



Rahman Rahman Huq
Chartered Accountants

GHASHFUL
(A Voluntary Community Development Organisation)

Auditors' Report and Financial Statements
For the year ended 31st December 2005



Rahman Rahman Huq

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**AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE OF
GHASHFUL**

We have audited the accompanying Balance Sheet of Ghashful, Chittagong as of 31st December 2005 and the related Income and Expenditure Account and Receipts and Payments Account for the year then ended.

Respective responsibilities of the Management and Auditors:

The preparation of these financial statements together with notes thereto set out on pages 3 to 20 is the responsibility of the Organisation's management vested with an Executive Committee. Our responsibility is to express an independent opinion on these financial statements presented by the Executive Committee based on our audit.

Basis of opinion:

We conducted our audit in accordance with Auditing Standard issued by the Institute of Chartered Accountants of Bangladesh. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examination, on a test check basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting principles used and the significant estimates and judgements made by the management in the preparation of these financial statements, of whether the accounting policies are appropriate to the Organisation's circumstances, consistently applied and adequately disclosed and as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Opinion:

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standard, give a true and fair view of the state of the Organisation's affairs as of 31st December 2005 and of the results of its operations for the year then ended and comply with the applicable laws and regulations:

We also report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and made due verification thereof;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Organisation so far as it appeared from our examination of those books;

and

- (c) The Organisation's Balance Sheet and Income and Expenditure Account dealt with by the report are in agreement with the books of account maintained by the Organisation as examined by us. *Per Rahman Rahman Huq*

Dated, Chittagong,
18th July 2006

GHASHFUL
BALANCE SHEET
AS AT 31ST DECEMBER 2005

NOTES	GENERAL ACCOUNT	DAG PROJECT	LIVELIHOOD MICRO CREDIT	NFPE - BRAC PROJECT	EDUCARE KG SCHOOL	GKNHRIB - BLAST PROJECT	ARH - BCCP Project	2005	2004
	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA
SOURCE OF FUND									
	18,780	-	-	-	-	-	-	18,780	10,000
Capital Fund - Donations									
Members' Savings	5	240,755	-	75,624,949	-	-	-	75,865,705	54,884,284
Members' Unclaimed Account				144,359	-	-	-	144,359	113,198
Insurance Reserve Fund		1,559	-	1,566,167	-	-	-	1,567,726	574,815
Reserve Fund - School Savings		-	-	-	-	-	-	-	5,028
Surplus/ (Deficit) as per Revenue Account		200,987	349,349	26,179,930	12,867	(201,928)	-	26,541,235	21,855,136
		<u>452,882</u>	<u>349,349</u>	<u>103,515,435</u>	<u>12,867</u>	<u>(201,928)</u>	<u>-</u>	<u>104,137,805</u>	<u>77,442,519</u>
APPLICATION OF FUND									
FIXED ASSETS									
	130,075	999,490	2,641,854	-	89,700	-	-	3,861,168	3,289,011
Fixed assets - at cost	6	102,314	655,450	1,292,520	-	52,958	-	2,103,252	1,500,283
Less: Accumulated Depreciation		<u>27,761</u>	<u>344,040</u>	<u>1,349,374</u>	<u>-</u>	<u>36,741</u>	<u>-</u>	<u>1,757,915</u>	<u>1,737,728</u>
CURRENT ASSETS									
	-	-	94,768,954	-	-	-	-	94,768,954	63,555,454
Loan to Members (Micro credit)	7	300,000	-	-	-	-	-	300,000	300,000
Loan to READ		210	-	-	-	-	-	210	-
Receivable against Membership fee- EC	18	144,000	-	-	-	-	-	144,000	177,000
Receivable from Garment Industries		-	-	-	-	-	-	-	-
Loss of cash by field organizers - insurance claim lodged		-	-	-	-	-	-	-	27,080
Receivable against Tuition fee		-	-	-	700	-	-	700	800
Receivable from AAB		-	-	-	-	-	-	-	25,694
Income tax deducted at source		2,266	336,507	-	132	-	-	339,005	317,191
Advance, Deposits and Prepayments	9	204,488	75,900	595,892	13,000	-	-	813,378	491,463
Inter Project Account		(730,300)	1,000,000	-	(295,600)	-	-	-	-
Cash in hand and at banks	9	832,993	2,553	8,007,134	92,512	57,845	27,514	9,088,352	11,407,635
		<u>753,655</u>	<u>28,453</u>	<u>104,656,597</u>	<u>105,512</u>	<u>(236,923)</u>	<u>27,514</u>	<u>105,444,589</u>	<u>76,302,317</u>
CURRENT LIABILITIES									
	149,247	-	20,000	-	-	-	-	169,247	80,000
Security deposits from field staff		-	-	-	1,090	-	-	1,090	3,120
Advance Admission fees received	10	-	-	1,108,700	-	-	-	1,108,700	82,719
Less Loan Reserve		-	-	671,624	-	-	-	671,624	41,360
Disaster Fund - Reserve	11	44,008	23,144	132,212	2,150	656	-	202,070	148,799
Liability for Expenses	12	125,279	-	-	-	-	-	125,279	139,600
Liability for JOBS (Training expenses)	13	-	-	-	-	27,514	-	27,514	36,673
Liability for BLAST	14	-	-	-	90,495	-	-	90,495	64,095
Liability for BRAC	15	-	-	-	-	-	67,781	67,781	-
Liability for BCCP - ARH	16	-	-	600,000	-	-	-	600,000	-
Loan from PKSF		-	-	-	-	-	-	-	1,000
Loan from Executive Director									
		<u>319,334</u>	<u>23,144</u>	<u>2,532,536</u>	<u>92,645</u>	<u>1,746</u>	<u>27,514</u>	<u>3,054,700</u>	<u>597,525</u>
NET CURRENT ASSETS		<u>434,321</u>	<u>5,309</u>	<u>102,166,061</u>	<u>12,867</u>	<u>(238,669)</u>	<u>-</u>	<u>102,379,889</u>	<u>75,704,791</u>
		<u>887,203</u>	<u>349,349</u>	<u>103,515,435</u>	<u>12,867</u>	<u>(201,928)</u>	<u>-</u>	<u>104,137,805</u>	<u>77,442,519</u>

