

**Submitted To**  
**Chief Accounts and Finance Officer**  
**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 30<sup>th</sup> JUNE, 2022**

**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 2022, 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 2022, 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 (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 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 2022, 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 : 07 June 2023

DVC: 2306180946AS643426



**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 30.06.2022

Particulars	Note	2022	2021
		Taka	Taka
<b><u>Property &amp; Assets :</u></b>			
<b>Non current assets</b>			
Property, Plant & Equipment	3.00	9,273,765	10,144,541
<b>Current Asstes :</b>			
Cash & Bank balance	4.00	20,274,539	13,919,406
		20,274,539	13,919,406
<b>Total Assets</b>		<b>29,548,304</b>	<b>24,063,947</b>
<b><u>Fund &amp; Liabilities</u></b>			
<b>Fund :</b>			
General Fund	5.00	29,548,304	24,063,947
<b>Total Equity &amp; Liabilities</b>		<b>29,548,304</b>	<b>24,063,947</b>

  
Assistant Director  
(Accounts)

  
Deputy Director  
(Admin)

  
Director  
(Administration)

  
Member (Finance)

  
Chariman

Place: Dhaka

Dated : 05 June 2023

DVC: 2306180946AS643426



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



Sustainable and Renewable Energy Development Authority (SREDA)  
Statement of Comprehensive Income  
For the year ended 30th June 2022

Particulars	Note	2022	2021
		Taka	Taka
<b><u>A. INCOME :</u></b>			
Other income	6.00	173,174	236,979
		<u>173,174</u>	<u>236,979</u>
<b><u>B. Operating Expenses</u></b>			
Operating expenses	7.00	80,630,654	68,098,436
Excess of Expenditure Over Income(A-B)		<u>(80,457,480)</u>	<u>(67,861,457)</u>

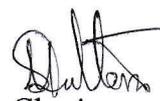
Signed in terms of our separate report of even date annexed.

  
Assistant Director  
(Accounts)

  
Deputy Director  
(Admin)

  
Director  
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Member (Finance)

  
Chariman

Place: Dhaka

Dated : 05 June 2023

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Shaiful Alam FCA  
Enrolment No. 0946  
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**Sustainable and Renewable Energy Development Authority (SREDA)**  
**Receipts and Payments Account**  
For the Year Ended 30th June 2022

Receipts		Amount (Taka)	Payments	Amount (Taka)
<b>Opening Balance:</b>			<b>Payments</b>	
Cash in Hand		-	Office Salary	9,545,071
Cash at Bank			Staff Salary	1,540,920
MBL(773765)	12,593,164		House Rent Allowance	5,606,162
MBL(449993)	-		Festival Allowance	2,658,680
SBL(000032)	1,326,242	13,919,406	Benovolent / Bonus	-
			Medical Allowance	455,177
			Clean & Cleanliness	38,848
<b>Receipts</b>			Tiffin Allowance	21,600
Interest Received	22,323		New year Allowance	161,960
Training fees	-		Educational Allowance	41,500
Examination fees			Out sourcing Salary	7,610,372
Hall rent	-		Managing Authority	42,740
Oher received	150,851		Establishment Exp	
Received from government	98,535,000		Govt. Refund To BB	12,593,164
Balance Contra	67,098		Car Repair & Mainteinance	3,048,482
			Invention	275,000
			Mobile Allowance	119,177
			Computer & Others	1,195,501
			Seminar and Simposuim	-
			Travel Exp	686,227
			Telephone Allowance	226,853
			Electricity	1,231,582
			Cnstruction exp.	-
			Consultancy exp.	18,175,086
			Petrol/Lubricant	2,254,934
			Office Rent	20,700,000
			Overtime	-
			Office Equipment	385,884
			Stamp & Seal	2,708
			Furniture	319,393
			Repair & Maintenance	356,475
			IT Expense	-
			Paper Bill	-
			Wasa Bill	230,729
			Telephone Bill	56,859
			Gas Bill	11,700
			Insurance	-
			Stationary	-
			Energy Examination Expense	-
			Bank Charge	22,708
			Advertising / Publicity	487,746
			Traning	294,817
			Entertainment	600,361
			Books & Others	419,543
			Honorarium Allowance	832,749
			MBM FA	-
			IEC	-
			Others Allowance	-



