

FINANCIAL OVERVIEW

- **Audit Report**

The Rural Reconstruction Foundation (RRF) is a leading NGO in Bangladesh dedicated to improving the lives of disadvantaged communities through a wide range of development programs. At the core of its operational excellence is the Finance & Accounts Department, which ensures that all financial activities comply with legal, statutory, and donor requirements.

This department manages funds with precision, supports timely project execution, and upholds transparency in every financial process. Its commitment to strong financial governance strengthens RRF's work across sectors such as education, healthcare, agriculture, and microfinance.

In a country where efficient use of resources is essential for sustainable progress, the department's sound financial management builds confidence among stakeholders and contributes significantly to RRF's mission of reducing poverty and enhancing livelihoods nationwide.



INDEPENDENT AUDITOR'S REPORT

To the Executive Committee Members of
RURAL RECONSTRUCTION FOUNDATION

Opinion

We have audited the accompanying Financial Statements of the " Consolidated Accounts " of **RURAL RECONSTRUCTION FOUNDATION** which comprise the Statement of Financial Position as at June 30, 2025 and the Statement of Profit or Loss and Other Comprehensive Income, Receipts & Payments Account for the year then ended and Notes to the Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the Financial Position of the Organization as at June 30, 2025 and the result of its Financial Performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the NGO in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

1. Rural Reconstruction Foundation Consolidated Report is comprised of 49 projects and programs. 7 of these projects and programs are audited and 42 projects and programs are unaudited.
2. As an alternative audit procedure in accordance with ISA 505 External Confirmations, we sent confirmation requests to the respective banks for Cash at Banks. However, we have not received reply from all the banks.

Our opinion is not modified due to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of this Financial Statements that true and fair view in accordance with the IFRSs and for such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, management is responsible for assessing the NGO ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease the project or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our Objectives are to obtain reasonable assurance about whether the Financial Statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is a high-level assurance, but it does not guarantee that an Audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:



- identify and assess the risk of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion the effectiveness of the Organization's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represents the underlying transactions and events in a manner that achieves fair presentation.

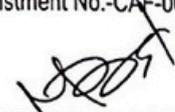
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification there of;
- (b) in our opinion, proper books of account as required by law have been kept by the NGO so far as it appeared from our examination of those books; and
- (c) The statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account.

Place: Dhaka, Bangladesh
Date: December 10, 2025

Islam Jahid & Co. Chartered Accountants
Firm Registration No:P-51964/2023
FRC Enlistment No.-CAF-001-131


Md. Jahidul Islam FCA, Managing Partner
Enrolment No: 1008
Auditor's FRC Enlistment No: CA-001-119
DVC.: 2512101008AS842720

RURAL RECONSTRUCTION FOUNDATION
RRF BHABAN, C & B ROAD, KARBALA, JASHORE
Consolidated Statement of Financial Position
As on 30 June 2025

Particulars	Notes	Amount in BDT	
		FY 2024-2025	FY 2023-2024
Assets			
Non-Current Assets			
Property, Plant and Equipment's (PPE)	1.00	2,282,100,313	2,184,460,607
Total Non-Current Assets		2,282,100,313	2,184,460,607
Investment			
FDR-Investment	2.00	1,539,848,249	1,073,103,805
Security money	3.00	352,350	252,350
Total Investment		1,540,200,599	1,073,356,155
Current Assets			
Loan to Beneficiaries	4.00	20,041,923,312	16,123,278,589
Accounts Receivable	5.00	99,972,648	108,869,723
Advance Against Program	6.00	102,689,508	72,069,962
Staff Settlement	7.00	1,667,519	(184,798)
Interest receivable on FDR	8.00	36,594,733	21,211,755
Books for Library	9.00	174,988	173,440
Live Stock & Goat Project	10.00	973,007	1,356,007
Unsettled Staff Advance	11.00	16,946,991	12,255,136
Temporary loan	12.00	250,054,255	220,104,743
Vehicle loan to Staff	13.00	11,752,046	14,928,098
Reimbursable (Elderly program)	14.00	(0)	736,664
Logistics Loan to Staff	15.00	3,210,098	6,447,633
Reimbursable (SEP)	16.00	-	320,010
Reimbursable (SMART)	17.00	3,245,259	-
Reimbursable (Enrich)	18.00	2,699,037	6,051,883
Training Material Support to Party	19.00	-	-
Reimbursable (RAISE)	20.00	36,464,238	15,944,501
Reimbursable (Adolescent)	21.00	-	2,511,760
Reimbursable (PPEPP)	22.00	7,249,602	2,502,555
Reimbursable (BD Wash)	23.00	946,329	-
Total Current Assets		20,616,563,571	16,608,577,662
Cash and Cash Equivalents	24.00	918,821,868	850,486,432
Total Assets		25,357,686,350	20,716,880,855
Capital Fund and Liabilities			
Capital and Reserve Fund			
Retained Surplus	25.00	2,930,096,955	2,547,978,063
Statutory reserve fund	26.00	345,516,768	290,360,200
Debt Management Reserve/LLP	27.00	493,362,723	538,777,837
Disaster Management Fund	-	-	-
Revaluation Reserve Fund	28.00	744,615,849	749,325,969
Total Capital and Reserve Fund		4,513,592,295	4,126,442,069
Long Term Liabilities			
Loan from Bank	29.00	8,695,940,317	7,899,547,661
Loan from IDCOL	-	-	-
Loan from PKSf	30.00	1,893,422,731	1,832,828,491
Total Long Term Liabilities		10,589,363,048	9,732,376,153
Current Liabilities			
Member Savings	31.00	8,911,345,837	5,798,693,839
Education Fund	32.00	-	327,910
Medical Fund	33.00	22,002,990	17,856,254
Triple Benefit Scheme (TBS)	34.00	3,000,000	-