The notes set out on pages 8 to 20 form an integral part of these accounts. *RRH*

Rahman Rahman Huq

Dated, Chittagong
18th July 2006

Executive Director

President



Rahman Rahman Huq
Chartered Accountants

GHASHFUL
INCOME AND EXPENDITURE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2005

NOTES	GENERAL	DA 5	LIVELIHOOD	NFPE -	EDUCARE	2005	2004
	ACCOUNT	PROJECT	MICRO	BRAC	KG		
	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA
INCOME							
Service charges on Micro Credit	17	-	19,785,392	-	-	19,785,392	14,188,632
Grant received from ActionAid		-	4,113,481	-	-	4,113,481	4,432,219
Subsidy from Organization		-	1,944,000	-	-	1,944,000	1,655,235
Health service charges		-	-	-	-	-	-
from garments industries	18	710,000	-	-	-	710,000	612,000
Clinical service charges	19	108,415	-	-	-	108,415	102,260
Bank interest (Gross)	20	12,770	-	214,177	-	227,804	450,661
Sale of contraceptives		30,535	-	-	-	30,535	29,031
Donations		-	-	-	46,700	46,700	-
Admission and tuition fees		-	-	-	117,860	117,860	73,140
Sale of school material		-	-	-	17,955	17,955	10,400
Sale of admission form and others		2,010	-	758,715	-	760,725	511,183
Other Income		3,000	-	64,864	-	67,864	8,413
		866,730	6,057,461	20,824,148	-	183,372	27,931,731
							22,073,174

