



Rahman Rahman Huq
Chartered Accountants

GHASHFUL
(A Voluntary Community Development Organisation)

Auditors' Report and Financial Statements
For the period ended 30th June 2006



Rahman Rahman Huq

Chartered Accountants
102 Agrabad C/A (3rd Floor)
Chittagong
Bangladesh

Telephone +880 (31) 710704
+880 (31) 710996
Fax +880 (31) 810795
E-mail kpmgrh@globalctg.net
Internet www.rahman-rahman-huq.com

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

We have audited the accompanying Balance Sheet of Ghashful, Chittagong as of 30th June 2006 and the related Income and Expenditure Account and Receipts and Payments Account for the period 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 Standards issued by the Institute of Chartered Accountants of Bangladesh. Those the 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 30th June 2006 and of the results of its operations for the period 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.

Rahman Rahman Huq

Dated, Chittagong,
20th December, 2006.

GHASHFUL
BALANCE SHEET
AS AT 30TH JUNE 2006

NOTES	GENERAL ACCOUNT	SDP PROJECT	LIVELIHOOD MICRO CREDIT	NFPE - BRAC PROJECT	EDUCARE KG SCHOOL	GKNIRIB - BLAST PROJECT	ARH - BCCP Project	2006	2005
	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA		TAKA	TAKA
SOURCE OF FUND									
	20,040	-	-	-	-	-	-	20,040	19,780
Capital Fund - Donations									
Members' Savings	5	310,612	-	86,770,452	-	-	-	87,087,064	75,605,706
Members' Undeclared Account				125,667	-	-	-	125,667	144,359
Insurance Reserve Fund				2,150,662	-	-	-	2,150,662	1,567,726
Reserve Fund - School Savings				-	-	-	-	1,559	-
Surplus/(Deficit) as per Revenue Account		191,048	133,964	29,329,397	29,017	(202,279)	-	29,481,947	26,541,236
		524,059	133,964	118,382,178	29,017	(202,279)	-	118,966,939	104,137,805
Capital Reserve	6	-	-	172,569	-	-	-	172,569	-
		524,059	133,964	118,554,747	29,017	(202,279)	-	119,039,508	104,137,805
APPLICATION OF FUND									
FIXED ASSETS									
	130,075	1,003,499	3,147,739	-	92,450	-	-	4,373,763	3,861,168
Fixed assets - at cost/valuation									
Less: Accumulated Depreciation	7	105,650	697,267	1,626,016	-	56,908	-	2,495,661	2,103,252
		24,425	306,212	1,521,943	-	35,542	-	1,878,122	1,757,916
CURRENT ASSETS									
Loan to Members (Micro credit)	8	-	-	111,677,420	-	-	-	111,677,420	94,758,964
Loan to READ		300,000	-	-	-	-	-	300,000	300,000
Receivable against Membership fee- EC		210	-	-	-	-	-	210	210
Receivable from Garment Inds	19	169,000	-	-	-	-	-	169,000	144,000
Loss of cash by field organizers		-	-	-	-	-	-	-	-
- insurance claim lodged		-	-	-	-	-	-	-	-
Receivable against Tuition fee		-	-	-	16,340	-	-	16,340	700
Receivable from NFPE School fee		8,752	-	-	-	-	-	8,752	-
Income tax deducted at source		2,931	-	337,214	-	236	-	340,381	330,005
Advance, Deposits and Prepayments	9	108,136	-	1,072,233	28,500	-	-	1,208,869	813,378
Inter Project Account		(448,875)	(224,100)	997,247	-	(296,600)	(28,688)	-	-
Cash in hand and at banks	10	785,508	70,840	12,377,330	99,492	42,111	14,329	13,392,099	9,088,332
		925,668	(145,254)	126,481,447	121,992	(236,913)	14,329	127,113,661	105,444,589
CURRENT LIABILITIES									
Security deposits from field staff		85,000	-	153,247	-	-	-	238,247	169,247
Advance Admission fee received		-	-	-	-	-	-	-	1,090
Loss Loan Reserve	11	-	-	1,279,175	-	-	-	1,279,175	1,108,700
Disaster Fund - Reserve	12	-	-	801,839	-	-	-	801,839	671,624
Liability for Expenses	13	51,302	26,994	145,795	1,500	908	-	236,499	202,970
Liability for JOBS (Training exp.)	14	125,279	-	-	-	-	-	125,279	125,279
Liability for BLAST	15	-	-	-	-	-	14,329	14,329	27,514
Liability for BRAC	16	-	-	-	91,475	-	-	91,475	90,495
Liability for BCCP - ARH	17	-	-	-	-	-	(28,188)	(28,188)	67,781
Loan from PKSF		-	-	5,530,000	-	-	-	5,530,000	500,000
Interest payable to members		-	-	1,518,587	-	-	-	1,518,587	-
Other liability		164,453	-	-	-	-	-	164,453	-
		426,034	26,994	9,428,643	92,975	908	14,329	(28,188)	9,961,695
NET CURRENT ASSETS		499,634	(172,248)	117,032,804	29,017	(237,821)	-	117,151,386	102,376,889
		524,059	133,964	118,554,747	29,017	(202,279)	-	119,039,508	104,137,805

