

CONSOLIDATED FINANCIAL STATEMENTS
OF
WAVE FOUNDATION
FOR THE YEAR ENDED JUNE 30, 2015

WAVE FOUNDATION
Consolidated Financial Statements

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**Independent Auditor's Report
To the Members of General Body of
WAVE FOUNDATION**

We have audited the accompanying Consolidated Financial Statements of WAVE FOUNDATION which comprises the Consolidated Financial Position as at June 30, 2015 and the related Consolidated Statement of Comprehensive income and Consolidated Statement of Receipts and Payments for the year then ended June 30, 2015 and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the financial statement

WAVE Foundation's management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRS) as well as MRA act & rules. This responsibility includes, designing, implementing and maintaining internal control relevant to 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 circumstances.

Auditor' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the Consolidated Financial Position of the WAVE Foundation as at June 30, 2015, and of its Financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), and comply with the requirements of the Micro credit regulatory Authority Act (MRA) 2006 and other applicable laws and regulations.

We also report that:

- a) 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;
- b) In our opinion, proper books of account as required by the law and MRA Act & Rule have been kept by the organization so far as it appeared from our examination of those books;

- c) In our opinion, the Consolidated Financial Position, Consolidated Statement of Comprehensive Income and Consolidated Statement of Receipts and Payments dealt with by the report are in agreement with the books of accounts.
- d) We have visited 3 branches out of 80 branches which cover **3.75% of total branches**.
- e) The program has duly accounted for the loans received from PKSF and grants from donors as per accounting manual, principles and rules circulated by MRA.
- f) The program collects funds for the operation of microfinance as a whole and allocates among the components as the management thinks fit and prepares separate reports based on that.
- g) The program has properly used the fund collected from various sources for the purpose of microfinance operations and duly recorded the same in the books of account.
- h) The program has duly complied with its policies regarding samity members savings (Deposit, Refund, Interest and Interest Rate). The savings amount collected from samity members are duly recorded and deposited into bank.
- i) The program has duly followed the procedures of loan disbursement.
- j) The program was not engaged in any activity that is not supported by the constitution of WAVE FOUNDATION and any other legal requirements.
- k) We have physically verified the existence of fixed assets and examined the purchase thereof on a test basis and found that they were duly presented in The Financial Statements.
- l) We met and interviewed on test basis some of the samity members of each of three branches we audited and found that they were using funds properly.
- m) Normally transactions above Tk. 10,000 were made through bank account except loan disbursement and savings refund to the members.
- n) From our test check, we found that the collected loan and saving amounts are duly deposited into bank on daily basis.
- o) From our test check, we found the amount collected from samity members are duly accounted for as per applicable policy and procedure at member and group level.
- p) The declared rate of interest and effective rate of interest on loan to samity members varies as follows:

Name of Loan	Interest Rate
Rural Micro credit (RMC)/Jagoron Loan	25%
Urban Micro Credit (UMC)/Jagoron Loan	25%
Micro Enterprise (ME)/Agrosor Loan	25%
Ultra Poor (UP)/Buniath Loan	20%
Seasonal Loan/Sufolon Loan	24%
LIFT	24%
ENRICH-IGA	25%
ENRICH-AC	8%
ENRICH-LI	8%

Interest rate on Micro Credit Fund received from PKSF is 6.5 %.(RMC, UMC/Jagoron & ME/Agrosor)

- q) Provision for loan loss has been duly calculated and accounted for as per MRA & PKSF's policy;

- r) We have physically counted the cash in hand and confirmed bank balances with the bank statement on a test basis and also examined the bank reconciliation statements and found them satisfactory.
- s) We have checked the vouchers on a test basis and found that payments were made upon the approval of appropriate authority.
- t) We have examined the budgetary control system of the organization and have not found any issue to mention in the report.
- u) The organization has introduced and established policies for procurement, human resources, loan & savings and complies with the above policies for microfinance operations.
- v) The organization has a strong Internal Audit Department having 09 (Nine) employees and they have conducted internal audit and monitored the organization at a regular interval.
- w) We have checked the microfinance activities funded by PKSF and such activities from own sources, adequacy of MIS system, internal control system, adequacy of classification of loan, provision policy, adequacy of collection percentage of loan and found satisfactory.

