

AUDITOR'S REPORT
&
THE CONSOLIDATED FINANCIAL STATEMENTS
of
SHARIATPUR DEVELOPMENT SOCIETY (SDS)
FOR THE YEAR ENDED JUNE 30, 2019



AZIZ HALIM KHAIR CHOUDHURY
CHARTERED ACCOUNTANTS

Exclusive Correspondent Firm of PKF International

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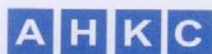
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**SHARIATPUR DEVELOPMENT SOCIETY (SDS)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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AZIZ HALIM KHAIR CHOUDHURY

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INDEPENDENT AUDITOR'S REPORT

To the Management of Shariatpur Development Society

Opinion

We have audited the accompanying financial statements of Shariatpur Development Society (SDS) which comprise the consolidated statement of financial position as at June 30, 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of receipts and payments for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at June 30, 2019 and the result of its operations and its receipts and payments for the period then ended in accordance with the basis of accounting summarized in note # 3.00 and reporting provisions of International Financial Reporting Standards (IFRS) and International Accounting Standards.

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 Project 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 and fair presentation of this financial statement in accordance with the IFRSs and for such internal control as management determines is necessary to enable the preparation of the 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 Project's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease the project or has no realistic alternative but to do so.

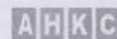
Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor's Responsibility 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 include our opinion. Reasonable assurance is a high-level assurance, but it does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risk 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;



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- 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 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;
- evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents 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.

Aziz Halim Khair Choudhury
Chartered Accountants


Name: Md. Aftab Uddin Ahmed FCA
Partner

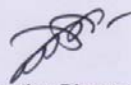
Dated: October 10, 2019
Dhaka, Bangladesh.


Shariatpur Development Society (SDS)
Consolidated Financial Position
As at 30 June 2019

Particulars	Notes	30.06.2019			30.06.2018
		MF	Development Projects	Total	Total
		Taka	Taka	Taka	Taka
Assets:					
Non Current Assets:					
Property, Plant and Equipment	4.00	151,534,200	8,019,213	159,553,413	143,130,840
Current Assets:					
Investments on FDR	5.00	122,813,153	62,140	122,875,293	101,609,551
Loan to beneficiaries	6.00	2,000,144,746	-	2,000,144,746	1,655,854,628
Other Assets	7.00	43,355,693	1,742,523	45,098,216	33,140,201
Internal Loan	8.00	(1,710,630)	6,240,630	4,530,000	25,930,875
Cash and Bank Balance	9.00	81,274,151	4,620,913	85,895,064	106,676,647
Total Current Assets		2,245,877,113	12,666,206	2,258,543,319	1,923,211,902
Total Assets :		2,397,411,313	20,685,419	2,418,096,732	2,066,342,742
Current Liabilities:					
Members Savings Deposit General	10.00	565,618,196	-	565,618,196	459,161,295
Members Savings Deposit: Voluntary	11.00	141,854,908	-	141,854,908	122,620,885
Loan Loss Provision	12.00	75,059,691	-	75,059,691	65,383,075
Un-Earned Premium Micro & Livestock insurance	13.00	37,210,572	-	37,210,572	27,041,569
Provisions for Interest on SMS	14.00	8,702,825	-	8,702,825	3,283,367
Provision for Expenses	15.00	1,474,449	105,000	1,579,449	694,218
Others Payable	16.00	4,511,697	318,396	4,830,093	18,001,546
Loan from PKSf	17.00	360,051,262		360,051,262	
Non Current Liabilities:					
Loan from PKSf	17.00	446,356,436	-	446,356,436	610,274,988
Commercial loan	18.00	282,058,343	-	282,058,343	299,222,568
Internal Loan	19.00	-	4,530,000	4,530,000	25,930,875
Capital and reserves:					
Retained Surplus	20.00	427,060,329	15,305,094	442,365,423	392,078,553
Reserve fund	21.00	47,452,605	426,929	47,879,534	42,649,803
Total Capital & Liabilities		2,397,411,313	20,685,419	2,418,096,732	2,066,342,742

Annexed notes from an integral part of the financial statements.

