

**AUDITORS' REPORT
ON
THE FINANCIAL STATEMENTS
OF
SREDA**

FOR THE YEAR ENDED 30TH JUNE, 2020

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SUSTAINABLE AND RENEWABLE ENERGY DEVELOPMENT AUTHORITY (SREDA)** which comprise the Statement of Financial Position as at **30 June, 2020** and the Statement of Income and expenditure, Statement of Cash flows and Notes to the Financial Statements including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying give true and fair view, in all material respects, of the financial position of the company as at **30 June, 2020** and of its financial performance for the year then ended and in accordance with International Financial Reporting Standards (IFRSs).

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 Auditors Responsibilities for the audit of the Financial Statements section of our report. We remained independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting standards (IFRS), the companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In preparing the Financial Statements, management is responsible for assessing the enterprise 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 liquidate the enterprise or to cease operations, or has no realistic alternative but to do so.

In preparing the Financial Statements, management is responsible for assessing the company's 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 liquidate the enterprise or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the enterprise financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks 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, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on other Legal and Regulatory Requirements

We also report that:

- i. 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;
- ii. in our opinion, proper books of accounts as required by law have been kept by the enterprise and so far as it appeared from our examination of those books;
- iii. The enterprise Financial Position as at **30 June, 2020** and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns;

Dhaka
Dated: 12-06-2021


SR Islam & CO.
Chartered Accountants

DVC: 2106170946AS122608

S.R. ISLAM & CO.
Chartered Accountants



Sustainable and Renewable Energy Development Authority (SREDA)
STATEMENT OF FINANCIAL POSITION

As at 30th June 2020

<u>PROPERTY & ASSETS :</u>	<u>NOTE</u>	<u>2020</u> <u>Taka</u>	<u>2019</u> <u>Taka</u>
Non current assets			
Property, Plant & Equipment	03.	<u>11,649,768</u>	<u>24,586,544</u>
<u>Current Assets :</u>			
Cash & Bank balance	04.	<u>19,459,923</u>	<u>16,363,256</u>
		<u>19,459,923</u>	<u>16,363,256</u>
TOTAL Assets		<u>31,109,691</u>	<u>40,949,799</u>
<u>FUND & LIABILITIES</u>			
<u>Fund :</u>			
General fund	05.	<u>31,109,691</u>	<u>40,949,799</u>
TOTAL EQUILITY & LIABILITIES		<u>31,109,691</u>	<u>40,949,799</u>


Assistant Director
(Accounts)


Deputy Director
(Administration)


Director
(Administration)

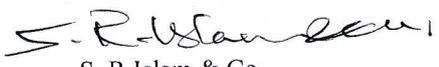

Member (Finance)


Chairman

Singed in terms of our separate report of even date annexed

Place: Dhaka
Date: 12-06-2021




S. R Islam & Co.
Chartered Accountants
DVC: 2106170946 AS122608

S. R Islam & Co.
Chartered Accountants

Sustainable and Renewable Energy Development Authority (SREDA)

Income & Expenditure

For the year ended 30th June 2020

		2020 Taka	2019 Taka
A. INCOME :	NOTE		
Other income	06.	4,494,548	430,374
		4,494,548	430,374
B. OPERATING EXPENSES			
Operating expenses	07.	80,405,387	80,208,783
C. Excess of expenditure over income (A-B)		(75,910,839)	(79,778,409)


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Date: 12-06-2021




S. R Islam & Co.

Chartered Accountants

DVC: 2106170946 AS122608

Sustainable and Renewable Energy Development Authority (SREDA)

