

5

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)

2/8 SIR SYED ROAD, MOHAMMADPUR, DHAKA-1209.

BANGLADESH

AUDITORS' REPORT AND STATEMENTS OF ACCOUNT

FOR THE YEAR ENDED 30 TH JUNE , 2005.

M. HURIS & CO.
CHARTERED ACCOUNTANTS
21, CHLEN CORNER,
DHAKA-1209, D.H. 1209-1209.
PHONE # 8811716.



88-02-8611026
88-02-9664692

এম, ইদ্রিস এন্ড কোং
M. IDRIS & CO.
CHARTERED ACCOUNTANTS

27, GREEN CORNER
DHANMONDI, DHAKA

AUDITORS' REPORT

Date : 7 July, 2005

ON

THE ACCOUNTS

OF

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)

FOR THE YEAR 2004-2005

In pursuance of your appointment letter dated 21 June, 2005 of MRDI, we have conducted the audit of accounts of **Management And Resources Development Initiative (MRDI)**, Dhaka for the year ended 30 June, 2005 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 .

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

SECTION- 1

AUDITORS' REPORT

We have audited the annexed Balance Sheet of Management and Resources Development Initiative as at 30th June, 2005 and the related Income & Expenditure Account and Receipts & Payments Account for the year ended on that date.

According to the International Accounting Standards (IAS) as adopted in Bangladesh (BAS) and International Standards on Auditing (ISA) as adopted in Bangladesh (BSA), the preparation of these financial statements 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 read in conjunction with the annexed notes to the accounts, exhibit a true and fair view of the state of affairs of the company as at 30 June, 2005 and of the income and receipts and payments for the year then ended.

(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 Board of Directors

: The affairs and activities of the company is managed by a Board of Directors consist of 7 Directors of which Executive Director is the chief executive.

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, 2005,
Schedule of Fixed Assets as on 30th June, 2005 .
Income and Expenditure Account for the year 2004-2005,
Receipts and Payments Account for the year 2004-2005,

SECTION – 4

NOTES TO THE ACCOUNTS AND AUDIT WITH OBSERVATIONS

1.00 SCOPE OF AUDIT :

Our examination has been carried out 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.

Basis of Accounts : The books of Accounts have been maintained and the statements of accounts have been prepared on accrual basis.

3.00 LOAN FROM DIRECTORS – TK. 10,16,594.00 :

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

Balance as per last account		8,89,045.00
Received in cash during the year	4,41,500.00	
Add: Accrued Interest credited to Loan Account	<u>11,290.00</u>	<u>4,52,790.00</u>
		13,41,735.00
Repaid during the year		<u>3,25,241.00</u>
		TK. <u>10,16,594.00</u>



.02 Name wise details :

Particulars of Lenders	Balance on 30.6.2004	During the year		Balance on 30.6.2005
		Received	Repaid	
1. Dr. Baquirul Islam Islam	2,98,919.00	36,290.00	1,95,641.00	1,39,568.00
2. Mr. Tarun Kanti Gayen	67,680.00	6,000.00	--	73,680.00
3. Mr. Iftekhar Ahmed Chowdhury	62,680.00	--	--	62,680.00
4. Mr. Iqbal Faruk Milky	77,680.00	--	--	77,680.00
5. Mr. Sajedul Murad Bipu	69,680.00	--	--	69,680.00
6. Mr. SM Morshed	1,12,679.00	10,000.00	--	1,22,679.00
7. Mr. Hasibur Rahman	1,99,727.00	4,00,500.00	1,29,600.00	4,70,627.00
Total	TK. 8,89,045.00	4,52,790.00	3,25,241.00	10,16,594.00

4.00 LOAN FROM OTHERS : Tk. 1,04,000.00

Balance as per last account		--
Add : Received in cash during the year	2,30,500.00	
Accrued interest credited to Loan Account	<u>4,000.00</u>	
		2,34,500.00
		<u>2,34,500.00</u>
Less: Paid during the year		<u>1,30,500.00</u>
		TK. <u>1,04,000.00</u>

