

PRIVATE & CONFIDENTIAL

Auditors' Report
&
Financial Statements
of
Microfinance Program
of
People's Welfare Foundation
For the Year ended June 30, 2020



অমল এন্ড লীনা

Amal & Leena
Chartered Accountants

Office Address:

Razzak Plaza (6th Floor),
383, Tongi Diverson Road,
Moghbar, Dhaka-1217
Tel: 02-9333982
Fax: 02-9333982
Mob: 01715-969815
Email: dasamalleena@gmail.com

People's Welfare Foundation

Village: Kaitra, Post Office: Uttar Gazipur Upazila: Laksam, District: Cumilla

For the year ended June 30, 2020

Table of Contents

Sl. No	Particulars	Annexure
1	Auditors' Report	A 1/1
2	Statement of Financial Position	A 1/2
3	Statement of Comprehensive Income	A 1/3
4	Receipts and Payments Statement	A 1/4
5	Statement of Cash Flows	A1/5
6	Statements of Changes in equity	A1/6
7	Corporate Information of the Organization & Notes to Financial Statement	A 1/7
8	Eligibility Criteria Compliance Certification	A/2
9	Portfolio Reports:	
	i) Classification of Loan and Loan Loss Provision	A/3
	ii) Loan Loss Provision (LLP) status of the MFI	
	ii) Loan Operational Report	
10	Schedule of Fixed Assets	A/4
11	Management Report	B
12	Compliance Report As per TOR required by the Micro-credit Regulatory	
13	Report on Money Laundering and Terrorist Financing	

Annexure A 1/1

**Independent Auditor's Report
To the Member of General Body of
People's Welfare Foundation**

We have audited the accompanying Financial Statements of "Microfinance Program" of **People's Welfare Foundation** which comprise the Statement of Financial Position as at June 30, 2020, and the Statement of Comprehensive Income, Receipts & Payments Statement, Statement of Cash Flows, Statement of Changes In Equity for the year ended June 30, 2020 and a summary of significant accounting policies and others explanatory notes.

Management responsibilities for the Financial Statements:

People's Welfare Foundation management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement.

Auditor' Responsibility:

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA), as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Those standards require that we plan and perform the audit to obtain reasonable assurance about where the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

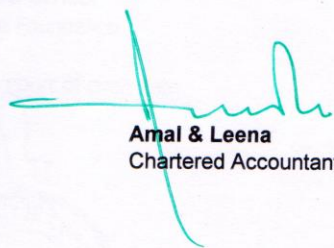
Opinion:

In our opinion, the Financial Statements present fairly, in all material respects, the Statement of Financial Position as at June 30, 2020, the Statement of Cash Flows, the Statement of Changes In Equity, the Statement of Comprehensive Income and Receipts & Payments Statement for the period from 01 July, 2019 to 30 June, 2020 in accordance with Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

We also report that:

- We have obtained all the information and explanation 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 **People's Welfare Foundation** so far as it appeared from our examination of those books.
- In our opinion, the Statement of Financial Position and the Statement of Comprehensive Income, dealt with by the report are in agreement with the books of accounts.

Dated, Dhaka
22 September, 2020


Amal & Leena
Chartered Accountants



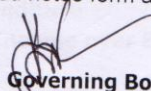
People's Welfare Foundation

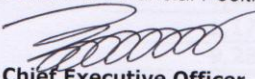
Village: Kaitra, Post Office: Uttar Gazipur Upazila: Laksam, District: Cumilla Bangladesh

Statement of Financial Position As at June 30, 2020

Properties and Assets	Notes	2019-2020 Taka	2018-2019 Taka
Non-Current Assets			
Property, plant and Equipment	6	194,917	232,394
Total Non-Current Assets		194,917	232,394
Current Assets			
Loan to Members	7	40,711,886	38,757,209
Short-term Investment	8	2,208,991	2,464,915
Advances, Deposits and Prepayments	9	2,069,700	1,143,100
Cash in Hand and at Bank	10	863,778	1,351,334
Total Current Assets		45,854,355	43,716,558
Total Properties and Assets		46,049,272	43,948,952
Capital Fund and Liabilities			
Capital Fund			
Cumulative Surplus	11	6,925,857	5,869,463
Reserve Fund	12	769,540	652,163
Total Capital Fund		7,695,397	6,521,626
Current Liabilities:			
Loan from Mac Foundation	13	100,000	100,000
Loan from Bank	14	9,241,313	11,451,572
Loan from Other Source	15	6,150,000	4,900,000
Members Savings Deposits	16	17,377,083	16,253,905
Members Apadkalin Fund	17	2,023,215	1,684,524
Loan Loss Provision	18	2,072,530	2,053,924
Staff Provident Fund	19	843,808	653,350
Staff Security Fund	20	95,000	60,000
Interest Provision for Loan	21	450,926	270,051
Total Current Liabilities:		38,353,875	37,427,326
Total Capital fund and Liabilities		46,049,272	43,948,952


The annexed notes form an integral part of the Statement of Financial Position.


Chairman, Governing Body
People's Welfare Foundation


Chief Executive Officer
People's Welfare Foundation

This is the Statement of Financial Position referred to in our separate report of even date.

Dated, Dhaka
22 September, 2020


Amal & Leena
Chartered Accountants



People's Welfare Foundation

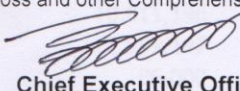
Village: Kaitra, Post Office: Uttar Gazipur Upazila: Laksam, District: Cumilla Bangladesh

Statement of Profit or Loss and other Comprehensive Income For the year ended June 30, 2020

Particulars	2019-2020 Taka	2018-2019 Taka
Income		
Service Charge on Loan	8,903,587	9,396,028
General Member Subscription Fees	2,100	2,000
Received from Admission Fees	9,710	12,930
Received from Loan Application Form	8,385	10,305
Received from Pass Book	11,290	15,830
Bank Interest	21,920	41,455
Bank Interest on FDR	251,281	139,802
Other Income (Note-22)	76,853	167,101
Income	9,285,126	9,785,451
Expenditure		
Salary and Allowance	4,169,334	3,724,730
Office Rent	246,000	216,000
Travelling and Transportation	308,996	334,379
Repairing and Maintenance	36,945	45,288
Electricity	53,592	52,140
Fuel and Lubricants	-	3,465
Postage, Telephone and Fax	73,129	39,783
Office Stationery	38,985	48,386
Printing	24,300	23,500
General Expenses	22,840	80,665
Bank Charge and Commission	66,045	63,206
Newspapers and Periodicals	270	1,730
Staff Training	-	13,950
Entertainment	58,537	58,000
Interest Paid on Savings Fund	713,655	719,923
Interest on Borrowed Fund	2,032,718	1,940,358
Interest on Staff Provident Fund	39,457	25,947
Audit Fees	7,000	7,000
Credit Rating	10,000	12,000
Loan Loss Expenses	18,606	450,540
Loss on Fixed Assets	-	3,435
Service Charge Rebate	55,966	43,894
Legal Fees and Licensing Fees	50,302	4,200
Software Maintenance	30,240	18,855
Website Development and Maintenance	3,010	22,000
Depreciation	51,427	60,980
Total Expenditure	8,111,354	8,014,354
Excess of Income over Expenditure	1,173,772	1,771,097
Total	9,285,126	9,785,451

The annexed notes form an integral part of the Statement of Profit or Loss and other Comprehensive Income.



