KPMG

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AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE OF GHASHFUL

We have audited the accompanying Balance Sheet of Ghashful, Chittagong as of 30th June 2008 and the related Income and Expenditure Account and Receipts and Payments Account for the year then ended. Preparation of these financial statements is the responsibility of the Executive Committee. Our responsibility is to express an opinion on these financial statements based on our audit.

This report is made solely to the members of the Executive Committee, as a body, to the fullest extent permitted by law. We do not accept or assume responsibility to anyone other than the Executive Committee, as a body, for our audit work, for this report and for the opinion we have formed.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the committee, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of project's affairs as of 30th June 2008 and of the results of its operation and its receipts and payments account for the year then ended and comply with the requirements of the Societies Registration Act 1860 and other 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 account as required by law have been kept by the project so far as it appeared from our examination of those books and records; and

(c) the project's Balance Sheet and Income and Expenditure account dealt with by the report are in agreement with the books of account and records.

Dated, Chittagong.

15th February, 2009

Rahman Rahman Huq

Rahman Rahman Huq, a Bangladesh partnership, is a member firm of KPMG International, a Swiss cooperative

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Audited Balance Sheet as at 30 June, 2008

GHASHFUL
BALANCE SHEET
AS AT 30 JUNE, 2008

	NOTES	GENERAL ACCOUNT	SDP PROJECT	LIVELIHOOD MICRO CREDIT	ESP - BRAC PROJECT	GKNHRB - BLAST PROJECT	EDUCARE KG SCHOOL	30.06.2008	30.06.2007
		TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA
SOURCE OF FUND									
Member's Savings	5	-	-	129,211,543	-	-	-	129,211,543	113,449,072
Members' unclaimed Account		-	-	327,233	-	-	-	327,233	256,597
Insurance Reserve Fund		-	-	5,758,707	-	-	-	5,758,707	3,740,759
School savings	6	286,312	-	-	-	-	-	286,312	431,215
Reserve Fund - School Savings		1,559	-	-	-	-	-	1,559	1,559
Surplus/ (Deficit) as per Revenue Account		457,871	448,765	28,798,201	12,867	-	(202,279)	29,515,425	25,670,242
		745,742	448,765	164,095,684	12,867	-	(202,279)	165,100,779	143,549,444
Capital Reserve	7	-	-	172,569	-	-	-	172,569	172,569
		745,742	448,765	164,268,253	12,867	-	(202279)	165,273,348	143,722,013
APPLICATION OF FUND									
FIXED ASSETS									
Fixed assets - at cost/revaluation	7.01	145,620	1,103,999	4,871,031	-	-	92,450	6,213,100	5,357,975
Less: Accumulated Depreciation		121,559	859,846	2,795,867	-	-	56,908	3,834,180	3,140,783
		24,061	244,153	2,075,164	-	-	35,542	2,378,920	2,217,192
CURRENT ASSETS									
Loan to Members (Micro credit)	8	-	-	184,749,729	-	-	-	184,749,729	160,523,013
Advance to READ		100,000	-	-	-	-	-	100,000	125,000
Receivable from Garment Inds. against health service charges		-	214,500	-	-	-	-	214,500	216,000
Receivable from Educare KG school		295,600	-	-	-	-	(295,600)	-	-
Receivable against Tuition fee		-	-	-	-	-	16,340	16,340	16,340
Tax deducted at source		5,849	-	596,824	-	-	236	602,909	370,081
Advance, deposits and Prepayments	9	41,679	-	1,717,039	51,700	-	-	1,810,418	1,418,532
Cash in hand and at banks	10	479,613	131,532	62,262,526	68,892	1,910	42,111	62,986,584	29,473,028
		922,741	346,032	249,328,118	120,592	1,910	(236,913)	250,480,480	192,141,994
CURRENT LIABILITIES									
Security deposits from field staff		10,000	-	541,947	-	-	-	551,947	408,072
Loss Loan Reserve	11	-	-	9,086,225	-	-	-	9,086,225	6,912,593
Disaster Fund - Reserve	12	-	-	1,561,828	-	-	-	1,561,828	1,122,757
Liability for Expenses	13	17,328	25,420	101,029	-	-	908	144,685	199,637
Liability for JOBS (Training exp.)	14	125,279	-	-	-	-	-	125,279	125,279
Liability for BLAST	15	-	-	-	-	1,910	-	1,910	1,910
Liability for BRAC	16	-	-	-	107,725	-	-	107,725	83,225
Loan from PKSF		-	-	75,790,000	-	-	-	75,790,000	40,570,000
Inter Project Account		(116,000)	(116,000)	-	-	-	-	-	997,247
Other liability		164,453	-	52,000	-	-	-	2166,453	216,453
		201,060	141,420	87.133,029	107,725	1,910	908	87586,052	50,637,173
NET CURRENT ASSETS		721,681	204,612	162,193,089	12,867	-	(237,821)	162,894,428	141,504,821
		745,742	448,765	164,268,253	12,867	-	(202,279)	165,273,348	143,722,013

Dated, Chittagong
15th February, 2009.

Executive Director

President

STAMPED FOR IDENTIFICATION PURPOSES
Rahman Rahman Huq

Audited Income Account For The Year Ended 30 June, 2008

GHASHFUL
INCOME AND EXPENDITURE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 2008

	NOTES	GENERAL ACCOUNT	SDP PROJECT	LIVELIHOOD MICRO CREDIT	FSP - BRAC PROJECT	EDUCARE KG SCHOOL	30.06.2008	30.06.2007
		TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA
INCOME:								
Service charges on Micro Credit	17	-	-	43,907,644	-	-	43,907,644	32,091,773
Grant received from Livelihood		200,000	4,210,304	-	-	-	4,410,304	4,369,332
Health service charges from Garments Industries	18	-	1,045,000	-	-	-	1,045,000	1,034,500
Clinical service charges	19	-	180,770	-	-	-	180,770	163,105
Bank interest (Gross)		18,365	-	2,393,686	-	-	2,412,051	20,204
Sale of contraceptives		-	23,667	-	-	-	23,667	26,799
Donations		-	-	-	-	-	-	100,000
Sale of Pass Book		60	1,080	184,110	-	-	185,250	1,215
School fee received from ESP- BRAC Schools		-	294,604	-	-	-	294,604	209,353
Membership fee		2,400	-	-	-	-	2,400	22,530
One month notice pay realised from outgoing staff		31,721	-	-	-	-	31,721	39,657
Other/Miscellaneous Income		7,370	-	1,171,326	-	-	1,178,696	1,675,078
		259,916	5,755,425	47,656,766	-	-	53,672,107	39,753,546