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

Rahman Rahman Huq

Dated, Chittagong
20th December, 2006.

[Signature]
Executive Director

[Signature]
President

GHASHFUL
INCOME AND EXPENDITURE ACCOUNTS
FOR THE PERIOD FROM 1ST JANUARY, 2006 TO 30TH JUNE 2006

NOTES	GENERAL ACCOUNT	SDP PROJECT	LIVELIHOOD MICRO CREDIT	NFPE - BRAC PROJECT	EDUCARE KG SCHOOL	6 MONTHS TO 30.06.2006	12 MONTHS TO 31.12.2005
	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA

INCOME

Service charges on Micro Credit	18	-	-	13,021,505	-	-	13,021,505	19,786,392
Grant received from ActionAid		-	1,500	-	-	-	1,500	4,113,481
Subsidy from Organization		-	2,252,000	-	-	-	2,252,000	1,944,000
Health service charges from garments industries	19	409,000	-	-	-	-	409,000	710,000
Clinical service charges	20	88,225	-	-	-	-	88,225	108,415
Bank interest (Gross)	21	6,854	-	25,641	-	1,042	33,337	227,804
Sale of contraceptives		14,544	-	-	-	-	14,544	30,535
Donations		-	-	-	-	5,000	5,000	46,700
Admission and tuition fees		-	-	-	-	101,930	101,930	117,860
Sale of school material		-	-	-	-	17,155	17,155	17,955
Sale of admission form and others		625	-	408,525	-	-	409,150	760,725
Fee received from NFPE Schools		91,578	-	-	-	-	91,578	-
Other Income		1,000	-	24,168	-	-	25,168	67,864
		611,626	2,253,500	13,479,839	-	125,127	16,470,092	27,931,731