Chairman, Governing Body
People's Welfare Foundation


Chief Executive Officer
People's Welfare Foundation

This is the Statement of Profit or Loss and other Comprehensive Income referred to in our separate report of even date.

Dated, Dhaka
22 September, 2020




Amal & Leena
Chartered Accountants

People's Welfare Foundation

Village: Kaitra, Post Office: Uttar Gazipur Upazila: Laksam, District: Cumilla Bangladesh

Receipts and Payments Statements For the period 01.07.2019 to 30.06.2020

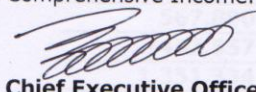
Particulars	2019-2020 Taka	2018-2019 Taka
Receipts		
Opening Balance		
Cash in Hand	118,467	31,749
Cash at Bank	1,232,867	1,660,726
Loan Recovery from Borrowers	62,340,323	68,442,277
Loan Received from Other Source	2,000,000	2,900,000
Loan from Mac Foundation	-	100,000
Loan from Bank	-	10,000,000
Savings Deposit	11,220,713	13,351,362
Advance Against Salary	8,000	64,000
Advance Against House Rent	3,000	84,000
Advance Against Motor Cycle Loan	-	158,750
Staff Provident Fund Deposit	-	229,417
Member Apadkalin Fund Deposit	643,400	751,654
Staff Security Fund Deposit	75,000	35,000
Service Charge on Loan	8,903,587	9,396,028
General Member Subscription Fees	2,100	2,000
Received from Admission Fees	9,710	12,930
Received from Loan Application Form	8,385	10,305
Received from Pass Book	11,290	15,830
Bank Interest	21,920	41,455
Bank Interest on FDR	251,281	126,682
Investment Encashment	2,215,061	-
Other Income	55,692	100,239
Total Receipts	89,120,796	107,514,404
Payments		
Furniture and Fixture	13,950	72,625
Computer	-	71,955
Advance against Motorcycle Loan	-	206,600
Loan Disbursed to Borrowers	64,295,000	74,571,000
Loan Refund to Other Source	750,000	1,400,000
Loan Refund to Bank	2,210,259	11,631,758
Savings Refund	10,811,190	10,122,050
Investment on FDR	1,959,147	621,630
Advance Against Salary	86,000	62,000
Advance Against Office Rent	1,070,000	100,000
Staff Provident Fund Refund	87,268	205,229
Staff Security Fund Refund	40,000	50,000
Member Apadkalin Fund Refund	304,709	564,745
Salary and Allowance	3,803,504	3,684,730



Particulars	2019-2020 Taka	2018-2019 Taka
Payments		
Office Rent	134,000	216,000
Travelling and Transportation	308,996	334,379
Repairing and Maintenance	36,195	45,288
Electricity	53,592	52,140
Fuel and Lubricants	-	3,465
Postage, Telephone and Fax	73,129	39,783
Office Stationery	38,985	48,386
Printing	24,300	23,500
General Expenses	23,590	80,665
Bank Charge and Commission	66,035	63,206
Newspapers and Periodicals	270	1,730
Staff Training	-	13,950
Entertainment	58,537	58,000
Interest on Borrowed Fund	1,574,088	1,683,437
Provision of Interest on Loan paid	277,755	38,870
Website Development and Maintenance Fees	3,010	10,000
Service Charge Rebate	55,966	43,894
Legal Fees and Licensing Fees	50,302	4,200
Audit Fees	7,000	7,000
Credit Rating	10,000	12,000
Software Maintenance	30,240	18,855
Closing Balance		
Cash in Hand	22,546	118,467
Cash at Bank	841,232	1,232,867
Total Payments	89,120,796	107,514,404

The annexed notes form an integral part of the Statement of Comprehensive Income.


Chairman, Governing Body
People's Welfare Foundation


Chief Executive Officer
People's Welfare Foundation

This is the Statement of Comprehensive Income referred to in our separate report of even date.

Dated, Dhaka
22 September, 2020


Amal & Leena
Chartered Accountants



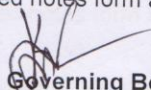
People's Welfare Foundation

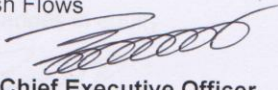
Village: Kaitra, Post Office: Uttar Gazipur Upazila: Laksam, District: Cumilla Bangladesh

Statement of Cash Flows For the period ended June 30, 2020

Particulars	2019-2020 Taka	2018-2019 Taka
A. Cash Flows from Operating Activities:		
Surplus for the period	1,173,772	1,771,097
Add: Amount considered as non cash items:		
Loan loss provision	18,606	450,540
Depreciation for the year	51,427	60,980
Savings interest for the year	713,655	719,923
Other Income	(21,161)	-
Borrowing interest for the year	458,630	256,921
Provident fund interest for the year	39,457	25,947
Loss on Fixed Asset	-	3,435
Investment interest for the year	-	13,120
Sub total of non cash items	2,434,386	3,301,963
Loan disbursed to borrowers	(1,954,677)	(6,128,723)
Increase/Decrease in current assets	(926,600)	(83,600)
Increase/Decrease in current liabilities	(338,691)	(145,468)
Net cash used in operating activities	(785,582)	(3,055,828)
B. Cash Flows from Investing Activities:		
Acquisition of Property, plant and equipment	(13,950)	(144,580)
Investment	(255,914)	(621,630)
Net cash used in Investing Activities	(269,864)	(766,210)
C. Cash Flows from Financing Activities:		
Loan received	(960,259)	(31,758)
Members savings	1,123,178	3,229,312
Other Funds	404,971	283,343
Net cash used in Financing Activities	567,890	3,480,897
D. Net increase/ decrease (A+B+C)	(487,557)	(341,141)
Add: Cash and Bank Balance at the beginning of the year	1,351,334	1,692,475
Cash and Bank balance at the end of the year	863,778	1,351,334

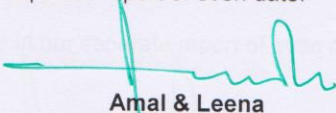
The annexed notes form an integral part of the Statement of Cash Flows


Chairman, Governing Body
People's Welfare Foundation


Chief Executive Officer
People's Welfare Foundation

This is the Statement of Cash Flows referred to in our separate report of even date.

Dated, Dhaka
22 September, 2020


Amal & Leena
Chartered Accountants



People's Welfare Foundation

Village: Kaitra, Post Office: Uttar Gazipur Upazila: Laksam, District: Cumilla Bangladesh


Statement of Changes in Equity as at June 30, 2020

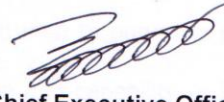
Particulars	Amount in Taka
Accumulated Surplus	
Opening Balance as at June 30, 2018	4,275,476
Add: Surplus for the year	1,771,097
Less: Transfer to Reserve Fund	177,110
Closing Balance as at June 30, 2019	5,869,463
Opening Balance as at June 30, 2019	5,869,463
Add: Surplus for the year	1,173,772
Less: Transfer to Reserve Fund	117,377
Closing Balance as at June 30, 2020	6,925,857

Reserve Fund (In Compliance with MRA Rule-20) as at June 30, 2020

Particulars	Amount in Taka
Opening Balance as at June 30, 2018	475,053
Add: Provision during the year	177,110
Closing Balance as at June 30, 2019	652,163
Opening Balance as at June 30, 2019	652,163
Add: Provision during the year	117,377
Closing Balance as at June 30, 2020	769,540

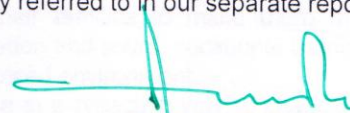
The annexed notes form an integral part of the Statements of Changes in equity


Chairman, Governing Body
People's Welfare Foundation


Chief Executive Officer
People's Welfare Foundation

This is the Statements of Changes in equity referred to in our separate report of even date.