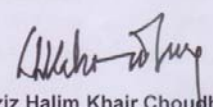

 Chairman
 SDS


 Executive Director
 SDS


 Deputy Director (F & A)
 SDS

Signed in terms of our separate report of even date annexed

 10 October, 2019
 Dhaka.

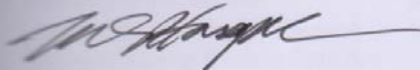

 Aziz Halim Khair Choudhury
 Chartered Accountants

Shariatpur Development Society (SDS)
Consolidated Statement of Profit or Loss and other Comprehensive Income
 For the period from 01 July 2018 to 30 June 2019

Particulars	Notes	2018-2019			2017-2018
		MF	Development Projects	Total	Total
		Taka	Taka	Taka	Taka
Income:					
Service Charge Received	22.00	375,712,727	-	375,712,727	352,774,683
Grant Received	25.00	46,774,117	42,799,451	89,573,568	43,538,277
Bank Interest		1419744	124,384	1,544,128	1,443,917
Interest on FDR		8780401	-	8,780,401	7,917,425
Sale Of pass Book		402700	-	402,700	348,375
SDS Academy Inc.		-	2,507,871	2,507,871	2,167,206
Traning Center Income		5,679,586	-	5,679,586	4,279,651
Member Fee		-	7,440	7,440	7,440
Write off Loan		202,178	-	202,178	-
Seed Sales			164,490	164,490	-
Others income		166789		166,789	536,110
Total Income		439,138,242	45,603,636	484,741,878	413,013,084
Expenditure:					
Service charge paid to PKSF	26.00	51115331	-	51,115,331	36,859,874
Service charge paid to Bank	27.00	22176224	-	22,176,224	23,945,982
Interest on Savings	28.00	35169142	-	35,169,142	28,599,428
Salary & Allowances		149225289	7,552,842	156,778,131	159,761,685
Traveling & Conveyance		6393468	468,958	6,862,426	7,235,726
Printing & Stationary		2530900	400,587	2,931,487	3,407,101
Telephone, Internet and Postage		1369243	-	1,369,243	1,322,598
Entertainment		2031752	-	2,031,752	2,086,416
Office Rent		6523800	-	6,523,800	5,996,417
Electricity and Gas		1043294	35,799	1,079,093	720,728
Training Expenses		242769	200,330	443,099	498,323
Fuel		2821980	1,481	2,823,461	3,010,815
Repair & Maintenance		3169147	-	3,169,147	3,248,475
Lunch Subsidy /Food cost		3510930	-	3,510,930	3,207,492
Paper Bill		211700	-	211,700	205,039
A/M Exp		-	-	-	845,191
Other Operating Expenses	29.00	2101183	-	2,101,183	1,047,381
Seed Purchases			154,990	154,990	-
Legal support		84000	-	84,000	108,735
Direct Tax Exp		2432612	95,145	2,527,757	1,802,841
Software Maintenance Expenses		1172168	-	1,172,168	1,121,097
Donation		715267	-	715,267	803,448
Advertisement & recruitment exp		16560	-	16,560	84,395
Audit Fee		285000	35,000	320,000	297,000
Bank Charges and Commission		1161563	47,903	1,209,466	1,198,507
Loan Loss Provision Expenses		20282334	-	20,282,334	21,398,419
Administrative exp		-	312,059	312,059	765,744
Development Project Expenses (MF)	30.00	56,505,885	69,000	56,574,885	45,440,389
Direct Development Activities Cost	31.00	-	32,535,778	32,535,778	2,891,184