RURAL RECONSTRUCTION FOUNDATION
RRF BHABAN, C & B ROAD, KARBALA, JASHORE
Consolidated Statement of Financial Position
As on 30 June 2025

Particulars	Notes	Amount in BDT	
		FY 2024-2025	FY 2023-2024
Disaster Fund	35.00	1,898,757	-
Staff Kallyan fund	36.00	36,891,401	30,633,252
Future benefit Scheme (FBS)	37.00	73,427,408	69,401,508
Staff Security Money			
Vehicle Loan Account	38.00	476,616	476,616
Temporary Loan	39.00	475,484,715	398,000,945
Security money receive from Party	40.00	-	99,707
Accounts Payable	41.00	11,983,862	5,031,563
Income Tax Payable	42.00	728,606	416,541
Staff Security Money	43.00	52,794,726	50,557,226
Provision for expenses	44.00	164,334,105	89,544,761
Vat Payable	45.00	1,133,914	1,383,891
Grant for Assets	46.00	2,932,258	3,745,154
Micro finance Insurance	47.00	265,960,712	211,495,809
Double Benefit Scheme(DBS)	48.00	53,855,000	47,010,000
Advance from PKSF	49.00	84,703,973	63,686,980
Provision for Interest on savings	50.00	8,532,847	11,159,856
Transfer Received (Grant)	51.00	6,293,279	35,626
Monthly Benefit Scheme (MBS)	52.00	76,950,000	56,274,999
Cultural Fund	53.00	-	327,746
COVID-19 Prevention Fund	54.00	-	1,902,449
Total Current Liabilities		10,254,731,007	6,858,062,633
Total Liabilities and Fund		25,357,686,350	20,716,880,855

The Annexed notes form an integral part of these financial statements

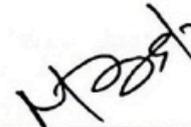
Chairman

Director (Finance & Accounts)

Executive Director

Signed as Per our Annexed Report of Even Date

Islam Jahid & Co. Chartered Accountants
Firm Registration No:P-51964/2023
FRC Enlistment No.-CAF-001-131



Md. Jahidul Islam FCA, Managing Partner
Enrolment No: 1008
Auditor's FRC Enlistment No: CA-001-119
DVC.: 2512101008AS842720

Place: Dhaka, Bangladesh
Date: December 10, 2025

RURAL RECONSTRUCTION FOUNDATION
RRF BHABAN, C & B ROAD, KARBALA, JASHORE
Consolidated Statement of Copenhensive Income
For the year ended 30 June 2025

Particulars	Notes	Amount In BDT	
		2024-2025	2023-2024
INCOME			
Income from Microfinance	55.00	3,544,048,694	3,083,353,575
Operating income:	56.00	237,063,117	209,189,537
Interest from Bank	57.00	124,959,542	69,394,734
Operational Income	58.00	2,410,967	18,613,283
Others Income	59.00	951,072	833,676
Total Income-A		3,909,433,392	3,381,384,805
EXPENDITURE			
Salary & benefits	60.00	1,154,225,157	922,345,445
Financial expenses	61.00	1,140,487,241	743,807,179
Occupancy expenses	62.00	221,450,644	328,478,612
Administrative expenses	63.00	332,295,653	338,286,621
Other Expenses	64.00	468,270,150	398,425,921
Depreication expenses		118,296,571	95,818,599
Loan Loss Expenses		17,840,058	62,021,183
Total Expenditure-B		3,452,865,473	2,889,183,560
Excess expenditure over income (A-B)		456,567,919	492,201,245
TOTAL		3,909,433,392	3,381,384,805