Audited Expenditure Account For The Year Ended 30 June, 2008

	NOTES	GENERAL ACCOUNT TAKA	SOP PROJECT TAKA	LIVELIHOOD MICRO CREDIT TAKA	FSP - BRAC PROJECT TAKA	EDUCARE KG SCHOOL TAKA	30.06.2008 TAKA	30.06.2007 TAKA
EXPENDITURE:								
Salaries and allowances		-	2,515,226	19,623,419	-	-	22,138,645	16,649,701
Gratuity		-	177,975	1,097,353	-	-	1,275,328	583,622
Interest on members' savings	20	-	-	6,080,526	-	-	6,080,256	4,461,200
Bank charges		1,665	301	119,681	-	-	121,647	66,093
Audit and professional fees		35,530	15,000	82,260	-	-	132,790	190,755
Communication expenses		40,974	118,891	356,076	-	-	515,941	379,608
Clinical support		-	21,319	-	-	-	21,319	20,864
Consultancy fee and others		101,448	-	-	-	-	101,448	190,000
Depreciation	7	6,934	75,909	610,550	-	-	693,393	655,123
Welfare services		16,000	-	-	-	-	16,000	-
Paid to PKSF for relief of SIDR affected people		100,000	-	-	-	-	100,000	-
Enter1ainment		-	89,029	359,718	-	-	438,747	301,494
Garments programme		-	-	-	-	-	-	27,100
Honorarium for school teacher & social wor1		-	596,500	-	-	-	596,500	661,870
Insurance premium		8,000	-	-	-	-	8,000	2,434
Interest on Loan from PKSF		-	-	2,118,012	-	-	2,118,012	491,900
Interest on security deposit		-	-	3,527	-	-	3,527	3,611
Interest on school savings		11,912	-	-	-	-	11,912	-
Maintenance-Capital and Non Capital		-	190,787	277,972	-	-	468,759	461,900
Maintenance -Office		13,380	86,831	276,021	-	-	376,232	342,756
Maintenance and fuel-vehicles		-	255,260	236,417	-	-	491,677	198,761
Material expenses	21	-	151,948	-	-	-	151,948	146,263
Meeting expenses		-	77,846	-	-	-	77,846	99,123
Membership fee	22	35,000	5,100	-	-	-	40,100	23,922
Miscellaneous expenses		-	8,175	-	-	-	8,175	-
Newspaper and periodicals		-	-	64,264	-	-	64,264	37,343
Non-capital expenditure		-	-	-	-	-	-	6,449
Office rent I shop rent		-	154,623	1,726,609	-	-	1,881,232	1,356,482
Printing and stationary		62,538	243,257	1,107,977	-	-	1,413,772	1,055,348
Publications and advertisement		-	9,000	117,995	-	-	126,995	249,935
Program cost		40,857	166,280	2,244,105	-	-	2,451,242	2,136,120
Provision for loan loss and disaster fund		-	-	2,612,703	-	-	2,136,120	5,954,336
Rates and taxes		18,851	-	-	-	-	18,851	-
School rent		-	178,800	-	-	-	178,800	168,600
Special Day celebration	23	21,086	63,562	-	-	-	84,648	81,837
Grant to SOP and organisation General Fund		-	-	4,410,304	-	-	4,410,304	4,369,332
Training expenses		-	32,088	-	-	-	32,088	26,591
Traveling and conveyance		7,558	375,939	608,688	-	-	992,185	824,128
Uniform and Leverage		-	11,098	179,437	-	-	190,535	65,275
Utilities		-	33,730	344,350	-	-	378,080	262,802
		521,733	**5,654,474**	**44,647,964**	-	-	**50,824,171**	**42,551,854**
Excess of expenditure over income		(261,817)	100,951	3,008,802	-	-	2,847,936	(2,768,308)
Add/(Less): Written off (997,247		-	-	-	-	-	-	(997,247)
		(261,817)	100,951	3,008,802	-	-	2,847,936	(3,795,555)
Add: Adjustment in respect of prior years		555,613	441,634	-	-	-	997,247	-
		293,796	542,585	3,008,802	-	-	3,845,183	(3,795,555)
Add: Last year's excess of income over expenditure		164,075	(93,820)	25,789,399	12,867	(202,279)	25,670,1242	29,465,797
Balance carried to Balance Sheet		**457,871**	**448,765**	**28,798,201**	**12,867**	**(202,279)**	**29,515,425**	**25,670,242**

Audited Receipts Account For The Year Ended 30 June, 2008

GHASHFUL
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD FROM 1 JULY, 2007 TO 30 JUNE, 2008

	GENERAL ACCOUNT	SDP PROJECT	LIVELIHOOD MICRO CREDIT	ESP - BRAC PROJECT	EDUCARE KG SCHOOL	GKNHRB - BLAST PROJECT	12 MONTHS TO 30.06.08	12 MONTHS TO 30.06.07
	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA
Opening Balance								
Cash in hand	31,927	157	173,366	3,273	5,787	1,300	215,810	180,714
Cash at bank								
Savings/Current	730,574	100,410	15,207,331	81,969	36,324	610	16,157,218	10,712,,155
FDR	-	-	13,1000,000	-	-	-	13,100,000	2,498,750
	762,901	100,567	28,480,697	85,242	42,111	1,910	29,473,028	13,391,619
RECEIPTS:								
Bank interest	18,365	-	-	-	-	-	18,365	20,204
Clinical Service Charges	-	180,770	-	-	-	-	180,770	183,105
Sale of contraceptives	-	23,657	-	-	-	-	23,657	26,799
GrantreceivedfromBRAC	-	-	-	364,910	-	-	364,910	317,796
Grant received from BLAST	-	-	-	-	-	-	-	306,715
Grant received from JICA	-	-	-	-	-	-	-	1,095,710
Grant received on behalf of SHOBOGH project	-	-	-	-	-	-	-	1,095,710
Refund of gran from READ	25,000	-	-	-	-	-	25,000	175,000
Contribution from Organization	200,000	4,210,304	-	-	-	-	4,410,304	5,603,432
Loan from SDP Project (former DA 6 project)	-	-	-	-	-	-	-	250,000
Loan from PKSF	-	-	50,400,000	-	-	-	50,400,000	37,100,000
Loan from ARH-BCCP project	-	-	-	-	-	-	-	28,868
Loan from NFPE- BRAC project	-	-	-	-	-	-	-	25,957
Health service charges received from garments industries	-	1,046,500	-	-	-	-	1,046,500	489,387
Collection of savings	97,499	-	67,419,417	-	-	-	67,516,916	64,750,925
Collection of Loan installment	-	-	397,719,928	-	-	-	397,719,928	288,614,587
Collection of Insurance Fund	-	-	2,267,523	-	-	-	2,267,523	1,812,972
Donation	-	-	-	-	-	-	-	100,000
Incamefromotherfinance-relatedservices	-	-	3,749,123	-	-	-	3,749,123	1,674,094
Sale of Pass Book	60	1,080	-	-	-	-	1,140	1,215
Advance adjusted from office rent	-	-	185,000	-	-	-	185,000	102,050
Advance realized	3,500	-	-	-	-	-	3,500	397,232
Advance adjusted against expenses	39,368	-	287,056	-	-	-	326,424	-
Security Deposit	500,000	-	326,000	-	-	-	826,000	363,800
Unclaimed account	-	-	771,090	-	-	-	771,090	701,368
One month notice pay realised from Outgoing staff	31,721	-	-	-	-	-	31,721	39,657
Miscellaneous receipts	7,370	-	-	-	-	-	7,370	2,044
Loan recovered from staffs	6,000	-	-	-	-	-	6,000	-
Membership fee -General Body	2,400	-	-	-	-	-	2,400	2,700
School fee received.NFPE school	-	294,604	-	-	-	-	294,604	716,228
Tax deducted at source	-	44,947	57,126	-	-	-	102,073	22,251
Staff provident fund	-	-	-	-	-	-	-	50,182
Received from Family Planning	100,000	-	-	-	-	-	100,000	-
Received from SDP Fund of Family Planning	100,000	-	-	-	-	-	100,000	-
Received from ADF	-	7,000	-	-	-	-	7,000	-
Received against "Micro Credit Summit"	-	18,165	-	-	-	-	18,165	-
	1,131,283	5,827,037	523,182,263	364,910	-	-	530,505,493	406,049,801
	1,893,784	5,927,604	551,662,960	450,152	42,111	1,910	559,979,521	41,441,420