NOTES	GENERAL ACCOUNT	SDP PROJECT	LIVELIHOOD MICRO CREDIT	NFPE - BRAC PROJECT	EDUCARE KG SCHOOL	6 MONTHS TO 30.06.2006	12 MONTHS TO 31.12.2005
	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA
EXPENDITURE							
	83,850	1,126,057	4,549,411	-	52,010	5,811,128	10,133,726
Salaries							
Gratuity	27	-	3,087	-	-	3,087	746,020
Interest on members' savings	22	-	-	1,518,587	-	1,518,587	1,960,261
Bank charges	23	63	729	22,094	-	22,886	27,844
Advertisement		9,500	-	10,900	-	20,400	5,600
Audit fee		44,485	5,000	10,000	-	59,485	66,350
Award to staff		-	-	-	-	-	13,842
Communication expenses		80,797	41,440	84,755	-	207,032	215,713
Community training workshop		-	2,370	-	-	2,370	50,518
Depreciation	7	3,306	41,828	184,452	-	3,949	233,565
Entertainment		-	-	67,619	-	-	67,619
Garments programme		-	-	-	-	-	1,000
Honorarium for school teacher & social worker		-	365,254	-	-	-	365,254
IEC Materials for TBA		-	-	-	-	-	8,235
Insurance premium		6,498	-	-	-	6,498	5,852
Interest on Loan from PKSF		-	-	21,263	-	-	21,263
Interest on security deposit		846	-	597	-	-	1,443
Legal and professional fee		-	-	-	-	-	75,000
Licence and Renewal fee		-	-	-	-	-	13,030
Maintenance - Capital and Non Capital		-	34,425	242,233	-	-	276,658
Maintenance - Office		5,000	22,245	85,084	-	1,821	94,150
Material expenses	24	-	50,395	-	-	12,700	63,035
Medicine		-	26,101	-	-	-	26,101
Meeting expenses		-	57,373	-	-	-	57,373
Membership fee	25	-	11,988	-	-	-	11,988
Miscellaneous expenses		-	-	-	-	-	7,429
Newspaper and periodicals		-	2,538	8,153	-	-	10,691
Office rent / shop rent		-	154,736	357,680	-	36,000	548,416
Picnic expenses		-	-	-	-	-	47,817
Printing and stationery		15,946	95,905	252,461	-	3,700	368,012
Program cost		20,144	58,199	486,059	-	-	564,402
Provision for loan loss and disaster		-	-	300,690	-	-	300,690
School program expenses		-	-	-	-	9,825	9,825
School rent		-	81,900	-	-	-	81,900
Special Day celebration	26	-	17,779	-	-	-	17,779
Subsidy to SDP project (Former DA 6 project)		332,000	-	1,920,000	-	-	2,252,000
Training expenses		18,500	4,488	-	-	-	22,988
Traveling and conveyance		-	136,203	91,396	-	468	228,667
Uniform and Leverage		-	11,577	18,509	-	-	30,086
Utilities		-	28,922	71,190	-	5,005	105,117
Vehicles maintenance and fuel		-	88,346	34,988	-	-	123,334
		620,765	2,468,885	10,318,761	-	125,478	13,533,889
							23,369,871
Excess of income/(expenditure) over expenditure/ income		(9,139)	(215,385)	3,161,078	16,150	(361)	2,952,353
Add/(Less): Liability written back		-	-	(11,640)	-	-	(11,640)
Add: Last year's excess of income/(expenses) over expenditure / income		200,987	349,349	26,179,959	12,867	(201,928)	26,541,234
Balance carried to Balance Sheet		191,848	133,964	29,329,397	29,017	(202,279)	29,481,947
							26,541,235

GHASHFUL
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD FROM 1ST JANUARY, 2006 TO 30TH JUNE 2006

