224,552
Closing balance	-	-	224,552	224,552

**15 Staff loan**

Opening balance	5,230,572	-	-	5,230,572	3,229,071
Add: Addition during the year	5,746,000	-	-	5,746,000	3,991,000
Add: Adjusted during the year	26,215	-	-	26,215	-
Less: Adjustment During the year	11,002,787	-	-	11,002,787	7,220,071
Closing balance	4,282,484	-	-	4,282,484	1,989,499
	6,720,303	-	-	6,720,303	5,230,572

**16 Project Security**

Opening balance	-	100,000	-	-	100,000
Add: Addition during the year	-	-	-	-	100,000
Less: Adjustment During the year	-	-	-	-	-
Closing balance	-	100,000	-	-	100,000

**17 Loan from MC**

Opening balance	6,368,061	-	-	-	6,368,061	5,300,000
Add: Addition during the year	6,081,939	-	-	-	6,081,939	2,200,000
Less: Adjustment During the year	12,450,000	-	-	-	12,450,000	7,500,000
Closing balance	3,300,000	-	-	-	3,300,000	1,131,939
	9,150,000	-	-	-	9,150,000	6,368,061





18 Fixed deposits

Opening balance	250,000	-	12,567,705	-	12,817,705	15,889,590
Add: Addition during the year	3,000,000	-	15,791,267	-	18,791,267	3,567,705
Less: Encashment During the year	3,250,000	-	28,358,972	-	31,608,972	19,457,295
Closing balance	-	-	2,154,362	-	2,154,362	5,639,590
	<b>3,250,000</b>	<b>-</b>	<b>26,204,610</b>	<b>-</b>	<b>29,454,610</b>	<b>12,817,705</b>

19 Cash & cash equivalents

Cash in hand	-	16,795	565,825	3,190	585,810	218,726
Cash at bank	3,323,223	1,649,675	17,237,784	5,736,526	27,947,208	3,254,250
	<b>3,323,223</b>	<b>1,666,470</b>	<b>17,803,609</b>	<b>5,739,716</b>	<b>28,533,018</b>	<b>3,472,976</b>

20 Capital fund

Opening balance	57,246	685,383	-	-	628,137	1,114,772
Add: Current year income	1,012,528	2,111,323	-	-	3,123,851	486,635
Closing balance	<b>955,282</b>	<b>2,796,706</b>	<b>-</b>	<b>-</b>	<b>3,751,988</b>	<b>628,137</b>

21 Loan from IDCOL

Opening balance	-	-	-	45,999,221	45,999,221	52,975,272
Add: Addition during the year	-	-	-	-	-	2,559,600
Less: Adjustment During the year	-	-	-	45,999,221	45,999,221	55,534,872
Closing balance	-	-	-	8,779,725	8,779,725	9,535,651
Non Current Liabilities	-	-	-	<b>37,219,496</b>	<b>37,219,496</b>	<b>45,999,221</b>
Current Liabilities	-	-	-	27,219,496	27,219,496	35,999,221
	-	-	-	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>





**22 Loan from PKSF**

Opening balance	-	-	120,633,325	-	89,216,662
Add: Addition during the year	-	-	97,700,000	-	82,200,000
Less: Adjustment During the year	-	-	218,333,325	-	171,416,662
Closing balance	-	-	79,562,502	-	50,783,337
Current	-	-	<b>138,770,823</b>	-	<b>120,633,325</b>
Non Current	-	-	68,999,994	-	69,312,498
	-	-	69,770,829	-	51,320,827

**23 Loan from BB Housing**

Opening balance	-	-	4,400,000	-	4,400,000
Add: Addition during the year	-	-	2,520,000	-	2,450,000
Less: Adjustment During the year	-	-	6,920,000	-	4,900,000
Closing balance	-	-	1,960,000	-	500,000
Current	-	-	<b>4,960,000</b>	-	<b>4,400,000</b>
Non Current	-	-	2,464,000	-	1,000,000
	-	-	2,496,000	-	3,400,000

**24 Karmi Jamanat Fund**

Opening balance	1,708,822	-	-	-	1,377,329
Add: Addition during the year	804,333	-	-	-	731,968
Less: Adjustment During the year	2,513,155	-	-	-	2,109,297
Closing balance	299,263	-	-	-	400,475
	<b>2,213,892</b>	-	-	-	<b>1,708,822</b>

**25 Staff Saving**

Opening balance	548,856	-	-	-	-
Add: Addition during the year	875,600	-	-	-	548,856
Less: Adjustment During the year	1,424,456	-	-	-	-
Closing balance	132,607	-	-	-	132,607
	<b>1,291,849</b>	-	-	-	<b>1,291,849</b>



26 Member Savings Deposits

Opening balance	-	151,560,278	-	151,560,278	117,741,981
Add: Addition during the year	-	126,054,738	-	126,054,738	116,480,071
Add: Interest charge during the year	-	7,619,010	-	7,619,010	6,507,558
Less: Adjustment During the year	-	285,234,026	-	285,234,026	240,729,610
Closing balance	-	127,370,274	-	127,370,274	89,169,332
	-	157,863,752	-	157,863,752	151,560,278

