

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

FOR THE YEAR ENDED 30TH JUNE, 2016

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, 2016** 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, 2016** 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, 2016** 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: 210 617 0946 AS 122 608

S.R. ISLAM & CO.
Chartered Accountants



Sustainable and Renewable Energy Development Authority (SREDA)

STATEMENT OF FINANCIAL POSITION

As at 30th June 2016

<u>PROPERTY & ASSETS :</u>	<u>NOTE</u>	<u>2016</u> <u>Taka</u>	<u>2015</u> <u>Taka</u>
Non current assets			
Property, Plant & Equipment	03.	<u>22,870,732</u>	<u>14,979,158</u>
Current Assets :			
Cash & Bank balance	04.	<u>7,016,841</u>	<u>4,184,828</u>
		<u>7,016,841</u>	<u>4,184,828</u>
TOTAL Assets		<u>29,887,573</u>	<u>19,163,986</u>
 <u>FUND & LIABILITIES</u>			
Fund :			
General fund	05.	<u>29,887,573</u>	<u>19,163,986</u>
TOTAL EQUILITY & LIABILITIES		<u>29,887,573</u>	<u>19,163,986</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

Drc: 210 617 0946 AS 122 608

Sustainable and Renewable Energy Development Authority (SREDA)
Income & Expenditures

For the year ended 30th June 2016

		2016 <u>Taka</u>	2015 <u>Taka</u>
<u>A. INCOME :</u>	<u>NOTE</u>		
Other income	06.	8,451	460,769
		8,451	460,769
<u>B. OPERATING EXPENSES</u>			
Operating expenses	07.	37,506,953	7,792,580
C. Excess of expenditure over income (A-B)		(37,498,502)	(7,331,811)

 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

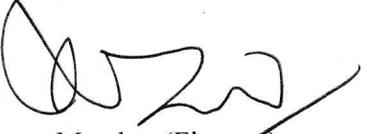
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S.R Islam & Co.
Chartered Accountants

Sustainable and Renewable Energy Development Authority (SREDA)

Statement of cash flows
For the period ended 30 June 2016

	2016 Taka	2015 Taka
<u>Cash flows from operating activities:</u>		
Excess of expenditure over income	(37,498,502)	(7,331,811)
Adjustments for non-cash items	-	-
Add: Depreciation	6,612,633	3,741,769
Operating profit before changes in working capital	(30,885,869)	(3,590,042)
Changes in working capital:		
(Increase) Share Investment		
(Increase) other Investment		
(Increase)/ decrease Tax on bank profit		
	-	-
Net cash (used)/ generated in operating activities	(30,885,869)	(3,590,042)
<u>Cash flows from investing activities:</u>		
Acquisition of property, plant and equipment	(14,504,207)	(18,720,927)
Net cash used in investing activities	(14,504,207)	(18,720,927)
<u>Cash flows from financing activities:</u>		
Cash flows from financing activities:		
Refund to govt. (unpaid amount)	(3,149,911)	26,495,797
	48,222,089	26,495,797
Net cash flow from financing activities		
Net increase/ (decrease) in cash and cash equivalents	2,832,013	4,184,828
Cash and cash equivalents at the beginning of the year	4,184,828	
Cash and cash equivalents at the end of the year	7,016,841	4,184,828

 Assistant Director (Accounts)	 Deputy Director (Administration)	 Director (Administration)	 Member (Finance)	 Chairman
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Singed in terms of our separate report of even date annexed

Place: Dhaka
Date: 12-06-2021



S.R Islam & Co.
Chartered Accountants
DYC: 210 617 0946 AS 122 608

Sustainable and Renewable Energy Development Authority (SREDA)
Notes to the Financial Statements
for the year ended 30th June 2016

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 doesn't have any policy to recover Interest from debtors for delayed

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 inadmissability 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.



