



Centre for Rehabilitation Education Earning Development (CREED)
Micro Credit Program

Auditor's Report

Opinion

We have audited the accompanying Statement of Financial Position of “**Centre for Rehabilitation Education Earning Development (CREED)**” **Micro Credit Program** as at 30 June 2019 and the related Statement of Comprehensive Income and Statement of Receipts & Payments for the year then ended along with statements of notes to the financial statements and other explanatory information.

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRS) of the **Centre for Rehabilitation Education Earning Development (CREED)** as at 30 June and of the results of its operations for the year then ended and comply with the other applicable laws and regulations.

On the basis of the above examination, we reported that **CREED's** audit has incurred for the year ended 30 June 2019.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the audit of the financial statements section of our report. We are independent in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 these financial statements in accordance with International Financial Reporting Standards (IFRS), Terms of Reference (TOR) and other applicable laws and regulations and for such internal control as management determines is necessary to enable 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.

Auditor's Responsibilities for the audit of the financial statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA) applicable in Bangladesh and as per Scope of Audit as mentioned in the Terms of Reference (TOR).

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.



We plan and perform the audit to obtain reasonable assurance 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, the auditor considers 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, structure and content of the financial statements.

We communicate with those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that they may be thought to bear reasonably on our independence, and where applicable, related safeguards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on other Legal and Regulatory Requirements:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) In our opinion, proper books of account have been kept by the organization so far as it appeared from our examination of those books; and
- (c) The Financial Statements dealt with by the report are in agreement with the books of account.

Dhaka, Bangladesh
04 November 2019

Pinaki Das
Pinaki Das, FCA
Senior Partner

Centre for Rehabilitation Education Earning Development (CREED)
Micro Credit Program
Statement of Financial Position
as at 30 June 2019

PROPERTY AND ASSETS		Amount in Taka	
		2018-2019	2017-2018
NON-CURRENT ASSETS (A+B)		42,260,747	20,894,633
A. Property, Plant & Equipment	Note-05	14,201,547	10,894,633
B. Investment on FDR	Note-06	28,059,200	10,000,000
CURRENT ASSETS (C+D+E)		241,823,857	185,741,410
C. LOAN TO BENEFICIARIES		223,495,271	170,507,989
JAGORON	Note-7.01	48,543,640	25,561,175
AGROSOR	Note-7.02	174,951,631	144,946,814
D. OTHERS		4,354,265	4,764,884
Staff Loan	Note-08	2,405,016	1,706,960
Advance	Note-09	1,244,359	2,353,034
Defalcation Accounts	Note-10	704,890	704,890
E. CASH & CASH EQUIVALENTS		13,974,321	10,468,537
Cash at hand	Note-11.01	2,205,320	2,466,949
Cash at bank	Note-11.02	11,769,001	8,001,588
TOTAL PROPERTY AND ASSETS		284,084,604	206,636,043
EQUITY AND LIABILITIES			
CAPITAL RESERVE AND OTHER FUND (F+G)		72,020,491	60,287,378
F. CAPITAL AND RESERVE FUND		42,851,893	35,441,276
Reserve fund	Note-12.01	4,285,188	3,544,127
Retained surplus	Note-12.02	38,566,705	31,897,149
G. OTHER FUND		29,168,598	24,846,102
Gratuity fund	Note-12.03	-	1,854,362
Members Insurance fund	Note-12.04	5,440,713	4,150,597
Loan Loss Provision (LLP)	Note-12.05	23,727,885	18,841,143
Disaster Management Fund	Note-12.06	-	-
TOTAL LIABILITIES (H+I+J)		212,064,113	146,348,665
H. LONG TERM LIABILITIES		4,350,000	5,620,000
LOAN FROM PKSF (REPAYABLE AFTER ONE YEAR)		4,350,000	5,620,000
Rural Micro Credit (RMC)	Note-13.01	-	-
Micro Enterprise (ME)		-	-
JAGORON		2,280,000	3,140,000
AGROSOR		2,070,000	2,480,000

Centre for Rehabilitation Education Earning Development (CREED)