GENERAL ACCOUNT	SDP PROJECT	LIVELIHOOD MICRO CREDIT	NFPE - BRAC PROJECT	EDUCARE KG SCHOOL	GKNHRIB - BLAST PROJECT	ARH - BCCP Project	2005	2006
TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA
RECEIPTS								
Cash in hand	9,389	1,565	111,787	2,236	3,089	3,274	5,058	136,397
Cash at bank:								
Savings	823,604	988	5,396,597	90,277	54,796	24,240	62,723	6,222,309
FDR	-	-	2,498,750	-	-	-	-	2,498,750
	832,993	2,553	8,007,134	92,512	57,885	27,514	67,781	9,088,312
Bank interest	6,654	-	25,641	-	1,042	-	33,337	227,825
Clinical Service Charges	88,225	-	-	-	-	-	88,225	108,415
Sale of contraceptives	18,790	-	-	-	-	-	18,780	30,713
Grant received from ActionAid Bangladesh	-	1,900	-	-	-	-	1,500	4,113,481
Grant received from BRAC	-	-	-	143,526	-	-	143,526	256,628
Grant received from BLAST	-	-	-	-	183,870	-	183,870	419,206
Grant received from BCCP	-	-	-	-	-	225,000	225,000	568,000
Contribution from Organization	-	2,252,000	-	-	-	-	2,252,000	1,997,500
Loan from Livelihood	164,453	-	-	-	-	-	164,453	-
Loan from SDP Project (former DA 6 project)	-	-	-	-	-	-	-	25,900
Loan from PKSF	-	-	5,000,000	-	-	-	5,000,000	600,000
Health service charges received from garment industries	384,000	-	-	-	-	-	384,000	743,000
Loan from organization	-	290,000	-	-	-	28,668	278,668	-
Admission fee and tuition fee	-	-	-	85,200	-	-	85,200	115,930
Collection of savings	69,856	-	26,309,936	-	-	-	25,379,792	36,610,371
Collection of Loan instalment	-	-	116,932,844	-	-	-	116,932,844	174,107,862
Collection of Insurance Fund	-	-	712,920	-	-	-	712,920	991,352
Donation	-	-	-	5,000	-	-	5,000	51,700
Sale of admission form and others	625	-	413,825	-	-	-	414,450	805,144
Advance realized	15,250	-	1,250	-	-	-	16,500	651,875
Security Deposit	40,000	-	50,000	-	-	-	90,000	126,000
Received from DGIC (Insurance company)	-	-	-	-	-	-	-	27,080
Sale of school Material	-	-	-	17,155	-	-	17,155	17,355
Unclaimed account	-	-	186,710	-	-	-	186,710	302,010
Miscellaneous Income	1,000	-	15,663	-	-	-	17,663	23,445
Loan recovered from staffs	-	-	82,244	-	-	-	82,244	113,048
Membership fee - General Body	1,280	-	-	-	-	-	1,260	3,570
School fee received	82,816	-	-	-	-	-	82,816	-
Receivable from AAS received	-	-	-	-	-	-	-	25,694
	872,919	2,503,500	148,732,033	143,526	108,397	183,870	253,668	152,792,913
	1,705,812	2,506,051	156,739,167	236,038	196,242	211,384	321,448	161,886,245
								238,479,359



Rahman Rahman Huq
Chartered Accountants

PAYMENTS

Salaries
 Gratuity
 Advance
 Advance against expenses
 Advertisement
 Audit fee and professional fee
 Award to staff
 Bank charges
 Capital expenditure
 Communication expenses
 Community training workshop
 Contraceptive fee
 Enterprise development
 Entertainment
 Garments program
 Honorarium for school teacher & social worker
 IEC Materials and Kits for TBA
 Insurance Claim settled
 Insurance Premium
 Interest on Loan from PKSF
 Interest on security deposit
 License and Renewal fee
 Loan disbursed
 Loan to KG school
 Loan to BCCP Project
 Loan to SDP Project (former DA 6 project)
 Loan to organization
 Loan given to staff for vehicles
 Loan refund to ED
 Loan refund to PKSF
 Maintenance - Non capital
 Maintenance - Capital
 Maintenance - Office
 Material expenses
 Medicine
 Meeting expenses
 Membership fee
 Miscellaneous expenses
 Newspaper and Periodicals
 Office Rent / Shop rent / Auditorium rent
 Picnic expenses
 Printing and Stationery
 Program cost
 Savings refund
 School program expenses
 School Rent
 Security deposit refund
 Special Day observation
 Subsidy to SDP project (Former DA 6 project)
 Advance tax deducted at source
 Training expenses
 Traveling and conveyance
 Unclaimed account settled
 Uniform and Leverage
 Utilities
 Vehicles maintenance and fuel

