

Independent Auditors' Report To the Members of Governing Board of HYSAWA

Opinion

We have audited the accompanying financial statements of **HYSAWA** which comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive income, statement of changes in fund and statement of cash flows, statement of receipts and payments for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **HYSAWA** as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and other applicable laws and regulations.

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 are 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 in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

1. HYSAWA recognizes all the expenditures incurred to acquire fixed assets as revenue expenditures, irrespective of being capital in nature. As supporting they follow the finance manual of the company which is not in line with the conceptual framework of IFRS. As end result, no fixed asset has been reported in the Statement of Financial Position, which resulted understated balance of the same.
2. HYSAWA has long-term and short-term investment in FDR. Following the accrual basis of accounting, the interest accrued on the reporting period should be recognized as accrual income. But the company has no practice to recognize it, ignoring accrual basis of accounting. Therefore, the actual amount of interest is not reflected in the financial statements and also non-compliance of IAS-1. Our opinion is not modified in respect of these matters.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 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, forgery, 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 but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- 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 accounts as required by law have been kept by company so far as it appeared from our examination of these books; and
- c) the statements of financial position and statements of comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Dated, Dhaka

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Firm's Registration No.: 11970 E.P.
Enrollment No.: 1591
DVC:

HYSAWA
Statement of Financial Position
As at 30 June, 2023

Particulars	Note	Amount in Taka	
		30.06.2023	30.06.2022
Assets			
Non-current Assets			
Long-term Investment in Fixed Deposit Receipts (FDR)	4	63,232,440	67,093,614
Total Non-current Assets		63,232,440	67,093,614
Current Assets			
Advances, Deposit and Prepayments	5	491,474	5,485,579
Advance Income Tax	21	545,988	
Cash & Cash Equivalents	6	12,511,676	34,452,350
General Fund Receivable	20	-	982,900
Short-term Investment in Fixed Deposit Receipts (FDRs)	4	106,357,036	120,734,142
Total Current Assets		119,906,173	161,654,971
Current Liabilities			
Provision for Expenses	7	310,503	255,543
Income Tax Provision	21	545,988	
Payable to General Fund	8	-	4,307,000
Total Current Liabilities		856,491	4,562,543
Net Current Assets		119,049,682	157,092,428
Net Assets		182,282,122	224,186,042
Represented by:			
Due to Donor	9	55,305,965	78,773,377
HYSAWA General Fund	10	99,367,808	117,055,871
Operation & Maintenance Fund	12	27,608,350	28,356,794
Total Fund and Liabilities		182,282,122	224,186,042

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

Director Finance

Managing Director

Chairman

Signed in terms of our separate report of even date.

Dated, Dhaka

Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

Firm's Registration No.: 11970 E.P.

DVC:

HYSAWA
Statement of Comprehensive Income
For the year ended 30 June, 2023

Particulars	Note	Amount in Taka			
		General Fund	Projects Fund	2022-2023	2021-2022
INCOME					
Grants from Donor	9.1	-	19,526,560	19,526,560	152,071,597
Operation & Maintenance Fund Income	12.1	-	1,913,679	1,913,679	189,767
Interest on Bank account and FDR	17	6,204,692	(106,015)	6,098,677	9,150,315
Overhead from Projects	18	7,402,382	-	7,402,382	14,829,045
Others income from General Fund	19	168,862	-	168,862	126,505
Total Income		13,775,936	21,334,224	35,110,161	176,367,229
EXPENDITURE					
Grants to Union Parishad	13	-	9,756,715	9,756,715	76,221,488
Personnel Cost	14	16,668,782	19,569,045	36,237,827	57,335,491
Program Activities Cost	15	-	6,214,115	6,214,115	19,981,311
Program Support Cost	16	14,249,229	7,348,082	21,597,311	23,118,219
Purchase of Fixed Assets	17	-	-	-	311,448
Total Expenditure		30,918,011	42,887,957	73,805,968	176,967,957
Operation & Maintenance Fund Expense	12.1	-	1,913,679	1,913,679	189,767
Excess of expenditures over income before tax		(17,142,075)	(23,467,412)	(40,609,487)	(790,495)
Current Tax	21	545,988	-	545,988	-
Excess of expenditures over income after tax		(17,688,063)	-	(41,155,475)	-
		13,775,936	21,334,224	35,110,161	176,367,229

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

Director Finance

Managing Director

Chairman

Signed in terms of our separate report of even date.