S. R Islam and Co.

Chartered Accountants

Sustainable and Renewable Energy Development Authority (SREDA)

Notes to the Financial Statements

For the year ended 30th June 2016

	2016	2015
	Taka	Taka
03. Property, plant and equipment		
<u>Cost</u>		
Balance as on 01 July	18,720,927	-
Add: Additions during the year	14,504,207	18,720,927
	<u>33,225,134</u>	<u>18,720,927</u>
Less: Disposal during the year	-	-
Balance as on 30th June	<u>33,225,134</u>	<u>18,720,927</u>
Accumulated depreciation:		
Balance as on 01 July	3,741,769	-
Add: Charged during the year	6,612,633	3,741,769
	<u>10,354,402</u>	<u>3,741,769</u>
Less: Disposal during the year	-	-
Balance as on 30th June	<u>10,354,402</u>	<u>3,741,769</u>
Written down value as on 30 June	<u>22,870,732</u>	<u>14,979,158</u>
<i>The details of property, plant and equipment are shown in Annexure - A</i>		
04. <u>CASH AND BANK BALANCE :</u>		
Closing Cash at Bank (Janata Bank Limited)	7,016,841	4,184,828
	<u>7,016,841</u>	<u>4,184,828</u>
05. <u>GENERAL FUND</u>		
Opening balance	19,163,986	-
Add :Received from Government	51,372,000	26,495,797
Less: Refund to Govt. (Unpaid Amount)	(3,149,911)	-
Less: Excess of expenditure over income	-37498501.75	(7,331,811)
	<u>29,887,573</u>	<u>19,163,986</u>
06. <u>OTHER INCOME</u>		
Interest Received	1,451	60,000
Other receipts	7,000	400,769
	<u>8,451</u>	<u>460,769</u>



	2016	2015
	<u>Taka</u>	<u>Taka</u>
07. OPERATING EXPENSES		
Officer Salary	6,725,849	905,074
Staff Salary	2,763,243	291,377
House Rent Allowance	2,091,153	455,530
Festival Allowance	1,241,881	85,200
Medical Allowance	167,137	20,697
Tiffin Allowance	10,800	140
New year Allowance	167,788	-
Adhoc Allowance	141,721	177,421
Transport Allowance	10800	140
Educational Allowance	19,016	6,600
Dearness Allowance	-	164,425
Mobile Allowance	36,032	-
Others allowance	237,135	-
Travel Exp	106,702	24,942
Telephone Allowance	-	13,766
Telephone Exp	100642	29275
Registration Fee	174,565	118,500
Electricity	289,752	-
Petrol /Lubricant	756,289	86,847
Office Rent	13,080,000	-
Water exp	42,702	-
Stationery	690,974	51,128
Printing	50,341	10,200
Books & Periodicals	72,499	5,513
Advertising / Publicity	769,099	384,161
Training	183,770	-
Entertainment Allowance	32,932	13,400
Entertainment Exp	56,509	24,812
Honorarium Allowance	27,600	64,500
Others Exp:	31,613	10,790
Repair maintenance	73,608	5,800
postage & Courier	19,345	3,675
Insurance	722,823	346,498
Educational Exp:	-	750,400
Depreciation	6,612,633	3,741,769
	37,506,953	7,792,580



Sustainable and Renewable Energy Development Authority (SREDA)

Schedule of property, plant and equipment

As at 30th June 2016

(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-2016
	Balance as at 01st July-2015	Additions during the year	Disposal during the year	Balance as at 30th June-2016		Balance as at 01st July-2015	Charges during the year	Disposal during the year	Balance as at 30th June-2016	
Motor Car	18,672,602	13,749,500	-	32,422,102	20%	3,734,520	6,484,420	-	10,218,940	22,203,162
Computer	-	399,570	-	399,570	20%	-	79,914	-	79,914	319,656
Furniture	-	244,419	-	244,419	10%	-	24,442	-	24,442	219,977
Office equipment	48,325	110,718	-	159,043	15%	7,249	23,856	-	31,105	127,938
Total 2016	18,720,927	14,504,207	-	33,225,134		3,741,769	6,612,633	-	10,354,402	22,870,732
Total 2015	-	18,720,927	-	18,720,927		-	3,741,769	-	3,741,769	14,979,158