Micro Credit Program

Statement of Financial Position

as at 30 June 2019

		Amount in Taka	
		2018-2019	2017-2018
I. CURRENT LIABILITIES:			
Loan from PKSF (Repayable within one year)	Note-13.02	5,000,000	6,111,820
Rural Micro Credit (RMC)		-	-
Micro Enterprise (ME)		-	1,050,000
JAGORON		3,000,000	2,200,000
AGROSOR		2,000,000	2,300,000
Loan from general fund	Note-14	-	561,820
J. OTHER CURRENT LIABILITIES:		202,714,113	134,616,845
Group Members Savings Deposit	Note-15	201,320,575	133,124,597
Provision for Expenses	Note-16	31,250	30,000
Inter-set Payable on Wills Savings	Note-17	1,362,288	1,462,248
TOTAL EQUITY AND LIABILITIES		284,084,604	206,636,043



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Signed in terms of our separate report of even date

Pinaki & Co 4.11.19
PINAKI & COMPANY
Chartered Accountants

CENTRE FOR REHABILITATION EDUCATION EARNING DEVELOPMENT (CREED)

Micro Credit Program

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2019

Particulars	Amount in taka	
	2018-2019	2017-2018
Income		
Service Charges on Loan:	43,193,035	33,969,875
JAGORON	7,859,635	5,765,832
AGROSOR	35,333,400	28,204,043
Others Income:	1,573,356	908,131
Training	-	-
Member Subscription	31,210	16,810
Sale of Loan form	28,210	20,930
Sale of Pass Book	36,260	21,310
House Rent Received	152,432	117,917
Written off loan collection	4,210	900
Agriculture project	-	1,500
Bank Interest	25,114	18,830
Interest on FDR	1,052,858	184,709
Miscellaneous	243,062	525,225
Penal Charge	-	-
Interest on Investment	-	-
Total Income	44,766,391	34,878,006
Expenditure		
Service Charge paid to PKSF	587,302	20,050
Rural Micro Credit (RMC)	-	-
Micro Enterprise (ME)	18,563	11,250
JAGORON	306,351	-
AGROSOR	262,388	8,800
Interest on Members savings:		
Interest on Members savings	10,155,971	5,585,167
Operating Expenses :	20,925,682	15,659,658
Salaries & Allowances	15,887,833	11,284,924
Office Rent	993,558	711,218
Printing & Stationery	453,725	301,308
Travelling	45,229	50,203
Telephone & Postage	81,727	165,365
Fuel Cost	430,204	359,876
Gas & Electricity	180,669	170,988
Service charge rebate	792,784	621,315
Entertainment	204,915	202,912
Bank charge	92,242	48,260
Newspaper	8,275	8,980
Training and staff development	66,972	167,940
Repair of vehicles	241,691	271,915
Legal fees	117,240	57,015
Audit Fees	30,000	33,750
Interest on Loan	40,769	-
Software Expense	217,000	182,000
Car Tax	24,889	46,639
Advertisement	15,370	1,600
Gratuity Expense	-	438,207
Registration fees	82,750	-
Agro. Expenses	2,000	4,200
Incentive	535,830	345,318
Other Expense	380,010	185,725



CENTRE FOR REHABILITATION EDUCATION EARNING DEVELOPMENT (CREED)

Micro Credit Program

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

Particulars	Amount in taka	
	2018-2019	2017-2018
Non cash expenses (provision):	5,686,819	3,790,392
LLPI	4,886,742	3,291,286
DMFI	-	-
Depreciation	800,077	499,106
Total Expense	37,355,774	25,055,267
Excess of Income over Expenditure before Reserve	7,410,617	9,822,739
Carried over to retained surplus		
Total	44,766,391	34,878,006


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Chartered Accountants

CENTRE FOR REHABILITATION EDUCATION EARNING DEVELOPMENT (CREED)
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STATEMENT OF CHANGE IN EQUITY
for the year ended 30 June 2019