Audited Payments Account For The Year Ended 30 June, 2008

	GENERAL ACCOUNT	SDP PROJECT	LIVELIHOOD MICRO CREDIT	ESP - BRAC PROJECT	EDUCARE KG SCHOOL	GKNHRIB - BLAST PROJECT	12 MONTHS TO 30.06.08	12 MONTHS TO 30.06.07
	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA	TAKA
PAYMENTS:								
Salaries and allowances	-	2,515,226	19,623,419	265,709	-	-	22,404,354	17,606,625
Gratuity	-	177,975	1,097,353	-	-	-	1,275,328	563,622
Advance	-	-	409,120	-	-	-	409,120	559,500
Paid to organisation General Fund	-	100,000	-	-	-	-	100,000	-
Advance against expenses	39,368	-	-	-	-	-	39,368	-
Audit and professional fee	50,530	15,000	83,395	-	-	-	148,925	132,755
Award to staff	-	-	5,101	-	-	-	5,101	48,000
Bank charges (includingtax.Tk1.836)	3,501	301	119,681	2,596	-	-	126,079	70,059
Capitalexpenditure	-	47,400	807,725	-	-	-	855,125	990,641
Communication expenses	42,152	110,972	357,635	-	-	-	510,759	382,455
Clinical support and contraceptive fee	-	21,319	-	-	-	-	21,319	20,864
Consultancy fee and others	101,448	-	-	-	-	-	101,448	190,000
Welfare expenses	16,000	-	-	-	-	-	16,000	-
Paid to PKSF for relief of SIDR affected people	100,000	-	-	-	-	-	100,000	33,514
Entertainment	-	89,029	349,718	6,275	-	-	445,022	493,644
Garments program	-	-	-	-	-	-	-	27,100
Honoranum for school teacher & social worker	-	596,500	-	-	-	-	596,500	681,370
Insurance Claim settled	-	-	249,575	-	-	-	249,575	222,875
Insurance Premium	7,188	-	-	-	-	-	7,188	7,188
Interest on LoanfromPKSF	-	-	2,118,012	-	-	-	2,118,012	491,175
Loan disbursed	-	-	378,039,000	-	-	-	378,039,000	305,367,000
Loan refund to NFPE. BRAC project	-	-	-	-	-	-	-	25,975
Loan refund to organization (General A/C)	-	-	-	-	-	-	-	250,000
Grant refund to SHOBOGH project	-	-	-	-	-	-	-	1,095,710
Loan refund to PKSF	-	-	15,180,000	-	-	-	15,180,000	2,060,000
Maintenance -Capital and Non-capital	-	190,787	277,972	-	-	-	468,759	397,685
Maintenance -Office	13,380	86,831	276,021	-	-	-	376,232	346,316
Maintenance and fuel. vehicles	-	255,260	236,417	-	-	-	491,677	271,007
Material expenses	-	151,948	-	4,900	-	-	156,848	342,701
Meeting expenses	-	77,846	-	-	-	-	77,846	109,710
Mambirship fee	35,000	5,100	-	-	-	-	40,100	23,922
Miscellaneous expenses	-	-	-	-	-	-	-	83,601
Newspaper and Periodicals	-	8,175	64,264	-	-	-	72,439	37,343
Office Rent / Shop rent / Auditorium rent	-	154,623	1,738,309	-	-	-	1,892,932	1,348,762
Printing and Stationery	62,538	243,257	1,738,309	30,055	-	-	1,443,827	1,066,595
Program cost	40,857	166,280	2,244,105	-	-	-	2,451,242	2,045,391
Purchase of medicine	100,000	-	-	-	-	-	100,000	-
Publications and advertisement	-	9,000	117,995	-	-	-	126,995	249,935
Payment to ADF	-	7,000	-	-	-	-	7,000	-
Payment against 'Micro credit Summit'	-	18,165	-	-	-	-	-18,165	-
Rates and taxes	18,851	-	-	-	-	-	18,851	-
Savings refund with interest	254,314	-	57,737,472	-	-	-	57,991,786	43,939,068
School Rent	-	178,800	-	47,100	-	-	225,900	209,445
Security deposit refund with interest	-	-	185,927	-	-	-	185,927	195,545
Security deposit -National Project	500,000	-	-	-	-	-	500,000	-
Special Day observation	21,086	63,562	-	-	-	-	84,648	107,462
Subsidy to SDP project	-	-	4,210,304	-	-	-	4,210,304	5,544,332
Subsidy to Organisation General Fund	-	-	22,000	-	-	-	200,000	-
Tax deducted at source	-	44,947	288,118	-	-	-	333,065	51,476
Various loan staff	-	-	436,555	-	-	-	436,555	192,190
Training expenses	-	32.088	-	-	-	-	32,088	312,986
Travelling and conveyance	7,558	375,939	608,688	24,625	-	-	1,016,810	863,636
Unclaimed account settled	-	-	-700,454	-	-	-	700,454	570,453
Uniform and leverage	-	11,098	179,437	-	-	-	190,535	65,275
Utilities	400	41,644	350,685	-	-	-	392,729	254,441
	1,414,171	5,796,072	489,400,434	381,260	-	-	496,991,937	389,968,392
Closing Balance								
Cash in hand	9,522	36,128	78,855	840	5,787	1,300	132,432	215,810
Cash at bank .								
Savings/Current	470,091	95,404	18,183,671	68,052	36,324	610	18,854,152	16,157,218
FDR	-	-	44,000,000	-	-	-	44,000,000	13,100,000
	479,613	131,532	62,262,526	68,892	42,111	1,910	62,986,584	29,473,028
	1893,784	5,927,604	551,662,604	450,152	42,111	1,910	559,978,521	419,441,420

LIVELIHOOD PROJECT OF GHASHFUL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 2008