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	NOTES	GENERAL ACCOUNT TAKA	DA 6 PROJECT TAKA	LIVELIHOOD MICRO CREDIT TAKA	NFPE - BRAC PROJECT TAKA	EDUCARE KG SCHOOL TAKA	2005 TAKA	2004 TAKA
EXPENDITURE								
Salaries		26,600	2,937,810	7,103,116	-	85,200	10,133,726	8,795,470
Gratuity	26	-	214,399	531,621	-	-	746,020	594,730
Interest on members' savings	21	-	-	1,960,261	-	-	1,960,261	1,528,596
Bank charges	22	905	5,556	21,263	-	120	27,844	14,162
Advertisement		5,600	-	-	-	-	5,600	10,080
Audit fee		36,350	10,000	20,000	-	-	66,350	76,578
Award to staff		-	13,842	-	-	-	13,842	-
Communication expenses		54,370	73,405	87,938	-	-	215,713	202,348
Community training workshop		-	50,518	-	-	-	50,518	17,330
Depreciation	6	8,806	109,422	425,556	-	9,105	552,959	565,745
Entertainment		-	-	85,212	-	-	85,212	59,175
Garments programme		1,000	-	-	-	-	1,000	-
Honorarium for birth attendant		-	-	-	-	-	-	284,152
Honorarium for school teacher & social worker		-	745,220	-	-	-	745,220	597,654
HRD Manual review		-	-	-	-	-	-	10,000
IEC Materials for TBA		-	8,235	-	-	-	8,235	18,990
Immunization		-	-	-	-	-	-	1,692
Insurance premium		5,852	-	-	-	-	5,852	47,037
Interest on security deposit		1,645	-	-	-	-	1,645	700
Legal and professional fee		75,000	-	-	-	-	75,000	-
Licence and Renewal fee		11,000	-	-	-	2,030	13,030	-
Loss on Fixed Assets		-	-	-	-	-	-	22,627
Maintenance - Capital and Non Capital		-	105,310	196,120	-	-	303,430	313,199
Maintenance - Office		16,022	43,725	59,145	-	2,527	121,419	118,258
Material expenses	23	-	177,451	-	-	5,996	183,437	132,932
Medicine		340	76,655	9,768	-	-	86,763	11,181
Meeting expenses		68,205	97,189	-	-	-	165,391	84,008
Membership fee	24	8,700	13,133	3,050	-	-	24,883	9,200
Miscellaneous expenses		7,429	-	-	-	-	7,429	-
Newspaper and periodicals		-	5,235	8,458	-	-	13,693	11,066
Office rent / shop rent		-	368,273	470,480	-	72,000	910,753	613,155
Picnic expenses		47,817	-	-	-	-	47,817	50,000
Printing and stationary		20,955	106,004	397,526	-	3,417	527,902	531,349
Professional fees		-	-	-	-	-	-	18,000
Program cost		-	304,592	1,190,279	-	3,146	1,498,017	937,116
Provision for loan loss and disaster		-	-	1,780,324	-	-	1,780,324	124,079
Research and advocacy		-	-	-	-	-	-	104,361
School program expenses		-	-	-	-	-	-	195,831
School rent		-	157,800	-	-	-	157,800	311,500
Special Day celebration	25	16,440	34,176	18,895	-	-	69,511	44,086
Subsidy to DA - 6 project		654,000	-	1,290,000	-	-	1,944,000	810,000
Training expenses		-	15,560	-	-	-	15,560	-
Traveling and conveyance		1,000	294,484	115,857	-	1,370	412,721	527,036
Uniform and Leverage		-	13,596	17,942	-	-	31,538	25,291
Utilities		-	66,730	101,842	-	7,838	176,410	141,517
Vehicles maintenance and fuel		-	113,097	69,939	-	-	183,035	135,845
		1,068,836	6,061,414	16,046,602	-	193,819	23,369,871	18,094,086
Excess of income/(expenditure) over expenditure/ income		(201,306)	(3,933)	4,777,545	-	(10,447)	4,561,860	3,979,088
Add/(Less): Liability written back		-	(180,000)	(526,762)	-	-	(706,762)	-
Add: Last year's excess of income/(expenses) over expenditure / income- Re-stated	27	402,293	533,282	21,929,176	12,867	(191,451)	22,685,137	17,876,108
Balance carried to Balance Sheet		200,837	349,349	26,179,960	12,867	(201,928)	26,541,235	21,855,196

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GHASHFUL
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2005