15 September 2015
Dhaka




Aziz Halim Khair Choudhury
Chartered Accountants

WAVE FOUNDATION
CONSOLIDATED FINANCIAL POSITION
As at 30 June 2015

Particulars	Notes	30 June 2015						30 June 2014		
		Social Activity				Micro Finance	Total	Social Activity	Micro Finance	Total
		Responsive Governance	Livelihood and Essential Services	Women's Empowerment	General Fund, Enterprise & Others					
Property & Assets										
Fixed Assets (WDV)	3	8,191,875	181,492	384,096	11,703,198	44,663,179	65,123,840	17,753,315	35,708,483	53,461,798
Investment in FDR	4	-	523,655	-	54,675	74,089,446	74,667,776	949,700	65,942,406	66,892,106
Loans & Advances	5	1,692,955	67,000	-	6,685,347	4,215,147	12,660,449	4,808,198	4,647,424	9,455,622
Security Deposit	6	-	-	-	481,250	176,635	657,885	301,250	261,635	562,885
Loan to Beneficiaries	7	-	-	-	-	1,413,271,899	1,413,271,899	-	1,169,686,076	1,169,686,076
Others Assets	6	3,332,819	3,328,943	-	3,705,250	16,832,000	27,199,012	12,771,079	7,576,239	20,347,318
Cash and cash equivalents	9	3,062,287	6,333,149	233,350	1,174,528	35,751,578	46,554,892	11,948,055	43,548,517	55,496,572
		16,279,936	10,434,239	617,446	23,804,248	1,588,999,884	1,640,135,753	48,531,597	1,327,370,780	1,375,902,377
Fund & Liabilities										
Fund Account	10	4,322,043	470,004	(662,887)	10,309,832	214,794,094	229,233,086	22,063,133	168,068,269	190,131,402
Others Fund	11	-	-	-	-	21,033,198	21,033,198	-	18,593,233	18,593,233
Loan Loss Provision	12	-	-	-	-	29,479,567	29,479,567	-	28,729,980	28,729,980
Loan Risk Fund	13	-	-	-	-	53,685,590	53,685,590	-	39,759,092	39,759,092
Loans Payable	14	3,822,500	7,261	26,954	8,259,994	871,888,074	884,004,783	7,955,346	747,716,115	755,671,461
Member Savings	15	-	-	-	-	380,842,909	380,842,909	-	314,272,448	314,272,448
Donation Received in Adv.	16	8,085,393	6,337,859	1,253,379	3,161,027	-	18,837,658	11,490,945	-	11,490,945
Donation Payable to Project	17	-	-	-	-	-	-	1,539,114	-	1,539,114
Others Liabilities	18	50,000	3,619,115	-	2,073,395	17,276,452	23,018,962	5,483,059	10,231,643	15,714,702
		16,279,936	10,434,239	617,446	23,804,248	1,588,999,884	1,640,135,753	48,531,597	1,327,370,780	1,375,902,377

The accompanying notes form an integral part of this Consolidated Financial Position


Director (Finance and Accounts)
WAVE Foundation


Executive Director
WAVE Foundation

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

15 September 2015
Dhaka


Aziz Halim Khair Choudhury
Chartered Accountants

WAVE FOUNDATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2015

Amount in Taka

Particulars	Notes	01 July 2014 to 30 June 2015					01 July 2013 to 30 June 2014			
		Social Activity				Micro Finance	Total	Social Activity	Micro Finance	Total
		Responsive Governance	Livelihood and Essential Services	Women's Empowerment	General Fund, Enterprise & Others					
Income										
Donation Income	19	60,029,582	71,570,045	4,057,387	449,920	26,022,667	162,129,601	145,437,597	11,783,842	157,221,439
Revenue Income	20	124,567	182,847	2,074	10,093,982	342,729,912	353,133,382	13,645,964	253,843,948	267,489,910
Total Income		60,154,149	71,752,892	4,059,461	10,543,902	368,752,579	915,262,983	159,083,561	265,627,798	424,711,349
Expenditure										
Revenue Expenditures	21	60,822,821	71,680,441	4,139,799	13,493,700	322,928,414	473,069,175	160,551,446	245,092,304	405,643,750
Total Expenditure		60,822,821	71,680,441	4,139,799	13,493,700	322,928,414	473,069,175	160,551,446	245,092,304	405,643,750
Income/(Loss) over expenditure		(668,672)	72,451	(80,338)	(2,949,798)	45,824,165	42,197,808	(1,467,885)	20,535,484	19,067,599
Total		60,154,149	71,752,892	4,059,461	10,543,902	368,752,579	915,262,983	159,083,561	265,627,798	424,711,349

The accompanying notes form an integral part of this Consolidated Statement of Comprehensive Income.

