

# Habib Sarwar & Co.

*Chartered Accountants*

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## AUDITOR'S REPORT

We have audited the accompanying Consolidated Balance Sheet of **RURAL RECONSTRUCTION FOUNDATION** as of June 30, 2011 and the related Income & Expenditure Account and Receipts & Payments Account for the year then ended together with notes thereto as prepared and produced to us by the management of the organization for our verification. The preparation of these financial statements is the responsibility of RRF management. Our responsibility is to express an independent opinion of these financial statements based on our audit.

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 misstatements. 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 management, 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 referred to above, prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Organization's operations as of June 30, 2011 and comply with the applicable laws and regulations,

We also report that:

- a) We have obtained all the information and explanation 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, the organization as required by law has kept proper books of accounts so far as it appeared from our examination of those books and records.
- c) The financial statements dealt with by the report are in agreement with the books of accounts.



Habib Sarwar & Co.  
Chartered Accountants

Dhaka: August 17, 2011

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RURAL RECONSTRUCTION FOUNDATION  
RRF BHABAN, C & B ROAD, KARBALA  
JESSORE  
Consolidated Balance Sheet  
As at June 30, 2011

Habib Sarwar & Co.  
Chartered Accountants

	Particulars	Notes	Amount in Taka	Amount in Taka
			30.06.2011	30.06,2010
<b>A.</b>	<b>Property &amp; Assets:</b>			
	<b>Fixed Assets:</b>	6.00		
	Fixed Assets at cost		177,592,095	153,031,391
	Less: Aceumulated Dep.		53,632,613	41,881,630
	<b>Written Down Value</b>		<b>123,959,482</b>	<b>111,149,761</b>
<b>B.</b>	<b>Investments:</b>	7.00	<b>43,191,151</b>	<b>59,577,182</b>
	Surplus FDR	7.01	-	1,000,000
	Savings FDR	7.02	22,400,000	24,700,000
	LLP FDR	7.03	-	18,500,000
	LLP A/c IFIC-46329	7.04	184,945	178,390
	LLP Interest receivable on FDR	7.05	-	874,756
	DMFFDR	7.06	5,400,000	6,350,000
	DMF A/c IFIC-39299	7.07	36,997	228,346
	DMF Interest receivable on FDR	7.08	34,747	201,215
	Depreciation-FDR	7.09	-	6,100,000
	Depreciation Alc-IFIC-39308	7,10	1,462	21,475
	Member Kallyan fund FDR	7.11	-	1,000,000
	Security money	7.12	533,000	23,000
	FDR		14,600,000	400,000
<b>C.</b>	<b>Loan to Beneficiaries:</b>	8.00	<b>1,171,988,397</b>	<b>977,996,857</b>
<b>D.</b>	<b>Current Assets:</b>	9.00	<b>358,271,075</b>	<b>489,661,493</b>
	Advance-program	9.01	13,165,098	25,420,218
	Vehicle loan	9.02	10,527,994	11,986,917
	Temporary loan	9.03	70,464,444	70,023,081
	Interest receivable on FDR	9.04	305,615	1,954,258
	Microfinance Software	9.05	150,000	150,000
	Aecounts Reservable	9.06	11,466,670	106,195,330
	Live Stock & Goat Project	9.07	1,416,912	1,437,912
	Agriculture Program	9.08	-	(11,052)
	Library	9.09	34,945	33,340
	Transfer to Project A/C	9.10	18,449,343	18,449,343
	Bank Account Open A/C	9.11	50,000	50,000
	Suspension A/C	9.12	9,137,166	8,763,465
	Transferred To (CA)	9.13	(8,900,000)	-
	Shelter project (SIDOR)			118,505
	Carpentry project		98,847	98,847
	Show room decoration		259,462	-
	Provident Fund Loan		6,204,416	4,049,914
	Interest Reservable on Gratuity		3,150,161	-
	Cash in Hand	9.14	2,069,308	189,205
	Cash at Bank	9.15	220,220,695	240,752,211
	<b>Total Property and Assets:</b>		<b>1,697,410,106</b>	<b>1,638,385,293</b>
<b>A.</b>	<b>Capital and Reserves:</b>	16.00	<b>304,886,749</b>	<b>331,088,216</b>
	Retained Surplus	16.01	198,659,312	240,898,745
	Debt Management Reserve/I-LP	16.02	94,413,387	81,050,388
	Disaster Management Fund	16.03	11,814,051	9,139,083
<b>B.</b>	<b>Long Term Liabilities</b>		-	-
	<b>Loan from PKSF/B.Bank</b>	17.00	<b>731,882,526</b>	<b>824,875,905</b>
	<b>Loan From Bank Asía</b>		<b>44,750,000</b>	-
	<b>Loan From Standard Bank</b>		<b>60,000,000</b>	-
	<b>Loan From Head office</b>		<b>1,950,000</b>	-
	<b>Loan From IDCOL</b>		<b>877,223</b>	-






