

Ambala Foundation
(Former Environment Council Bangladesh)

Auditor's Report & Financial Statements
for the year ended on 30 June 2017



S. F. AHMED & CO.

Chartered Accountants... from 1958

Member firm of HLB International

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INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of **Ambala Foundation (Former Environment Council Bangladesh)**, which comprise the consolidated statement of financial position (balance sheet) as at 30 June 2017 and the consolidated statement of profit or loss and other comprehensive income, statement of receipts and payments, consolidated statement of cash flows and consolidated statement of changes in capital fund for the year ended 30 June 2017 and a summary of significant accounting policies and other explanatory information of Microfinance Program.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies summarized in the note 3 to 5 to the financial statements and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted in Bangladesh. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of **Ambala Foundation** as of June 30, 2017, and of its



consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting policies summarized in the note 3 to 5 to the financial statements.

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 purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law and MRA Act & Rule have been kept by **Ambala Foundation** so far as it appeared from our examination of these books;
- c) the statement of financial position and the statement of comprehensive income dealt with by the report are in agreement with the books of account; and
- d) guidelines on prevention of Money Laundering and Terrorist Financing issued by Bangladesh bank have been complied with.



Dated, Dhaka;
17 October 2017

S. F. Ahmed.
S. F. Ahmed & Co.
Chartered Accountants

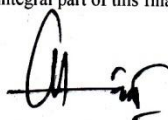
AMBALA FOUNDATION (FORMER ENVIRONMENT COUNCIL BANGLADESH)
Statement of Financial Position
As at 30 June 2017

Notes	Amount in Taka			Amount in Taka			
	FY 2016-2017			FY 2015-2016			
	Micro Finance	Development	Total	Micro Finance	Development	Total	
Non-Current Assets							
Property, Plant & Equipment	6	19,149,864	90,707,919	109,857,783	8,090,341	69,309,152	77,399,493
Intangible Assets	7	1,353,782	-	1,353,782	756,833	-	756,833
Other Non Current Assets	8	251,203	-	251,203	68,327	-	68,327
Total Non-Current Assets		20,754,849	90,707,919	111,462,768	8,915,501	69,309,152	78,224,653
Current Assets							
Investment FDR	9	196,173,923	-	196,173,923	162,364,928	1,535,696	163,900,624
Advance, Security & Prepaid	10	12,437,105	49,730,790	62,167,895	10,048,729	65,920,468	75,969,197
Loan to Group Members	11	2,000,742,728	800,166	2,001,542,894	1,327,061,229	482,443	1,327,543,672
Donation Receivable	12	-	-	-	-	-	-
Others Current Assets	13	-	-	-	-	-	-
Cash in Hand and at Bank	14	27,178,823	2,547,276	29,726,099	27,632,917	6,045,208	33,678,125
Total Current Assets		2,236,532,579	53,078,232	2,289,610,811	1,527,107,803	73,983,815	1,601,091,618
Total Assets		2,257,287,428	143,786,151	2,401,073,579	1,536,023,304	143,292,967	1,679,316,271
Capital Fund and Reserves							
Retained Surplus	15	193,681,649	19,703,321	213,384,970	83,393,647	17,901,456	101,295,103
Reserve Fund		21,520,183	-	21,520,183	9,265,961	-	9,265,961
Development Program Fund	16	-	50,000	50,000	-	925,490	925,490
Disaster Management Fund	17	-	-	-	-	-	-
Total Capital Fund and Reserves		215,201,832	19,753,321	234,955,153	92,659,608	18,826,946	111,486,554
Non Current Liabilities							
Long Term Borrowings-PKSF	18	56,533,326	-	56,533,326	61,883,326	-	61,883,326
Long Term Borrowings-Bank & Others	19	1,268,860,374	960,000	1,269,820,374	933,085,540	520,000	933,605,540
		1,325,393,700	960,000	1,326,353,700	994,968,866	520,000	995,488,866
Current Liabilities							
Member Savings	20	586,414,745	145,738	586,560,483	377,439,003	49,467	377,488,470
Short Term Loan & Liability	21	46,245,483	83,215,938	129,461,421	16,984,753	95,905,531	112,890,284
Loan Loss Provision	22	25,338,707	8,002	25,346,709	16,452,649	4,780	16,457,429
PF, WF, Gratuity, IT etc.	23	55,815,103	37,797,116	93,612,219	35,678,299	26,568,277	62,246,576
Accounts Payable	24	2,877,858	1,906,036	4,783,894	1,840,126	1,417,966	3,258,092
Total Current Liabilities		716,691,896	123,072,830	839,764,726	448,394,830	123,946,021	572,340,851
Total Capital Fund and Liabilities		2,257,287,428	143,786,151	2,401,073,579	1,536,023,304	143,292,967	1,679,316,271

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



M. Azizur Rahman
Chairperson



Arif Sikder
Executive Director



Dewan Taufiq Hossain
Director



Dated, Dhaka
17 October 2017

Signed as per our separate report of even date.



S. F. Ahmed & Co.
Chartered Accountants

AMBALA FOUNDATION (FORMER ENVIRONMENT COUNCIL BANGLADESH)
Statement of Profit or Loss and Comprehensive Income
For the year ended 30 June, 2017

Notes	Amount in Taka			Amount in Taka			
	FY 2016-2017			FY 2015-2016			
	Micro Finance	Development	Total	Micro Finance	Development	Total	
Income							
Service Charge	25	409,890,777	11,329,377	421,220,154	244,540,468	24,467,538	269,008,006
Interest on Regular & FDR account	26	9,770,980	113,216	9,884,196	10,017,509	529,543	10,547,052
Others Income	27	929,695	1,909,648	2,839,343	1,206,600	616,094	1,822,694
Donation, Subscription & Reimbursable Income	28	1,634,901	1,370,095	3,004,996	10,705,855	2,140,687	12,846,542
Donor grants	29	-	3,347,174	3,347,174	-	11,348,622	11,348,622
Total		422,226,353	18,069,510	440,295,863	266,470,432	39,102,484	305,572,916
Expenditure							
Salary & benefits	30	88,170,451	852,688	89,023,139	60,446,908	739,195	61,186,103
General & Administration expenses							
Office rent & utilities	31	10,208,766	49,818	10,258,584	6,176,649	65,656	6,242,305
Printing & stationery	32	4,148,361	2,397	4,150,758	2,943,644	6,571	2,950,215
Communication	33	1,768,385	34,962	1,803,347	1,280,651	36,663	1,317,314
Tours & travel	34	5,112,715	122,110	5,234,825	3,612,050	118,043	3,730,093
Repairs & maintenance	35	3,253,703	84,054	3,337,757	2,066,555	99,183	2,165,738
Advertisement & publications	36	999,048	3,040	1,002,088	521,428	4,650	526,078
Legal expenses	37	3,144,928	98,777	3,243,705	1,410,250	205,997	1,616,247
Training / Workshop / Meeting etc.	38	970,959	-	970,959	1,017,337	34,320	1,051,657
Other admin & general expenses	39	11,713,747	767,638	12,481,385	7,180,436	208,803	7,389,239
Gratuity, pension & insurance premium	40	3,337,975	-	3,337,975	1,457,218	1,773,778	3,230,996
Lose On Disposal of Fixed Assets	41	175,019	-	175,019	-	-	-
Sub-total		44,833,606	1,162,796	45,996,402	27,666,218	2,553,664	30,219,882
Financial expenses							
Interest to PKSf & Bank	42	123,062,255	4,559	123,066,814	83,015,496	6,358	83,021,854
Interest on savings	43	20,021,051	5,270	20,026,321	11,126,535	780	11,127,315
Interest on other loan fund	44	12,425,445	10,459,161	22,884,606	17,085,589	24,547,200	41,632,789
Sub-total		155,508,751	10,468,990	165,977,741	111,227,620	24,554,338	135,781,958
Programmatic expenses							
Programmatic exp. & contributions	45	-	3,438,705	3,438,705	-	13,643,726	13,643,726
Sub-total		-	3,438,705	3,438,705	-	13,643,726	13,643,726
Expenses for provision & reserve							
Expenses for provision & reserved	46	10,546,181	3,223	10,549,404	8,319,903	9,633	8,329,536
Sub-total		10,546,181	3,223	10,549,404	8,319,903	9,633	8,329,536
Depreciation on non current assets							
Depreciation	47	2,626,997	341,243	2,968,240	1,732,824	361,872	2,094,696
Sub-total		2,626,997	341,243	2,968,240	1,732,824	361,872	2,094,696
Total expenditure		301,685,986	16,267,645	317,953,631	209,393,473	41,862,428	251,255,901
Excess of income over expenditure		120,540,367	1,801,865	122,342,232	57,076,959	(2,759,944)	54,317,015
		422,226,353	18,069,510	440,295,863	266,470,432	39,102,484	305,572,916

