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**MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE(MRDI)**

**2/8, SIR SEYED ROAD, MOHAMMADPUR, DHAKA-1209.**

**BANGLADESH**

**AUDITORS' REPORT AND STATEMENTS OF ACCOUNT**

**FOR THE YEAR ENDED 30 TH JUNE , 2004.**

**M. IDRIS & CO.**

**CHARTERED ACCOUNTANTS**

**27, GREEN CORNER,**

**DHANMONDI, DHAKA-1205.**

**PHONE # 8611026.**



**AUDITORS' REPORT**

Date : 27 September, 2004

**ON THE ACCOUNTS OF  
MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)  
FOR THE YEAR 2003-2004**

In pursuance of your appointment letter dated 21 September, 2004 of MRDI, we have conducted the audit of accounts of **Management And Resources Development Initiative (MRDI)**, Dhaka for the year ended 30 June, 2004 with books of accounts, bills, vouchers and other relevant documents as were maintained and produced before us for our verification and we are pleased to present our report below, the contents of which inter-alia consist of the following sequential sections:

- SECTION - 1 : Auditors' Report.**  
**SECTION - 2 : Introduction .**  
**SECTION - 3 : Financial Statements .**  
**SECTION - 4 : Notes to the Accounts and Observations .**

**SECTION- 1**

**AUDITORS' REPORT**

We have audited the annexed Balance Sheet of Management and Resources Development Initiative as at 30th June, 2004 and the related Income & Expenditure Account and Receipts & Payments Account for the year ended on that date.

According to the International Accounting Standards as adopted in Bangladesh (BAS) and International Standards on Auditing as adopted in Bangladesh (BSA), the preparation of these financial statement is the responsibility of the management of the company and our responsibility is to express an independent opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we perform our audit to obtain reasonable assurance and form opinion about whether the financial statements are prepared properly and are free of material misstatement.





Accordingly we report that :

- (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 have made due verification thereof;
- (b) In our opinion, proper books of account as required by the functions of the company have been kept so far as it appeared from our examination of the books;
- (c) The annexed Balance Sheet and the Income & Expenditure Account and Receipts & Payments Account dealt with by this report are in agreement with those books of account;

And

- (d) In our opinion and to the best of our information and explanations given to us, the Financial Statements, exhibit a true and fair view of the state of affairs of the company as at 30 June, 2004 and of the receipts and payments for the year on that date.



(MOHAMMAD IDRIS) FCA  
**M. IDRIS & CO.**  
Chartered Accountants



**SECTION-2**

**INTRODUCTION**

**1.00 Enlistment of the Audit Firm with  
NGO Affairs Bureau**

: SL. No. 1 of Circular dated 7 June, 2004 of NGO Affairs Bureau, Govt. of the P. R. of Bangladesh .

**2.00 Name and Address of the Organisation : Management and Resource Development Initiative (MRDI) .**

2/8 Sir Seyed Road (Ground Floor),Block-A,  
Mohammadpur,Dhaka-1209, Bangladesh .

**3.00 Establishment and Registration**

: Established in the year 2003.

(1) Registered with the office of the Registrar of Joint Stock Companies & Firms, Govt of the P.R. of Bangladesh under companies Act, 1994 vide Certificate of Incorporation No.C-544(57)/2003 dated 13 May, 2003 as a Company Limited by Guarantee and licensed under Section 28 of the Companies Act, 1994.

(2) Registered with NGO Affairs Bureau, Govt. of the P.R. of Bangladesh under Reg. NO. 1962 dated 21 September, 2004.

**4.00 Management**

: The affairs and activities of the company is managed by a Board of Directors and under the control and supervision of the board, the day to day administration of the affairs, activities and funds of the company is looked after by the Executive Director.

**5.00 Status, Nature and Objects**

: The company is a non-political and non profitable and non-government voluntary organisation (NGO) for rendering charitable services for the development and welfare of the society/ nation. Clause(iii) of the Memorandum of Association of the company may please be referred to for its detailed objectives.

**SECTION - 3**

**FINANCIAL STATEMENTS**

The following financial statements duly examined by us are enclosed herewith :

Balance Sheet as at 30th June, 2004,

Income and Expenditure Account for the year 2003-2004,

Receipts and Payments Account for the year 2003-2004,

Schedule of Fixed Assets as on 30th June, 2004 .





SECTION - 4

NOTES TO THE ACCOUNTS AND AUDIT WITH OBSERVATIONS

1.00 SCOPE OF AUDIT :

Our examination has been carried out and in accordance with the generally accepted auditing standards and to such extent of international standards on auditing as adopted in Bangladesh (BSA) as are applicable in view of the functions of the company and accordingly included such test of books of accounts viz. cash /bank book, ledger, etc with bills, vouchers, bank statements and other records, documents, information and explanations as were considered appropriate under the circumstances.

2.00 ACCOUNTING POLICIES / BASIS :

The financial statements have been prepared in accordance with the generally accepted accounting principles based on historical cost convention which does not take into consideration the effect of inflation. International accounting standards as adopted in Bangladesh are followed so far is applicable in view of the limited functions of the organisation.