Director (Finance and Accounts)
WAVE Foundation

Executive Director
WAVE Foundation

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

15 September 2015
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

WAVE FOUNDATION
CONSOLIDATED STATEMENT OF RECEIPTS & PAYMENTS
For the year ended June 30, 2015

Particulars	Notes	01 July 2014 to 30 June 2015						01 July 2013 to 30 June 2014		
		Social Activity				Micro Finance	Total	Social Activity	Micro Finance	Total
		Responsive Governance	Livelihood and Essential Services	Women's Empowerment	General Fund, Enterprise & Others					
Cash & cash equivalent	22	5,137,021	3,567,750	453,012	2,790,272	43,548,517	55,496,572	20,968,721	51,501,244	72,469,965
Cash in Hand		10,693	3,500	9,000	4,324	2,968,749	2,996,266	8,318	2,250,820	2,259,138
Cash at Bank		5,126,328	3,564,250	444,012	2,785,948	40,579,768	52,500,306	20,960,403	49,250,424	70,210,827
Receipts										
Donation Received	19	62,463,314	75,080,622	3,810,771	-	5,966,742	147,321,449	144,919,169	11,783,842	156,703,011
Revenue Income	20	124,567	182,847	2,074	9,130,385	337,736,155	347,176,028	11,872,656	254,864,264	266,736,920
Loan Received	23	7,688,428	4,218,812	26,954	5,366,881	2,974,576,647	2,991,877,722	21,873,319	2,785,680,066	2,807,553,405
Advance Received	24	99,553	458,100	-	296,776	107,040	961,469	828,666	729,544	1,558,210
Other Receipts	25	-	-	-	1,780,470	648,909,724	650,690,194	1,298,659	226,814,214	228,112,873
Investment on FDR		-	-	-	-	-	-	-	112,664,543	112,664,543
Total		75,512,883	83,508,131	4,292,811	19,364,784	4,010,844,825	4,193,523,434	201,761,190	3,444,037,737	3,645,798,927
Payments										
Revenue Expenditure	21	59,764,785	70,935,432	4,059,461	9,881,475	281,032,226	425,673,379	150,341,793	219,953,931	370,295,724
Loan Payment	26	8,354,798	5,991,376	-	5,388,083	654,922,078	674,656,332	24,062,175	652,566,335	676,628,510
Advance Payment	27	775,898	67,000	-	1,447,000	5,471,250	7,761,148	3,045,110	3,874,360	6,919,470
Other Payments	28	95,361	181,174	-	1,048,146	2,950,738,573	2,952,063,256	11,344,687	2,376,463,045	2,387,807,732
Fixed Assets (Annexure A)		3,459,754	-	-	378,800	9,729,755	13,568,309	469,370	15,728,072	16,197,442
Investment on FDR		-	-	-	46,750	73,199,368	73,246,118	550,000	131,903,477	132,453,477
Total		72,450,596	77,174,982	4,059,461	18,190,256	3,975,093,247	4,146,968,542	189,813,135	3,400,489,220	3,590,302,355
Closing Balance		3,062,287	6,333,149	233,350	1,174,528	35,751,578	46,554,892	11,948,055	43,548,517	55,496,572
Cash in Hand		40,085	-	-	8,054	4,714,806	4,759,945	27,517	2,968,749	2,996,266
Cash at Bank		3,022,202	6,333,149	233,350	1,169,474	31,036,772	41,794,947	11,920,538	40,579,768	52,500,306
Total		75,512,883	83,508,131	4,292,811	19,364,784	4,010,844,825	4,193,523,434	201,761,190	3,444,037,737	3,645,798,927

The accompanying notes from an integral part of this Consolidated Statement of Receipts & Payments

Director (Finance and Accounts)
WAVE Foundation

Executive Director
WAVE Foundation

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

15 September 2015
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants