

**Submitted To
Chairman**

Sustainable and Renewable Energy Development Authority (SREDA)

IEB Building (10th and 11 th floor), Ramna, Dhaka-1000

**AUDIT REPORT
ON
FINANCIAL STATEMENTS
OF
SREDA
FOR THE YEAR ENDED 30th JUNE, 2021**

Submitted By

**S.R ISLAM & CO.
Chartered Accountants
37/2 Purana Paltan, Flat – 9D,
9th Floor, Fayenez Tower,
Box Culvert Road, Dhaka.**

Independent Auditor's Report
Sustainable and Renewable Energy Development Authority (SREDA)
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SREDA which comprise the Statement of Financial Position as at 30 June 2021, and the Statement of Comprehensive Income, statement of Cash flows and Statement of Receipts and Payments for the year then ended and summary of significant accounting policies and other explanatory information thereon.

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 2021, and of its financial performance for the year then ended and in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing (IASs). 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 Company 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 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company 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 Company and so far as it appeared from our examination of those books;
- iii. The Company Financial Position as at 30 June 2021, 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;

Place: Dhaka
Dated : 03 March 2022

DVC : 2203200946AS925969

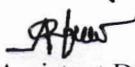

Shaiful Alam FCA
Enrolment No. 0946
Managing Partner
S.R ISLAM & Co.
Chartered Accountants



Sustainable and Renewable Energy Development Authority (SREDA)
Statement of Financial Position
As on 30.06.2021

Particulars	Note	2021 Taka	2020 Taka
<u>Property & Assets :</u>			
Non current assets			
Property, Plant & Equipment	3.00	10,144,541	11,649,768
Current Asstes :			
Cash & Bank balance	4.00	13,919,406	19,459,923
		13,919,406	19,459,923
Total Assets		24,063,947	31,109,691
<u>Fund & Liabilities</u>			
Fund :			
General Fund	5.00	24,063,947	31,109,691
Total Equity & Liabilities		24,063,947	31,109,691

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


Assistant Director
(Accounts)


Director
(Administration)


Member (Finance)


Chairman

Place: Dhaka
Dated : 03 March 2022

D/C: 2203200946 AS925969



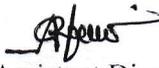
Shaiful Alam FCA
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S.R ISLAM & Co.
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Sustainable and Renewable Energy Development Authority (SREDA)
Statement of Comprehensive Income
For the year ended 30th June 2021

Particulars	Note	2021	2020
		Taka	Taka
A. INCOME :			
Other income	6.00	236,979	4,494,548
		<u>236,979</u>	<u>4,494,548</u>
B. Operating Expenses			
Operating expenses	7.00	68,098,436	80,405,387
Excess of Expenditure Over Income(A-B)		<u>(67,861,457)</u>	<u>(75,910,839)</u>

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Assistant Director
(Accounts)


Director
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Member (Finance)


Chariman

Place: Dhaka
Dated : 03 March 2022

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Shaiful Alam FCA
Enrolment No. 0946
Managing Partner
S.R ISLAM & Co.
Chartered Accountants



Sustainable and Renewable Energy Development Authority (SREDA)
Receipts and Payments Account
For the Year Ended 30th June 2021

Receipts	Amount (Taka)	Payments	Amount (Taka)
Opening Balance:		Payments	
Cash in Hand	-	Office Salary	11,200,000
Cash at Bank		Staff Salary	1,300,000
MBL(773765) 17,744,287		House Rent Allowance	6,450,000
MBL(449993) 1,448,224		Festival Allowance	2,940,000
SBL(000032) 267,412	19,459,923	Benovolent / Bonus	1,650,000
		Medical Allowance	500,000
Receipts		Clean & Cleanliness	150,000
Interest Received	160,524	Tiffin Allowance	25,000
Training fees	-	New year Allowance	250,000
Examination fees	-	Educational Allowance	50,000
Hall rent	-	Out sourcing Salary	7,624,327
Other received	76,455	Managing Authority	360,433
Received from government	78,968,000	Establishment Exp	-
Balance Contra	2,385,584	Govt. Refund To BB	18,152,287
		Car Repair & Maintenance	648,833
		Mobile Allowance	-
		Seminar and Simposuim	-
		Travel Exp	310,602
		Telephone Allowance	-
		Electricity	570,463
		Construction Exp	5,658,362
		Petrol/Lubricant	1,746,570
		Office Rent	20,700,000
		Office Equipment	234,800
		Furniture	70,027
		IT Expense	1,104,914
		Paper Bill	18,596
		Wasa Bill	392,142
		Gas Bill	11,700
		Insurance	477,781
		Stationary	26,840
		Energy Examination Expense	-
		Bank Charge	34,764
		Advertising / Publicity	219,754
		Traning	310,602
		Entertainment	364,928
		Honorarium Allowance	-
		MBM FA	269,555
		IEC	132,606
		Others Allowance	371,060
		Postage & Courier	30,000
		TDS Deduction	4,901
		Excise Duty	3,000
		Audit Fee	380,000
		Maintenance Charge	500
		Vat on Maintenance	150
		Balance Contra	2,385,584