**Books of Accounts :** The books of accounts have been maintained under double entry system of book keeping following a computer software .

3.00 LOAN FROM DERECTORS - TK.88,04,5.00 :

The above amount of loan balance has been arrived at as follows :

Balance as per last account	3,85,000.00
Transferred from 'Loan from Others'	1,60,910.00
	<u>5,45,910.00</u>
Received during the year	5,28,948.00
	<u>10,74,858.00</u>
Refund during the year	1,85,813.00
	<u>TK. 8,89,045.00</u>

.01 Name wise details :

Particulars of Lenders	Balance on 30.6.2003	During the year		Balance on 30.6.2004
		Received	Repaid	
1. Dr.Baquirul Islam Islam	55,000.00	2,62,599.00	18,680.00	2,98,919.00
2. Mr. Tarun Kanti Gayen	55,000.00	12,680.00	--	67,680.00
3. Mr. Iftekhar Ahmed Chowdhury	50,000.00	12,680.00	--	62,680.00
4. Mr. Ikbal Faruk Milky	55,000.00	22,680.00	--	77,680.00
5. Mr. Sajedul Murad Bipu	55,000.00	14,680.00	--	69,680.00
6. Mr. SM Morshed	60,000.00			
Trfd. from Loan from Others	30,000.00			
	90,000.00	22,679.00	--	1,12,679.00
7. Mr. Hasibur Rahman	55,000.00			
Trfd. from Loan from Others	1,30,910.00			
	1,85,910.00	1,80,950.00	1,67,133.00	1,99,727.00
<b>Total</b>	<b>TK. 5,45,910.00</b>	<b>5,28,948.00</b>	<b>1,85,813.00</b>	<b>8,89,045.00</b>





**4.00 LOAN FROM OTHERS - NIL :**

Balance as per last account	1,60,910.00
Less : Transferred to 'Loan from Directors' during the year	<u>1,60,910.00</u>

**5.00 OUTSTANDING LIABILITIES FOR EXPENSES :**

Audit Fees – TK. 10,000.00 :  
The above amount represents the provision for audit fees for the year under audit.

**6.00 CAPITAL FUND – TK. (6,08,062.00) :**

This represents the accumulated amount of the fund created out of the operational Excess of Expenditure over Income upto 30th June, 2004 and is represented by the total value of properties and assets less liabilities .

The above amount of balance has been arrived at as follows:

Balance as per last account	(4,40,709.00)
Adjustment in respect of Previous years:	
Fund from ILO received Not Paid as	
Advance Against Expenses in previous year	<u>1,34,039.00</u>
Adjusted Opening Balance	<u>(3,06,670.00)</u>
Add: Excess of Expenditure over Income for the year	<u>(3,01,392.00)</u>
	<b><u>TK. (6,08,062.00)</u></b>

**7.00 FIXED ASSETS – TK. 1,17,340.00 :**

As detailed in the Balance Sheet and the annexed Schedule –A, the above amount represents the written down value of fixed assets as on 30<sup>th</sup> June, 2004 which has been arrived at as follows:

Original Cost:	
As per last account	1,02,413.00
Purchased during the year:	
Furniture & Fixtures	33,150.00
Office Equipments	<u>11,360.00</u>
	<u>44,510.00</u>
	1,46,923.00
Depreciation charged during the year	<u>29,583.00</u>
	<b><u>TK. 1,17,340.00</u></b>

**8.00 ADVANCE AGAINST EXPENSES – TK. 17,800.00 :**

This balance has been arrived at as follows:

Balance as per last account	-
Taken into account by adjustment in respect of previous year (Ref. Note – 6 above)	<u>1,34,039.00</u>
Adjusted Opening Balance	<u>1,34,039.00</u>
Paid during the year	<u>10,82,424.00</u>
	<u>12,16,463.00</u>
Realised / Adjusted during the year	<u>11,98,663.00</u>
	<b><u>TK. 17,800.00</u></b>





9.00 LOAN TO SARDI PROJECT-TK. 1,50,809.00 :

MRDI has been running a project styled "Reducing Migrant Worker Vulnerabilities to HIV/AIDS in Bangladesh" funded by SARDI. The loan has been given to the said project during the year under audit .

10.00 CASH AND BANK BALANCES – TK. 5,034.00 :

This is comprised of as follows :

Cash in Hand	173.00
Cash at Bank :	
Southeast Bank Ltd. (A/C. No. ....6616)	4,861.00
	<b>TK. <u>5,034.00</u></b>

The Cash Balance has been certified by the management . The Bank Balance has been verified with the same amount as shown in Bank Statement .

In conclusion, we have the pleasure to record our thanks to the official concerned for their courtesy shown and co-operation extended during the time of our conducting the audit.