	2008 TAKA	2007 TAKA
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) as per Profit and Loss Account	3,008,802	(3,539,998)
Adjustments for non-cash items:		
Depreciation	610,550	559,499
Cash flow from operating activities before working capital charges	3,619,352	(2,980,499)
(Increase) / Decrease in Current Assets		
Total loan portfolio	(24,226,716)	(48,845,593)
Advances and deposits	(378,994)	(265,809)
Advance income tax	(230,992)	(28,618)
Inter-office account	-	997,247
	(24,836,702)	(48,142,773)
Increase / (Decrease) in Current Liabilities		
Member's savings	15,762,471	26,672,620
Member's unclaimed savings balances	70,636	130,930
Insurance fund	2,017,948	1,590,097
Loan from PKSF	35,220,000	35,040,000
Payable to staff- Award	-	(48,000)
Liabilities for expenses	(20,729)	75,962
Security deposits-staff	143,875	244,825
Loan loss provision	2,173,632	5,633,418
Disaster fund reserve	439,071	320,918
Interest payable to members	-	(1,518,587)
	55,806,904	68,142,183
Net cash flow from operating activities	30,970,202	19,999,410
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(807,725)	(915,547)
Short term investment-FDR	(30,900,000)	(10,601,250)
Net cash used in investing activities	**(31,707,725)**	**(11,516,797)**
CASH FLOW FROM FINANCING ACTIVITIES		
Capital Reserve	-	-
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	**2,881,829**	**5,502,114**
Check		
Cash and bank balances at the beginning of the year	15,380,697	9,878,583
Cash and bank balances at the end of the year	18,262,526	15,380,697
Net increase in cash and cash equivalents	**2,881,829**	**5,502,114**

GHASHFUL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2008

1.00 Organization profile:

Ghashful is a Non- Government Associations (NGO) registered with the Department of Social Services of the Government of the People's Republic of Bangladesh under Foreign Donation (Voluntary activities) Regulation Ordinance/ Rule1978 as amended in 1982 under the Registration No. DSS/FDO/R-376 dated 8.4.1990. The organization is also registered with the Social Welfare Department (Registration No. 959/1983) and with District Population Control and Family Planning Department (Registration No. FP/Ctg./1/78).

Registered office of the organization is situated at South Ridge Apartment, Flat 3C, 16 Nasirabad Housing Society, Road No.2, Chittagong.

1.02 Changing of project name and cancellation of partnership by Action Aid Bangladesh.

The project is being operated in the name of Social Development Project (SDP)financed by its own contribution (instead of Integrated Urban FP Health and Community Development Project- DA 6 financed by Action Aid Bangladesh) with effect from 1st January, 2006 as Action Aid Bangladesh, the donor has decided not to continue this project vide their letter ref: CD89/-change of partnership status/2005 dated 4th October, 2005.

2.00 (a) Nature of the organization:

It is a wholly non-political, voluntary community development non-governmental organization. The organization is committed to motivate awareness, assist in education, economic and financial condition and upliftment of the poor, neglected, distressed and vulnerable people of the Society.

(b) Objects:

The main object of the organization is to undertake upliftment activities relating to education, human development, micro finance, agriculture, environmental development, health care, social justice, religion and infrastructure development in the Slum Areas of Chittagong District.

3.00 Executive Committee:

1. Mrs. Shamsun Nahar Rahman	Chairperson
2. Dr. Mosharraf Hossain	Vice Chairperson
3. Mr. Aftabur Rahman Jafree	General Secretary
4. Md. Shaidullah	Joint General Secretary
5. Shamima Akter	Treasurer
6. Dr. Moinul Islam Mahmud	Member
7. Mr. Manjurul Amin Chowdhury	Member

4.00 Significant Accounting Policies:

4.01 Basis of Accounting:

The accounts have been consistently prepared under the historical cost convention applying the generally accepted accounting principles.

4.02 Principles of valuation:

4.02.01 Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Depreciation on fixed assets is calculated on **Diminishing balance method.** Full year's depreciation has been charged on fixed assets. The principal annual rates are as follows:

Name of assets	Rates (%)
Computer and equipments	25
Furniture and fixtures	20
Domestic appliance	25
Bi-cycle	20
Auto Rickshaw	25
Micro Bus	25
Photocopy Machine	25
Digital Camera	25
Generator	25
Mobile Set	25
Office equipments	20

4.02.02 Capitalization Policy

An individual item of Asset value over Tk. 5,000 is capitalized. All others items whose expected life are more than one year, but cost of an individual item is less than Tk. 3,000, are treated as non-capital assets and charged to revenue.

	30.06.2008 Tk.	30.06.2007 Tk.
5.00 Members' savings:		
A. Savings against Rural Micro Credit (RMC):		
As per Branches- 7,9,12-14,16-17,20 and 23-25		
Opening Balance as on 01.07.2007	7,714,619	2,787,665
Add: Savings during the year	10,927,903	6,334,922
	10,927,903	6,334,922
Add: Interest earned by members	494,257	242,337
	19,136,779	9364,924
Less: Withdrawals during the year	1,315,239	1,375,555
Refund/ transfer during the year	4,359,912	274,710
	5,675,151	1,650,265
Add/Less: Adjusted with other income	-	40
	5,675,151	1,650,305
Closing Balance as on 30.06.2008	**13,461,628**	**7,714,619**
B. Savings against Urban Micro Credit (UMC):		
As per Branches- 1-6,8,10-11,15, 18-19 and 21-22		
Opening Balance as on 01.07.2007	68,173,601	70,025,327
Add: Savings during the year	23,975,638	24,027,871
Interest earned by members	3,094,504	4,607,474
	27,070,142	28,635,345
	95,243,443	98,660,672
Less: Withdrawals during the year	11,059,542	18,251,802
Refund/ transfer to unclaimed account	17,453,787	12,235,569
	28,513,329	30,487,371
Closing Balance as on 30.062008	**66,730,114**	**68,173,301**
C. Savings against Micro Enterprise Program:		
As per Branches-1-6,7,9 and 11		
Opening Balance as on 01.07.2007	19,177,126	-
Add: Savings during the year	17,816,474	18,692,801
	17,816,474	18,692,801
	36,993,600	18,692,801
Add: Interest earned by members	1,603,992	559,434
	38,597,592	19,252,2385
Less: Refund during the year	4,962,357	31,409
Withdrawals during the year	3,576,566	43,700
	8,538,923	75,409
Closing Balance as on 30.06.2008	**30,058,669**	**19,1772,126**
D. Savings against Daily Savings Program:		
As per Branches -6,8,15,18,19 and 21-22		
Opening Balance as on 01.07.2007	8,435,709	6,670,430
Add: Savings during the year	4,828,320	4,075,278
	4,828,320	4,075,278
	13,264,029	10,745,708
Add: Interest earned by members	496,611	499,574
	13,760,640	11,245,282
Less: Refund during the year	1,637,750	1,482,060
Withdrawals during the year	1,400,591	1,327,513
	3,038,341	2,809,573
Closing Balance as on 30.06.2008	**10,722,299**	**8,435,709**
E. Ghashful Enterprise Development Program (GEDP)		
Savings: As per Branche - 6		
Opening Balance as on 01.07.2007	250,323	516,571
Add: Savings during the year	12,660	48,813
	12,660	48,813
	262,983	565,384
Add: Interest earned by members	6,475	17,629
	269,458	583,013
Less: Refund during the year	88,096	332,690
Withdrawals during the year	154,315	-
	242,411	332,690
Closing Balance as on 30.06.2008	**27,047**	**250,323**

	30.06.2008 Tk.	30.06.2007 Tk.
F. Savings against Ultra-poor Program- former Hard Core Savings:		
As per Branches -1,2,4-6,7,9 and 11-13		
Opening Balance as on 01.07.2007	6,759	6,759
Add: Savings during the year	54,390	-
	61,149	6,759
Add: Interest earned by members	587	-
	61,736	6,759
Less: Refund/ transfer during the year	460	-
Closing Balance as on 30.06.2008	61,276	6,759
G. Term Deposit Scheme:		
As per Branches -1-6,8 and 11		
Opening Balance as on 01.07.2007	9,691,235	6,769,700
Add: Savings during the year	3,723,506	5,470,850
	3,723,506	5,470,850
	13,414,741	12,240,550
Add: Interest earned by members	384,100	53,339
	13,798,841	12,293,889
Less: Refund during the year	5,648,331	2,602,654
	5,648,331	2,602,654
Closing Balance as on 30.06.2008	8,150,510	9,691,235
Closing Balance as on 30.06.2008 (A+B+C+D+E+F+G)	129,211,543	113,449,072

Note: Preparation of member-wise savings volume is under process.

5.01 5% interest on savings is calculated on the basis of the following factor:

Factor =5/100 X 1/12 =0.0042

5.02 Savings against Micro Enterprise(ME) Loan:

This is a restructured program of former GEDP (Ghashful Enterprise Development Program) from 10th September,2006 following the guideline of PKSF. Through this program organisation offers a handsome amount ranging from Tk. 30,000 to Tk.300,OOO to their small entrepreneurs who had successfully repaid their loans during the past 02 (two) years. These qualifying members will be entitled to get these facilities with a repayment of 45 (forty-five) equal monthly instalments including service charges @ 12.5% flat rate on the principal. Member's joining this scheme should deposit a minimum weekly savings of Tk. 50.

5.03 Savings against Ultra-poor Program- (former Hard Core Savings) :

This program is a re-structured program of former Hard Core savings during the year.

	30.06.2008 Tk.	30.06.2007 Tk.
6.00 School Savings		
Opening balance on 01.07.2007	431,215	310,612
Add: Savings during the year	97,499	120,603
	528,714	431,215
Less : Refund during the year	242,402	-
Closing balance on 30.06.2008	286,312	431,215

7.00 Capital Reserve- Tk. 172,569

During the year 2006 various assets were revalued by Arif Hossain & Co., Chartered Accountants. Fair market value of various assets was estimated at Tk. 1,521,943 as against net book value of Tk. 1,349,374. Thus revaluation surplus of Tk. 172,569 was credited to Capital Reserve Account.

7.01 Fixed Assets at cost/Revaluation less depreciation

Name of Assets	COST				DEPRECIATION					Writen down value as on 30.06.2008
	Balance on 01.07.2007	Addition during the year	Adjustments during the year	Balance on 30.06.2008	Rate %	Balance on 01.07.2007	Charged for the year	Adjustment during the year	Balance on 30.06.2008	
	Tk.	Tk.	Tk.	Tk.		Tk.	Tk.	Tk.	Tk.	Tk.
General Account										
Furniture & fixtures	15,545	-	-	15,545	20	3,109	2,487	-	5,596	9,949
Refrigerator	17,300	-	-	17,300	25	15,784	379	-	16,163	1,137
Television	22,500	-	-	22,500	25	21,392	277	-	21,669	831
VCP	12,000	-	-	12,000	25	11,409	148	-	11,557	443
Camera	5,000	-	-	5,000	25	4,672	82	-	4,754	246
Mobile set	4,300	-	-	4,300	25	2,184	529	-	2,713	1,587
Computer & Equipments	23,500	-	-	23,500	25	14,826	2,169	-	16,995	6,505
Sewing Machine	5,475	-	-	5,475	25	5,115	90	-	5,205	270
Motor Vehicles	40,000	-	-	40,000	20	36,134	773	-	36,907	3,093
Sub Total	**145,620**	**-**	**-**	**145,620**		**114,624**	**6,934**	**-**	**121,559**	**24,061**
SDP										
Computer and Equipments	657,064	5,100	-	662,164	25	502,670	39,874	-	542,544	119,619
Furniture and Fixtures	145,935	4,000	-	149,935	20	97,757	10,436	-	108,193	41,742
Generator	58,500	-	-	58,500	25	29,707	7,198	-	36,905	21,595
Bi-cycle	9,000	-	-	9,000	20	6,345	531	-	6,876	2,124
Auto Rickshaw	186,100	-	-	186,100	25	147,458	9,661	-	157,119	28,981
Camera	-	11,000	-	11,000	25	-	2,750		2,750	8,250
PABX systems	-	27,300		27,300	20	-	5,460		5,460	21,840
Sub Total	**1,056,599**	**47,400**	**-**	**1,103,999**		**783,937**	**75,909**	**-**	**859,846**	**244,153**
Livelihood										
Computer and Equipments	1,317,050	342,105	-	1,659,155	25	806,048	213,277	-	1,019,325	639,830
Furniture and Fixture	1,145,687	368,563	-	1,514,250	20	409,632	220,924	-	630,556	883,694
Micro Bus	1,076,767	-	-	1,076,767	25	679,289	99,370	-	778,659	298,108
Digital Camera	20,500	11,000	-	31,500	25	12,933	4,642	-	17,575	13,925
Motor Vehicles	87,800	-	-	87,800	25	63,493	6,077	-	69,570	18,230
Generator	58,500	-	-	58,500	25	29,707	7,198	-	36905	21,595
Photocopy Machine	235,000	-	-	235,000	25	154,716	20,071	-	174,787	60,213
Mobile Set	44,599	34,969	-	79,568	25	14,017	16,388	-	30,405	49,163
Office Equipments	70,529	48,032	-	118,561	20	14,106	20,892	-	34,998	83,563
Crockeries	6,874	3,056	-	9,930	20	1,375	1,712	-	3,087	6,843
Sub Total	**4,063,306**	**807,725**	**-**	**4,871,031**		**2,185,314**	**610,550**	**-**	**2,795,867**	**2,075,164**
Educare KG School										
Furniture and Fixtures	92,450	-	-	92,450		56,908	-	-	56,908	35,542
Sub Total	**92,450**	**-**	**-**	**92,450**		**56,908**	**-**	**-**	**56,908**	**35,542**
Total 30.06.2008	**5,357,975**	**855,125**	**-**	**6,213,100**		**3,140,783**	**693,393**	**-**	**3,834,180**	**2,378,920**
Total 30.06.2007	**4,373,783**	**984,192**	**-**	**5,357,975**		**2,485,660**	**655,123**	**-**	**3,140,783**	**2,217,192**

7.02 Net surplus amounting to TK. 172,569 arising on revaluation of various assets as at 30th June,2006 was credited to Capital Reserve Account
No depreciation was charged on the furniture and fixturres of Educare KG School, as the organisation discontinued its operation from 01.07.2006