	Particulars	Notes	Amount in Taka	Amount in Taka
			30.06.2011	30.06.2010
<b>C.</b>	<b>Current Liabilities:</b>	<b>18.00</b>	<b>553,063,607</b>	<b>482,421,172</b>
	Members Savings Deposits	18.01	351,308,481	287,495,371
	Provision for interest on savings	18.02	-	-
	Member Kallyan Fund	18.03	40,492,476	23,756,028
	Provision for expenses	18.04	3,532,416	3,565,723
	Temporary loan	18.05	76,054,097	103,489,514
	FEDEC FUND	18.06	(185,734)	60,456
	Slaff Gratuity Fund	18.07	8,781,206	7,975,120
	Sundry Creditor	18.08	42,182,393	29,604,027
	Medical Fund	18.09	18,250	8,850
	Staff Kallyan Fund		900	-
	Income Tax	18.10	5,000	(1,600)
	CRC School Fund (Ghope)	18.11	8,052	10,116
	Vehicle Loan Account	18.12	771,135	584,147
	Provident Fund	18.13	30,032,852	25,858,409
	Provident Fund Loan	18.14	40,582	15,010
	Payable A/C:		21,500	-
	<b>Total Liabilities and Fund</b>		<b>1,697,410,106</b>	<b>1,638,385,293</b>

The accompanying notes form an integral part of this financial statement.

Signed as per our report of even date.

Dhaka, August 17, 2011

  
Habib Sarwar & Co.  
Chartered Accountants





RURAL RECONSTRUCTION FOUNDATION  
RRF BHABAN, C & B ROAD, KARBALA  
JESSORE  
Consolidated Income and Expenditure Account  
For the year ended June 30, 2011

Habib Sarwar & Co.  
Chartered Accountants

Particulars	Amount in Taka	Amount in Taka
	20.10.2011	2009-2010
Income:	-	-
Service charge income	252,11-5,412	188,148,186
Service charge(TRC)	26,116	8,334
Grant	179,141,510	376,209,296
Sale	19,379,533	13,899,935
House rent from employee/House rent	1,197,800	565,140
Training Income	13,523,814	7,869,072
Miscellaneous	3,061,458	2,636,458
Sale of Card / Registration fees	458,502	513,742
Medical Fund/Staff	739,125	796,050
Operational Income	24,446,996	32,957,461
Accounts Receivable	-	103,526,932
Transfer Received income	41,994	4,134,550
Interest Received on FDR	489,197	4,396,135
Interest Receivable on FDR	305,615	1,954,258
Interest Receivable on Gratuity	3,150,161	
Overhead cost	4,315,976	2,799,676
Bank interest	1,915,271	2,294,276
Cash refund	315,235	119,400
<b>Total</b>	<b>504,623,714</b>	<b>742,828,901</b>

<b>Expenditure:</b>		
Service charge to B. Bank/PKSF	41,473,307	36,170,737
Service charge to Bank Asia	900,000	
Salary & allowances	138,973,355	144,469,196
Provident Fund	4,309,856	4,046,749
Festival Bonus	8,208,266	7,663,379
Gratuity	3,364,616	3,247,442
Office rent	8,120,800	8,107,190
Office repair & maintenance	2,615,289	3,095,047
Computer School expenses	379,395	227,845
Travelling & Daily allowances	4,665,461	4,605,946
Printing & Stationary	7,182,917	6,683,847
Telephone/Mobile/Fax	1,771,369	2,116,724
Electricity	1,425,768	1,394,978
Postage	170,713	121,341
<b>Contribution to GF/ Shelkor</b>	7,662,000	2,006,711
Vehicle: Fuel, Repair, maint	7,100,336	7,183,652
Computer repair, maint	256,356	234,648
Staff meeting/fooding	5,452,479	5,264,411
Entertainment	403,778	578,098
Bank charges	2,911,236	3,811,600
Newspaper	52,913	53,689
Training & Staff development	11,848,835	10,176,427
Land rent & taxes	1,800	16,537
Labour charges	52,048,966	8,994,470
Legal aid/Legal fees	164,560	163,206
Crokaries	99,502	101,560





Particulars	Amount in Taka	Amount in Taka
	20.10.2011	2009-2010
Advertisement	304,826	2009-2010
Relief	-	316,848
Income Tax	-	16,504
Others	846,841	315,861
Audit fees	132,906	103,972,824
Consultancy fees	425,000	146,727
Late fees for B. Bank	-	-
Transport	2,595,360	79,775
Transfer expenses	1,291,994	12,130,136
Operational cost	174,456,323	1,284,550
Cultivation	228,292	146,356,394
Uniform/Liveries	10,207	512,249
Monitoring & Audit	400,975	294,609
IHSP	979,774	705,015
Journal & Publication	-	394,116
Tax & Vat	397,244	-
Transfer to Group member LCS A/C	-	-
CRC School Operation	31,232	96,455,675
Community Development Activ.	560,380	37,559
CRC School Fund(Ghope)	-	25,800
Overhead Cost	2,620,371	-
Interest on savings/Loan	13,915,956	445,636
Contingency	1,859,516	12,047,698
Nutrition Processing Center		1,704,785
DMF expenses	2,491,890	
Depreciation expenses	11,750,983	1,859,827
Interest paid to member on savings	15,623	10,747,264
Loan Loss expenses	16,837,914	-
Service charge to RRF HO	25,002	23,006,009
Loan Outstanding Written off	4,200	8,334
Administrative Cost	150,833	15,080
Micro credit fair	222,676	701,282
Incentive	42,300	
Subsidy	200,100	
<b>TOTAL EXPENDITURE</b>	<b>544,362,591</b>	<b>674,105,986</b>
<b>Excess of expenditure over income</b>	<b>(39,738,876)</b>	<b>68,722,915</b>
<b>Total</b>	<b>504,623,714</b>	<b>742,828,901</b>