Receipts	Amount (Taka)	Payments	Amount (Taka)
		Closing Balance:	
		Cash in Hand	-
		Cash at Bank	
		MBL(773765)	12593164
		MBL(449993)	-
		SBL(000032)	1326242
			13,919,406
	<u>101,050,486</u>		<u>101,050,486</u>

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


Assistant Director
(Accounts)


Director
(Administration)


Member (Finance)


Chariman

Place: Dhaka
Dated : 03 March 2022


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Enrolment No. 0946
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Sustainable and Renewable Energy Development Authority (SREDA)

Cash flows Statements

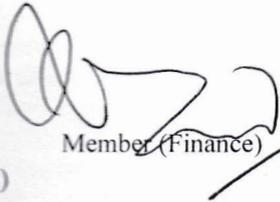
For the Year Ended 30th June 2021

Particulars	2021	2020
	Taka	Taka
<u>Cash flows from operating activities :</u>		
Excess of expenditure over income	(67,861,457)	(75,910,839)
Adjustments for non-cash items	-	-
Add: Depreciation	1,810,053	13,902,426
Operating profit before changes in working capital	(66,051,404)	(62,008,413)
Changes in working capital:		
(Increase) Share Investment	-	-
(Increase) Other Investment	-	-
(Increase)/ decrease Tax on bank profit	-	-
	-	-
Net cash (used)/ generated in operating activities	(66,051,404)	(62,008,413)
<u>Cash flows from investing activities:</u>		
Acquisition of property, plant and equipment	(304,827)	(965,650)
Net cash used in investing activities	(304,827)	(965,650)
<u>Cash flows from financing activities:</u>		
Received from government	78,968,000	82,258,700
Refund to govt. (unpaid amount)	(18,152,287)	(16,187,969)
	60,815,713	66,070,731
Net cash flow from financing activities		
Net increase/ (decrease) in cash and cash equivalents	(5,540,518)	3,096,668
Cash and cash equivalents at the beginning of the year	19,459,923	16,363,256
Cash and cash equivalents at the end of the year	13,919,405	19,459,923

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Assistant Director
(Accounts)


Director
(Administration)


Member (Finance)


Chariman

Place: Dhaka
Dated : 03 March 2022


Shaiful Alam, FCA
Enrolment No. 0946
Managing Partner
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Chartered Accountants

DVE : 2203200946AS925969



Sustainable and Renewable Energy Development Authority (SREDA)
Notes To the Financial Statements
AS AT AND FOR THE YEAR ENDED JUNE 30, 2021

1 Reporting Entity

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 energy consumption and control of energy leakage in Bangladesh.

1.1 Basis of Preparation:

The financial statements have been prepared in accordance with the going concern principle and historical cost convention. The significant accounting policies are set out below.

1.2 Statement on Compliance of International Financial Reporting Standards:

The following IASs and IFRSs are applicable for the financial statements for the year under review:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the reporting period	10	Applied
Property, Plant and Equipment	16	Applied
Revenue	18	Replaced by IFRS 15
Employee Benefits	19	Applied
Impairment of Assets	36	Applied

1.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT or Tk) which is the Company functional currency.

2 Use of Estimates and Judgments:

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that has the most significant effect on the amount recognized in the financial statements are income tax provision (both current and deferred tax), depreciation and gratuity provision.

2.1 Statement of Cash Flows:

Statement of cash flows has been prepared as per IAS 7: Statement of Cash Flows using Indirect Method



2.2 **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%

2.3 **Employees' Benefit Scheme:**

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

2.4 **Other Income:**

It is recognized at actual basis.

2.5 **Taxation:**

The tax rate is 0% on taxable profit because it is a non-profitable Organization.

2.6 **Comparative Figure:**

Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement. Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of current year's financial statements.

2.7 **Financial Year:**

For this year financial year means, July 01, 2020 to June 30, 2021.

2.8 **Events after the Reporting Period:**

As per IAS-10 "Events after the Reporting Period" are those events favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

2.9 **General:**

Figures have been rounded off to the nearest taka, as it the reporting currency of these financials.