Particulars	Notes	2018-2019			2017-2018
		MF	Development Projects	Total	Total
		Taka	Taka	Taka	Taka
SDS Academy Exp		-	2,352,892	2,352,892	2,152,387
Training Center Exp	32.00	6,197,954	-	6,197,954	3,653,279
Depreciation Expenses	33.00	5216882	1,305,190	6,522,072	6,910,791
Total Expenditure		383,706,377	45,567,954	429,274,331	370,626,887
Excess of income over expenditure		55,431,865	35,682	55,467,547	42,386,197
Total :		439,138,242	45,603,636	484,741,878	413,013,084

Annexed notes from an integral part of these financial statements



Chairman
SDS



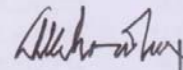
Executive Director
SDS



Deputy Director (F & A)
SDS

Signed in terms of our separate report of even date annexed

10 October, 2019
Dhaka.



Aziz Halim Khair Choudhury
Chartered Accountants

Shariatpur Development Society (SDS)
Consolidated Receipts and Payments Statement
 For the period from 01 July 2018 to 30 June 2019

Particulars	Notes	2018-2019			2017-2018
		MF	Development Projects	Total	Total
		Taka	Taka	Taka	Taka
A: Receipts:					
Opening Balance:					
Cash in Hand		9,769,309	56,907	9,826,216	3,349,181
Cash at Bank		94,015,187	2,835,244	96,850,431	29,543,432
MCP Loan Received from PKSF	23.00	702,400,000	-	702,400,000	506,300,000
Loan Realized from Beneficiaries	24.00	2949275871	-	2,949,275,871	2,783,583,067
ID Grant Received		-	40,202,082	40,202,082	7,411,503
Internal Loan		-	15,220,000	15,220,000	15,398,125
Service charges received	34.00	372,459,597	-	372,459,597	349,385,901
Members Savings Deposit (General)	35.00	264,435,789	-	264,435,789	224,341,505
Members' Savings Deposits Collection (Voluntary)	36.00	71,192,372	-	71,192,372	70,656,408
Un-Earned Premium Micro insurance	37.00	22,019,444	-	22,019,444	18,950,479
Loan Received from Bank	38.00	341,759,239	-	341,759,239	350,500,000
Grant Fund Recived From PKSF	39.00	16,725,913	-	16,725,913	14,309,366
Loan & Others A/c:					
Others Project Income	40.00	2,161,007	1,214,000	3,375,007	9,319,160
Advance A/C		2,444,761	2,000	2,446,761	17,606,553
Other receipts	41.00	37,995,170	617,544	38,612,714	4,799,162
Sale of Capital Assets		-	-	-	53,500
Write off Loan		202,178	-	202,178	-
Others Income		166789	-	166,789	534,500
Sale Of pass Book & Form		402,700	-	402,700	348,115
Bank Interest		1,419,744	119,001	1,538,745	1,443,917
Interest on FDR	42.00	7,845,165	-	7,845,165	7,531,837
FDR Encashment	43.00	160,696,655	-	160,696,655	213,049,887
SDS Academy Inc.		-	2,507,871	2,507,871	2,167,206
Training Center Inc.		-	-	-	4,279,651
Member Fee		-	7,440	7,440	7,440
General & Admin		-	1,478,859	1,478,859	1,081,910
Total		5,057,386,890	64,260,948	5,121,647,838	4,635,951,805
B. Payments					
Loan Disbursement to Beneficiaries	44.00	3,335,311,000	-	3,335,311,000	2,878,523,000
MCP Loan Refunded to PKSF (Principal)	45.00	506,267,290	-	506,267,290	443,141,666
MCP Loan Refunded to Bank (Principal)	46.00	358,923,464	-	358,923,464	369,421,788
Service charge paid to PKSF	47.00	51,115,331	-	51,115,331	36,859,874
Service charge paid to Bank	48.00	21,433,348	-	21,433,348	23,945,982
Purchase of Fixed Assets:	49.00	17,899,073	1,920,210	19,819,283	22,778,866
Members Savings Refund (General)	50.00	151,675,847	-	151,675,847	124,869,626
Members Savings Refund (Voluntary)	51.00	52,394,264	-	52,394,264	44,393,885
Investment:	52.00	181,407,478	-	181,407,478	226,816,541
Un-Earned Premium Micro insurance	53.00	11,850,441	-	11,850,441	9,321,008
Loan & Others A/C					
Staff loan (Vehical)		2225160	-	2,225,160	3,230,427
Gratuity fund		11006708	-	11,006,708	39,900,000
Internal Loan		31,721,127	12,985,000	44,706,127	59,269,562
Advances A/C		26935549	14,115	26,949,664	46,723,906