8.00 Loan to Members (Micro Credit)

	30.06.2008 Tk.	30.06.2007 Tk.
A. Rural Micro Credit (RMC):		
As per Branches -7,9,12-14,16-17, 20 and 23-25		
Opening Balance on 01.07.2007	26,182,319	9,974,639
Add: Disbursed during the year	74,599,000	47,582,000
	100,781,319	57,556,639
Service charges @ 12.5%	7,876,827	3,921,804
	7,876,827	3,921,804
	108,658,146	61,478,443
Less: Realized during the year:		
Principal @ 12.5%	63,014,605	31,374,320
	63,014,605	31,374,320
Interest @ 12.5%	7,876,827	3,921,804
	7,876,827	3,921,804
	70,891,432	35,296,124
Closing Balance on 30.06.2008	**37,766,714**	**26,182,319**
B. Urban Micro Credit (UMC):		
As per Branches -1-6,8,10-11,15,18-19 and 21-24		
Opening Balance on 01.07.2007	85,248,398	94,257,407
Add: Disbursed during the year	189,819,000	180,986,000
	275,067,398	275,243,407
Service Charges @ 12.5%	22,809,661	23,749,635
	22,809,661	23,749,635
	297,877,059	298,993,042
Less: Realized during the year:		
Principal @ 12.5%	182,476,728	189,996,416
	182,476,728	189,996,416
Interest @ 12.5%	22,809,661	23,749,635
	22,809,661	23,749,635
	205,286,389	213,746,051
Add: Adjusted with other income	-	1,407
	-	213,747,458
Closing Balance on 30.06.2008	**92,590,670**	**85,248,398**
C. Loan against Micro Enterprise Program:		
As per Branches- 1 to 5, 7, 9 and 11		
Opening Balance on 01.07.2007	35,406,240	-
Add: Disbursed during the year	84,600,000	54,870,000
	120,006,240	54,870,000
Service Charges @ 125%	10,084,373	2,432,986
	10,084,373	2,432,986
	130,090,613	57,302,986
Less: Realized during the year:		
Principal @ 12.5%	80,671,985	19,463,760
	80,674,985	19,463,760
Interest @ 12.5%	10,084,373	2,432,986
	10,084,373	2,432,986
	90,759,358	21,896,746
Closing Balance on 30.06.2008	**39,331,255**	**35,406,240**
D. Loan against Daily Savings Program:		
As per Branches -6,8,15,18-19 and 21-22		
Opening Balance on 01.07.2007	9,698,766	6,694,942
Add: Disbursed during the year	27,910,000	18,280,000
	37,608,766	24,974,942
Service Charges @ 12.5%	2,920,942	1,909,527
- do - @ 18.75%	1,285	-
	2,922,227	1,909,527
	40,530,993	26,884,469
Less: Realized during the year:		
Principal @ 12.5%	23,367,536	15,276,176
- do - @ 18.75%	8,565	-
	23,376,101	15,276,176
Interest @ 12.5%	2,920,942	1,909,527
- do - @ 18.75%	1,285	-
	2,922,227	1,909,527
	26,298,328	17,185,703
Closing Balance on 30.06.2008	**14,232,665**	**9,698,766**

	30.06.2008 Tk.	30.06.2007 Tk.
E. Loan against Ghashful Enterprise Development Program (GEDP): As per Branch - 6		
Opening Balance on 01.07.2007	327,490	739,632
Add: Disbursed during the year.	-	-
	327,490	739,632
Service Charges @ 12.5%	24,896	77,821
- do - @ 18.75%	13,913	-
	38,809	77,821
	366,299	817,453
Less: Realized during the year:		
Principal @ 12.5%	132,780	412,142
- do - @ 18.75%	63,246	-
	196,026	412,142
Interest @ 12.5%	24,896	77,821
- do - @ 18.75%	13,913	-
	38,809	77,821
	234,835	489,963
Closing Balance on 30.06.2008	**131,464**	**327,490**
F. Loan against Ultra-poor Program- former Hard Core Program: As per Branches -1-7, 9 and 11-13		
Opening Balance on 01.07.2007	10,800	10,800
Add: Disbursed during the year	697,000	-
	707,800	10,800
Service Charges@ 10%	21,129	-
	728,929	10,800
Less: Realized during the year:		
Principal	211,217	-
Interest @ 10%	21,129	-
	232,346	-
Closing Balance on 30.06.2008	**496,583**	**10,800**
G. Loan against Livelihood Restoration Project (LRP): As per Branches -1-5,7 9-11 and 21		
Opening Balance on 01.07.2007	3,649,000	-
Add: Disbursed during the year	414,000	3,649,000
	4,063,000	3,649,000
Service Charges @ 4%	154,618	-
	4,217,618	**3,649,000**
Less: Realized during the year:		
Principal	3,862,622	-
Interest @ 4%	154,618	-
	4,017,240	-
Closing Balance on 30.06.2008	200,378	3,649,000
Closing Balance as on 30.06.2008 (A +B+C+D+E+F+G)	**184,749,729**	**160,523,013**

Note: (i) Interest on total loan has been accounted for on cash basis as per past practice.

(ii) Preparation of member-wise loans volume is under process.

9.00 Advances, Deposits and Prepayments

(a) Advances:		
Office Rent	629,550	653,950
School Rent	46,950	28,500
Staff	841,719	683,592
Advance to Palli Tathya Kendra	278,520	-
	1,796,739	**1,366,042**
(b) Deposits:		
With Ctg. Zilla Parishad against shop rent	34,000	34,000
With Pacific Telecom Ltd. Against mobile phone	2,500	2,500
With T&T Board against land phone	2,000	10,000
	38,500	46,500
(c) Prepayments:		
Prepaid Insurance	5,179	5,990
	1,810,418	**1,418,532**

The management believes that these advances are realisable.