Particulars	Fund	Reserve	Total
Balance as at 01.07.2018	31,897,149	3,544,127	35,441,276
Add: Excess of Income over Expenditure/ (Excess of Expenditure over Income)	7,410,617	741,061	8,151,678
Total	39,307,766	4,285,188	43,592,954
Less: Transfer to reserve fund during the year	741,061	-	741,061
Add: Transfer from DMF	-	-	-
Balance as at 30.06.2019	38,566,705	4,285,188	42,851,893
Particulars	Fund	Reserve	Total
Balance as on 01.07.2017	23,056,690	2,561,847	25,618,537
Add: Excess of Income over Expenditure/ (Excess of Expenditure over Income)	8,840,459	982,280	9,822,739
Total	31,897,149	3,544,127	35,441,276
Less: Transfer during the year	-	-	-
Add: Transfer from DMF	-	-	-
Balance as at 30.06.2018	31,897,149	3,544,127	35,441,276




CENTRE FOR REHABILITATION EDUCATION EARNING DEVELOPMENT (CREED)
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STATEMENT OF CASH FLOWS
for the year ended 30 June 2019

Particulars	Amount in Taka	
	2018-2019	2017-2018
A. Cash flow from Operating Activities :		
Surplus for the Period	7,410,617	9,822,739
Add : Amount consider as Non Cash Items:		
Loan Loss Provision	4,886,742	3,291,286
Provision for expenses (Wills Savings Interest)	(99,960)	(1,134,467)
Depreciation for the year	800,077	499,106
DMF Provision	-	-
Provision for Expenses	1,250	5,000
Gratuity fund	(1,854,362)	433,207
Sub-total	11,144,364	12,916,871
Loan disbursed to beneficiaries	(359,849,000)	(290,892,000)
Inter Branch Transection	(26,672,000)	
Loan Realized from beneficiaries	297,655,733	251,531,135
Loan Realized (Savings Adjustment)	35,877,985	-
Advance	1,108,675	(1,412,480)
Staff Loan	(698,056)	(1,116,200)
Net Cash Used in Operating activities	(41,432,299)	(28,972,674)
B. Cash Flow from Investing Activities		
Property, Plant and equipment purchased	(4,106,991)	(304,589)
Savings FDR	(18,059,200)	(6,700,000)
Surplus	-	(500,000)
Net Cash Used in Investing Activities	(22,166,191)	(7,504,589)
C. Cash Flow from Financing Activities :		
Loan Received from PKSf	5,000,000	(80,000)
Repayment of Loan to PKSf	(6,820,000)	(400,000)
Members Savings Deposits	68,195,978	39,468,403
Members Savings Deposits Refund to Members	-	-
Insurance	-	-
Loan from other project	(561,820)	25,000
Loan to Central Office	-	-
Insurance Liability	1,290,116	1,240,334
Defalcation account	-	-
Loan from other Project	-	-
Net Cash Provided in Financing Activities	67,104,274	40,253,737
Net Increase/Decrease (A+B+C)	3,505,784	3,776,474
D. Add:Cash & Bank opening balance	10,468,537	6,692,063
Cash & Bank Balance at the end of the year	13,974,321	10,468,537


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CENTRE FOR REHABILITATION EDUCATION EARNING DEVELOPMENT (CREED)

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STATEMENT OF RECEIPTS AND PAYMENTS

for the year ended 30 June 2019

Particulars	Amount in Taka	
	2018-2019	2017-2018
Receipts		
Opening Balance:	10,468,537	6,692,063
Cash in Hand	2,466,949	1,676,085
Cash at bank	8,001,588	5,015,978
Loan Received from PKSF :	5,000,000	-
Rural Micro Credit (RMC)	-	-
Micro Enterprise (ME)	-	-
JAGORON	3,000,000	-
AGROSOR	2,000,000	-
Loan realized from beneficiaries:	297,655,733	246,231,473
JAGORON	61,820,970	45,451,417
AGROSOR	235,834,763	200,780,056
Disaster Management Loan	-	-
MCP Loan Service Charges Received:	41,784,308	33,227,873
JAGORON	7,705,814	5,671,806
AGROSOR	34,078,494	27,556,067
Penal Charge	-	-
Savings Collection:		
Members Savings Deposits Collection	130,002,477	92,771,449
JAGORON	18,637,737	10,854,534
AGROSOR	28,936,040	24,778,225
Volantery savings	82,428,700	57,138,690
Other Income:	1,573,356	908,131
Interest on FDR	1,052,858	184,709
House rent from employee	152,432	117,917
Sale of old paper and Others	243,062	525,225
Training	-	-
Bank Interest	25,114	18,830
Member Admission fee	31,210	16,810
Sale of Loan form	28,210	20,930
Sale of Pass Book	36,260	21,310
Agro Product	-	1,500
Written off of loan Collection	4,210	900
Others Receipts:	53,899,606	16,793,019
Insurance received from members of group	1,817,045	1,454,460
Staff loan	405,044	284,300
Loan Realized from General Fund	8,693,683	1,683,259
FDR Encashment	37,200,000	12,800,000
Other loan received	1,783,834	571,000
Loan From BRAC Bank	4,000,000	-
Total Receipts	540,384,017	396,624,008