Dated, Dhaka
22 September, 2020


Amal & Leena
Chartered Accountants



People's Welfare Foundation
(Registered in Bangladesh under the Societies Registration Act, 1860)

Notes to Financial Statements
For the year ended June 30, 2020

1.0 Background:

People's Welfare Foundation established in 2004 is working as a non-government organization for promotion and enhancement of fundamental human rights of excluded poor, underprivileged minorities through the implementation of community demand-driven development initiatives in Bangladesh. At present People's Welfare Foundation is operating its program in 4 Upazilas of Comilla district of Bangladesh covering 101 villages under 19 Unions. These programs are mainly initiated to contribute towards poverty alleviation along with education, literacy, training, health services, rehabilitation, agriculture and rural development, preservation and development of environmental issues, women empowerment, social development and behavioral changes in the community, research and publication under the technical and financial support of national and international development agencies as well as from individuals. For microcredit operation, generally, its target clients are poor women. The corporate office of the organization is located at Village: Kaitra, P.O: Uttar Gazipur, Upazaila: Laksam, District: Cumilla, Bangladesh.

Vision

People's Welfare Foundation envisions a society free of human rights violations and ensuring social justice.

Mission

To improve the quality of life of the target communities and those of their immediate families.

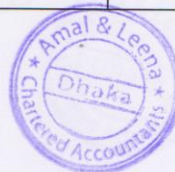
Objectives

- a) To organize and mobilize the poor, illiterate and landless children, women and men into viable groups at the village and grassroots level, so that they can plan to implement, manage and control their activity targeted for their own socio-economic and cultural development.
- b) To improve the economic position of the disadvantaged children, women, and men through credit support to involve them in income and employment generating activities, which will help to reduce their social, economic and cultural vulnerability.
- c) To facilitate and ensure the accesses of the target people to resources and facilities provided by the government and others.
- d) To improve the health situation of the children, women, and men through health education, mobilization of available health services and delivery of possible health services as and required.
- e) To change the status of children, women, and men through the promotion of rights of children, women, and human rights as a whole.
- f) To enhance the potentiality, competency issue and capability of target people through training, education, and learning by doing aimed at sustained improvement in their lives.
- g) Work as a complement and supplement of all government efforts and activities for development.
- h) To train target peoples and their families to make them more capable to earn by imparting them with basic education and sound vocational training.
- i) To establish an ecologically balanced environment.
- j) To arrange all possible measure in a proactive way to change the society upholding its interest.



2.0 Corporate Information of the People's Welfare Foundation

Sl. No.	Particulars				
1.	Year of establishment		2004 (Registrar Joint Stock Companies, Government of Bangladesh bearing the registration no. S-3663(452)/2004 dated 15/03/2004		
2.	Legal Entity (MRA Registration No.)		Microcredit Regulatory Authority bearing the registration no. 00257-00066-00627 dated 17/04/2012		
3.	Nature of operation (programs)		Microfinance Sewing Training and Distributing of Sewing Machine Wheel Chair Distribution Nursery and Plantation Goat Distribution Tube-well Installation Sanitary Latrine Distribution Non-formal Education Support		
4.	Statutory Audit conducted up to		June 30, 2019		
5.	Name of statutory auditor for the last year		Amal & Leena Chartered Accountants		
6.	Name of statutory auditor for current year		Amal & Leena Chartered Accountants		
7.	No. of Governing Body meeting held FY 2019-2020		5 (Five)		
8.	Date of last AGM		2 nd November 2019		
9.	List of Governing Body Members				
	Name	Designation	Qualification	Profession	Present Address
9.1	Md. Kazi Nazrul Islam	Chairman	B.Sc. Engineering, MBA (Major in Marketing)	Private Service and Social Worker	Village : Misree, Post Office : Laksam, Upazila: Laksam, District : Cumilla
9.2	Md. Abdul Kader	Vice-Chairman	BA	Private Service and Social Worker	Village: Patwar, Post Office: Omargonj Bazar, Upazila: Nagal kat, District: Cumilla
9.3	Mohammed Anisur Rahman	Treasurer	M Com, MBA (Major in Finance)	Private Service and Social Worker	Village: Raipura, Post Office & Upazila: Raipura, District: Narsingdi
9.4	Md. Emdadul Hoque	Secretary	M Com, MBA (Major in Finance)	Private Service and Social Worker	House: 254 (Flat B/5), Road: 1, Block-B, Bashundhra R/A, Dhaka
9.5	Md. Akramul Hoque	Member	BCom	Private Service and Social Worker	Village: Ashora, Post Office: Uttar Gazipur, Upazila: Laksam, District: Cumilla
9.6	Ms. Mahmuda Akter	Member	BA (honors)	Social Worker	Village: Kadarapur, Post Office: Nimshar, Upazila: Burichang, District: Comilla
9.7	Ms. Rokeya Begum	Member	BA, B.Ed	Social Worker	Village: Lognashor, Post Office: Lognashor Bazar, Upazila: Barura, District: Comilla



Basis of Preparation of Financial Statements

3.0 Basis of Accounting:

People's Welfare Foundation prepares its financial statements under the Bangladesh Financial Reporting Standards (BFRS). People's Welfare Foundation generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items except for service charge on loan to members, which are recognized on a cash basis as disclosed in the Summary of Significant Accounting Policies. People's Welfare Foundation maintains its books of account and records on a program or project basis. People's Welfare Foundation accounting records and financial statements are maintained and presented under the principles of fund accounting. This is the procedure by which resources are classified for accounting and internal reporting into funds established according to their nature and purposes based on the existence or absence of donor-imposed restrictions.

4.0 Summary of Significant Accounting Policies:

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

4.1 Currencies

The financial statements are expressed in Bangladeshi Taka.

4.2 Revenue Recognition

Service charge on loans

Service charges on loans to members are recognized on a cash basis as income. Income is recognized when cash is realized.

Interest income

Interest on bank accounts, revenue is recognized as the interest accrues unless collectibility is in doubt.

Other income

All other incomes are recognized when People's Welfare Foundation's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

4.3 Expenses

Program related expenses arise from goods and services being distributed to beneficiaries in accordance with the program objectives and activities.

4.4 Fixed Assets and Depreciation

i) Recognition:

An asset, which meets the following criteria, is recognized as property, plant and equipment:

- a) Its cost exceeds Tk. 1,000.
- b) Its expected useful life is more than one year.
- c) It is tangible assets and
- d) Future Economic benefits associated with the item will flow to entity.

ii) Depreciation:

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided for on a straight-line basis over the estimated useful lives at the following annual rates:

Item	Annual Depreciation Rate (%)
Furniture & Fixtures	10
Equipment	15
Computer	20
Bicycles	15
Motorcycles	15



iii) Subsequent recognition:

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the organization and its cost reliably measured. The cost of the day-to-day servicing of the property, plant and equipment are recognized in the statement of income and expenditure as incurred expenditure.

