

নিরীক্ষা প্রতিবেদন

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Audit Report & Accounts

of

ANSAR VDP UNNAYAN BANK
For the year ended 30th June, 1999.

AZIZ HALIM ANWAR & CO.
CHARTERED ACCOUNTANTS
House # 29, Road # 01
Dhanmondi, Dhaka-1205.

HOWLADAR, YUNUS & CO.
CHARTERED ACCOUNTANTS
67, Dilkusha C/A
Dhaka-1000.

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF
ANSAR-VDP UNNAYAN BANK**

We have audited the accompanying Balance Sheet of ANSAR-VDP UNNAYAN BANK as of 30th June 1999 and the related Profit & Loss Account for the period then ended. The preparations of these financial statements are the responsibility of the company's management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standard 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 disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

Our examination revealed that:

1. The number of shares allotted does not reconcile with paid up capital. As per information provided by the management 1,002,918 shares were allotted @ Tk. 100 each but as per accounts paid up capital stood at Tk. 127,166,500. There remains an unreconciled difference of Tk. 26,874,700 for which no clarification would be given by the management.
2. The Bank management did not issue any share certificates to the Shareholders by June 30, 1999.
3. Sonali Bank collected share application money from the Shareholders. 0.25% commission was paid to Sonali Bank for such services. There was no uniform basis of deduction of such commission by the Bank branches. As a result recording of paid up capital was incorrect.
4. While verifying, we found that income tax amounting to Tk. 339,552 was deducted at source from interest on FDR and net income shown in the income statement instead of showing the gross amount. Beside, income tax was also not shown as advance tax. As a result both income and assets were understated to the extent.
5. We could not verify accrued interest on FDR due to absence of detailed calculation. Interest has been recognized on cash basis contrary to the policy of the Bank.




6. A huge amount of loan remained unrealised till to our audit period (Srimongal Branch). Some instances are given below:

Sl. No	Name of the Loanee	Centre No.	Loan No.	Group No.	Date of Loan Disbursement	Loan disbursed	Loan realised	Balance due
1	2	3	4	5	6	7	8	9
1	Khirude Deb Nath	17/ PU	1714	01	04.11.97	7,000	1,540	5,460
2	Shokhat Ali	17/ PU	1732	03	28.09.97	8,000	2,400	5,600
3	Mokshed Ali	17/ PU	1733	03	06.11.97	8,000	1,700	6,300
4	Jamal Uddin	17/ PU	1735	03	16.10.97	8,000	2,590	5,410
5	Adar Mia	17/ PU	1744	04	06.11.97	8,000	1,600	6,400

Subject to the fact mentioned in above observations and annexed notes (1-20), we report that:

- We have obtained all the information and explanations which we considered necessary for the purpose of our audit;
- In our opinion, the annexed Balance Sheet and Profit & Loss A/c exhibit a true and fair view of the state of affairs of the Ansar-VDP Unnayan Bank according to the best of our information and explanations given to us by the bank management and as shown by the books.


AZIZ HALIM ANWAR & CO.
Chartered Accountants


HOWLADAR, YOUNUS & CO.
Chartered Accountants

Dated, Dhaka.
2nd September, 2001

AZIZ HALIM ANWAR & CO.
Chartered Accountants

HOWLADAR, YUNUS & CO.
Chartered Accountants

ANSAR -VDP UNNAYAN BANK
BALANCE SHEET AS AT JUNE 30, 1999

CAPITAL AND LIABILITIES	NOTE	1998-99 AMOUNT (TK.)	1997-98 AMOUNT (TK.)
CAPITAL			
Authorized Capital			
10,000,000 ordinary share of Tk. 100/- each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued & Subscribed Capital			
2,000,000 ordinary share of Tk. 100/- each		<u>200,000,000</u>	<u>200,000,000</u>
Paid-up Capital	3	127,166,500	123,156,800
RESERVE FUND AND OTHER RESERVES	4	1,137,000	-
DEPOSITS AND OTHER ACCOUNTS	5	9,590,493	3,141,787
BORROWINGS FROM OTHER BANKING COMPANIES, AGENTS, ETC. (Loan Payable PKSf)		42,200,000	-
BILLS PAYABLE		-	-
BILLS FOR COLLECTION BEING BILLS RECEIVABLE AS PER CONTRA			
Payable in Bangladesh		-	-
Payable outside Bangladesh		-	-
OTHER LIABILITIES	6	6,507,709	6,274,056
ACCEPTANCE, ENDORSEMENTS AND OTHER OBLIGATIONS PER CONTRA		-	-
TOTAL:		<u>186,601,702</u>	<u>132,572,643</u>