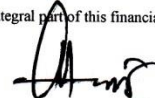
The annexed notes form an integral part of this financial statement.



M. Azizur Rahman
Chairperson



Dated, Dhaka
17 October 2017



Arif Sikder
Executive Director




Dewan Taufiq Hossain
Director

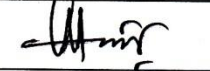
Signed as per our separate report of even date.



S. F. Ahmed & Co.
Chartered Accountants

AMBALA FOUNDATION (FORMER ENVIRONMENT COUNCIL BANGLADESH)
Receipts & Payments Statement
Period from 1st July 2016 to 30th June 2017

	Amount in Taka			Amount in Taka		
	FY 2016-2017			FY 2015-2016		
	Micro Finance	Development	Total	Micro Finance	Development	Total
Receipts						
Opening Balance						
Cash in hand	2,534,598	39,777	2,574,375	510,042	49,356	559,398
Cash at bank	25,098,319	6,005,431	31,103,750	6,691,295	4,486,741	11,178,036
Sub-Total	27,632,917	6,045,208	33,678,125	7,201,337	4,536,097	11,737,434
Long Term Borrowings-PKSF	57,000,000	-	57,000,000	55,500,000	-	55,500,000
Long Term Borrowings-Bank & Others	1,073,649,618	700,000	1,074,349,618	796,872,901	-	796,872,901
Development Program Fund	-	4,390,465	4,390,465	-	15,486,199	15,486,199
Member Savings Receipt	601,625,587	98,611	601,724,198	400,082,208	48,905	400,131,113
General & Others Loan /Fund Account	371,381,629	61,243,810	432,625,439	411,224,518	60,096,476	471,320,994
PF, WF, Security , IT etc.	26,744,330	4,765,217	31,509,547	20,523,970	4,999,978	25,523,948
Loan to Group Members Recovery	2,216,071,432	382,277	2,216,453,709	1,449,256,664	167,557	1,449,424,221
Advance, Security & Prepaid	3,826,649	128,022,422	131,849,071	4,023,078	304,011,567	308,034,645
Investment Withdrawal	122,908,676	1,574,457	124,483,133	57,784,778	15,761,307	73,546,085
Accounts payable & provision	-	137,760	137,760	-	839,913	839,913
Stock & Stores	-	-	-	-	-	-
Suspense Accounts	-	-	-	-	-	-
Sale/Fixed Assets Sale	8,240	-	8,240	27,000	-	27,000
Revenue Income Received	410,571,161	1,469,965	412,041,126	245,940,451	1,981,561	247,922,012
Sub-Total	4,883,787,322	202,784,984	5,086,572,306	3,441,235,568	403,393,463	3,844,629,031
Total receipts	4,911,420,239	208,830,192	5,120,250,431	3,448,436,905	407,929,560	3,856,366,465
Payments						
Capital Expenditure	11,051,644	21,635,590	32,687,234	6,225,670	1,907,000	8,132,670
Long Term Borrowings-PKSF	62,350,000	-	62,350,000	79,323,334	-	79,323,334
Long Term Borrowings-Bank & Others	836,377,799	260,000	836,637,799	417,445,902	2,230,004	419,675,906
Development Program Fund	-	1,508,422	1,508,422	-	5,335,578	5,335,578
Member Savings Return	408,353,931	7,610	408,361,541	246,017,183	-	246,017,183
General & Others Loan /Fund Account	364,474,580	30,767,281	395,241,861	438,873,366	54,378,845	493,252,211
PF, WF, Security, IT etc.	2,470,492	3,361,586	5,832,078	2,459,418	3,122,932	5,582,350
Loan to Group Members	2,894,838,001	700,000	2,895,538,001	2,052,417,000	650,000	2,053,067,000
Advance, Security & Prepaid paid	13,431,438	138,934,691	152,366,129	8,146,383	325,789,771	333,936,154
Payment against Provision	2,343,689	6,924,476	9,268,165	3,011,344	1,032,104	4,043,448
Investment against Provision	159,842,000	-	159,842,000	86,600,000	-	86,600,000
Material / Stock & Stores	-	-	-	-	-	-
Sub-Total	4,755,533,574	204,099,656	4,959,633,230	3,340,519,600	394,446,234	3,734,965,834
Staff Salary & Benefits	76,040,368	448,527	76,488,895	51,760,153	350,795	52,110,948
General & Administrative Expenses	36,998,103	257,807	37,255,910	23,389,873	257,485	23,647,358
Financial Cost	15,669,371	4,559	15,673,930	5,134,362	6,358	5,140,720
Programmatic Expenses	-	1,472,367	1,472,367	-	6,823,480	6,823,480
Sub-Total	128,707,842	2,183,260	130,891,102	80,284,388	7,438,118	87,722,506
Closing Cash & Bank Balance						
Cash in hand	7,423,472	40,497	7,463,969	2,534,598	39,777	2,574,375
Cash at bank	19,755,351	2,506,779	22,262,130	25,098,319	6,005,431	31,103,750
Sub-Total	27,178,823	2,547,276	29,726,099	27,632,917	6,045,208	33,678,125
Total payments	4,911,420,239	208,830,192	5,120,250,431	3,448,436,905	407,929,560	3,856,366,465