5.0 Significant organization policies

5.01 Members Savings Deposits:

All savings are payable to the beneficiaries on demand before maintaining all formalities of the organization. The People's Welfare Foundation offers savings products to all members keeping in view of the following:

- a) The members have a formidable capacity of savings. The People's Welfare Foundation provides a secured place to keep savings, increasing financial strength and capital growth of the members with view to reduce their dependency on external resources; and
- b) Improving the sustainability of the institution by developing a relatively stable means to finance its loan portfolio;
- c) The rate of interest on both compulsory and voluntary savings is 6% per annum;

5.02 Loan to Members:

People's Welfare Foundation stresses on supporting economic activities to generate employment and income to reduce inequality among the disadvantaged and the poor. The loan products have been developed in response to the demand of their beneficiaries. Policy on loan services of the following:

- a) People's Welfare Foundation gives loans when beneficiaries want them to support their economic activities;
- b) Loans are not linked to savings balances, loans and savings have been completely de-linked and made entirely voluntary;
- c) Loans to members without collateral;
- d) Loan repayments are made weekly installment;
- e) Service charges are 25% to 27% (Declining) per annum on loan disbursed respectively;

5.03 Provision for Loan Losses

Management regularly assesses the adequacy of the loan loss provision based on the age of the loan portfolio. At the end of each quarter, People's Welfare Foundation calculates the required provision for loan loss based on the loan classification and provisioning methodology which is shown below and any adjustment, if required, are made and accounted for in the financial statements.

Loan Classification	Days in Arrears	Provision required (%)
Regular	Current (no arrears)	1
Watchful	1 – 30	5
Sub-standard	31 – 180	25
Doubtful	181 – 365	75
Bad	Over 365	100

Loans Written off

The write off of loans, if necessary, are charged against the provision for loan losses. Loans within their maturity period are classified as "current loan". A loan which remains outstanding over a year of their maturity period is considered as "bad loans".



Loan recovery efforts for delinquent loans over two years have been taken but loan collectability has proved extremely difficult. The list of such loans is presented to Governing Body for write-off approval. Generally, loans are written off twice a year. Any collections realized from loans previously written off are credited to the statement of income and expenditure.

5.04 Members Apadkalin Fund:

Member Apadkalin Fund is a comprehensive micro-insurance program established by People's Welfare Foundation's in 2009 to provide social protection and security to its member and their families. Member Apadkalin Fund is mandatory to People's Welfare Foundation's microfinance members. A premium of 1% of the loan amount is paid annually and is adjusted each year to ensure financial viability. Policy on this claim settlement of the following:

Apadkalin benefits provide support to beneficiaries' families in the event of the death of an adult in the family thereby easing the burden of loan and also include the provision of death benefits. Upon the death of the policyholders and spouse loan balance is waived up to BDT 50,000 and refunded s/he savings amount.

5.05 Employees' Provident Fund

People's Welfare Foundation maintains a contributory provident fund for its eligible permanent employees. All confirmed employees are contributing 10% of their basic salary as the subscription of the fund. People's Welfare Foundation also contributes an equal amount of the employees' contribution to the fund each month. Interest earned from the investment is credited to the employees' accounts every year.

5.06 Comparative Figures

Certain comparative figures have been reclassified to confirm the current year's presentation.



Balance Sheet (As on 30 June, 2020) :

	2019-2020 Taka	2018-2019 Taka
Property, plant and Equipment:		
Cost		
Balance 01.07.2019	420,880	407,620.00
Add: Addition during the year	13,950	144,580.00
Less: Disposal during the year	1,100	131,320.00
Balance as on 30.06.2020	433,730	420,880
Depreciation		
Balance 01.07.2019	188,486	233,641
Add: Addition during the year	51,427	60,980
Less: Disposal during the year	1,100	106,135
Balance as on 30.06.2020	238,813	188,486
Written Down Value as on 30.06.2020	194,917	232,394
(Schedule Annex-1)		
Loans to Members		
Balance 01.07.2019	38,757,209	32,628,486
Add: Disbursed	64,295,000	74,571,000
Less: Realized	62,340,323	68,442,277
Balance as on 30.06.2020	40,711,886	38,757,209
Short-term Investment		
Balance 01.07.2019	2,464,915	1,830,165
Add: Deposit	1,959,147	634,750
Less: Encashment	2,215,071	-
Balance as on 30.06.2020	2,208,991	2,464,915
Savings Fund Investment	1,665,395	1,961,318
Reserve Fund Investment	543,596	503,597
Savings Fund Investment:		
1. FDR-Midland Bank Ltd. Gulshan Branch, Dhaka, Tk. 1,588,745		
2. Deposited in Mac Foundation, Cumilla, Tk. 76,650		
Reserve Fund Investment:		
1. FDR-NRB Bank Ltd., Cumilla, Tk. 540,936		
2. Deposited in NRB Bank Ltd. Tk. 2,660		
Advances, deposits and prepayments		
Balance 01.07.2019	1,143,100	1,059,500
Add: Paid	1,156,000	390,350
Less: Recovery	229,400	306,750
Balance as on 30.06.2020	2,069,700	1,143,100
Cash in Hand and at Bank		
Cash in Hand	22,546	118,467
Cash at Bank	841,232	1,232,867
Balance as on 30.06.2020	863,778	1,351,334
Cash in Hand		
Kaitra	214	48,965
Laksam	11,158	28,350
Bagmara	11,174	41,152
Total	22,546	118,467



10.02 Cash at Bank

The above noted bank balance as on June 30, 2020 have been verified with the related paper, documents and confirmed. Details of Bank Accounts are as follows:

Sl. No	Name of Bank	Account Number	2019-2020 Taka	2018-2019 Taka
1.	Midland Bank Limited Gulshan Branch, Dhaka	CD-0011-1490000367	1,227	4,305
2.	Exim Bank Limited Laksam Branch, Cumilla	STD-01613100272177	371,135	78,457
3.	Bangladesh Commerce Bank Limited Cumilla Branch, Cumilla	SND-02632000039	3,549	4,600
4.	Agrani Bank Limited Nashratpur Branchm Laksam, Cumilla	CD-0200005868667	-	1,505
5.	ONE Bank Limited Laksam Branch, Laksam, Cumilla	STD-0363000000189	149,469	577,251
6.	Mutual Trust Bank Limited Laksam SME/Agri Branch, Cumilla	STD-0503-0320000488	-	2,216
7.	Exim Bank Limited Bagmara Branch, Cumilla	STD-07413100079993	79,481	305,501
8.	Exim Bank Limited Mudaforgonj Banch, Cumilla	STD-03613100344156	234,526	188,408
9.	Jumuna Bank Limited Bizra Bazar Banch, Cumilla	STD-0092-0210004458	1,845	70,624
		Total	841,232	1,232,867



Amal & Leena
Chartered Accountants

	2019-2020	2018-2019
	Taka	Taka
11.00 Cumulative Surplus		
Balance 01.07.2019	5,869,463	4,275,476
Excess of income over expenditure	1,173,772	1,771,097
Less: Transfer to Reserve Fund	117,377	177,110
Balance as on 30.06.2020	<u>6,925,857</u>	<u>5,869,463</u>

12.00 Reserve Fund		
Balance 01.07.2019	652,163	475,053
Add: Addition during the year	117,377	177,110
Balance as on 30.06.2020	<u>769,540</u>	<u>652,163</u>

In compliance with MRA rules No.20 Page no. 421, People's Welfare Foundation makes reserve at 10% of cumulative surplus of its cut off date and invest in FDR against the said reserve fund.