carried over

AZIZ HALIM ANWAR & CO.
Chartered Accountants

HOWLADAR, YUNUS & CO.
Chartered Accountants

ANSAR -VDP UNNAYAN BANK
BALANCE SHEET AS AT JUNE 30, 1999

PROPERTY & ASSETS	NOTE	1998-99 AMOUNT (TK.)	1997-98 AMOUNT (TK.)
CASH	7	10,864,824	9,377,814
In hand and with Bangladesh Bank & Sonali Bank (including foreign currencies)			
BALANCE WITH OTHER BANKS	8	28,997,283	7,930,609
In Bangladesh		-	-
Outside Bangladesh		28,997,283	7,930,609
MONEY AT CALL & SHORT NOTICE		-	-
INVESTMENTS	9	12,289,570	47,161,956
ADVANCES	10		
Loans, cash credits, overdrafts, etc.			
In Bangladesh		112,205,881	52,998,249
Outside Bangladesh		-	-
		112,205,881	52,998,249
BILLS RECEIVABLE BEING BILLS FOR COLLECTION AS PER CONTRA		-	-
Payable in Bangladesh		-	-
Payable outside Bangladesh		-	-
CONSTITUTENTS LIABILITIES FOR ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS PER CONTRA		-	-
PREMISES LESS DEPRECIATION		-	-
FURNITURE AND FIXTURE LESS DEPRECIATION	11	9,858,111	8,329,155
OTHER ASSETS	12	3,444,756	1,518,420
PROFIT AND LOSS ACCOUNT		8,941,277	5,256,440
TOTAL:		186,601,702	132,572,643

Annexed notes form an integral part of these accounts.

Chairman

Managing Director

Secretary

Signed in terms of our separate report of even date annexed.

Aziz Halim Anwar & Co.
Chartered Accountants

Howladar Yunus & Co.
Chartered Accountants

Dated, Dhaka.
2nd September, 2001

AZIZ HALIM ANWAR & CO.
Chartered Accountants

HOWLADAR, YUNUS & CO.
Chartered Accountants

**ANSAR -VDP UNNAYAN BANK
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 1999**

INCOME (Less Provisions Made During The Year For Bad & Doubtful Debts and Other Usual or Necessary Provisions)	NOTE	1998-99 AMOUNT (TK.)	1997-98 AMOUNT (TK.)
Interest and discount	13	16,134,735	10,952,564
Commission, Exchange and Brokerage		-	-
Rents		-	-
Net Profit on sale of investment, gold and silver land, premises and other assets		-	-
Income from non-banking assets, and profit from sale of or dealing with such assets.		-	-
Other receipts	14	1,109,723	78,474
Total:		17,244,458	11,031,038
EXPENDITURE:			
Interest paid on deposits, borrowing etc.		529,996	119,822
Salaries and Allowances and Provident Fund	15	13,933,055	7,280,021
Directors' and local Committee Members' fee and allowances		76,000	95,500
Rent, Taxes, Insurance, Lighting etc.	16	2,503,385	2,146,620
Travelling & Car Expenses	17	1,488,653	968,317
Law Charges		-	-
Postage, Telegram, Telephone and Stamps		209,008	190,424
Auditors' Fees		-	-
Depreciation on and repairs to the banking company's property	18	932,616	814,315
Stationery, Printing, Advertisement, etc.	19	523,645	631,707
Loss from sale of or dealing with non-banking assets		-	-
Other expenditure	20	732,937	475,688
Loss for the year		(3,684,837)	(1,691,376)
Total:		17,244,458	11,031,038

Annexed notes form an integral part of these accounts.



