

**Auditor's Report on the
Consolidated Financial Statements of
DUSHTHA SHASTHYA KENDRA (DSK)**

For the year ended 30 June, 2017

House No- 741, Road No- 09
Baitul Aman Housing Society, Adabar
Mohammadpur, Dhaka- 1207

Corporate Office:

📍 : House # 15, Road # 12, Block # F, Niketon
Gulshan-1, Dhaka-1212, Bangladesh.
☎ : +88 (02) 8836015-7
☎ : +88 (02) 8836074
☎ : +88 016 8112 6120
✉ : hfc@hfc-bd.com
🌐 : www.hfc-bd.com

Independent Auditor's Report
To the Executive Committee
Of
Dushtha Shasthya Kendra (DSK)

Report on the Financial Statements

We have audited the accompanying financial statements of **Dushtha Shasthya Kendra (DSK)**, which comprise the Consolidated Balance Sheet as at June 30, 2017 and the Consolidated Statement of Income and Expenditure, and Consolidated Statement of Receipts and Payments for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Corporate Office:

📍 : House # 15, Road # 12, Block # F, Niketon
Gulshan-1, Dhaka-1212, Bangladesh.
☎ : +88 (02) 8836015-7
☎ : +88 (02) 8836074
☎ : +88 016 8112 6120
✉ : hfc@hfc-bd.com
🌐 : www.hfc-bd.com

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **Dushtha Shasthya Kendra (DSK)** as at June 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

Place: Dhaka
Date: 30 September 2017


Hussain Farhad & Co.
Chartered Accountants

Chittagong Office:

Yunusco City Center (9th Floor), 807, CDA Avenue, Nasirabad, Chittagong ☎ +88 (031) 2859281 ✉ ctg@hfc-bd.com

Rangpur Office:


Mintu Plaza (2nd Floor), Dhap Jail Road, Rangpur-5400 ☎ +88 019 1560 3140 ✉ rangpur@hfc-bd.com

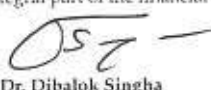
International Affiliations

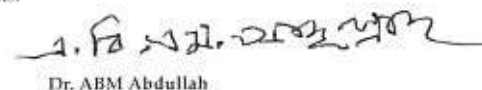
DUSHTHA SHASTHYA KENDRA (DSK)
Consolidated Balance Sheet
As at 30 June 2017