13.00 Loan from Mac Foundation		
Balance 01.07.2019	100,000	-
Add: Received	-	100,000
Less: Paid	-	-
Balance as on 30.06.2020	<u>100,000</u>	<u>100,000</u>

All repayments obligations in respect of the loan have been met and no amounts were in arrears as on June 30, 2020. The loans were obtained to support various microfinance undertake by the People's Welfare Foundation and for working capital purpose. The interest rate of the loan are 10% annually.

14.00 Loan from Banks (Midland Bank Ltd.)		
Balance 01.07.2019	11,451,572	13,083,330
Add: Received	-	10,000,000
Less: Paid	2,210,259	11,631,758
Balance as on 30.06.2020	<u>9,241,313</u>	<u>11,451,572</u>

All repayments obligations in respect of the loan have been met and no amounts were in arrears as on June 30, 2020. The loans were obtained to support various microfinance undertake by the People's Welfare Foundation and for working capital purpose. The interest rate of the loan are 9% to 14.50% annually.

- Midland Bank Ltd. Gulshan Branch, Dhaka. Tk. 9,241,313

15.00 Loan from Other Source		
Balance 01.07.2019	4,900,000	3,400,000
Add: Received	2,000,000	2,900,000
Less: Paid	750,000	1,400,000
Balance as on 30.06.2020	<u>6,150,000</u>	<u>4,900,000</u>

All repayments obligations in respect of the loan have been met and no amounts were in arrears as on June 30, 2020. The loans were obtained to support various microfinance undertake by the People's Welfare Foundation and for working capital purpose. The interest rate of the loan is 8% annually.



	2019-2020 Taka	2018-2019 Taka
16.00 Members Savings Deposit		
Balance 01.07.2019	16,253,905	12,304,670
Add: Deposits	11,220,713	13,351,362
Less: Refund/ Withdrawal	10,811,190	10,122,050
Add: Interest Credited	713,655	719,923
Balance as on 30.06.2020	<u>17,377,083</u>	<u>16,253,905</u>
17.00 Members Apadkalin Fund		
Balance 01.07.2019	1,684,524	1,497,615
Add: Received	643,400	751,654
Less: Paid	304,709	564,745
Balance as on 30.06.2020	<u>2,023,215</u>	<u>1,684,524</u>
18.00 Loan Loss Provision		
Balance 01.07.2019	2,053,924	1,603,384
Add: Provision made during the year	18,606	450,540
Balance as on 30.06.2020	<u>2,072,530</u>	<u>2,053,924</u>
19.00 Staff Provident Fund		
Balance 01.07.2019	653,350	670,077
Add: Received	246,998	229,417
Less: Paid	95,997	272,091
Add: Interest Credited	39,457	25,947
Balance as on 30.06.2020	<u>843,808</u>	<u>653,350</u>
20.00 Staff Security Fund		
Balance 01.07.2019	60,000	75,000
Add: Received	75,000	35,000
Less: Paid	40,000	50,000
Balance as on 30.06.2020	<u>95,000</u>	<u>60,000</u>
21.00 Interest Provision for Loan		
Loan Interest Provision	450,926	218,051
Other Provision	-	52,000
Balance as on 30.06.2020	<u>450,926</u>	<u>270,051</u>
22.00 Other Income		
Write-off Loan Recovery	43,605	63,135
PF Non-refundable amount	27,092	103,966
Savings Non-refundable amount	6,156	-
Balance as on 30.06.2020	<u>76,853</u>	<u>167,101</u>




People's Welfare Foundation
(Registered in Bangladesh under the Societies Registration Act, 1860)

Eligibility Criteria Compliance Certification
For the year ended June 30, 2020

Sl. No.	Eligibility Criteria	Audited Figures or Compliance	
		FY 2019-2020	FY 2018-2019
1.	Minimum Loan recovery rates, computed quarterly, based on the following:		
i.	95% minimum cumulative loan collection ratio on total dues: <u>Actual Cumulative Collections X 100</u> Cumulative Collectibles	99.53%	99.32%
ii.	92-100% minimum loan collection ratio on current dues (on running 12 month basis) <u>Actual Collections during the past 12 months on current dues</u> Collectibles on current dues	99.57%	98.05%
2.	Minimum liquidity ratio of 10%	9.58%	12.07%
3.	Minimum current ratio of 2.0:1	1.35:1	1.29:1
4.	Minimum capital adequacy ratio of 15%	17.81%	16.17%
5.	Minimum debt service cover ratio of 1.25:1	1.24:1	1.11:1
6.	Debt Capital Ratio 9:1	4.53	5.42
7.	Minimum Rate of Return on capital of 1%	16.51%	31.42%

Dated, Dhaka
22 September, 2020


Amal & Leena
Chartered Accountants



People's Welfare Foundation
(Registered in Bangladesh under the Societies Registration Act, 1860)

Portfolio Report
For the year ended June 30, 2020

Review of Loan Classifications and Provisions

(i) Classification of Loan and Loan Provision

Sl. No.	Particulars	No. of days Outstanding	Outstanding Loan	Required Provision	
			Amount (Tk)	Rate	Amount (Tk)
1	Total Loan Outstanding		40,711,886		
2	Total Overdue		1,756,490		
3	Regular	Loan with no overdue installments	38,848,557	1%	388,486
4	Watchful	Loan default duration between 1 and 30 days	124,028	5%	6,200
5	Sub-standard	Loan default duration between 31 and 180 days	37,551	25%	9,388
6	Doubtful	Loan default duration between 181 and 365 days	133,176	75%	99,882
7	Bad	Loan default duration above 365 days	1,568,574	100%	1,568,574
Total			40,711,886		2,072,530

(ii) Loan Loss Provision (LLP) status

Particulars	Amount (TK)
Required Provision fund as per MRA policy shown above in	2,072,530
Actual Provision made by the People's Welfare Foundation	2,072,530
Excess/ Shortfall of Provision	0
Comments on LLP: It appeared from the above computation that the People's Welfare Foundation has made adequate provision on its outstanding loan balance.	

Disclosure on Written off Loan:	
Loan Written off balance 01.07.2019	-
Loan Written off during the year 01.07.2019 to 30.06.2020	1,169,446
Written off Loan Recovery during the year 01.07.2019 to 30.06.2020	-
Loan Written off balance as on 30.06.2020	43,605
	1,125,841



Annexure-A/3 (Continued)

(iii) Loan Operational Report

Sl. No.	Particulars	FY 2019-2020			FY 2018-2019		
1	Financial Service Product:						
	Loan Product:						
	Jagoron	24,427,131			23,254,325		
	Agriculture	16,284,755			15,502,884		
	Savings Product:						
	Compulsory Savings	15,693,615			14,543,883		
	Voluntary Savings	1,683,468			1,710,022		
	Insurance Product (Member Apadkalin Fund):	2,023,215			1,684,524		
	Life and loan						
	Education						
	Marriage						
2	Number of branches	3			3		
3	Number of samities	M	F	Total	M	F	Total
		-	163	163	1	152	153
4	Number of members	-	2,765	2,765	1	2,714	2,715
5	Number of borrowers	-	1,976	1,976	-	2,001	2,001
6	Number of staff	14	4	18	14	4	18
7	Amount (Taka) of loan outstanding with samities members	-	40,711,886	40,711,886	-	38,757,209	38,757,209
8	Member: Borrower	-	100:71	100:71	100:00	100:74	100:74
9	Average loan size	-	20,603	20,603	-	19,369	19,369