M. Azizur Rahman
Chairperson


Arif Sikder
Executive Director


Dewan Tafiq Hossain
Director

Singed as per our separate report of even date.



Dated, Dhaka
17 October 2017

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

AMBALA FOUNDATION (FORMER ENVIRONMENT COUNCIL BANGLADESH)
Statement of Cash Flows
for the year ended June 2017

Particular	Amount in Taka			Amount in Taka		
	FY 2016-2017			FY 2015-2016		
	Micro Finance	Development	Total	Micro Finance	Development	Total
A. Cash flows form operating activities						
Surplus for the period	120,540,367	1,801,865	122,342,232	57,076,959	(2,759,944)	54,317,015
Add: Amount considered as non cash items Expenses						
Expenses for provision & reserve	10,546,181	3,223	10,549,404	8,319,903	9,633	8,329,536
Depreciation for the year	2,626,997	341,243	2,968,240	1,732,824	361,872	2,094,696
Non cash staff salary & benefits	12,130,083	404,161	12,534,244	8,686,756	388,400	9,075,156
Non cash general & administrative expenses	7,835,503	904,989	8,740,492	4,276,346	2,296,177	6,572,523
Non cash financial cost	139,839,380	10,464,431	150,303,811	106,093,258	24,547,981	130,641,239
Non cash program cost	-	1,966,338	1,966,338	-	6,820,247	6,820,247
Sub-total of non cash items expenses	172,978,144	14,084,385	187,062,529	129,109,087	34,424,310	163,533,397
Less: Amount considered as non cash items income						
Non cash FDR & Revenue income	(11,655,192)	(16,599,545)	(28,254,737)	(20,529,982)	(37,120,923)	(57,650,905)
Sub-total of non cash items income	(11,655,192)	(16,599,545)	(28,254,737)	(20,529,982)	(37,120,923)	(57,650,905)
Increase/decrease in disbursement to members	(678,766,569)	(317,723)	(679,084,292)	(603,160,337)	(482,443)	(603,642,780)
Increased /decrease in payment for provision	(2,343,689)	(6,786,716)	(9,130,405)	(3,011,344)	(192,191)	(3,203,535)
Increase/decrease in loan, advance & prepaid	(9,604,789)	(10,912,269)	(20,517,058)	(4,123,305)	(21,778,204)	(25,901,509)
Net cash used in operating activities	(408,851,728)	(18,730,003)	(427,581,731)	(444,638,922)	(27,909,395)	(472,548,317)
B. Cash flows from Investing Activities						
Increase/decrease in acquisition of property, plant and equipment	(11,043,404)	(21,635,590)	(32,678,994)	(6,198,670)	(1,907,000)	(8,105,670)
Increase/decrease in short term investment	(36,933,324)	1,574,457	(35,358,867)	(28,815,222)	15,761,307	(13,053,915)
Increase/decrease in others current assets	-	-	-	-	-	-
Net Cash Used in Investing Activities	(47,976,728)	(20,061,133)	(68,037,861)	(35,013,892)	13,854,307	(21,159,585)