Chairman


Managing Director


Secretary

Signed in terms of our separate report of even date annexed.


Aziz Halim Anwar & Co.
Chartered Accountants


Howladar, Yunus & Co.
Chartered Accountants

Dated, Dhaka.
2nd September, 2001

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999.**

1.00 BACKGROUND

1.01 LEGAL FORM OF THE BANK:

The Bank was established (as a body corporate) under the Ansar-VDP Unnayan Bank Ordinance, 1995 on September 16, 1995.

1.02 NATURE OF BUSINESS:

The principal activities of the Bank are to provide basically micro credit facilities to the Ansar-VDP members for house building and other economic activities with or without taking security from them and perform other activities under specific instruction of Bangladesh Bank.

2.00 ACCOUNTING POLICIES:

A) The accounts have been prepared on going concern basis usually followed by credit institutions and in accordance with generally accepted accounting principles (GAAP) followed in Bangladesh.

B) Fixed Assets are stated at cost, the original cost of the assets is inclusive of cost paid to the vendor's along with all the incidental expenses to the install or constructs the same assets.

C) Depreciation is calculated using the straight-line method. No depreciation has been charged on all assets acquired in the year of purchase. Depreciation has been charged at the following rates:

Land & Building	@2.5%
Motor vehicles	@ 20%
Office equipment	@ 15 %
Electrical equipment	@ 10 %
Furniture	@ 10 %

3.00 SHARE CAPITAL :

3.01 AUTHORISED CAPITAL : Tk . 1,000,000,000

Authorised capital of the bank is Tk. 1,000 million divided into 10,000,000 Ordinary shares of Tk. 100 each . **Tk . 1,000,000,000**

3.02 ISSUED , SUBSCRIBED CAPITAL : Tk. 200,000,000

Particulars	No. of shares Tk. 100 each	%	Face value of shares (Tk.)
Shares to Ansar VDP, officer of Ansar VDP and officer , staff to the bank	1,750,000	87.5	175,000,000
Shares to Government of Bangladesh	250,000	12.5	25,000,000
Total:	2,000,000		200,000,000

3.03 PAID UP CAPITAL : Tk. 127,166,500

Particulars	No. of shares Tk. 100 each	%	Face value of shares (Tk.)
Shares to Ansar VDP, officer of Ansar VDP and officer , staff to the bank	Not determined	80.34	102,166,500
Shares to Government of Bangladesh	250,000	19.66	25,000,000
Total:			127,166,500



4.00 RESERVE FUND AND OTHER RESERVE: TK. 1,137,000

This amount has been provided as loan loss provision (Debt Management Expenses) against overdue loan as per PKSf instruction.

5.00 DEPOSITS AND OTHER ACCOUNTS: Tk .9,590,493

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Group savings deposits	9,125,416	3,138,812
PKSF	435,077	2,975
Others	30,000	-
Total:	9,590,493	3,141,787

6.00 OTHER LIABILITIES : Tk. 6,507,709

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Employees provident fund	1,272,282	524,747
Pension & other scheme	1,441,469	474,713
Sundries (Share application money)	2,695,128	5,268,224
Unpaid Salaries	16,792	6,336
Security Deposit	1,081,948	-
Balance cash	-	20
Others	90	16
Total:	6,507,709	6,274,056

7.00 CASH (In hand and with Bangladesh Bank and Sonali Bank including foreign currencies): Tk. 10,864,824

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Cash Balance	107,887	101,290
Sonali Bank (Local Office):		
Current Account	2,216,696	1,855,020
STD Account	8,540,241	7,421,504
Total:	10,864,824	9,377,814

8.00 BALANCE WITH OTHER BANKS : Tk.28,997,283

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Janata Bank (Rajarbagh Br.):		
Current A/C	1,413,129	791,476
STD A/C	618,069	7,139,133
Current A/c (PKSF)	239,356	-
STD (PKSF)	26,726,729	-
Total:	28,997,283	7,930,609

9.00 INVESTMENTS : Tk. 12,289,570

Investment consists of 'Fixed Deposit' with Sonali Bank Local office and Janata Bank Rajarbagh branch .