**Statement of cash flows
For the period ended 30 June 2020**

	2020 Taka	2019 Taka
<u>Cash flows from operating activities:</u>		
Excess of expenditure over income	(75,910,839)	(79,778,408)
Adjustments for non-cash items	-	-
Add: Depreciation	13,902,426	13,709,296
Operating profit before changes in working capital	(62,008,413)	(66,069,112)
Changes in working capital:		
(Increase) Share Investment		
(Increase) other Investment		
(Increase)/ decrease Tax on bank profit		
	-	-
Net cash (used)/ generated in operating activities	(62,008,413)	(66,069,112)
<u>Cash flows from investing activities:</u>		
Acquisition of property, plant and equipment	(965,650)	(1,934,913)
Net cash used in investing activities	(965,650)	(1,934,913)
<u>Cash flows from financing activities:</u>		
Cash flows from financing activities:	82,258,700	84,272,500
Refund to govt. (unpaid amount)	(16,187,969)	(9,970,965)
	66,070,731	74,301,535
Net cash flow from financing activities		
Net increase/ (decrease) in cash and cash equivalents	3,096,668	6,297,510
Cash and cash equivalents at the beginning of the year	16,363,256	10,065,746
Cash and cash equivalents at the end of the year	19,459,924	16,363,256


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(Administration)


Director
(Administration)


Member (Finance)


Chairman

Singed in terms of our separate report of even date annexed

Place: Dhaka
Date:12-06-2021




S.R Islam & Co.
Chartered Accountants
DVC: 2106170946AS122608

Sustainable and Renewable Energy Development Authority (SREDA)

Notes to the Financial Statements

for the year ended 30th June 2020

1 Status and activity of the company

Sustainable and Renewable Energy Development Authority (SREDA) has been established by the government in the year 2014 vide SRO no. 82- law/2014 dated 22.05.2014 to control environmental heat pollution reduction of natural disaster, increase of renewable energy, save of industrial and residential energy consumption and control of energy leakage in Bangladesh.

2 Summary of significant accounting policies

2.01 Basis and convention of accounting

The financial statements of the company have been prepared in compliance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) under historical cost convention and accrual basis of accounting.

The applicable IASs and IFRSs are as follows:

IAS-1	Presentation of Financial Statements
IAS-7	Statements of Cash Flows
IAS-8	Accounting policies, Changes in Accounting Estimates and
IAS-10	Events after the Reporting Period
IAS-16	Property, Plant and Equipment
IAS-18	Revenue
IAS-19	Employee Benefits
IAS-36	Impairment of Assets

2.02 Use of estimates and judgements

The preparation of Financial Statements requires management to make judgements, estimates and assumption that affect the application of Accounting policies and reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

2.03 Property, plant and equipment

(a) **Acquisition** :Property,plant and equipment have been stated at cost as reduced by accumulated depreciation. Property,plant and equipment costing less than BDT 1,000 are recognized as expenditure irrespective of their useful lives.

(b) **Depreciation**: Depreciation is provided on all fixed assets, at various rates on a reducing balance method over their estimated useful lives. Depreciation on additions to fixed assets are charged for the full year in the year of acquisition while no depreciation is charged in the year of retirement/disposal. The rates of depreciation and useful lives are stated below:



<u>Name of Fixed Assets</u>	<u>Rates of Depreciation (%)</u>
Motor Car	20
Land acquisition	15
Computer	20
Furniture	10
Office equipment	15

2.04 Revenue recognition

Commissions are recognized net of discounts when services have been rendered and accepted by customers. The Company does not have any policy to recover Interest from debtors for delayed payments.

2.05 Taxation

The tax rate is 0% on taxable profit because it is a non-profitable organization. Disclosed net profit are adjusted to arrive at taxable profit after considering the certain deductions and allowances admissible as well as certain inadmissibility of claim of expenses according to ITO-1984.

2.06 Employee benefit

The Authority has not established WPPF according to labour Act. The establishment of Contributory Provident Fund (CPF) is under consideration.

The imported plant & equipment has been converted at historical rates.

(i) Figures appearing in the financial statements have been rounded off to the nearest Taka.

(ii) Previous year's figures have been rearranged, whenever considered necessary to conform to the current year's presentation.