.02 Name wise details :

Particulars of Lenders	Balance on 30.6.2004	During the year		Balance on 30.6.2005
		Received	Repaid	
1. Mr. Shahidul Hassan	--	1,04,000.00	--	1,04,000.00
2. Mr. Ataulla Ripon	--	90,000.00	90,000.00	--
3. Taslima Khan	--	40,000.00	40,000.00	--
4. Sazzad Hossain	--	500.00	500.00	--
Total	TK. --	2,34,500.00	1,30,500.00	1,04,000.00

5.00 OUTSTANDING LIABILITIES: Tk. 2,37,790.00

The above amount is comprised of the provision of following outstanding liabilities for the year under audit:

1. For Goods Supplied :		
Rishit Computers for Computer monitor		5,575.00
2. For Expenses:		
Programme Cost	2,04,715.00	
Printing & Stationery	10,000.00	
Auditors' Fees	10,000.00	
Telephone bill	4,800.00	
Electricity bill	<u>2,700.00</u>	
		2,32,215.00
		TK. <u>2,37,790.00</u>



6.00 CAPITAL FUND – TK. (5,86,167.00) :

This represents the accumulated amount of the fund created out of the operational Excess of Income/Expenditure over Expenditure/Income upto 30th June, 2005 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	(6,08,062.00)
Add: Excess of Income over Expenditure for the year	<u>21,895.00</u>
	TK. (5,86,167.00)

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 30th June, 2005 which has been arrived at as follows:

Original Cost:

As per last account	1,46,923.00
Purchased during the year:	<u>88,343.00</u>
	2,35,266.00
Written Off during the year due to loss/damage	<u>12,300.00</u>
	2,22,966.00
Accumulated depreciation	<u>78,720.00</u>
	TK. 1,44,246.00

8.00 ACCOUNT RECEIVABLE-TK. 5,39,575.00

The above amount represents the provision for bills receivable for the Services rendered by MRDI under the following programme performed during the year under Audit:

SEDF-FDI	5,00,575.00
SEDF (C) & (P)	14,000.00
World Food Programme	10,000.00
Sight Savers International	15,000.00
	<u>TK. 5,39,575.00</u>

9.00 ADVANCE AGAINST EXPENSES – NIL

Balance as per last account	17,800.00
Add: Paid during the year	<u>3,27,805.00</u>
	3,45,605.00
Less: Realised during the year	<u>3,45,605.00</u>
	<u><u>Nil</u></u>

10.00 LOAN TO SARDI PROJECT-TK. 60,800.00 :

Loan was given to the Project launched by MRDI during the year under audit funded by SARDI.

This balance has been arrived at as follows:

Balance as per last account	1,50,809.00
Add: Addition during the year	<u>60,800.00</u>
	2,11,609.00
Less: Realised during the year	<u>1,50,809.00</u>
	TK. 60,800.00



11.00 LOAN TO IOM PROJECT-TK. 30,900.00 :

Like-wise loan was given for smooth running of the another project funded by IOM run by MRDI during the year under review.

12.00 CASH AND BANK BALANCES – TK. 3,196.00 :

This is comprised of as follows :

Cash in Hand	70.00
Cash at Bank : Southeast Bank Ltd. (A/C. No. 11100006616)	3,126.00
	TK. 3,196.00

The Cash Balance has been certified by the management . The Bank Balance as on 30.06.2005 has been verified with the Bank Statement and reconciled as follows:

Balance as per Bank statement	1,94,083.00
Add: A cheque deposited to bank but not cleared upto 30.06.05	10,500.00
	<u>2,04,583.00</u>

Less: Cheque issued & entry passed through cash book but not presented for encashment

Cheque#3581105	1,500.00
3581107	5,000.00
3581111	1,38,537.00
3581112	12,920.00
3581113	20,000.00
3581114	8,000.00
3581115	5,500.00
3581118	10,000.00
	<u>2,01,457.00</u>
Balance as per Cash/Bank Book	TK. 3,126.00