People's Welfare Foundation
(Registered in Bangladesh under the Societies Registration Act, 1860)

Fixed Assets Schedule
as at June 30, 2020

Annexure A/4

Asset Category	Cost			Depreciation			Written down value 30-06-2020	Written down value 30-06-2019
	Opening balance 01-07-2019	Addition during the year	Disposal during the year	Closing balance 30-06-2020	Opening balance 01-07-2019	Charged during the year		
Furniture & Fixtures	255,350	13,950	1,100	268,200	113,443	24,381	136,724	141,907
Equipment	4,000	-	-	4,000	2,200	600	2,800	1,801
Computer	130,030	-	-	130,030	42,079	25,711	67,790	87,951
Mobile	-	-	-	-	-	-	-	-
Software	31,500	-	-	31,500	30,765	735	31,500	735
Motor Cycle	-	-	-	-	-	-	-	-
Total	420,880	13,950	1,100	433,730	188,487	51,427	238,813	232,394



**Management Report on the Financial Statements of People's Welfare Foundation for the
year ended 30 June 2020**

Current year's (2019-2020) observations:

**Review of internal control system of Financial Management System ensuring
accountability and transparency:**

I. Accounting System:

The Financial statements have been prepared under Bangladesh Financial Reporting Standard (BFRS) under historical cost convention except for service charges which are accounted on a cash basis. Branch authorities disburse loans to beneficiaries as per policy and procedures and rules and regulations and record transactions in a manual system. Transactions are recorded in the systems daily and produce vouchers, ledger, trial balance and financial statements on a periodical basis.

Branch office prepared financial statements and submits to head office monthly basis. All collected amounts are deposited to the bank account by the branch. Head office maintains control ledger and other subsidiary books of accounts based on monthly statements of branch offices and prepares consolidated financial statements.

II. Investments

Investment of People's Welfare Foundation represents a fixed deposit with banks. All investments in the FDR are duly approved by the appropriate authority of the People's Welfare Foundation. Encashment of FDR and interest accrued during the year were properly accounted for. During our audit, we did not find any shortcomings in this area to report to the management.

III. Fixed Asset

People's Welfare Foundation maintains a manually fixed asset register in the Head office and all of its Branch offices. People's Welfare Foundation procedures require that all the fixed assets maintained at Branch offices to be tagged and differentiated between program assets. Records of the assets are to be maintained in the fixed asset register are depreciated on a straight-line basis over the assets estimated useful lives and must be agreed to branch office accounts. During the audit, we have reviewed the investment in fixed assets and its management to find out whether the investment is approved by the appropriate authority, properly recorded, used for the Microfinance Program and safeguarded with proper records.



IV. Payables and Accruals

We have reviewed the payables and accruals on a sample basis and found that these were within the normal course of business and were accounted for properly. We did not find any shortcomings in this area to report to the management.

V. Commercial Loan

We observed that People's Welfare Foundation has received loan funds from various banks/financial institutions which have been used for loan disbursement to the microfinance borrowers of the organizations. We have reviewed the sanction letters/approval including relevant documents and found that People's Welfare Foundation has complied with all relevant provisions of the loan agreements. It was also noted that all the installments payable were paid in due time and no exception was noted.

VI. Loan Operation Management

People's Welfare Foundation has developed a detailed operational manual to execute, control and monitor microfinance operations. The manual has clearly described in detail the policies and procedures regarding disbursement and collection of loans. Internal control system relating to the loan operation management was found satisfactory.

During the audit at branch offices, we found that loans were disbursed to the target people who are unable to obtain credit from mainstream banks due to lack of necessary collateral and referrals. The loans were disbursed among targeted people by maintaining all formalities as introduced by People's Welfare Foundation following the MRA guidelines.

VII. Savings Deposits

Two types of member's Savings a) Compulsory Savings b) Voluntary Savings

a) Compulsory Savings

People's Welfare Foundation's Microfinance program has a compulsory savings provision, with a view to facilitating and encouraging savings by Village Organization (VO). The interest rate on compulsory savings is 6%. Saving amounts are decided at the center level with a minimum weekly savings requirement of Tk.50. Each VO members deposits a minimum of Tk.50 in a weekly meeting. During the first loan period members are unable to withdrawal savings. For consecutive loans members are eligible to withdrawal savings as long as they maintain a saving balance of 10% of the loan amount. This savings is to be mentioned in the Pass book, Collection Ledger, General ledger separately.

b) Voluntary Savings

People's Welfare Foundation implemented voluntary savings. The interest on this program is 6% annually, compounded monthly. The special savings accounts are like a current account. Beneficiaries can save monthly one time or withdraw the amount on demand. This savings stands for those who deposit voluntarily beyond their regular savings. This savings is to be mentioned in the Pass book, Collection Ledger, General ledger separately.



VIII. Management & Accounting Information System and software implementation

People's Welfare Foundation maintains uses software "Grameen Communication" for recording its day to day transactions. The present software has Savings and Credit Module is in operation at branch level as well as head office level for recording and accounting daily transaction. Sufficient financial and monitoring reporting is generated there from.

IX. Insurance/KalayanTahabil Policy

Member Apadkalin Fund is a comprehensive micro-insurance program established by People's Welfare Foundation's in 2009 to provide social protection and security to its member and their families. Member Apadkalin Fund is mandatory to People's Welfare Foundation's microfinance members. A premium of 1% of the loan amount is paid annually and is adjusted each year to ensure financial viability. Policy on this claim settlement of the following:

Apadkalin benefits provide support to beneficiaries' families in the event of the death of an adult in the family thereby easing the burden of loan and also include the provision of death benefits. Upon the death of the policyholders and spouse loan balance is waived up to BDT 50,000 and refunded s/he savings amount.

Besides People's Welfare Foundation maintain Provident Fund Account of its employees'. The related policy of the above mentioned tahabil is applied properly by the organization in maintaining its financial information.

X. ED'S total Remuneration and Lowest Salary of the Staff

Chief Executive Officer total remuneration and lowest salary of the staff has been mentioned below:

Designation	Remuneration / Salary per month (Taka)
Program Manager	43,230
Community Organizer (lowest salary)	11,000

XI. Loan Operation Management

Matters Arising

- a) During the course of our audit while reviewing the loan applications, loan approval, loan disbursement and loan collection procedures at 3 Branch offices visited to ensure that all required policy, procedures and guideline were not complied.
- b) In some cases, signature of Branch Manager was not found in the daily collection register at Kaitrabranch office.
- c) In some cases, signature of Community Organizer was not found in the daily collection register at Laksambranch office.

Implications

Such practice indicates monitoring weakness over loan disbursement and Loan collection system and may result in misappropriation of loan which may also deplete goodwill of People's Welfare Foundation due to dispute with loanees.

Recommendation

Management should take necessary steps to resolve the issue with strengthen the monitoring and review activities.

Management Response

We have already taken necessary steps to avoid the above mentioned irregularities and shortcomings. The concern persons have been cautioned verbally not to repeat the same mistake.

XII. Compliance with the Guidelines on Prevention of Money Laundering and Terrorist Financing for NGO/NPO Sector (Prevention of Money Laundering Act, 2012, 2(ba)(a)(1) and (2))

People's Welfare Foundation fully comply the guidelines of Money Laundering and Terrorist Financing. For all the transactions People's Welfare Foundation made through bank transfer and Account Payee cheque. Apart from banking channel People's Welfare Foundation does not use any other channel to transact money.