Sustainable and Renewable Energy Development Authority (SREDA)

Notes to the Financial Statements

For the year ended 30th June 2020

	2020	2019
	Taka	Taka
03. Property, plant and equipment		
Cost		
Balance as on 01 July	75,007,597	73,072,684
Add: Additions during the year	965,650	1,934,913
	<u>75,973,247</u>	<u>75,007,597</u>
Less: Disposal during the year	-	-
Balance as on 30th June	<u>75,973,247</u>	<u>75,007,597</u>
Accumulated depreciation:		
Balance as on 01 July	50,421,054	36,711,758
Add: Charged during the year	13,902,426	13,709,296
	<u>64,323,479</u>	<u>50,421,054</u>
Less: Disposal during the year	-	-
Balance as on 30th June	<u>64,323,479</u>	<u>50,421,054</u>
Written down value as on 30 June	<u>11,649,768</u>	<u>24,586,544</u>

The details of property, plant and equipment are shown in Annexure - A

04. CASH AND BANK BALANCE :		
Mercantile Bank Limited (A/C- 773765)	17,744,287	16,363,256
Mercantile Bank Limited (A/C- 449993)	1,448,224	
Sonali Bank Limited (A/C- 000032)	267,412	
	<u>19,459,923</u>	<u>16,363,256</u>
05. GENERAL FUND		
Opening balance	40,949,799	46,426,672
Add : Received from government	82,258,700	84,272,500
Less: Refund to Govt. (Unpaid Amount)	(16,187,969)	(9,970,965)
Less: Excess of expenditure over income	-75910838.85	(79,778,408)
	<u>31,109,691</u>	<u>40,949,799</u>
06. OTHER INCOME		
Interest Received	33,617	30,374
Training fees	3,290,000	
Examination fees	139,600	
Hall rent	390,000	
Other received	641,331	400,000
	<u>4,494,548</u>	<u>430,374</u>



07. OPERATING EXPENSES

Officer Salary

Staff Salary

House Rent Allowance

Festival Allowance

Benovolent / Bonus

Medical Allowance

Clean & Cleanliness

Tiffin Allowance

New year Allowance

Transport Allowance

Educational Allowance

Establishment exp

Car maintenance

Mobile Allowance

Seminar and Simposium

Travel Exp

Foreign Travel exp

Telephone Allowance

Registration Fee

Electricity

Petrol /Lubricant

Office Rent

Water exp

Gas & Fuel

Insurance

Stationery

Energy examination exp

Bank charge and others exp:

Advertising / Publicity

Training

Entertainment

Honorarium Allowance

Others Allowance

Car Repair

postage & Courier

Depreciation

2020**Taka****2019****Taka**

10,893,160

7,472,642

6,371,908

2,241,931

510,540

538,500

6,100

21,600

190,488

-

48,500

100,000

3,525,000

143,932

1,118,244

-

2,155,262

300269

927,027

1,505,626

20,700,000

393,327

10,725

323,794

998,222

2,196,000

9,983

932,835

751,583

341,449

370,423

169,540

1,190,901

43,450

13,902,426

80,405,387

11,508,149

5,875,884

6,291,214

2,389,062

186,080

273,158

103,417

18,745

286,021

172649

69,500

330,513

3,027,836

169,942

1,796,628

703,413

991,577

428248

105,546

890,795

2,061,695

20,700,000

396,546

-

578,363

1,295,970

200,000

1,671,903

1,120,529

493,807

493,931

-

1,814,323

54,043

13,709,296

80,208,783



Sustainable and Renewable Energy Development Authority (SREDA)

Schedule of property, plant and equipment

As at 30th June 2020

(Figures in Bangladesh Taka)

Particulars	C O S T				Rate (%)	D E P R E C I A T I O N				Written down value as at 30th June-2020
	Balance as at 01st July-2019	Additions during the year	Disposal during the year	Balance as at 30th June-2020		Balance as at 01st July-2019	Charges during the year	Disposal during the year	Balance as at 30th June-2020	
Motor Car	47,991,602	-	-	47,991,602	20%	39,013,900	9,598,320	-	48,612,220	(620,618)
Land acquisition	23,356,120	-	-	23,356,120	15%	10,191,666	3,503,418	-	13,695,084	9,661,036
Computer	2,171,497	965,650	-	3,137,147	20%	818,211	627,429	-	1,445,640	1,691,507
Furniture	999,970	-	-	999,970	10%	236,386	99,997	-	336,383	663,587
Office equipment	488,407	-	-	488,407	15%	160,888	73,261	-	234,149	254,258
Total 2020	75,007,596	965,650	-	75,973,246		50,421,051	13,902,426	-	64,323,477	11,649,769
Total 2019	73,072,683	1,934,913	-	75,007,596		36,711,756	13,709,296	-	50,421,052	24,586,544