Sustainable and Renewable Energy Development Authority (SREDA)
Notes to the Financial Statements
For the year ended 30th June 2021

Particulars	Sub-Note	2021	2020
		Taka	Taka
03. Property, Plant and Equipment			
Balance as on 01 July		75,973,247	75,007,597
Add: Additions during the year		304,827	965,650
		76,278,074	75,973,247
Less: Disposal during the year		-	-
Balance as on 30th June		76,278,074	75,973,247
Accumulated depreciation:			
Balance as on 01 July		64,323,479	50,421,054
Add: Charged during the year		1,810,053	13,902,426
		66,133,532	64,323,479
Less: Disposal during the year		-	-
Balance as on 30th June		66,133,532	64,323,479
Written down value as on 30 June		10,144,541	11,649,768
The details of property plant and equipment are shown in Annexure - A			
04. Cash and Bank Balance :			
Mercantile Bank Limited (A/C-773765)		12,593,164	17,744,287
Mercantile Bank Limited (A/C-449993)		-	1,448,224
Sonali Bank Limited (A/C-000032)		1,326,242	267,412
		13,919,406	19,459,923
05. General Fund			
Opening balance		31,109,691	40,949,799
Add: Received from government		78,968,000	82,258,700
Less: Refund to Govt. (Unpaid Amount)		(18,152,287)	(16,187,969)
Less: Excess of expenditure over income		(67,861,457)	(75,910,839)
		24,063,947	31,109,691
06. Other Income			
Interest Received		160,524	33,617
Training fees		-	3,290,000
Examination fees		-	139,600
Hall rent		-	390,000
Oher received		76,455	641,331
		236,979	4,494,548
07. Operating Expenses			
Office Salary		11,200,000	10,893,160
Staff Salary		1,300,000	7,472,642
House Rent Allowance		6,450,000	6,371,908
Festival Allowance		2,940,000	2,241,931
Benovolent / Bonus		1,650,000	510,540
Medical Allowance		500,000	538,500
Clean & Cleanliness		150,000	6,100
Tiffin Allowance		25,000	21,600



Particulars	Sub-Note	2021	2020
		Taka	Taka
New year Allowance		250,000	190,488
Educational Allowance		50,000	48,500
Out sourcing Salary		7,624,327	-
Managing Authority		360,433	-
Establishment Exp		-	100,000
Car Repair & Maintenance		648,833	4,715,901
Mobile Allowance		-	143,932
Seminar and Simposium		-	1,118,244
Travel Exp		310,602	2,155,262
Telephone Allowance		-	300,269
Electricity		570,463	927,027
Construction Exp		5,658,362	-
Petrol/Lubricant		1,746,570	1,505,626
Office Rent		20,700,000	20,700,000
IT Expense		1,104,914	-
Paper Bill		18,596	-
Wasa Bill		392,142	393,327
Gas Bill		11,700	10,725
Insurance		477,781	323,794
Stationary		26,840	998,222
Energy Examination Expense		-	2,196,000
Bank Charge		34,764	9,983
Advertising / Publicity		219,754	932,835
Traning		310,602	751,583
Entertainment		364,928	341,449
Honorarium Allowance		-	370,423
MBM FA		269,555	-
IEC		132,606	-
Others Allowance		371,060	169,540
Postage & Courier		30,000	43,450
TDS Deduction		4,901	-
Excise Duty		3,000	-
Audit Fee		380,000	-
Maintenance Charge		500	-
Vat on Maintenance		150	-
Depreciation		1,810,053	13,902,426
		68,098,436	80405387



Sustainable and Renewable Energy Development Authority (SREDA)
Schedule of Property, Plant and Equipment
For the year ended 30th June 2021

(Figures in Bangladesh Taka)

Particulars	COST				Rate %	ACCUMULATED DEPRECIATION				WDV WDV As at 31.07.2021
	Balance as at 01.07.2020	Addition for the year	Deletion/ Disposal during the period	Balance as at 30.06.2021		Balance as at 01.07.2020	Charged during the year	Deletion / Disposal during the Month	Balance as at 30.06.2021	
Motor Car	47,991,602	-	-	47,991,602	20%	48,612,220	(124,124)	-	48,488,097	(496,495)
Land Acquisition	23,356,120	-	-	23,356,120	15%	13,695,084	1,449,155	-	15,144,240	8,211,880
Computer	3,137,147	-	-	3,137,147	20%	1,445,640	338,301	-	1,783,942	1,353,206
Furniture	999,970	70,027	-	1,069,997	10%	336,383	73,361	-	409,745	660,252
Office Equipmeny	488,407	234,800	-	723,207	15%	234,149	73,359	-	307,508	415,699
Total(As on 31 July 2021)	75,973,247	304,827	-	76,278,074		64,323,479	1,810,053	-	66,133,531	10,144,540