INCOME AND EXPENDITURE ACCOUNT:

13.00 FUND FOR PROGRAMME/EVENT MANAGEMENT:

Received during the year	25,19,514.00
Provision for outstanding bills	5,39,575.00
	<u>TK. 30,59,089.00</u>

14.00 PROGRAMME COST:

Paid during the year	20,88,460.00
Provision for outstanding bills	2,04,715.00
	<u>TK. 22,93,175.00</u>



15.00 ELECTRICITY BILL:

Paid during the year	8,333.00
Provision for outstanding bills	2,700.00
TK.	<u>11,033.00</u>

16.00 PHONE, FAX, E-MAIL:

Paid during the year	85,340.00
Provision for outstanding bills	4,800.00
TK.	<u>90,140.00</u>

17.00 AUDIT FEES:

Provision for audit fee for the year 2004-05	TK. <u>10,000.00</u>
--	----------------------

18.00 PRINTING & STATIONERY:

Paid during the year	23,807.00
Provision for outstanding bill payable to Momin Offset Press	10,000.00
TK.	<u>33,807.00</u>

19.00 INTEREST ON LOAN:

Provision for Interest on loans from:	
Dr. Baquirul Islam Khan, Chairman, MRDI	11,290.00
Mr. Shahidul Hassan	4,000.00
TK.	<u>15,290.00</u>

20.00 PROJECT GRANT: TK. 3,99,679.00

Grant was received against the following two projects undertaken by MRDI funded by the donors mentioned against each:

Project : Innovative partnerships for reducing HIV/AIDS vulnerabilities of migrant workers and their communities in south asia Funded by SARDI (Total Project cost Tk. 5,72,750.00)	2,90,879.00
--	-------------

Project : Analysis of Media news coverage on population movement Funded by The International Organization for Migrant (IOM) (Total Project cost Tk. 1,36,000.00)	1,08,800.00
--	-------------

TK. 3,99,679.00

The above amounts of grants have been transferred during the period under audit to the respective project account.



21.00 ADMINISTRATIVE AND FINANCIAL MANAGEMENT

Under the control of the Board of Directors, the day to day administration of the affairs, activities and funds of the organisation is looked after by the Executive Director.

(a) Administrative Management/Control :

To assure an efficient Management control, the 'Personnel Manual' approved by the board of directors of the company is followed. Accordingly the personal files, attendance registers etc. are regularly maintained .

(b) Financial Control:

For the purpose of introducing and assuring an effective financial control a 'Financial and Accounts Manual' covering the procurement policies approved by the board is followed . Following the provisions of the said manual, the books of accounts and registers viz. cash book/bank book, ledger, stock register of printing, stationeries & other consumable materials, fixed assets register etc. are maintained.

Bank Account Operation :

The C/D A/C. No.11100006616 with Southeast Bank Limited ,Dhanmondi Branch,Dhaka has been operated jointly by the Chairman and the Executive Director of MRDI.


Compliance with Local Laws :

The requirements of NGO Affairs Bureau and other local laws such as the Companies Act and Income Tax & VAT Acts are complied with and accordingly VAT and Advance Income Tax (AIT) have been deducted at sources i.e .from the bills in applicable cases.

Internal Control System :

In view of the discussions above and the experiences had during the course of conducting our audit, the existing internal control system is considered satisfactory.