XIII. Compliance status of the prior year (2018-2019) external audit observation

Sl. No.	Observation	Implementation Status
1	Excess cash kept in the office not deposited in the bank increase the risk of theft	Resolved



As required by the Micro-credit Regulatory Authority, we further report that:

- A) The organization has prepared its financial statements as per International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) Reporting.
- B) We examine and found that the organization has not taken any activity, which is involved in the transaction or provided services that is contrary to "Micro credit Regulatory Authority Act-2006." Micro credit Regulatory Authority Act-2010. We also verify and found that no transaction has been made against the interest of different donors, beneficiaries of the organization.
- C) We have examined and found that the closing balance of last year's audited financial statement was carried forward as opening balance in current year's accounts.
- D) We examined and observed that the organization has maintained proper books of accounts for sector-wise receipt of fund and whether they properly comply with the rules and regulation as per accounting manual provided by authority.
- E) We examine and observed that the organization has kept the record separately for the collected fund under various components of micro credit activities and submit separate reports on that basis.
- F) We examined and observed that the organization has properly recorded and accounted for the receipt and disbursement of fund from different donor organization and utilized them as per their principles/terms and conditions of the agreement with the donors.
- G) We examined and observed that the organization has properly recorded in account and the collected loan and savings amount deposited into the bank with some irregularities. Besides, whether collection and refund of savings are paid to members and also examine rate of interest etc.
- H) We check and found that the organization has maintained the formalities and properly complied with the provision in the rules mentioned before disbursing loan among the beneficiaries.
- I) We checked whether the documents i.e. passbook/savings collection schedule and loan application form regarding loan write off, bad loan and found that have preserved separately.
- J) The organization has properly complied with the rules & regulation relating to the constitutions particularly in respect of formation and meetings of General Body and Governing Body.
- K) There were fixed assets in the Microcredit Program. So we have physically verified the existence of fixed assets in **People's Welfare Foundation** which acquired out of surplus service charge (income surplus) and fund received from different sources for institutional development as loan or grants.
- L) We checked test basis whether the loans was properly utilized for the beneficiary member and found in order.
- M) All transaction related with collection of savings and disbursements of microcredit were made in cash.
- N) From our test check, we found that the collected loan and savings accounts are not duly deposited into bank on daily basis.
- O) From our test check, we found that the amount collected from Samity members are duly accounted for as per applicable policy and procedure at member and group level with very little exceptions.



- P) **People's Welfare Foundation** which is collecting service charges from beneficiaries at a decline Rate of 25%-27% per annum calculated on the loan provide to them. The principal loan and proportional service charges are collected in equal weekly installments, Service Charges are accounted on cash basis and the amount of service charges from the beneficiaries is recognized as income. On the other side, the service charges receivable is not recognized as income.
- Q) Provision for loan loss has been duly calculated and sufficient Provision accounted for as Micro-credit Regulatory Authority Act 2006 and Micro-credit Regulatory Authority Act 2010.
- R) We have physically counted the cash in hand during course of our audit and confirmed bank balances with the bank statement on a test basis and also examined the bank reconciliation statements and found them satisfactory.
- S) We have checked the vouchers on a test basis and found that payments were made upon the approval of appropriate authority and we have examine the budgetary control system of the organization and have not found any issue to mention in the report.
- T) We have checked the papers/document in supporting of utilized of fund and found that no existence of any unused fund.
- U) We have verified the financial statements submitted to various donor organizations, regulatory agencies and other authorities by the **People's Welfare Foundation** which with proper justification and did find any issue mention in the report.
- V) As per Sixth Schedule Part-A, Para 1A on Income Tax Ordinance, 1984 (ITO) income from microfinance activities are tax exempted. The **People's Welfare Foundation** which not deducts tax and VAT at sources as per the provisions of ITO 1984 and VAT Act. 1991.
- W) We observed that the Organization has introduced and established policies for procurement, human resource, loan and savings and complies with the above policies for microfinance operations.
- X) The organization has no Internal Audit Department for conducting internal audit and monitors the Organization at a regular interval.
- Y) We have checked the microfinance activities funded by Own fund and Bank/NGO, loaned fund, donated fund and such activities from own sources, adequacy of MIS system, internal control system, adequacy of classification of loan, provision policy, adequacy of collection percentage of loan and found satisfactory.
- Z) We have checked cost sharing between of microcredit and other program and found in order.
- AA) We check and found that the bank transaction was not satisfactory because transaction made both cash and bank.
- BB) We observed that the audit fee has been shown under separate head in financial statement which are not fixed on the basis of loan portfolio and cost centers/branches.
- CC) We examine and found that the organization has not taken any activity, which is involved in the transaction or provided services that are contrary to " Money Laundering Prevention Act (MLAPA) 2012 and Anti Terrorism Act (ATA) 2009".



People's Welfare Foundation

Village: Kaitra, Post Office: Uttar Gazipur Upazilla: Laksam, District: Cumilla Bangladesh

BUDGET ANALYSIS

Financial Year: 2019-2020
Name of NGO: People's Welfare Foundation
MRA License No: 00257-00066-00627

Sl. No	Description	2019-2020		
		Projected	Actual	Variance (%)
1. Area Coverage:				
	District	-	-	0.00
	Upazilla	-	-	0.00
	Union	1	1	0.00
	Village	2	2	0.00
	2. Branch Opening	1	-	-100.00
	3. Group/Samity Formation	25	10	-60.00
	4. Add New Member	885	971	9.72
	5. Add New Borrower	699	775	10.87
	6. Recruitment	6	6	0.00
	7. Deposits Collection.	19,474,560	11,220,713	-42.38
	8. Refund Deposit	12,983,040	10,811,190	-16.73
	9. Recovery	93,094,709	62,340,323	-33.04
	10. Loan Disbursement	108,675,000	64,295,000	-40.84
	11. Borrowing	18,000,000	2,000,000	-88.89
	12. Loan returns	10,283,857	2,960,259	-71.21
	13. Received against insurance service	1,086,750	643,400	-40.80
	14. Insurance benefits given	543,375	304,709	-43.92
	15. Total Income	12,562,906	9,285,126	-26.09
	16. Total Expenditure	11,661,728	8,111,354	-30.44

Sl. No	Description	Current Balance
		(end of previous fiscal year)
1. Area Coverage:		
	District	1
	Upazilla	4
	Union	19
	Village	101
	2. Number. of Branch	3
	3. Number. of Group	163
	4. Number. Member	2,765
	5. Number. Borrower	1,976
	6. Manpower	18
	7. Deposit Balance	17,377,083
	8. Loan Outstanding	40,711,886
	9. Loan Received	15,491,313
	10. Insurance Fund	2,023,215
	11. Cumulative Surplus	6,925,857