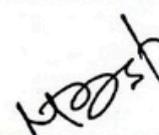
The Annexed notes form an integral part of these financial statements

Chairman

Director (Finance & Accounts)

Signed as Per our Annexed Report of Even Date

Islam Jahid & Co. Chartered Accountants
Firm Registration No:P-51964/2023
FRC Enlistment No.-CAF-001-131



Md. Jahidul Islam FCA, Managing Partner
Enrolment No: 1008
Auditor's FRC Enlistment No: CA-001-119
DVC.: 2512101008AS842720

Place: Dhaka, Bangladesh
Date: December 10, 2025

RURAL RECONSTRUCTION FOUNDATION
RRF BHABAN, C & B ROAD, KARBALA, JASHORE
Consolidated Receipts and Payments Account
For the year ended 30 June 2025

Particulars	Notes	Amount In BDT	
		2024-2025	2023-2024
Opening Balance			
Cash in hand		43,841,419	27,837,816
Cash at Bank		806,645,013	559,715,226
Total Opening Balance:		850,486,432	587,553,042
Receipts			
Loan Receipts	65.00	12,995,600,000	11,538,000,000
Loan Realization	66.00	21,210,830,052	18,893,321,897
Savings Collection		6,896,254,298	4,413,353,288
Fund Account	67.00	22,126,500	21,875,298
Benefit Scheme	68.00	61,412,500	32,417,200
Micro Insurance		248,219,392	214,692,165
FDR Encashment		3,500,000	22,795,479
Interest Receivable received on FDR		21,211,755	546,970
Unsettled Staff Advance		45,000	-
Transfer Received		10,430,289	3,423,525
Accounts Payable		21,510,546	34,118,206
Accounts Receivable Received		41,836,100	48,259,791
Reimbursement from PKSf & Other Donor's	69.00	150,433,872	115,412,899
Interest Received	70.00	90,353,914	14,568,156
Advance Realisation		20,257,116	26,142,530
Advance from PKSf		53,957,801	65,369,506
Tax Payable		11,417,798	8,061,208
Livestock (cow)		383,000	216,000
Vat Payable		13,983,914	11,786,849
Staff Settlement		39,663,459	40,198,350
Uint office A/c Others		101,588,923	92,482,459
Disaster Fund		2,453,864	-
Others Income		3,551,815,099	3,102,412,604
Total Receipts Tk:		46,419,771,624	39,287,007,423
Payments			
Loan Refund	72.00	12,145,608,151	10,717,358,044
Loan Refund	73.00	25,175,877,761	20,756,151,158
Capital Expenses	74.00	138,202,535	413,765,991
Savings Refund to members		3,880,218,183	3,015,691,253
Education Fund		327,910	-
Medical Fund support to staff		2,207,264	1,754,849
Transfer to Project (Grant)		4,033,597	3,488,449
Benefit Scheme Refund	75.00	26,866,600	9,150,700
Fund Refund	76.00	254,721,534	302,344,910
Accounts Payable		181,390,470	185,633,263
Advance against program		132,198,967	151,999,421
Book purchase		1,548	2,689
FDR Investment		470,244,444	271,604,685
Tax Payable Payment		32,489,243	45,634,794
Provision for expenses		11,067,302	11,093,266
Provision for interest on savings		363,645,765	193,239,930
Incentive for 2nd pit of Toilet		6,785,414	-
Unsettled Staff Advance		3,720,925	-
Vat Payable Payment		51,459,181	91,033,583

RURAL RECONSTRUCTION FOUNDATION
RRF BHABAN, C & B ROAD, KARBALA, JASHORE
Consolidated Receipts and Payments Account
For the year ended 30 June 2025

Particulars	Notes	Amount in BDT	
		2024-2025	2023-2024
Training Material Support to Party		234,147	394,295
Unit office A/c Others		8,565,214	8,201,710
Livestock cow		-	675,000
Disaster Fund		321,341	-
Grant for Shahos		1,860,000	-
RRF Contribution		96,729	-
Administrative Costs	77.00	39,249,473	38,657,882
Interest Paid	78.00	32,908,318	7,404,165
Interest on Loan Received	79.00	601,803,247	428,711,356
Operating Expenses	80.00	1,880,602,842	1,724,505,911
Programs & Projects Expenses	81.00	54,241,651	58,023,689
Closing Balance			
Cash in hand		26,231,023	43,841,419
Cash at Bank		892,590,845	806,645,013
Total Payments Tk:		46,419,771,624	39,287,007,423

The Annexed notes form an integral part of these financial statements

Chairman

Director (Finance & Accounts)

Executive Director

Signed as Per our Annexed Report of Even Date

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