Notes	Micro Credit	Programs/ Projects	BDT	
			30.06.2017	30.06.2016
ASSETS				
Non-Current Assets:				
	359,134,901	82,415,743	441,550,643	365,705,942
Property, Plant and Equipment	4.00 101,322,174	66,298,090	167,620,264	168,759,376
Investments/FDRs	5.00 257,812,727	16,117,653	273,930,380	196,946,566
Current Assets:				
	4,443,159,676	116,580,363	4,559,740,039	3,522,766,846
Loan to Members	6.00 4,277,591,453	-	4,277,591,453	3,288,189,565
Loan to Other Projects - Short Term	7.00 -	-	-	3,414,785
Account Receivables	8.00 28,817,133	-	28,817,133	16,943,862
Advances, Deposits and Prepayments	9.00 7,430,828	2,413,258	9,844,086	10,739,365
Stock and Stores	10.00 23,059	60,967	84,026	270,776
Other Current Assets	11.00 -	12,287,926	12,287,926	11,861,031
Revolving Loan Outstanding	12.00 -	48,696,097	48,696,097	76,420,957
Cash and Cash Equivalents	13.00 129,297,203	53,122,115	182,419,318	114,926,506
Total Assets	4,802,294,577	198,996,106	5,001,290,683	3,888,472,788
CAPITAL FUNDS AND LIABILITIES:				
Equity/Capital Fund:				
	1,129,327,909	47,485,450	1,176,813,359	985,814,070
Donor Fund	14.00 35,117,431	-	35,117,431	35,117,431
Own Fund (Cumulative Surplus)	15.00 885,008,590	43,956,444	928,965,034	755,734,991
Statutory Reserve Fund	16.00 97,423,671	-	97,423,671	82,841,538
Insurance Fund - Members	18.00 108,591,105	-	108,591,105	108,591,105
Health Insurance Fund (Staff)	30.00 3,187,112	3,529,006	6,716,118	3,529,006
Other Funds:				
	-	124,132,287	124,132,287	154,726,969
Revolving Loan Fund	19.00 -	47,675,069	47,675,069	88,475,041
Donor Unutilized Fund	27.00 -	26,708,389	26,708,389	26,457,820
Deferred Liabilities against Project Durable Assets (Fixed Assets Fund)	28.00 -	34,670,383	34,670,383	31,196,786
Other Funds	17.00 -	14,381,234	14,381,234	8,597,323
Health Insurance Fund (Staff)	30.00 -	697,213	697,213	-
Non-Current Liabilities:				
	1,497,685,841	10,295,874	1,507,981,715	813,127,361
Loan from PKSF - Long Term	20.00 273,148,332	-	273,148,332	329,584,167
Loan from Other Financial Institutions - Long Term	21.00 1,191,896,628	-	1,191,896,628	470,037,320
Insurance Fund - Members	18.00 31,940,881	-	31,940,881	-
Loan from Various Sources (Non-current)	26.00 -	10,295,874	10,295,874	13,505,874
Other Non-Current Liability	23.00 700,000	-	700,000	-
Current Liabilities:				
	2,175,280,827	17,082,494	2,192,363,321	1,934,804,388
Loan from PKSF - Short Term	20.00 452,411,664	-	452,411,664	402,379,164
Members' Savings	22.00 1,398,365,374	-	1,398,365,374	1,255,371,220
Account Payables	24.00 144,364,537	-	144,364,537	115,051,516
Loan Loss Provision (LLP)	25.00 180,139,252	2,484,605	182,623,857	130,107,198
Loan from Various Sources (Current)	26.00 -	3,210,000	3,210,000	3,210,000
Other Current Liabilities	29.00 -	11,387,889	11,387,889	28,685,290
Total Capital Funds and Liabilities	4,802,294,577	198,996,106	5,001,290,683	3,888,472,788

The annexed notes form an integral part of the financial statements.


S.M. Golam Mostafa
 Director (Finance)


Dr. Dibalok Singha
 Executive Director


Dr. ABM Abdullah
 President

Signed in terms of our separate report of even date annexed.


Hussain Farhad & Co.
 Chartered Accountants

Date: 30 September 2017
 Dhaka

DUSHTHA SHASTHYA KENDRA (DSK)
Consolidated Statement of Receipts and Payments
For the year ended 30 June 2017