Particulars	Notes	2018-2019			2017-2018
		MF	Development Projects	Total	Total
		Taka	Taka	Taka	Taka
Provision for Expenses		695524	-	695,524	2,229,562
Transfer to others		-	673,676	673,676	135,670
Operating expenses:		-	-	-	-
Salary & Allowances		130744518	7,552,842	138,297,360	117,079,175
Traveling & Conveyance		6259373	1,758,493	8,017,866	6,955,109
Printing & Stationary		2530900	400,587	2,931,487	3,407,101
Telephone & Postage		1368344	-	1,368,344	1,319,937
Honorarium		-	-	-	106,000
Entertainment Cost		2,031,752	-	2,031,752	2,086,366
Office Rent		5629828	-	5,629,828	5,188,865
Gas and Electricity		1010294	35,799	1,046,093	702,228
Training Expenses		102217	200,330	302,547	467,488
Fuel		2745042	1,481	2,746,523	2,928,450
Repair & Maintenance		2302995	-	2,302,995	2,389,922
Paper Bill		211700	-	211,700	205,039
Duration		715267	-	715,267	659,400
VAT & Tax Exp		2382612	95,145	2,477,757	1,802,841
VAT & Tax		3,318,461	-	3,318,461	3,953,102
Receivable		45000	-	45,000	40,000
AGM Exp		454207	-	454,207	365,469
Software Maintenance Exp		1172168	-	1,172,168	1,121,097
Advertisement & Recruitment Exp		45683	-	45,683	70,383
Lunch Subsidy/Food cost		3029730	-	3,029,730	2,719,965
Legal Expenses		84000	-	84,000	108,735
Education Scholarship		936000	-	936,000	-
Audit Fee		85000	35,000	120,000	97,000
Provision for interest on SMS		1223023	-	1,223,023	-
Administrative exp		262,612	312,059	574,671	661,539
Staff Group Insurance		1750704	69,000	1,819,704	2,670,231
Bank charge		1159801	47,903	1,207,704	1,198,042
Development Project Expenses	54.00	40,452,921	-	40,452,921	30,463,094
Direct Development Activities Cost		-	31,038,629	31,038,629	2,785,184
SDS Academy Exp.		-	2,290,592	2,290,592	2,152,387
Training Center Exp.		3,120,404	-	3,120,404	3,653,279
Others Expenses		76,579	209174	285,753	356,367
Sub Total		4,976,112,739	59,640,035	5,035,752,774	4,529,275,158
Closing Balance:					
Cash in Hand		2,978,253	20,477	2,998,730	9,826,216
Cash at Bank		78,295,898	4,600,436	82,896,334	96,850,431
Total		5,057,386,890	64,260,948	5,121,647,838	4,635,951,805

Annexed notes form an integral part of the financial statements.



Chairman

SDS

Signed in terms of our separate report of even date annexed



Executive Director

SDS

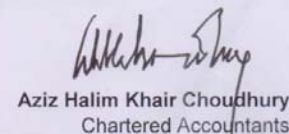


Deputy Director (F & A)

SDS

18 October, 2019

Dhaka



Aziz Halim Khair Choudhury

Chartered Accountants