Receipts	Amount (Taka)	Payments	Amount (Taka)
		Postage & Courier	7,333
		TDS Deduction	-
		Excise Duty	-
		Audit Fee	95,000
		Maintenance Charge	-
		Vat on Maintenance	-
		Balance Contra	67,098
		<b>Closing Balance:</b>	
		Cash in Hand	-
		Cash at Bank	
		MBL(773765)	2,768,240
		SREDA P/L Account	16,006,883
		SBL(000032)	1,499,416
			20,274,539

112,694,678

112,694,678

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

  
Assistant Director  
(Accounts)

  
Deputy Director  
(Admin)

  
Director  
(Administration)

  
Member (Finance)

  
Chariman

Place: Dhaka

Dated : 05 June 2023

DVC: 2306180946AS643426



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



**Sustainable and Renewable Energy Development Authority (SREDA)**  
**Cash flows Statements**  
**For the Year Ended 30th June 2022**

Particulars	2022	2021
	Taka	Taka
<b><u>Cash flows from operating activities :</u></b>		
Excess of expenditure over income	(80,457,480)	(67,861,457)
Adjustments for non-cash items	-	-
Add: Deprecation	1,640,270	1,810,053
Operating profit before changes in working capital	(78,817,210)	(66,051,404)
Changes in working capital:		
(Increase) Share Investment	-	-
(Increase) Other Investment	-	-
(Increase)/ decrease Tax on bank profit	-	-
<b>Net cash (used)/ generated in operating activities</b>	<b>(78,817,210)</b>	<b>(66,051,404)</b>
<b><u>Cash flows from investing activities:</u></b>		
Acquisition of property, plant and equipment	(769,493)	(304,827)
<b>Net cash used in investing activities</b>	<b>(769,493)</b>	<b>(304,827)</b>
<b><u>Cash flows from financing activities:</u></b>		
Received from government	98,535,000	78,968,000
Refund to govt. (unpaid amount)	(12,593,164)	(18,152,287)
<b>Net cash flow from financing activities</b>	<b>85,941,836</b>	<b>60,815,713</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>6,355,133</b>	<b>(5,540,518)</b>
Cash and cash equivalents at the beginning of the year	13,919,405	19,459,923
<b>Cash and cash equivalents at the end of the year</b>	<b>20,274,539</b>	<b>13,919,405</b>

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

  
Assistant Director  
(Accounts)

  
Deputy Director  
(Admin)

  
Director  
(Administration)

  
Member (Finance)

  
Charimar

Place: Dhaka

Dated : 05 June 2023

DVC: 2306180946AS643426



**Shaiful Alam, FCA**

Enrolment No. 0946

Managing Partner

S.R ISLAM & Co.

Chartered Accountants



Sustainable and Renewable Energy Development Authority (SREDA)  
Notes To the Financial Statements  
AS AT AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2021 to June 30, 2022.

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 2022**

Particulars	Sub-Note	2022	2021
		Taka	Taka
<b><u>03. Property, Plant and Equipment</u></b>			
Balance as on 01 July		76,278,073	75,973,247
Add: Additions during the year		769,493	304,827
<b>Sub-Total</b>		<b>77,047,566</b>	<b>76,278,074</b>
Less: Disposal during the year		-	-
<b>Balance as on 30th June</b>		<b>77,047,566</b>	<b>76,278,074</b>
Accumulated depreciation:			
Balance as on 01 July		66,133,531	64,323,479
Add: Charged during the year		1,640,270	1,810,053
		67,773,801	66,133,532
Less: Disposal during the year		-	-
<b>Balance as on 30th June</b>		<b>67,773,801</b>	<b>66,133,532</b>
<b>Written down value as on 30 June</b>		<b>9,273,765</b>	<b>10,144,541</b>

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

**04. Cash and Bank Balance :**

Mercantile Bank Limited (A/C-773765)	2,768,240	12,593,164
Bangladesh Bank Fund	16,006,883	-
Sonali Bank Limited (A/C-000032)	1,499,416	1,326,242
	<b>20,274,539</b>	<b>13,919,406</b>