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 AT 30TH JUNE, 2005

	NOTES	AMOUNT IN TAKA	
		2004-05	2003-04
<u>FUND AND LIABILITIES:</u>			
LOAN FROM DIRECTORS :	3		
Dr. Baquirul Islam Khan		1,39,568	2,98,919
Mr. Tarun Kanti Gayen		73,680	67,680
Mr. SM Morshed		1,22,679	1,12,679
Mr. Iqbal Faruk Milky		77,680	77,680
Mr. Iftekhar Ahmed Chowdhury		62,680	62,680
Mr. Sajedul Murad Bipu		69,680	69,680
Mr. Hasibur Rahman		4,70,627	1,99,727
		10,16,594	8,89,045
LOAN FROM OTHERS (MR. SHAHIDUL HASAN)	4	1,04,000	-
OUTSTANDING LIABILITIES	5	2,37,790	10,000
ADVANCE OF SHARE COST FROM SARDI PROJECT		6,500	-
CAPITAL FUND	6	(5,86,167)	(6,08,062)
	TK.	7,78,717	2,90,983
<u>PROPERTY AND ASSETS :</u>			
FIXED ASSETS:	7		
Original Cost Less Depreciation:			
Furniture & Fixtures		37,092	30,880
Office Equipments		61,116	86,460
Fan		2,770	-
Refrigerator		5,000	-
Telephone Installation		38,268	-
Electrical Installation		-	-
		1,44,246	1,17,340
CURRENT ASSETS :			
Accounts Receivable	8	5,39,575	-
Advance for Expenses	9	-	17,800
Loan to SARDI Project	10	60,800	1,50,809
Loan to IOM Project	11	30,900	-
Cash and Bank Balances	12	3,196	5,034
		6,34,471	1,73,643
	TK.	7,78,717	2,90,983

Subject to our separate report of even date annexed

27, Green Corner, Dhaka
Date : 7 July, 2005.

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

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

SCHEDULE OF FIXED ASSED AS ON 30TH JUNE, 2005.

SCHEDULE A/I

SL NO	PARTICULARS	ORIGINAL COST			DEPREICATION					WRITTEN DOWN VALUE	
		As on 30.6.2004	During the year		Total As on 30.6.2005	Rate (%)	Up to 30.6.2004	During the year		Total As on 30.6.2005	AS on 30.6.2005.
			Addition	Written off				Charge	Adjust.		
1	FURNITURE & FIXTURE :										
	Table	18,900	14,200	--	33,100	15	2,835	4,965	--	7,800	25,300
	Chair	37,50	--	--	3,750	30	1,125	1,125	--	2,250	1,500
	Shelf	7,000	4,000	--	11,000	15	1,050	1,650	--	2,700	8,300
	Notice Board	2,100	850	--	2,950	20	368	590	--	958	1,992
	Sub Total	31,750	19,050	--	50,800	--	5,378	8,330	--	13,708	37,092
2	OFFICE EQUIPMENT :										
	Computer	37,260	47,332	--	84,592	30	11,178	25,378	--	36,556	48,036
	Laser Printer	22,500	--	--	22,500	30	6,750	6,750	--	13,500	9,000
	UPS	6,800	8,161	6,800	8,161	50	2,040	4,081	2,040	4,081	4,080
	Sub Total	66,560	55,493	6,800	1,15,253	--	19,968	36,209	2,040	54,137	61,116
3	FAN :										
	Ceiling Fan	3,450	--	--	3,450	20	690	690	--	1,380	2,070
	Wal Fan	1,400	--	--	1,400	25	350	350	--	700	700
	Sub Total	4,850	--	--	4,850	--	1,040	1,040	--	2,080	2,770
4	REFREGERATOR	10,000	--	--	10,000	25	2,500	2,500	--	5,000	5,000
5	TELEPHONE INSTLN. :										
	Telephone Set	29,368	--	--	29,368	--	--	--	--	--	29,368
	Mobile Set	--	7,300	2,500	4,800	50	--	2,400	--	2,400	2,400
	Internet	3,000	6,500	3,000	6,500	--	--	--	--	--	6,500
	Sub Total	32,368	13,800	5,500	40,668	--	--	2,400	--	2,400	38,268
6	ELECTRICAL INSTLN.	1,395	--	--	1,395	50	697	698	--	1,395	NIL
	GRAND TOTAL	TK. 1,46,923	88,343	12,300	2,22,966	--	29,583	51,177	2,040	78,720	1,44,246

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
2/8 SIR SEYED ROAD, MOHAMMADPUR, DHAKA-1209

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2005.