	Micro Credit	Programs/ Projects	BDT	
			Total 2016-17	Total 2015-16
RECEIPTS:				
Opening balance:	49,391,519	65,534,987	114,926,506	227,187,244
Cash in Hand	590,361	197,827	788,188	3,029,336
Cash at Bank	48,801,158	65,337,160	114,138,318	224,157,908
PKSF Fund Receipt:	431,300,000	-	431,300,000	380,000,000
Rural Micro Credit (RMC)	-	-	-	-
Urban Micro Credit (UMC)	-	-	-	-
Micro Enterprise (ME)	-	-	-	-
Sahosh	35,000,000	-	35,000,000	-
IGA - Enrich	10,000,000	-	10,000,000	-
SDL	10,000,000	-	10,000,000	-
Jagoron	170,000,000	-	170,000,000	176,000,000
Agroshor	140,000,000	-	140,000,000	134,000,000
Buniead	15,000,000	-	15,000,000	20,000,000
Sufolon	50,000,000	-	50,000,000	50,000,000
LILP	500,000	-	500,000	-
ACLP	800,000	-	800,000	-
Members Savings Deposits:	804,359,858	-	804,359,858	1,104,799,000
Rural Micro Credit (RMC)/Jagoron	459,557,478	-	459,557,478	474,702,559
Urban Micro Credit (UMC)	-	-	-	-
Micro Enterprise (ME)/ Agroshor	143,599,988	-	143,599,988	263,962,694
Hard Core Poor (GOB)/Buniead	21,891,532	-	21,891,532	27,297,523
Enrich	1,068,825	-	1,068,825	3,442,971
AMCP/Sufolon	23,364,479	-	23,364,479	32,447,392
Long term savings	73,705,050	-	73,705,050	141,924,544
Voluntary savings	81,172,506	-	81,172,506	161,021,317
M.C Loan Recovered from Members:	6,197,579,054	-	6,197,579,054	5,132,315,204
Rural Micro Credit (RMC)/Jagoron	2,816,255,585	-	2,816,255,585	2,774,857,363
Urban Micro Credit (UMC)	-	-	-	-
Micro Enterprise (ME)/ Agroshor	2,905,643,470	-	2,905,643,470	1,863,222,130
Hard Core Poor (GOB)/Buniead	135,384,535	-	135,384,535	145,084,830
Sanitation	141,490	-	141,490	-
LILP	1,507,448	-	1,507,448	-
ACLP	3,098,040	-	3,098,040	-
IGA - Enrich	21,563,980	-	21,563,980	8,158,879
AMCP/Sufolon	313,984,506	-	313,984,506	340,992,002
Other Receipts:	1,282,237,414	-	1,282,237,414	588,122,797
Claimable Savings	3,909,679	-	3,909,679	2,934,337
Loan from Other Donor	1,100,000,000	-	1,100,000,000	370,000,000
LT	700,000	-	700,000	-
Insurance Fund	70,704,557	-	70,704,557	59,734,956
Other Projects	22,137,555	-	22,137,555	-
FDR Encashment	82,850,949	-	82,850,949	138,183,436
Accounts Receivable	1,728,612	-	1,728,612	7,253,439
Stock	206,062	-	206,062	-
Disaster Management Fund	-	-	-	-
Provision for Int. On Savings	-	-	-	10,016,629
Other Recovery:	307,439,973	12,565,803	320,005,776	327,203,317
Advance Realized	11,558,675	12,565,803	24,124,478	26,271,425
Provision for Expenses/ Other Liabilities	295,881,298	-	295,881,298	300,931,892
Service Charge Receipts:	802,068,628	-	802,068,628	662,882,608
Rural Micro Credit (RMC)/Jagoron	354,764,657	-	354,764,657	352,717,273
Urban Micro Credit (UMC)	-	-	-	-
Micro Enterprise (ME)/ Agroshor	379,138,099	-	379,138,099	244,069,325
Hard Core Poor (GOB)/Buniead	13,992,812	-	13,992,812	14,408,457
ACLP	213,208	-	213,208	-
LILP	97,028	-	97,028	-