10,00 Cash and Bank balances	30.06.08 Tk.	30.06.07 Tk.
Cash in hand	132,432	215,810
Cash at bank-		
Janata Bank Ltd. -Sarkarhat Branch -CA 247	39,674	47,993
Janata Bank Ltd. -Patenga Branch -CA 1027	443,003	267,257
Janata Bank Ltd. -Uttara, Dhaka -CA -1020735	48,389	33,114
Janata Bank Ltd. -Kattali Branch -CA 688	558,377	(820)
Janata Bank Ltd. -Sarkarhat -STD 03	434,026	370,244
Janata Bank Ltd. -Patenga Branch -STD 205	12,859	237,939
Janata Bank Ltd. -Kattali Branch -STD 19	26,907	441,388
Janata Bank Ltd. -Corporate Branch, Ctg. -STD 36000881	2,055,138	621,493
Janata Bank Ltd. -Uttara, Dhaka -STD -544	6,361	21,712
Janata Bank Ltd. -Corporate Branch, Ctg. -SB 34089505	14,749	14,288
Janata Bank Ltd. -Corporate Branch, Ctg. -SB 34089496	92,589	88,733
Janata Bank Ltd. -Corporate Branch -SB 45268	1,053,341	967,854
Janata Bank Ltd. -Corporate Branch -STD 3336000915	5,186	5,001
Janata Bank Ltd. -Corporate Branch -CA 3333014703	154,402	5,000
Janata Bank Ltd. -Patiya Branch -STD 4000431	12,975	612,928
Janata Bank Ltd. -Patiya Branch -CA1021703	856,940	80,543
Janata Bank Ltd. -Neamatpur Branch,Nowgaon -CA 771	60,924	79.580
Janata Bank Ltd. -Neamatpur Branch,Nowgaon -STD-17	2,114	48,736
Janata Bank Ltd. -Nowgaon Branch, Nowgaon -CA 4064	307,690	-
Janata Bank Ltd. -Nowgaon Branch, Nowgaon -STD 100	1,867	-
Janata Bank Ltd. -Chowdhuryhat Branch -CA 834	403,285	17,000
Janata Bank Ltd. -Chowdhuryhat Branch -STD 12	-	4,000
Janata Bank Ltd. -Burischar Branch -CA 1005224	97,781	14,374
Janata Bank Ltd. -Burischar Branch -STD 4000067	15,000	5,000
Janata Bank Ltd. -Baizid bostami Branch -CA 912	154,181	59,725
Janata Bank Ltd. -Baizid bostami Branch -STD 16	11,141	1,500
Janata Bank Ltd. -Mohipal Branch, Feni -CA 586	125,567	-
Sonali Bank Ltd. -Halishahar Branch, - CA 534	428,646	53,000
Sonali Bank Ltd. -Halishahar Branch, - STD 9	1,000	1,000
Sonali Bank Ltd. -Dewanbazar Branch, - CA 706	190,153	7,902
Sonali Bank Ltd. -Anowara Branch, - CA 1138	204,998	2,600
Sonali Bank Ltd. -Anowara Branch, - STD 11	166,540	73,300
Sonali Bank Ltd. -Kalarpul Branch, Patiya - CA 159	351,838	893,296
Sonali Bank Ltd. -Kalarpul Branch, Patiya - STD 03	666,245	667,906
Sonali Bank Ltd. -Comilla Sadar Branch, Comilla - CA 33001455	32,877	-
The City Bank Ltd. -Kadamtali Branch, Ctg. - STD 384	623,244	688,122
The City Bank Ltd. -Kadamtali Branch, Ctg. - STD 673	815,218	1,224,649
The City Bank Ltd. -Kadamtali Branch, Ctg. - CA 29228	426279	325,668
The City Bank Ltd. -Kadamtali Branch, Ctg. - STD 697	2,092,900	1,404,122
The City Bank Ltd. -Kadamtali Branch, Ctg. - CA 29265	821,136	685,020
The City Bank Ltd. -Kadamtali Branch, Ctg. - STD 704	76,200	1,394,000
The City Bank Ltd. -Kadamtali Branch, Ctg. - CA 29277	1,177,616	118,600
The City Bank Ltd. -Kadamtali Branch, Ctg. - STD 716	56,100	1,565,225
The City Bank Ltd. -Kadamtali Branch, Ctg. - CA 29289	622,886	571,000
The City Bank Ltd. -Kadamtali Branch, Ctg. - STD 661	6,451	450
The City Bank Ltd. -Kadamtali Branch, Ctg. - CA 29204	1,127	825,681
The City Bank Ltd. -Kadamtali Branch, Ctg. - STD 685	176,891	340,118
The City Bank Ltd. -Kadamtali Branch, Ctg. - CA 29231	856,281	38,890
Rupali Bank Ltd. -Eshan Mistri Hat Branch- CA 1080	379,395	152,800
Rupali Bank Ltd. -Eshan Mistri Hat Branch- STD 13	3,500	129,500
AB Bank Ltd. - Bahaddarhat Branch, Ctg. CA-4130-756199-001	291,041	-
AB Bank Ltd.- Bahaddarhat Branch, Ctg. STD-4130-756199-431	5,000	-
AB Bank Ltd.- Bahaddarhat Branch, Ctg. CA-4130-756199-OOO	351,742	-
AB Bank Ltd.- Bahaddarhat Branch, Ctg. STD-4130-756199-430	4,330	-
AB Bank Ltd.- Hathazari Branch, Ctg. CA-4130-756717-OOO	204,904	-
AB Bank Ltd.- Hathazari, Branch, Ctg. CA-4130-756718-430	154,967	-
Standard Chartered Bank -Nasirabad Br C/A 01-1547550-01	95,404	100,410
Standard Chartered Bank -Nasirabad Br C/A 01-1510770-01	68,052	81,969
Janata Bank Ltd. -SB 3334085603	312,617	455,177
Janata Bank Ltd. -SB 4077633	610	610
Janata Bank Ltd. -SB 4077641	36,324	36,324
Janata Bank Ltd. -SB 3334045557	12,722	12,608
Janata Bank Ltd. -SB 3043	144,752	262,769
FDR with The City Bank Ltd. -Kadamtali Br.**(Note-10.01)**	7,100,000	7,100,000
FDR with South East Bank Ltd. -Jubilee Road Br.**(Note-10.01)**	9,500,000	6,000,000
FDR with BRAC Bank Ltd. -Agrabad Branch, Ctg.**(Note-10.01)**	3,400,000	-
FDR with Bank Asia Ltd. -Agrabad Branch, Ctg.**(Note-10.01)**	7,500,000	-
FDR with Bank Asia Ltd. -Agrabad Branch, Ctg.**(Note-10.01)**	4,000,000	-
FDR with DBHFCL, CDA Avenue Branch, Ctg.**(Note-10.01)**	6,500,000	-
FDR with Standard Bank Ltd. - Bahaddarhat Branch, Ctg.**(Note-10.01)**	6,000,000	-
	62,854152	29,257,218
	62,986,584	**29,473,028**

10.01 Short Term Investment -FDR

	30.06.2008 Tk.	30.06.2007 Tk.
Investment against Savings Reserve:		
The City Bank Ltd.-Kadamtali Branch, Chittagong	5,000,000	5,000,000
South East Bank Ltd.- Jubilee Road Branch, Chittagong	7,000,000	4,500,000
BRAC Bank Ltd.-Agrabad Branch, Chittagong	2,500,000	-
Bank Asia Ltd.-Agrabad Branch, Chittagong	4,500,000	-
Bank Asia Ltd.-Anderkilla Branch, Chittagong	4,000,000	-
Delta Brac Housing Finanace corporation Ltd. CDA Avenue, Chittagong	5,500,000	-
Standard Bank Ltd.- Bahadderhat Branch, Chittagong	4,500,000	-
	33,000,000	9,500,000
Investment against Loan Loss Reserve:		
The City Bank Ltd.-Kadamtali Branch, Chittagong	1,300,000	1,300,000
South East Bank Ltd.- Jubilee Road Branch, Chittagong	2,300,000	1,300,000
BRAC Bank Ltd.-Agrabad Branch, Chittagong	900,000	-
Bank Asia Ltd.-Agrabad Branch, Chittagong	1,500,000	-
Bank Asia Ltd.-Andarkilla Branch, Chittagong	1,200,000	-
Delta Brac Housing Finanace Corporation Ltd. CDA Avenue, Chittagong	700,000	-
Standard Bank Ltd.- Bahadderhat Branch, Chittagong	1,300,000	-
	9,200,000	2,600,000
Investment against Disaster Fund Reserve:		
The City Bank Ltd.-Kadamtali Branch, Chittagong	800,000	800,000
South East Bank Ltd.- Jubilee Road Branch, Chittagong	200,000	200,000
Bank Asia Ltd.-Agrabad Branch, Chittagong	300,000	-
Delta Brac Housing Finanace corporation Ltd. CDA Avenue, Chittagong	300,000	-
Standard Bank Ltd.- Bahadderhat Branch, Chittagong	200,000	-
	1,800,000	1,000,000
Total :	**44,000,000**	**13,100,000**

Bank-wise allocation:

The City Bank Ltd.-Kadamtali Branch, Chittagong	7,100,000	7,100,000
South East Bank Ltd.- Jubilee Road Branch, Chittagong	9,500,000	6,000,000
BRAC Bank Ltd.-Agrabad Branch, Chittagong	3,400,000	-
Bank Asia Ltd.-Agrabad Branch, Chittagong	7,500,000	-
Bank Asia Ltd.-Anderkilla Branch, Chittagong	4,000,000	-
Delta Brac Housing Finanace corporation Ltd. CDA Avenue, Chittagong	6,500,000	-
Standard Bank Ltd.- Bahadderhat Branch, Chittagong	6,000,000	-
	44,000,000	**13,100,000**

Income from FDR is accounted for on cash basis. Amount invested in FDR from fund available under PKSF branches only.