10.00 ADVANCES: Tk. 112,205,851

Particulars	1998-99 Amount (Tk.)	1996-97 Amount (Tk.)
Own Fund Loan	96,025,506	52,998,249
PKSF Fund Loan	15,852,584	-
	111,878,090	52,998,249
Advance to Staff against		
Motor Cycle	294,208	-
Bi-Cycle	31,523	-
Calculator	2,060	-
	327,791	-
Total:	112,205,881	52,998,249

Loan, Cash credits and overdraft consists of Micro credit extended by 53 branches of this bank during the year.

11.00 FURNITURE & FIXTURE LESS DEPRECIATION: Tk. 9,858,111

The movement of the above Furniture & Fixture is given below :

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Opening Balance (At Cost)	9,217,646	5,873,296
Add: Addition during the year	2,423,654	3,344,350
Total	11,641,300	9,217,646
Less: Accumulated Depreciation	1,783,189	8,88,491
Balance as on 30.06.99	9,858,111	83,29,155

12.00 OTHER ASSETS: Tk. 3,444,756

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Printing & Stationery	344,015	351,506
Advance income tax of staff	53,225	53,225
TA. advance	61,951	37,818
House rent advance	133,425	151,715
Interest receivable	164,910	29,830
Inter branch transaction	1,969,096	586,178
Suspense A/C	677,584	308,134
Advance against purchase	40,550	14
Total:	3,444,756	1,518,420

13.00 INTEREST AND DISCOUNT: Tk. 16,134,735

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Interest on Loan	13,486,854	6,013,184
Interest of Investment	3,395,516	4,771,061
Interest on Deposit	389,365	168,319
	17,271,735	10,952,564
Less: Debt Management Exp./(Reserve)	1,137,000	-
Total:	16,134,735	10,952,564



14.00 OTHER RECEIPT: Tk. **1,109,723**

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Sell of Tender Schedule	47,790	-
Sales of Pass Book	43,218	-
Other	1,018,715	78,474
Total:	1,109,723	78,474

15.00 SALARIES AND ALLOWANCES AND PROVIDENT FUND: Tk. **13,933,055**

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Salaries	8295155	4,189,396
House rent allowance	2083281	1,256,482
Medical allowance	301854	173,444
Conveyances	55,489	36,881
Income Tax	-	36,775
Lunch subsidies	812,350	420,764
Other allowance	116,393	131,173
Pension & Other Scheme	964,455	472,273
Subscription and Provident Fund	5,110	-
Bonus	1,177,479	485,842
Entertainment	121,489	76,991
Total:	13,933,055	7,280,021

16.00 RENT, TAXES INSURANCE, LIGHTING ETC : Tk. **2,503,385**

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
House Rent & Taxes	1,955,369	1,882,305
Insurance	184,142	127,066
Utilities	363,874	137,249
Total:	2,503,385	2,146,620

17.00 TRAVELLING & CAR EXPENSES: TK **1,488,653**

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Travelling & Conveyance	1,242,764	600,671
Fuel & Others	245,889	367,646
Total:	1,488,653	968,317

18.00 DEPRECIATION ON AND REPAIRS TO THE BANKING COMPANY'S PROPERTY:
TK **932,616**

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Depreciation	894,936	798,553
Repair of Furniture	5,915	170
Repair of Electric equipment	31,595	9,387
Repair of Office Equipment	170	-
Miscellaneous	-	6,205
Total:	932,616	814,315



19.00 STATIONERY, PRINTING AND ADVERTISEMENT ETC: TK 523,645

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Printing Stationery	441,981	470,349
Printing Expenses	-	36,709
Office Stationery	-	74,046
Advertisement & Office notices	81,664	50,603
Total:	523,645	631,707

20.00 OTHER EXPENDITURE: TK 732,937

Particulars	1998-99 Amount (Tk.)	1997-98 Amount (Tk.)
Washing Expenses	2,007	1,324
Subscription	3,050	870
Books & Journals	126,566	71,994
Training Expenses	5,281	9,306
Bank Charges	74,999	19,721
Commission & Exchange	127,406	70,216
Work Aid	78,458	-
Miscellaneous	315,170	302,257
Total:	732,937	475,688