Housing	-	-	-	-
Live stock	-	-	-	274,096
AMCP/Sufolon	50,489,817	-	50,489,817	50,280,166
IGA - Enrich	3,373,007	-	3,373,007	1,133,291
Miscellaneous Receipts:	9,166,705	789,419	9,956,124	10,802,981
Membership fees from GBM/ Admission Fees	-	-	-	627,345
Mem. Adm. Fee	728,502	-	728,502	-
Sales Of Pass Book	1,042,623	-	1,042,623	906,765
Loan form fee	1,010,208	-	1,010,208	-
Cash in Transit Received	-	-	-	-
Interest on FDR/Investment	2,041,773	778,147	2,819,920	4,081,679
Bank Interest	2,455,852	11,272	2,467,124	2,119,422
Interest on Savings	-	-	-	-
Other income	1,887,746	-	1,887,746	3,067,770
	-	-	-	-
Receipts Against Contribution for Grants	-	-	-	4,934,250
	-	-	-	4,934,250
	-	-	-	-
Receipts from various fund/activities:	-	826,883,534	826,883,534	1,096,928,649
Grant from Donor	-	262,403,519	262,403,519	298,181,494
Fund - Equity	-	6,954,275	6,954,275	-
Donor Unutilized Fund	-	2,108,112	2,108,112	159,596
Revolving Loan Fund	-	1,676,105	1,676,105	-
Other Current Liability	-	129,331,672	129,331,672	209,207,152
Furniture & Fixture	-	50,154	50,154	-
Investment Encashment	-	6,172,818	6,172,818	18,623,157
Other Current Assets	-	36,522,587	36,522,587	26,065,351
Revolving Loan	-	77,060,269	77,060,269	179,983,759
Stock and Stores	-	11,411	11,411	-
Grant Received through HO	-	261,680,523	261,680,523	307,774,259
Realization from Projects	-	16,218,708	16,218,708	18,975,210
Service Charge - RLF	-	7,160,737	7,160,737	18,461,929
Others	-	417,293	417,293	9,537,218
Health Insurance	-	734,295	734,295	887,011
Received from Training Cell	-	471,210	471,210	173,588
Received from Vacutag	-	749,380	749,380	681,791
Hospital - Dhaka	-	9,876,839	9,876,839	6,801,760
Hospital - Durgapur	-	2,035,115	2,035,115	1,413,374
Subsidy from HO	-	4,099,312	4,099,312	-
Received against Office Rent	-	1,142,200	1,142,200	-
Membership Fees (GBM)	-	7,000	7,000	2,000
Total	9,883,543,151	905,773,743	10,789,316,894	9,535,176,050

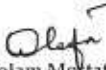
PAYMENTS:

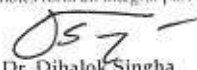
Loan Disbursement to Members:	7,198,245,000	-	7,198,245,000	5,748,751,000
Rural Micro Credit (RMC)/Jagoron	2,837,377,000	-	2,837,377,000	2,860,621,000
Urban Micro Credit (UMC)	-	-	-	-
Micro Enterprise (ME)/ Agroshor	3,800,891,000	-	3,800,891,000	2,367,065,000
Hard Core Poor (GOB)/Buniead	124,522,000	-	124,522,000	145,299,000
Sahosh	5,727,000	-	5,727,000	-
AMCP/Sufolon	387,588,000	-	387,588,000	355,204,000
Sanitation	2,053,000	-	2,053,000	-
ACLP	3,885,000	-	3,885,000	-
LILP	1,716,000	-	1,716,000	-
IGA- Enrich	34,486,000	-	34,486,000	20,562,000
Loan Refund to PKSf (Principal):	437,703,335	-	437,703,335	459,570,001
Rural Micro Credit (RMC)	66,000,000	-	66,000,000	104,000,000
Urban Micro Credit (UMC)	68,000,000	-	68,000,000	117,000,000
Micro Enterprise (ME)	37,000,000	-	37,000,000	76,000,000
Hard Core Poor (GOB)	1,666,664	-	1,666,664	16,666,668
MFMSF	-	-	-	-
AMCP	-	-	-	-
IGA- Enrich	6,520,000	-	6,520,000	7,720,000