GENERAL ACCOUNT	BAS PROJECT	LIVELIHOOD MICRO CREDIT	NFPE - BRAC PROJECT	EDUCARE KG SCHOOL	GKNHRID - BLAST PROJECT	ARRH - BCCP Project	2005 TAKA	2004 TAKA	
RECEIPTS									
Cash in hand	15,881	10,277	18,060	1,683	2,815	13,410	-	62,125	259,563
Cash at bank:									
Savings	976,192	9,976	5,151,124	57,429	4,325	23,263	-	6,222,309	25,794,866
FDR	-	-	5,123,200	-	-	-	-	5,123,200	-
	992,073	20,253	11,292,384	59,112	7,140	36,673	-	11,407,635	26,054,419
Bank interest	12,770	-	214,177	-	857	21	-	227,825	450,161
Clinical Service Charges	108,415	-	-	-	-	-	-	108,415	102,260
Sale of contraceptives	38,713	-	-	-	-	-	-	38,713	29,031
Grant received from ActionAid Bangladesh	-	4,113,461	-	-	-	-	-	4,113,461	4,432,219
Grant received from BRAC	-	-	-	266,628	-	-	-	266,628	192,414
Grant received from BLAST	-	-	-	-	419,206	-	-	419,206	358,034
Grant received from BCCP	-	-	-	-	-	568,000	-	568,000	-
Contribution from Organization	-	1,994,000	-	53,500	-	-	-	1,997,500	1,665,235
Loan from Livelihood	-	-	-	-	-	-	-	-	1,000,000
Loan from DA - 5	25,500	-	-	-	-	-	-	25,500	-
Loan from PKSF	-	-	600,000	-	-	-	-	600,000	-
Health service charges received from garment industries	743,000	-	-	-	-	-	-	743,000	527,900
Loan from organization	-	-	-	-	-	-	-	-	750,000
Admission fee and tuition fee	-	-	-	115,930	-	-	-	115,930	76,210
Collection of savings	117,673	-	38,492,498	-	-	-	-	38,610,371	20,166,711
Collection of Loan installment	-	-	174,107,662	-	-	-	-	174,107,662	110,984,850
Collection of Insurance Fund	-	-	991,352	-	-	-	-	991,352	547,735
Donation	5,000	-	-	46,700	-	-	-	51,700	-
Sale of admission form and others	2,010	-	903,134	-	-	-	-	905,144	503,532
Advance realized	577,125	-	74,750	-	-	-	-	651,875	60,500
Security Deposit	111,000	-	15,000	-	-	-	-	126,000	65,000
Received from BQC (Insurance company)	-	-	27,060	-	-	-	-	27,060	20,000
Sale of school Material	-	-	-	17,955	-	-	-	17,955	10,400
Unclaimed account	-	-	302,010	-	-	-	-	302,010	201,515
Miscellaneous Income	3,000	-	20,445	-	-	-	-	23,445	18,731
Loan received from staffs	-	-	113,048	-	-	-	-	113,048	53,130
Membership fee - General Body	3,570	-	-	-	-	-	-	3,570	-
Loan from Executive Director	-	-	-	-	-	-	-	-	1,000
Receivable from AAS received	-	25,694	-	-	-	-	-	25,694	-
	1,748,376	6,083,175	215,781,376	296,636	294,942	419,227	568,000	225,071,724	150,276,169
	2,748,449	6,103,628	226,833,760	315,740	242,882	455,860	568,000	225,479,359	176,230,588