C. Cash Flows from financing Activities						
Increase/decrease in Long Term Borrowings-PKSF	(5,350,000)	-	(5,350,000)	(23,823,334)	-	(23,823,334)
Increase/decrease in Long Term Borrowings-Bank & Others	237,271,819	440,000	237,711,819	379,427,000	(2,230,004)	377,196,996
Increase/decrease in members savings	193,271,656	91,001	193,362,657	154,065,025	48,905	154,113,930
Increase/decrease in short term loan & others current liabilities	6,907,049	30,476,529	37,383,578	(27,648,848)	5,717,631	(21,931,217)
Increase/decrease in staff EP,EG,EW & ES fund	24,273,838	1,403,631	25,677,469	18,064,551	1,877,046	19,941,597
Increase/decrease in Development Program Fund	-	2,882,043	2,882,043	-	10,150,621	10,150,621
Net Cash Used in Financing Activities	456,374,362	35,293,204	491,667,566	500,084,394	15,564,199	515,648,593
D. Net cash increase / Decrease (A+B+C)	(454,094)	(3,497,932)	(3,952,026)	20,431,580	1,509,111	21,940,691
Add. Cash and Bank Balance Beginning of the year	27,632,917	6,045,208	33,678,125	7,201,337	4,536,097	11,737,434
Cash and Bank Balance at the end of the year	27,178,823	2,547,276	29,726,099	27,632,917	6,045,208	33,678,125



M. Azizur Rahman
Chairperson



Arif Sikder
Executive Director



Dewan Taufiq Hossain
Director



AMBALA FOUNDATION (FORMER ENVIRONMENT COUNCIL BANGLADESH)
Statement of Changes in Capital Fund

For the year ended 30 June 2017

Particular	FY 2016-2017			FY 2015-2016		
	Micro Finance	Development	Total	Micro Finance	Development	Total
Opening balance	92,659,608	17,901,456	110,561,064	30,674,380	20,610,538	51,284,918
Add: Opening Adjustment	-	-	-	-	-	-
Prior year adjustment	-	-	-	81,963	-	81,963
Surplus for the Year	120,540,367	1,801,865	122,342,232	57,076,959	(2,759,944)	54,317,015
Closing balance	213,199,975	19,703,321	232,903,296	87,833,302	17,850,594	105,683,896
Add: Adjustment during the year	2,122,068	-	2,122,068	4,826,306	53,072	4,879,378
Less: Adjustment during the year	(120,211)	-	(120,211)	-	(2,210)	(2,210)
Less: Transferred to reserve	(21,520,183)	-	(21,520,183)	(9,265,961)	-	(9,265,961)
Total Fund (After transfer to reserve)	193,681,649	19,703,321	213,384,970	83,393,647	17,901,456	101,295,103
Add: Reserve fund	21,520,183	-	21,520,183	9,265,961	-	9,265,961
Balance as on 30-06-2017	215,201,832	19,703,321	234,905,153	92,659,608	17,901,456	110,561,064

M. Azizur Rahman

M. Azizur Rahman
Chairperson

Arif Sikder

Arif Sikder
Executive Director

Dewan Taufiq Hossain

Dewan Taufiq Hossain
Director