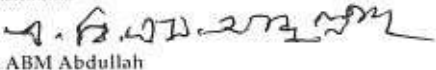
Jagoron	106,200,000	-	106,200,000	32,000,000
Agroshor	80,800,000	-	80,800,000	23,000,000
Buniead	19,583,338	-	19,583,338	6,250,000
Sufolon	50,000,000	-	50,000,000	75,000,000
Enrich-ACLP	833,333	-	833,333	833,333
Enrich- LILP	1,100,000	-	1,100,000	1,100,000
Service Charge paid to PKSF:	59,004,718	-	59,004,718	61,557,400
Rural Micro Credit (RMC)	3,860,000	-	3,860,000	13,080,000
Urban Micro Credit (UMC)	4,400,000	-	4,400,000	15,500,000
Micro Enterprise (ME)	1,920,000	-	1,920,000	7,020,000
Hard Core Poor (GOB)	6,250	-	6,250	136,500
MFMSF	25,725,500	-	25,725,500	-
AMCP	19,544,500	-	19,544,500	-
IGA- Enrich	660,418	-	660,418	1,888,233
Jagoron	2,260,417	-	2,260,417	10,640,000
Agroshor	-	-	-	7,820,000
Buniead	586,800	-	586,800	1,250,000
Sufolon	27,083	-	27,083	4,166,667
Enrich- ACLP	13,750	-	13,750	31,250
IGA- LILP	-	-	-	24,750
Members Savings Deposits Refund:	738,796,190	-	738,796,190	937,426,001
Rural Micro Credit (RMC)/ Jagoron	313,484,229	-	313,484,229	488,754,276
Urban Micro Credit (UMC)	-	-	-	-
Micro Enterprise (ME)/ Agroshor	168,011,512	-	168,011,512	111,737,372
Hard Core Poor (GOB)/Buniead	16,175,748	-	16,175,748	24,769,012
TDS	2,849,654	-	2,849,654	-
AMCP/Sufolon	21,714,554	-	21,714,554	32,507,243
IGA- Enrich	1,313,408	-	1,313,408	10,167
Long term savings	95,985,632	-	95,985,632	131,051,698
Voluntary savings	119,261,453	-	119,261,453	148,596,233
Other Payments:	728,900,628	-	728,900,628	449,389,277
Loan refund other Lender	378,140,693	-	378,140,693	146,445,381
Insurance Fund	38,763,676	-	38,763,676	53,638,025
Provision for Expenses / Other Liabilities	296,611,939	-	296,611,939	241,986,363
Accumulated Depreciation	-	-	-	146,002
Grants Fund Payment	-	-	-	-
Accounts Receivable	14,724,256	-	14,724,256	6,372,818
Claimable Savings	660,064	-	660,064	800,688
Advance Payments:	11,901,932	11,308,930	23,210,862	24,799,984
Advance Payments	11,901,932	11,308,930	23,210,862	24,799,984
Revenue Expenditure Payments:	415,745,387	-	415,745,387	444,618,859
Interest on Savings	-	-	-	69,883,752
Salary & allowance	298,881,064	-	298,881,064	294,722,504
Office / Clinic Rent	21,329,787	-	21,329,787	16,296,912
Training / Refreshers etc.	1,069,899	-	1,069,899	581,267
Interest paid to other Lender	58,442,731	-	58,442,731	30,869,349
Printing expenses	1,866,071	-	1,866,071	2,445,085
Gas, Elect. & Water	2,563,080	-	2,563,080	2,253,419
Telephone, Fax & Mobile	82,224	-	82,224	148,167
Repairs, maintenance & fuel	2,442,533	-	2,442,533	793,861
Stationary & office supplies	4,010,892	-	4,010,892	3,680,441
Postage & Photocopy	1,131,086	-	1,131,086	1,084,574
TA / DA / Conveyance	2,867,112	-	2,867,112	2,496,056
Entertainment	2,396,752	-	2,396,752	1,882,145
Staff retreat / recreation	958,000	-	958,000	771,513
Audit fees	350,000	-	350,000	353,115
Office expenses / maintenance	303,551	-	303,551	1,587,790
Bank Charge	2,398,126	-	2,398,126	1,470,685
Legal Expenses	275,372	-	275,372	222,581
Health Insurance Expense (Staff)	20,000	-	20,000	-
Other expenses	4,982,738	-	4,982,738	5,317,777
Meeting Expenses	942,394	-	942,394	714,483
Staff Recruitment Expenses	20,307	-	20,307	110
Tax, Insurance & Registration	132,250	-	132,250	109,912
Advertisement Expenses	152,304	-	152,304	53,145
Abnormal Loss	262,221	-	262,221	172,522