27 Loan Loss Provision (LLP)

Opening balance	-	10,515,602	-	10,515,602	9,107,273
Add: Addition during the year	-	2,797,132	-	2,797,132	1,898,246
Less: Adjustment During the year	-	13,312,734	-	13,312,734	11,005,519
Closing balance	-	3,221,859	-	3,221,859	489,917
	-	10,090,875	-	10,090,875	10,515,602

28 Insurance Fund

Opening balance	-	16,465,239	-	16,465,239	12,002,780
Add: Addition during the year	-	7,280,240	-	7,280,240	6,492,035
Less: Adjustment During the year	-	23,745,479	-	23,745,479	18,494,815
Closing balance	-	2,563,787	-	2,563,787	2,029,576
	-	21,181,692	-	21,181,692	16,465,239

29 Gratuity Fund

Opening balance	4,515,337	781,928	-	5,297,265	5,441,654
Add: Addition during the year	5,148,960	4,367,090	-	9,516,050	606,492
Less: Adjustment During the year	9,664,297	5,149,018	-	14,813,315	6,048,146
Closing balance	1,189,446	5,149,018	-	6,338,464	750,881
	8,474,851	-	-	8,474,851	5,297,265







<b>30 Provident Fund</b>						
Opening balance	9,076,324	-	1,174,797	-	10,251,121	6,812,295
Add: Addition during the year	4,387,528	-	2,680,019	-	7,067,547	5,323,628
	13,463,852	-	3,854,816	-	17,318,668	12,135,923
Less: Adjustment During the year	2,150,978	-	3,854,816	-	6,005,794	1,894,802
Closing balance	<b>11,312,874</b>	-	-	-	<b>11,312,874</b>	<b>10,251,121</b>

<b>31 Loan from PC/PO</b>						
Opening balance	-	155,878	-	-	155,878	-
Add: Addition during the year	-	50,052	-	-	50,052	155,878
	-	205,930	-	-	205,930	155,878
Less: Adjustment During the year	-	45,542	-	-	45,542	-
Closing balance	-	<b>160,388</b>	-	-	<b>160,388</b>	<b>155,878</b>

<b>32 Provision for expenses</b>						
Opening balance	-	-	7,178,402	-	7,178,402	3,385,667
Add: Addition during the year	-	17,250	-	10,336,424	10,353,674	3,827,735
	-	17,250	-	17,514,826	17,532,076	7,213,402
Less: Adjustment During the year	-	-	-	52,900	52,900	35,000
Closing balance	-	<b>17,250</b>	-	<b>17,461,926</b>	<b>17,479,176</b>	<b>7,178,402</b>

<b>33 Sales (SHS)</b>						
Cash Sales (SHS)	-	-	358,830	-	358,830	1,405,784
Credit Sales (SHS)	-	-	-	-	-	1,837,916
Cash Sales (Khabika)	-	-	-	86,964,655	86,964,655	58,783,077
Service charge income	-	-	100,137	-	100,137	1,577,886
	-	-	<b>87,423,622</b>	-	<b>87,423,622</b>	<b>63,604,663</b>





**34 Fund Received**

VGD	-	1,029,776	-	-	1,029,776	885,354
KHAMATAYAN	-	2,135,000	-	-	2,135,000	-
BRAC - ESP	-	181,472	-	-	181,472	-
	-	<b>3,346,248</b>	-	-	<b>3,346,248</b>	<b>885,354</b>

**35 Donation Received**

Prisident	-	-	-	-	-	12,000
Vice President	-	60,000	-	-	60,000	97,429
Treasurer	-	69,597	-	-	69,597	154,779
	-	-	-	-	-	-
	-	<b>129,597</b>	-	-	<b>129,597</b>	<b>264,208</b>

**36 Miscellaneous Income**

Other accessories sale	-	-	-	45,100	45,100	68,875
Office and mass rent	-	-	-	27,105	27,105	156,213
Miscellaneous	259,755	14,320	345,179	280,425	899,679	1,369,335
Kabikha project	-	-	-	1,136,675	1,136,675	9,510,255
Other loan interest	-	-	-	792,912	792,912	444,699
	<b>259,755</b>	<b>14,320</b>	<b>345,179</b>	<b>2,282,217</b>	<b>2,901,471</b>	<b>11,549,377</b>

**37 Cost of Goods Sold**

Opening Inventory	-	-	-	2,666,658	2,666,658	4,189,743
Purchase during the year	-	-	-	38,153,415	38,153,415	33,327,006
Add: Sales return	-	-	-	-	-	935,354
	-	-	-	<b>40,820,073</b>	<b>40,820,073</b>	<b>38,452,103</b>
Less: Closing inventory	-	-	-	2,307,828	2,307,828	2,666,658
	-	-	-	<b>38,512,245</b>	<b>38,512,245</b>	<b>35,785,445</b>