Sl. No	Description	2019-2020		
		Projected	Actual	Variance (%)
1	* Loan Recovery			
	Jagaron Microcredit	55,856,825	36,974,745	-33.80
	Urban Microcredit			
	Microenterprise	300,000	715,748	138.58
	Seasonal Loan			
	Livestock Loan			
	Agriculture Loan	36,937,884	24,649,830	-33.27
	Others Loan			
	Total	93,094,709	62,340,323	-33.04
	* Specify according to loan type			
2	Fund Collection			
	1. Savings Collection:			
	Force Savings	16,228,800	9,985,050	-38.47
	Voluntary Savings	3,245,760	1,235,663	-61.93
	Fixed of deposit			
	Total:	19,474,560	11,220,713	-42.38
	MFI Borrowing			
	2. PKSF Loan	0	0	
	3. Bank Loan	10,000,000	0	-100.00
	4. Loan from Financial Institution	0	0	
	5. Loan from other Institution	0	0	
	6. Donation (Conditional)	0	0	
	7. General/EC Member Loan	0	0	
	8. Others Loan	8,000,000	2,000,000	-75.00
3	Insurance Fund Collection	1,086,750	643,400	-40.80
	Total:	19,086,750	2,643,400	-86.15
4	Utilization of Fund			
	1. * Loan Disbursement			
	Jagoran Microcredit Disbursement	65205000	37318200	-42.77
	Urban Microcredit Disbursement			
	Microenterprise Disbursement	500000	2098000	319.60
	Seasonal loan Disbursement			
	Livestock loan Disbursement			
	Agriculture loan Disbursement	42970000	24878800	-42.10
	Other Disbursement			
	Total:	108,675,000	64,295,000	-40.84
	* Specify according to loan type			
	2. Savings Returns			
	Compulsory Savings	11,360,160	9,356,641	-17.64
	Voluntary Savings	1,622,880	1,454,549	-10.37
	Fixed Deposit			
	Total:	12,983,040	10,811,190	-16.73
	3. Loan Repayment			
	PKSF Loan	0	0	
	Bank Loan	7,283,857	2,210,259	-69.66
	Loan from financial Institution	-	-	
	Loan from other Institution	-	-	
	General/EC Member Loan	-	-	
	Others Loan	3,000,000	750,000	-75.00
	Total:	10,283,857	2,960,259	-71.21
5	Insurance Service:	543,375	304,709	-43.92
6	Fixed asset acquisition			
	Land Purchase			
	Land Development			
	Building Construction			
	Motor Vehicles		-	
	Furniture & Fixtures	50,000	13,950	-72.10
	Office Equipments	50,000	-	-100.00
	Electric Equipments			
	Computer & Accessories	50,000	-	-100.00
	Computer Software	-	-	
	Total:	150,000	13,950	-90.70



Sl. No	Description	2019-2020		
		Projected	Actual	Variance (%)
7	Income			
	1. Service charge	12,102,312	8,903,587	-26.43
	2. Interest on Investment	232,968	251,281	7.86
	3. Other interest	50,000	21,920	-56.16
	4. Entry Fees	36,000	9,710	-73.03
	5. Sale of passbook	20,000	11,290	-43.55
	6. Sale of Forms	10,000	8,385	-16.15
	7. Donation			
	8. Others income	59,525	33,248	-44.14
	9. Recovery of Written off Loan	50,000	43,605	-12.79
	10. General Member Subscription Fees	2,100	2,100	0.00
	11. Overhead cost from others Program			
	Total Income:	12,562,906	9,285,126	-26.09
8	Expenses			
	Financial Expenses:			
	1. Savings interest	1,169,980	713,655	-39.00
	2. Interest of PKSF Loan	-	-	
	3. Interest on Bank Loan	1,734,061	1,574,088	-9.23
	4. Interest on Committee Loan			
	5. Interest on Others institutional Loan	-	-	
	6. Others	500,000	498,087	-0.38
	Total Financial Expenses:	3,404,041	2,785,830	-18.16
	General and administrative Expenses:			
	7. Salary & Allowances*1			
	Basic Pay	2,708,200	2,022,839	-25.31
	Special Allowance	-	-	
	Dearness Allowance	-	-	
	House Rent Allowance	2,038,800	1,448,555	-28.95
	Medical Allowance	240,000	155,700	-35.13
	Festival Allowance	260,000	251,449	-3.29
	Rest & Recreation Allowance	-	-	
	Lunch Allowance	60,000	56,070	-6.55
	Conveyance Allowance	240,000	209,250	-12.81
	Telephone Allowance	-	-	
	Educational Allowance	-	-	
	Fixed Travel Allowance	-	-	
	Overtime Allowance	-	-	
	Others Allowance (Incentive)	30,000	25,471	-15.10
	Total	5,577,000	4,169,334	-25.24
	8. House Rent	336,000	246,000	-26.79
	9. Printing and Stationeries:			
	Printing & Binding	36,000	24,300	-32.50
	Stationary, Seals & Stamps	60,000	38,985	-35.03
	Total	96,000	63,285	-34.08
	10. Travel Expense			
	Domestic	384,000	308,996	-19.53
	Foreign			
	11. Telephone and Mail			
	Telephone/Telex/Fax/Internet	49,600	60,829	22.64
	Postal & Courier service	8,000	12,300	53.75



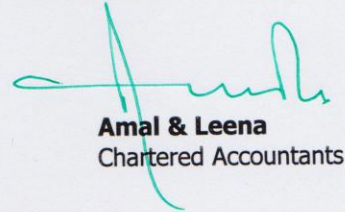
Sl. No	Description	2019-2020		
		Projected	Actual	Variance (%)
8	12. Repairs & Maintenance			
	Office Building			
	Motor Vehicles	60,000	-	-100.00
	Others	26,000	36,945	42.10
	Total	86,000	36,945	-57.04
	13. Fuel Expense	10,000	-	-100.00
	14. Gas, Electric & Water bill	72,000	53,592	-25.57
	15. Entertainment	86,400	58,537	-32.25
	16. Advertisement	10,000	-	-100.00
	17. Paper & Publication:			
	Newspaper & Magazine	9,600	270	-97.19
	Books & Publication			
	Total	9,600	270	-97.19
	18. Bank Charge	72,000	66,045	-8.27
	19. Training Expense			
	Local Training	24,000	-	-100.00
	Foreign Training			
	Total:	24,000	-	-100.00
	20. Seminar, Conference & Workshop Expense			
	21. Legal Expense	24,000	12,500	-47.92
	22. Meeting Expense			
	23. Registration Fees/Renewal Fees	30,256	37,802	24.94
	24. Others Operational Expense	50,000	66,090	32.18
	25. Audit Fees	10,000	7,000	-30.00
	26. Honorarium for EC Members			
	27. Other Honorarium			
	28. Tax:			
	Land Tax			
	Income Tax			
	Other Tax			
	Customs Duty/VAT			
	Total:	0	0	
	29. Subscriptions & Donation/Rebate	48,000	55,966	16.60
	30. Depreciation	68,506	51,427	-24.93
	31. Cost Sharing Expenses			
	32. Consultancy Service			
33. Total Operational Expenses	10,455,402	8,092,748	-22.60	
34. Loan Loss Provision	1,206,326	18,606	-98.46	
35. Net Surplus	901,177	1,173,772	30.25	
36. Transfer to Various Fund				
Reserve Fund	90,118	117,377	30.25	
DMF				
Others				
Total:	90,118	117,377	30.25	



Certificate

We examine and found that People's Welfare Foundation has not taken any activity, which is involved in the transaction or provided services that are contrary to " Money Laundering Prevention Act (MLAPA) 2012 and Anti Terrorism Act (ATA) 2009". We also verify and found that no transaction has been made against the interest of different donors, beneficiaries of the organization.

Dated, Dhaka
22 September, 2020


Amal & Leena
Chartered Accountants