(MOHAMMAD IDRIS) FCA  
**M. IDRIS & CO.**  
Chartered Accountants

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)  
2/8 Sir Syed Road, Mohammadpur, Dhaka-1209

BALANCE SHEET AS ON 30TH JUNE 2004

<u>FUND AND LIABILITIES :</u>	NOTE	AMT. IN TAKA
LOAN FROM DIRECTORS :	3	
Dr. Baquirul Islam Khan		2,98,919.00
Mr. Tarun Kanti Gayen		67,680.00
Mr. SM Morshed		1,12,679.00
Mr. Ikbal Faruk Milky		77,680.00
Mr. Iftekhar Ahmed Chowdhury		62,680.00
Mr. Sajedul Murad Bipu		69,680.00
Mr. Hasibur Rahman		1,99,727.00
		8,89,045.00
LOAN FROM OTHERS	4	--
OUTSTNDING LIABILITIES FOR EXPENSES :	5	
Audit Fees		10,000.00
CAPITAL FUND	6	(6,08,062.00)
		TK. <u>2,90,983.00</u>
<u>PROPERTY AND ASSETS :</u>		
FIXED ASSETS :	7	
Original Cost less Depreciation :		30,880.00
Furniture & Fixtures		86,460.00
Office Equipments		1,17,340.00
CURRENT ASSETS :		
Advance Against Expenses	8	17,800.00
Loan to SARDI Project	9	1,50,809.00
Cash and Bank Balances	10	5,034.00
		1,73,643.00
		TK. <u>2,90,983.00</u>

Subject to our separate report of even date annexed

Dated; Dhaka  
27 September, 2004

(MOHAMMAD IDRIS) FCA  
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Chartered Accountants




MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)  
2/8 Sir Syed Road, Mohammadpur, Dhaka-1209

**SCHEDULE OF FIXED ASSETS AS AT 30TH JUNE ,2004.**

**SCHEDULE-1**

PARTICULARS	ORIGINAL COST			Rate (%)	DEPRECIATION			WRITTEN DOWN VALUE As on 30.6.2004
	As on 30.6.2003	Addition D/Year	Total on 30.6.2004		As on 30.6.2003	Charged D/Year	Total on 30.6.2004	
Furniture & Fixtures	4,845	33,150	37,995	18.73	--	7,115	7,115	30,880
Office Equipments	97,568	11,360	1,08,928	20.63	--	22,468	22,468	86,460
<b>TOTAL: TK.</b>	<b>1,02,413</b>	<b>44,510</b>	<b>1,46,923</b>	<b>--</b>	<b>--</b>	<b>29,583</b>	<b>29,583</b>	<b>1,17,340</b>

  
(MOHAMMAD IDRIS) FCA  
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MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)  
2/8 Sir Syed Road, Mohammadpur, dhaka-1209

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2004.

	AMT. IN TAKA
<b><u>INCOME:</u></b>	
Fund for Programme/Event Management	21,70,237.00
Donation	30,660.00
Other Income	55,607.00
Excess of Expenditure over Income :	
Transferred to Capital Fund	3,01,392.00
	<b>TK. <u><u>25,57,896.00</u></u></b>
<b><u>EXPENDITURE :</u></b>	
Honorarium	50,800.00
Salaries & Allowances	31,250.00
Office Rent	93,600.00
Programme Cost	22,36,124.00
Electricity Bill	5,665.00
Phone, Fax, e-mail etc.	20,459.00
Audit Fees	14,000.00
Repairs & Office Maintenance	34,055.00
Interest on Loan	24,000.00
Bank Charges	1,800.00
Insurance Premium	7,000.00
Conveyance & Communication	4,007.00
Newspapers & Periodicals	2,919.00
Printing & Stationery	2,634.00
Depreciation on Fixed Assets	29,583.00
	<b>TK. <u><u>25,57,896.00</u></u></b>

Subject to our separate report of even date annexed

Dated; Dhaka  
27 September, 2004

(MOHAMMAD IDRIS) FCA  
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MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)  
2/8 Sir Syed Road, Mohammadpur, Dhaka-1209

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2004.

AMT. IN TAKA

RECEIPTS :

**Opening Balance :**

Cash in hand	71.00
Cash at Southeast Bank LTD(STD - 1006)	2,300.00
Cash at Southeast Bank LTD(STD - 6616)	417.00
	2,788.00
Fund for Programme/Event Management	21,70,237.00
Loan from Directors	5,28,948.00
Advance Against Expenses	11,98,663.00
Donation	30,660.00
Other Income	55,607.00
	39,84,115.00

TK. 39,86,903.00

PAYMENTS :

Loan from Directors (Repayment)	1,85,813.00
Advance Against Expenses	10,82,424.00
Loan to SARDI Project	1,50,809.00
Furniture & Fixtures	33,150.00
Office Equipments	11,360.00
Programme Cost	22,36,124.00
Honorarium	50,800.00
Salaries & Allowances	31,250.00
Office Rent	93,600.00
Electricity Bill	5,665.00
Phone, Fax, e-mail etc.	20,459.00
Audit Fees	4,000.00
Repairs & Office Maintenance	34,055.00
Interest on Loan	24,000.00
Bank Charges	1,800.00
Insurance Premium	7,000.00
Conveyance & Communication	4,007.00
Newspapers & Periodicals	2,919.00
Printing & Stationery	2,634.00
	39,81,869.00

**Closing Balance :**

Cash in Hand	173.00
Cash at Southeast Bank LTD (STD - 6616)	4,861.00
	5,034.00

TK. 39,86,903.00