Scholarship Expenses	4,444,000	-	4,444,000	3,472,652
Cleaning Bill	-	-	-	3,700
Consultancy Fee	319,381	-	319,381	493,500
EC- Expenses	424,237	-	424,237	30,538
EC- Honorarium	-	-	-	256,000
Sports Expenses	50,000	-	50,000	-
Generator Bill	15,800	-	15,800	16,140
Internal Audit Expenses	1,006,859	-	1,006,859	1,041,852
Internal Audit Expenses	-	-	-	194,637
Monitoring Expenses	839,079	-	839,079	898,339
Meeting Expenses - Samity Prodhon	704,361	-	704,361	283,533
Meeting Expenses-GO/NGO	14,190	-	14,190	200
National Day Observe	46,984	-	46,984	16,603
Capital Expenditure Payments:	6,450,758	2,155,508	8,606,266	79,186,994
Land	-	-	-	23,070,990
Building & Construction	-	-	-	43,050,345
Furniture & fixtures	2,921,488	335,947	3,257,435	2,313,121
Electrical Equipment	3,529,270	1,294,081	4,823,351	7,336,390
Vehicle/ Motorcycle	-	525,480	525,480	3,416,148
Investment Payments:	152,500,000	-	152,500,000	83,500,000
Savings FDR	111,500,000	-	111,500,000	80,000,000
Disaster Management fund Investment	-	-	-	-
SRFI	41,000,000	-	41,000,000	3,500,000
Other Project C/A:	4,998,000	-	4,998,000	-
Other Project C/A	4,998,000	-	4,998,000	-
Cash In Transit	-	-	-	-
Payment for various fund/activities:	-	839,187,190	839,187,190	1,131,450,028
Fund - Equity	-	1,281,661	1,281,661	360,523
Revolving Loan Fund	-	46,972,572	46,972,572	13,491,080
Donor Unutilized Fund	-	666,793	666,793	305,046,827
Accumulated Depreciation - Furniture	-	3,949	3,949	-
Loan Refund	-	3,210,000	3,210,000	3,210,000
Other Current Liability	-	144,144,468	144,144,468	262,289,982
Investment - FDR	-	3,419,008	3,419,008	5,943,320
Other Current Assets	-	36,954,460	36,954,460	31,989,572
Revolving Loan	-	49,335,409	49,335,409	162,800,086
Stock and Stores	-	30,723	30,723	-
Grant transfer to Project	-	262,583,484	262,583,484	-
Project Expenditure	-	255,744,114	255,744,114	306,281,243
Expenditure General Fund head office	-	15,260,174	15,260,174	14,257,450
Expenditure - Building Fund	-	621,387	621,387	-
Expenditure RLF	-	2,705,938	2,705,938	12,539,164
Hospital Charge - Dhaka	-	13,838,750	13,838,750	10,975,918
Hospital Charge - Durgapur	-	617,562	617,562	454,961
Health Insurance	-	211,106	211,106	245,164
Training Cell Charge	-	411,144	411,144	174,666
Vacutag Charge	-	726,401	726,401	747,536
Other Administrative Expenditure	-	339,311	339,311	534,929
Bank Charge	-	108,776	108,776	107,607
Total Payment	9,754,245,948	852,651,628	10,606,897,576	9,420,249,544
Closing Balance:	129,297,203	53,122,115	182,419,318	114,926,506
Cash in hand	840,776	523,208	1,363,984	788,188
Cash at Bank	128,456,427	52,598,907	181,055,334	114,138,318
Total	9,883,543,151	905,773,743	10,789,316,894	9,535,176,050

The annexed notes form an integral part of the financial statements.


S.M. Golam Mostafa
Director (Finance)


Dr. Dibalok Singha
Executive Director


Dr. ABM Abdullah
President

Date: 30 September 2017
Dhaka