CENTRE FOR REHABILITATION EDUCATION EARNING DEVELOPMENT (CREED)

Micro Credit Program

STATEMENT OF RECEIPTS AND PAYMENTS

for the year ended 30 June 2019

Particulars	Amount in Taka	
	2018-2019	2017-2018
Payments:		
Loan Dishbursement to Beneficiaries:	359,849,000	290,892,000
JAGORON	86,034,000	45,655,000
AGROSOR	273,815,000	245,237,000
MCP Loan Refunded to PKSf:	6,820,000	480,000
Rural Micro Credit (RMC)	-	-
Micro Enterprise (ME)	1,050,000	400,000
JAGORON	2,850,000	-
AGROSOR	2,920,000	80,000
Service Charge Refunded to PKSf:	587,302	20,050
Rural Micro Credit (RMC)	-	-
Micro Enterprise (ME)	18,563	11,250
JAGORON	306,351	-
AGROSOR	262,388	8,800
Savings Refund:	53,839,089	49,185,766
JAGORON	8,101,090	6,782,753
AGROSOR	18,897,199	18,107,041
Wills	26,840,800	24,295,972
Loan Refund to General Fund	9,255,503	1,658,259
Insurance Claim Paid	526,929	214,121
Loan refund to BRAC Bank	4,000,000	-
Staff Loan & Advance:	2,453,182	3,495,948
Staff Loan	1,103,100	1,400,500
Advance	1,350,082	2,095,448
Capital Expenditure:	3,751,268	322,234
Land Development	-	-
Building Construction	-	10,345
Computer	174,600	43,900
Furniture Purchase	158,570	91,439
Equipment	136,198	71,550
Software	75,000	105,000
Car	3,206,900	-
Investment in FDR:		
FDR	55,259,200	20,000,000



CENTRE FOR REHABILITATION EDUCATION EARNING DEVELOPMENT (CREED)

Micro Credit Program

STATEMENT OF RECEIPTS AND PAYMENTS

for the year ended 30 June 2019

Particulars	Amount in Taka	
	2018-2019	2017-2018
Revenue Expenditure:	30,068,223	19,887,093
Salaries & Allowances	15,887,833	11,284,924
Office Rent	820,658	605,000
Printing & Stationery	450,480	301,308
Travelling	45,099	50,203
Telephone & Postage	81,727	165,365
Fuel Cost	430,204	359,876
Gas & Electricity	180,669	170,988
Repair of vehicle	151,535	254,270
Service charge rebate	792,784	621,315
Legal fee	117,240	57,015
Entertainment	204,915	202,912
Interest on loan	40,769	-
Interest paid to wills savings	7,608,629	4,795,319
Newspaper & Periodicals	8,275	8,980
Bank Charge/DD Charge	92,242	48,260
Training Expenses	66,972	167,940
Audit Fees	28,750	28,750
Software Expenses	217,000	182,000
Car Tax	19,087	46,639
Advertisement	15,370	1,600
Agro. Expenses	2,000	4,200
Gratuity Fund	1,854,362	5,000
Registration Fees	82,750	-
Incentive	535,830	345,318
Other Expense	333,043	179,911
Total Payment	526,409,696	386,155,471
Cash and Bank balances:	13,974,321	10,468,537
Cash in hand	2,205,320	2,466,949
Cash at Bank	11,769,001	8,001,588
Total	540,384,017	396,624,008


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