**05. General Fund**

Opening balance	24,063,947	31,109,691
Add: Received from government	98,535,000	78,968,000
Less: Refund to Govt. (Unpaid Amount)	(12,593,164)	(18,152,287)
Less: Excess of expenditure over income	(80,457,480)	(67,861,457)
	<b>29,548,304</b>	<b>24,063,947</b>

**06. Other Income**

Interest Received	22,323	160,524
Training fees	-	-
Examination fees	-	-
Hall rent	-	-
Oher received	150,851	76,455
	<b>173,174</b>	<b>236,979</b>

**07. Operating Expenses**

Office Salary	9,545,071	11,200,000
Staff Salary	1,540,920	1,300,000
House Rent Allowance	5,606,162	6,450,000
Festival Allowance	2,658,680	2,940,000
Benovolent / Bonus	-	1,650,000
Medical Allowance	455,177	500,000
Clean & Cleanliness	38,848	150,000

Particulars	Sub-Note	2022	2021
		Taka	Taka
Tiffin Allowance		21,600	25,000
New year Allowance		161,960	250,000
Educational Allowance		41,500	50,000
Out sourcing Salary		7,610,372	7,624,327
Managing Authority		42,740	360,433
Establishment Exp		-	-
Car Repair & Maintenance		3,048,482	648,833
Invantion		275,000	-
Mobile Allowance		119,177	-
Computer & Others		901,501	-
Seminar and Simposuim		-	-
Travel Exp		686,227	310,602
Telephone Allowance		226,853	-
Electricity		1,231,582	570,463
Construction exp.		-	5,658,362
Consultancy Exp		18,175,086	-
Petrol/Lubricant		2,254,934	1,746,570
Office Rent		20,700,000	20,700,000
Overtime		-	-
Office Equipment		228,209	-
Stamp & Seal		2,708	-
Furniture		1,575	-
Repair & Maintenance		356,475	-
IT Expense		-	1,104,914
Paper Bill		-	18,596
Wasa Bill		230,729	392,142
Telephone Bill		56,859	-
Gas Bill		11,700	11,700
Insurance		-	477,781
Stationary		-	26,840
Energy Examination Expense		-	-
Bank Charge		22,708	34,764
Advertising / Publicity		487,746	219,754
Traning		294,817	310,602
Entertainment		600,361	364,928
Books & Others		419,543	-
Honorarium Allowance		832,749	-
MBM FA		-	269,555
IEC		-	132,606
Others Allowance		-	371,060
Postage & Courier		7,333	30,000
TDS Deduction		-	4,901
Excise Duty		-	3,000
Audit Fee		95,000	380,000
Maintenance Charge		-	500
Vat on Maintenance		-	150
Depreciation		1,640,270	1,810,053
		<b>80,630,654</b>	<b>68,098,436</b>



**Sustainable and Renewable Energy Development Authority (SREDA)**  
**Schedule of Property, Plant and Equipment**  
**For the year ended 30th June 2022**

( Figures in Bangladeshi Taka )

Particulars	COST				Rate %	ACCUMULATED DEPRECIATION				WDV WDV As at 31.07.2022
	Balance as at 01.07.2021	Addition for the year	Deletion/ Disposal during the period	Balance as at 30.06.2022		Balance as at 01.07.2021	Charged during the year	Deletion / Disposal during the Month	Balance as at 30.06.2022	
Motor Car	47,991,602	-	-	47,991,602	20%	48,488,097	(99,299)	-	48,388,798	(397,196)
Land Acquisition	23,356,120	-	-	23,356,120	15%	15,144,240	1,231,782	-	16,376,022	6,980,098
Computer	3,137,147	294,000	-	3,431,147	20%	1,783,942	329,441	-	2,113,383	1,317,764
Furniture	1,069,997	427,167	-	1,497,164	10%	409,745	108,742	-	518,487	978,677
Office Equipment	723,207	48,326	-	771,533	15%	307,508	69,604	-	377,112	394,421
<b>Total( As on 30 June 2022)</b>	<b>76,278,073</b>	<b>769,493</b>	<b>-</b>	<b>77,047,566</b>		<b>66,133,531</b>	<b>1,640,270</b>		<b>67,773,802</b>	<b>9,273,765</b>