GENERAL ACCOUNT	SDP PROJECT	LIVELIHOOD MICRO CREDIT	NFPE - BRAC PROJECT	EDUCARE KG SCHOOL	GKNHRIB - BLAST PROJECT	ARI - BCCP Project	2006	2005
TAKA	TAKA	TAKA	TAKA	TAKA	TAKA		TAKA	TAKA
83,660	1,125,667	4,549,411	63,750	52,010	136,034	223,817	6,254,329	10,758,704
-	3,087	-	-	-	-	-	3,087	746,000
4,000	-	456,583	-	-	-	-	459,585	762,875
6,000	-	-	-	-	-	-	6,000	-
9,500	-	10,900	-	-	-	-	20,400	5,600
34,485	-	-	-	-	-	-	34,485	142,250
-	-	-	-	-	-	-	-	13,842
60	729	27,059	-	-	60	60	22,981	32,612
-	4,000	204,628	-	2,750	-	-	211,359	573,157
81,363	41,724	84,660	-	-	2,437	-	210,192	218,147
-	2,370	-	-	-	-	-	2,370	50,516
4,236	-	-	-	-	-	-	4,236	8,178
-	-	-	-	-	-	-	-	14,521
-	-	67,619	-	-	-	-	67,619	66,212
-	-	-	-	-	-	-	-	1,000
-	365,254	-	-	-	-	-	365,254	745,220
-	-	-	-	-	-	-	-	8,235
-	-	128,425	-	-	-	-	128,425	-
6,498	-	-	-	-	-	-	6,498	4,945
-	-	21,263	-	-	-	-	21,263	-
846	-	597	-	-	-	-	1,443	1,645
-	-	-	-	-	-	-	-	13,030
-	-	120,631,000	-	-	-	-	120,631,000	186,525,000
-	-	-	-	-	-	-	-	53,500
28,668	-	-	-	-	-	-	28,668	-
250,000	-	-	-	-	-	-	250,000	-
-	-	-	-	-	-	-	-	25,900
13,900	-	15,000	-	-	-	-	28,900	310,970
-	-	-	-	-	-	-	-	1,000
-	-	70,000	-	-	-	-	70,000	-
-	-	-	-	-	-	-	-	23,500
-	34,425	242,233	-	-	-	-	276,658	279,930
7,940	22,245	66,084	-	1,821	-	2,118	99,208	121,559
-	50,395	-	3,000	12,700	-	-	66,095	186,262
-	26,101	-	-	-	-	-	26,101	66,763
-	57,373	-	-	-	-	-	57,373	165,391
-	11,988	-	-	-	-	-	11,988	20,883
-	-	-	-	-	-	-	-	7,429
-	2,538	8,153	-	-	-	-	10,691	13,693
-	154,112	338,502	-	36,000	-	1,200	529,814	948,303
-	-	-	-	-	-	-	-	97,817
15,946	95,906	262,461	-	3,700	7,471	8,624	304,107	549,400
20,144	58,199	496,059	-	-	20,368	69,520	664,290	1,790,864
-	-	14,153,476	-	-	-	-	14,158,476	19,592,678
-	-	-	15,126	9,825	-	-	24,951	17,761
-	61,900	-	31,400	-	-	-	113,300	178,870
2,000	-	19,000	-	-	-	-	21,000	36,753
-	17,779	-	-	-	-	-	17,779	69,511
332,000	-	1,920,000	-	-	-	-	2,252,000	1,944,000
565	-	607	-	104	-	-	1,276	21,053
18,500	4,488	-	-	-	-	-	22,988	15,560
-	136,203	91,996	9,270	458	30,685	15,630	284,252	487,600
-	-	196,887	-	-	-	-	196,887	270,649
-	11,577	18,509	-	-	-	-	30,086	31,538
-	30,812	67,733	-	4,750	-	-	103,298	177,693
-	68,346	34,988	-	-	-	-	123,334	183,036
920,404	2,427,207	144,381,834	142,546	124,131	197,055	323,969	148,494,146	227,391,027
Closing Balance								
28,325	205	141,373	2,357	5,787	2,667	-	180,714	136,397
757,183	78,641	9,737,210	91,136	36,324	11,662	480	10,712,536	6,453,185
-	-	2,498,750	-	-	-	-	2,498,750	2,498,750
785,508	78,846	12,377,333	93,492	42,111	14,329	480	11,332,099	9,088,332
1,705,912	2,506,053	156,739,167	236,038	166,262	211,384	321,449	161,886,245	236,479,359