Dated, Dhaka

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC:

HYSAWA
Statement of Cash Flows
For the year ended 30 June, 2023

Particulars	Amount in Taka				
	General Fund	O & M Fund	Projects Fund	2022-2023	2021-2022
a) Cash Flows from Operating Activities					
Income over expenditure General Fund after tax	(17,688,063)	(1,913,679)	(42,887,957)	(62,489,699)	(790,495)
Changes in Working Capital (for General fund only)					
Increase in advance, deposit and pre-payments	4,402,555	-	(3,953,450)	449,105	(477,579)
Provision for expenses	54,960	-	-	54,960	(130,396)
Receivable from Projects	-	-	-	-	(982,900)
Net Cash Flow used in Operating Activities	(13,230,548)	(1,913,679)	(46,841,407)	(61,985,634)	(2,381,370)
b) Cash Flows from Investing Activities					
Investment in Fixed Deposit Receipts (FDR)	(5,411,057)	-	(445,000)	(5,856,057)	8,387,051
Encashment of Fixed Deposit Receipts (FDR)	24,187,537	1,130,861	-	25,318,398	-
Net Cash Flow from /(used) in Investing Activities	18,776,480	1,130,861	(445,000)	19,462,341	8,387,051
c) Cash Flows from Financing Activities					
Fund received from donors	-	(35,000)	19,526,560	19,491,560	111,179,659
Bank interest received on FDRs & bank accounts	-	40,141	(169,982)	(129,841)	3,835,198
Refunded to donors	-	-	-	-	(28,377)
Receivable Received from Project	982,900	-	-	982,900	-
Payment for project expenditures	-	-	238,000	238,000	(156,096,561)
Net Cash Flow from/(used) in Financing Activities	982,900	5,141	19,594,578	20,582,619	(41,110,081)
Net Increase in Cash and Bank Balance (a+b+c)	6,528,832	(777,677)	(27,691,829)	(21,940,674)	(51,878,502)
Cash and Bank Balance at the Beginning of the Year	2,329,803	1,403,672	30,718,875	34,452,350	86,330,852
Cash and Bank Balance at the End of the Year	8,858,635	625,995	3,027,046	12,511,675	34,452,350

Director Finance

Managing Director

Chairman

HYSAWA
Statement of Receipts and Payments
For the year ended 30 June, 2023

Particulars	Notes	Amount in Taka				
		General Fund	O & M Fund	Projects Fund	2022-2023	2021-2022
RECEIPTS						
Opening Balance:						
Cash in Hand		32,398	-	-	32,398	49,611
Cash at Bank		2,297,405	1,403,672	30,718,875	34,419,952	86,281,241
		2,329,803	1,403,672	30,718,875	34,452,350	86,330,852
Fund Received from Donors		-		19,526,560	19,526,560	109,995,659
Community Contribution			(35,000)		(35,000)	1,184,000
Overhead Received from Projects	19	7,402,382	-	-	7,402,382	13,846,145
Encashment of Fixed Deposit Receipts (FDRs)		24,187,537	1,130,861	-	25,318,398	-
Bank Interest Received on FDRs and Bank Accounts	17	793,635	40,141	(169,982)	663,794	9,150,316
Re-imbursement Expenditure		-	-	-	-	(2,155,400)
Advance Received		4,438,555	-	540,024	4,978,579	13,305,645
Previous year Receivable received		982,900			982,900	-
Others from General Fund	20	168,862	-	-	168,862	126,505
Total Receipts		37,973,871	1,136,002	19,896,602	59,006,476	145,452,870
Total		40,303,674	2,539,674	50,615,477	93,458,825	231,783,721
PAYMENTS						
Grants to Union Parishad		-	-	9,756,715	9,756,715	76,221,488
Personnel Cost	14	16,668,782	-	19,569,045	36,237,827	55,063,936
Program Activity Cost	15	-	1,908,900	6,214,115	8,123,015	20,167,461
Program Support Cost	16	14,484,714	4,779	7,110,082	21,599,575	22,982,448
Payment against Accruals & Provisions		255,543	-	-	255,543	385,939
Purchased of Fixed Assets		-	-	-	-	311,448
Advance to staffs and others		36,000		186,474	222,474	600,934
Advance refund to GF		-	-	4,307,000	4,307,000	13,182,290
Investment in Fixed Deposit Receipts (FDR)		-	-	445,000	445,000	8,387,051
Refunded to Donors		-	-	-	-	28,377
Total Payments		31,445,039	1,913,679	47,588,431	80,947,149	197,331,372
Closing Balance:						
Cash in Hand	6	17,793	-	-	17,793	32,398
Cash at Bank		8,840,842	625,995	3,027,046	12,493,883	34,419,952
		8,858,635	625,995	3,027,046	12,511,676	34,452,350
Total		40,303,674	2,539,674	50,615,477	93,458,825	231,783,721

Director Finance

Managing Director

Chairman