P A R T I C U L A R S	NOTES	AMOUNT IN TAKA	
		2004-05	2003-04
INCOME :			
Fund for Programme/Event Management	13	30,59,089	21,70,237
Donation/Loan to SARD Project		1,50,809	30,660
Other Income		--	55,607
		32,09,898	22,56,504
Excess of Expenditure over Income		--	3,01,392
	TK.	32,09,898	25,57,896
EXPENDITURE :			
Programme cost	14	22,93,175	22,36,124
Salaries, Allowances & Honorarium		5,19,000	82,050
Office Rent		65,600	93,600
Electricity Bill	15	11,033	5,665
Phone, Fax, e-mail etc.	16	90,140	20,459
Audit Fees	17	10,000	15,000
Repairs & Office Maintenance		53,625	34,055
Bank Charge		2,630	1,800
Insurance Premium		--	7,000
Conveyance & Communication		29,601	4,007
Newspaper & Periodicals		2,665	2,919
Printing & Stationary	18	33,807	2,634
Interest on Loan	19	15,290	24,000
Loss/Damage of Fixed Assets		10,260	--
Depreciation on Fixed Assets		51,177	29,583
		31,85,943	25,57,896
Excess of Income over Expenditure		21,895	--
Transferred to Capital Fund			
	TK.	32,09,898	25,57,896

Subject to our separate report of even date annexed

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

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2005.

AMOUNT IN TAKA

P A R T I C U L A R S	2004-05	2003-04
-----------------------	---------	---------

RECEIPTS:

Opening Balance:

Cash in Hand	173	71
Cash at Southeast Bank Ltd. (CD A/C # 11100006616)	4,861	417
Cash at Southeast Bank Ltd. (CD A/C # 11100001006)	-	2,300
	5,034	2,788

Receipts during the year :

Fund for Programme/Event Management	25,19,514	21,70,237
Donation	1,50,809	30,660
Other Income	-	55,607
Project Grant	3,99,679	-
Loan from Directors & Others	6,72,000	5,28,948
Advance for Expenses Recouped	3,45,605	11,98,663
Loan to SARDI Project Recouped	1,50,809	-
Advance from SARDI Project against Share Cost	6,500	-
Tax & VAT Deduction at Sources	12,920	-
	<u>42,57,836</u>	<u>39,84,115</u>
	TK. <u>42,62,870</u>	<u>39,86,903</u>

P A Y M E N T S :

Programme Cost	20,88,460	22,36,124
Salary Allowances & Honorarium	5,19,000	82,050
Office Rent	65,600	93,600
Electricity Bill	8,333	5,665
Phone, Fax, e-mail etc.	85,340	20,459
Audit Fees	-	4,000
Repair & Office Maintenance	53,625	34,055
Interest on Loan	-	24,000
Bank Charges	2,630	1,800
Insurance Premium	-	7,000
Conveyance & Communication	29,601	4,007
Newspaper & Periodicals	2,665	2,919
Printing & Stationary	23,807	2,634
Furniture & Fixtures	19,050	33,150
Telephone Installation	13,800	-
Office Equipments	49,918	11,360
Project Grant	3,99,679	-
Repayment of Loan	4,55,741	1,85,813
Advance for Expenses	3,27,805	10,82,424
Outstanding Liabilities for Audit Fees	10,000	-
Tax & Vat Deduction at Sources	12,920	-
Loan to SARDI Project	60,800	1,50,809
Loan to IOM Project	30,900	-
	42,59,674	39,81,869

Closing Balance:

Cash in Hand	70	173
Cash at Southeast Bank (STD- 11100006616)	3,126	4,861
	3,196	5,034
	TK. <u>42,62,870</u>	<u>39,86,903</u>

Subject to our separate report of even date annexed