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	GENERAL ACCOUNT	DM PROJECT	LIVELIHOOD MICRO CREDIT	MFPE - BRAC PROJECT	EDUCARE KG SCHOOL	GMMRB - BLAST PROJECT	ARH - BCCP Project	2005	2004
	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA		TAKA	TAKA
PAYMENTS									
Salaries	26,600	2,837,810	7,183,116	163,350	66,200	252,869	208,793	10,793,704	9,155,912
Gratuity	-	214,369	531,621	-	-	-	-	746,020	584,730
Advance	682,875	-	81,000	-	-	-	-	762,875	97,000
Advance to ActionAid Bangladesh	-	-	-	-	-	-	-	-	25,694
Advertisement	5,600	-	-	-	-	-	-	5,600	18,060
AIDS Day celebration	-	-	-	-	-	-	-	-	5,806
Audit fee and professional fee	111,350	10,000	20,900	-	-	-	-	142,250	304,578
Award to staff	-	13,942	-	-	-	-	-	13,942	-
Bank charges	1,580	5,556	21,263	3,355	205	282	370	32,612	15,309
Capital expenditure	4,300	120,500	448,357	-	-	-	-	573,157	1,490,517
Communication expenses	50,929	74,114	68,345	-	-	5,078	-	218,147	203,466
Community training workshop	-	50,518	-	-	-	-	-	50,518	17,330
Contraceptive fee	8,178	-	-	-	-	-	-	8,178	-
Donation	-	-	-	-	-	-	-	-	10,000
Enterprise development	14,521	-	-	-	-	-	-	14,521	-
Entertainment	-	-	85,212	-	-	-	-	85,212	59,175
Garments program	1,000	-	-	-	-	-	-	1,000	-
Group insurance	-	-	-	-	-	-	-	-	35,076
Honorarium for birth attendants	-	-	-	-	-	-	-	-	284,152
Honorarium for school teacher & social worker	-	745,220	-	-	-	-	-	745,220	597,654
HRD Manual review	-	-	-	-	-	-	-	-	10,000
IEC Materials and Kits for TBA	-	8,235	-	-	-	-	-	8,235	18,990
Immunization	-	-	-	-	-	-	-	-	1,692
Insurance Premium	4,945	-	-	-	-	-	-	4,945	11,673
Interest on security deposit	1,645	-	-	-	-	-	-	1,645	700
License and Renewal fee	11,000	-	-	-	2,030	-	-	13,030	-
Loan disbursed	-	-	185,525,000	-	-	-	-	185,525,000	120,589,000
Loan to KG school	53,500	-	-	-	-	-	-	53,500	66,000
Loan to READ	-	-	-	-	-	-	-	-	300,000
Loan to organization	-	25,900	-	-	-	-	-	25,900	1,750,000
Loan given to staff for vehicles	-	-	310,970	-	-	-	-	310,970	333,600
Loan refund to ED	-	-	1,000	-	-	-	-	1,000	-
Maintenance - Non capital	-	23,500	-	-	-	-	-	23,500	252,181
Maintenance - capital	-	81,510	190,120	-	-	-	-	279,930	52,058
Maintenance - Office	16,022	40,725	69,145	-	2,527	-	140	121,568	118,258
Material expenses	-	177,451	-	2,825	5,986	-	-	186,262	135,767
Medicine	340	76,655	9,768	-	-	-	-	86,763	11,181
Meeting expenses	68,205	97,186	-	-	-	-	-	165,391	84,008
Membership fee	6,300	12,133	2,050	-	-	-	-	20,483	12,200
Miscellaneous expenses	7,429	-	-	-	-	-	-	7,429	-
Newspaper and Periodicals	-	5,235	8,458	-	-	-	-	13,693	11,066
Office Rent / Shop rent / Auditorium rent	-	368,273	491,230	-	72,000	-	56,800	948,303	613,155
Other expenses	-	-	-	-	-	-	-	-	10,569
Picnic expenses	97,817	-	-	-	-	-	-	97,817	-
Printing and Stationery	20,965	106,004	397,526	-	3,417	11,840	9,659	549,400	542,494
Program cost	-	304,592	1,090,279	-	3,146	114,472	248,375	1,760,864	1,230,344
Research and advocacy	-	-	-	-	-	-	-	-	104,361
Savings refund	4,092	-	15,588,086	-	-	-	-	15,592,678	15,670,278
Savings withdrawal by members	-	-	-	-	-	-	-	-	7,745,710
School program expenses	-	-	-	17,781	-	-	-	17,781	25,560
School Rent	-	157,800	-	21,000	-	-	-	178,800	273,125
Security deposit - Mobile	-	-	-	-	-	-	-	-	2,500
Security deposit refund	36,753	-	-	-	-	-	-	36,753	20,000
Special Day observation	55,440	34,176	18,895	-	-	-	-	69,511	38,288
Subsidy to DA - 6 project	654,000	-	1,290,000	-	-	-	-	1,944,000	810,000
Advance tax deducted at source	-	-	21,053	-	-	-	-	21,053	44,791
Training expenses	-	15,560	-	-	-	-	-	15,560	-
Traveling and conveyance	1,000	294,484	115,867	14,917	1,370	43,845	15,117	487,500	586,511
Unclaimed account settled	-	-	270,849	-	-	-	-	270,849	319,425
Uniform and Leverage	-	13,596	17,942	-	-	-	-	31,538	25,291
Utilities	-	69,504	101,134	-	7,355	-	-	177,993	131,751
Vehicles maintenance and fuel	-	113,097	69,939	-	-	-	-	183,036	135,845
	1,907,456	6,102,875	216,046,626	223,228	184,237	428,386	588,219	227,391,027	164,829,953
Closing Balance									
Cash in hand	9,389	1,565	111,787	2,236	3,169	3,274	5,058	136,307	62,126
Cash at bank									
Savings	821,804	968	5,790,897	90,277	54,756	24,240	62,723	6,453,185	6,222,309
FDR	-	-	2,498,750	-	-	-	-	2,498,750	5,123,200
	832,893	2,563	8,002,134	92,512	57,925	27,514	67,781	9,033,332	11,487,635
	2,740,449	8,105,438	226,053,760	315,740	242,162	455,900	595,000	236,679,359	176,317,588