11.00 Loan Loss Reserve

Loan loss reserve has been provided as per format prescribed by PKSF to cover any future loss

12.00 Disaster Fund -Reserve

Disaster fund reserve has been provided as per format prescribed by PKSF to cover any future loss occasioned by natural calamities and disaster.

13.00 Liability for expenses

	30.06.2008 Tk.	30.06.2007 Tk.
Opening balance as on 01.07.2007	199,637	226,499
Add: Provision made during the year	126,900	197,229
	326,537	423,728
Less: Paid during the year	181,852	224,091
Closing balance as on 30.06.2008	144,685	199,637

14.00 Liability for JOBS (Training exp.)

	30.06.2008 Tk.	30.06.2007 Tk.
Liability for JOBS (Training exp.)	125,279	125,279

The amount was received from JOBS, an organization engaged in assisting enterprises to create employment, towards the cost of 2nd training programme of the Ghashful Organization. The balance amount is expected to be spent on specified 'Training' during 2008-09.

15.00 Liability for BLAST

	30.06.2008 Tk.	30.06.2007 Tk.
Opening balance as on 01.07.2007	1,910	14,329
Add: Grant received during the year	-	306,713
Contribution from organisation	-	59,100
	-	365,813
	1,910	380,142
Less: Expenses incurred during the year:		
Salaries and allowances	-	270,083
Traveling and conveyance	-	38,204
Communication expenses	-	3,781
Printing and stationery	-	5,400
Miscellaneous expenses	-	5,254
Training expenses	-	45,103
Program cost	-	10,407
	-	378,232
Closing balance as on 30.06.2008	**1,910**	**1,910**

The amount was received from Bangladesh Legal AID and Services Trust (BLAST) for implementation of the project of Gender Knowledge, Networking and Human Rights Intervention in Bangladesh.

16.00 Liability for BRAC

	30.06.2008 Tk.	30.06.2007 Tk.
Opening Balance as on 01.07.2007	83,225	91,475
Add: Grant received during the year	364,910	317,796
	448,135	409,271
Less: Expenditure incurred during the year:-		
Salary and allowances	265,709	228,720
Bank Charges	2,596	2,884
Traveling and Conveyance	24,625	17,861
School Rent	23,900	40,845
Printing and stationery	12,405	4,254
Entertainment	6,275	5,395
Maintenance	-	6,452
Miscellaneous expenses	-	16,548
Training expenses	-	287
Material Expenses	4,900	2,800
	340,410	326,046
Closing balance as on 30.06.2008	**107,725**	**83,225**

The amount was received from BRAC for non-formal primary education. The balance amount is expected to be spent by December 2008

17.00 Service charges on Micro Credit

	2008 Tk.	2007 Tk.
Rural Micro Credit (RMC)	7,876,827	3,921,804
Urban Micro Credit (UMC)	22,809,661	23,749,635
Loan against Micro Enterprise (ME)	10,084,373	2,432,986
Loan against Daily Savings Program	2,922,227	1,909,527
Loan against Ghashful Enterprise Development Program(GEDP)	38,809	77,821
Loan against Livelihood Restoration Program (LRP)	154,618	-
Loan against Ultra-poor Program (UPP)	21,129	-
	43,907,644	32,091,773

	2008 Tk.	2007 Tk.
18.00 Health Service charges from Garments Industries	1,045,000	1,034,500
Break-up:		
General Account	-	536,387
SDP Project	1,045,000	498,113
	1,045,000	1,034,500

The charges are realized from 39 (thirty nine) Garments companies at varying rates from Tk. 1,000 to Tk. 5,000 per month, by providing health services to their workers, especially the women.

19.00 Clinical Service charges	180,770	163,105

The amount was recovered from women who require various medical tests including primary health checkup and family planning assistance at the clinics operated by the SDP(Social Development Project) of **GHASHFUL.**

	2008 Tk.	2007 Tk.
20.00 Interest on members' savings		
Savings against Rural Micro Credit (RMC)	494,257	242,337
Savings against Urban Micro Credit (UMC)	3,094,504	4,607,474
Daily Savings Program	496,611	499,574
Savings against Micro Enterprise (ME) program	1,603,992	559,434
Savings against Ghashful Enterprise Development Program(GEDP)	6,475	17,629
Term deposits scheme	384,100	53,339
Ultra-poor Program- former Hardcore Program	587	-
	6,080,526	5,979,787
Less: Interest already provided in the earlier year	-	1,518,587
	6,080,526	4,461,200

21.00 Material expenses - Tk. 151,948

It represents cost for arranging meeting and materials for students etc. funded by Ghashful.

22.00 Membership fees - Tk. 40,100

It represents the fees paid to various net working organization and forum, such as, Numco, BASF, CDF, VHSS, COFCON and FNB.

23.00 Special Day celebration -Tk. 84,648

It represents cost of costume, sticker, paper etc. for celebrating World Aids Day/World Mothers Day/ World Environment Day/ Victory Day/ Independence Day etc. and various expenses incurred for program with transport workers and orientation courses at various places.

24.00 Educare KG School

The organization discontinued the operation of Educare KG School from 01.07.2006.

25.00 Staff Gratuity Fund

The organisation operates an unfunded Gratuity scheme since 2002 for its permanent employees and provision is made as per gratuity rules at the rate of last one month's gross salaries. The entire amounts are invested with Janata bank, Sk. Mujib Road, Corporate Branch, Agrabad, Chittagong. The break-up are as follows:

	SDP Tk.	Livelhood Tk.	Total Tk.
Balance up to 01.07.2007	810,789	2,011,722	2,822,511
Add: Provided during the year	177,975	1,097,353	1,275,328
Balance as on 30.06.2008	988,764	3,109,075	4,097,839

Bank balance as on 30.06.2008	Amount (Tk.)
Savings account with Janata Bank, Sk. Mujib Road Br.,Agrabad ,Chittagong	1,482,873
FDR account with Janata Bank, Sk. Mujib Road Br.,Agrabad,Chittagong	2,614,966
	4,097,839

26.00 Employee Particulars.

	30.06.08 Nos.	30.06.07 Nos.
Employees earning over Tk. 10,000 per month	20	11
Employees earning over Tk. 5,000 per month	114	46
Employees earning over Tk. 3,000 per month	116	151
Employees earning below Tk. 3,000 per month	82	69
	332	277

27.00 General

27.01 Figures appearing in this accounts are rounded off to the nearest Taka.

27.02 Previous years' figures have been re-arranged, where necessary, to conform to current year's presentation.