Coastal Association for Social Transformation (COAST) Trust

Consolidated Auditor's Report and Financial Statements for the year ended 30 June 2016

October 2016

S. F. AHMED & CO.
Chartered Accountants since...1958

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Annexure –A1/1

Independent Auditor's Report
To The Board of Trustee
Coastal Association for Social Transformation (COAST) Trust

We have audited the accompanying Financial Statements of Coastal Association for Social Transformation (COAST) Trust, which comprise the Statement of Consolidated Financial Position as at 30 June 2016 and the Statement of Consolidated Comprehensive Income, Statement of Consolidated Receipts and Payments, Statements of Consolidated Cash flows, Statements of Consolidated Changes in Equity for the year then ended 30 June 2016 and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Coastal Association for Social Transformation (COAST) Trust management is responsible for the preparation and fair presentation of these financial statements in accordance with International financial reporting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement.

Auditor's responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA), as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

Opinion

In our opinion, the Financial Statements present fairly, in all material respects, the consolidated financial position of Coastal Association for Social Transformation (COAST) Trust as at 30 June 2016 and its financial performance and its cash flows for the year then ended 30 June 2016 in accordance with International Financial Reporting Standards (IFRS)/BFRS and other applicable laws and regulations including MRA guidelines.

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 accounts as required by law and MRA Act & Rule have been kept by Coastal Association for Social Transformation (COAST) Trust so far as it appeared from our examination of those books, and

c) In our opinion, the statement of financial position and the statement of comprehensive income dealt with by the report are in agreement with the books of accounts.

Dated, Dhaka;
04 October 2016

S. F. AHMED & CO.

S.F. Ahmed & Co.

S. F. Ahmed & Co.
Chartered Accountants

Coastal Association for Social Transformation (COAST) Trust
Statement of Consolidated Financial Position
As at June 30, 2016

Particulars	Notes	Operation	Microfinance	Social Intervention	Donor Program	Consolidated June 30, 2016 Taka	Consolidated June 30, 2015 Taka
Assets							
Non Current Assets							
Property, plant and equipment	6	11,300,456	49,014,601	467,268	3,924,398	64,706,723	64,459,478
Long term investment	7	665,460	60,540,442	22,316	-	61,228,218	53,647,343
Loan and other microcredit Organizations long term		-	-	-	-	-	-
Other Loan: long term		-	-	-	-	-	-
		11,965,916	**109,555,043**	**489,584**	**3,924,398**	**125,934,941**	**118,106,821**
Current Assets							
Loan to members	8	-	1,229,222,153	-	-	1,229,222,153	944,979,156
Short term investment		-	-	-	-	-	-
Loan and other MF Organizations short term		-	-	-	-	-	-
Other loan short term	9	-	-	14,065,111	-	14,065,111	15,033,522
Accounts receivable	10	8,452,103	12,030,119	2,151,757	-	22,633,979	16,380,233
Advance, deposit & pre-payments	11	2,766,829	9,421,414	129,063	1,230,227	13,547,533	11,625,980
Stock & stores	12	-	58,161	5,669,299	-	5,727,460	5,848,365
Cash in hand	13	25	38,677	3,189	3,955	45,846	1,472,403
Cash at Bank	14	2,873,808	27,780,920	1,686,927	6,662,015	39,003,670	38,385,378
		14,092,765	**1,278,551,444**	**23,705,346**	**7,896,197**	**1,324,245,752**	**1,033,725,037**
Total assets		**26,058,681**	**1,388,106,487**	**24,194,930**	**11,820,595**	**1,450,180,693**	**1,151,831,858**
Fund and liabilities							
Capital Fund							
Donor fund	15	(206,492)	-	-	2,508,452	2,301,960	3,969,922
Cumulative surplus	16	(19,711,574)	121,918,664	(11,431,817)	-	90,775,273	43,971,010
Reserve fund	17	-	13,546,518	-	-	13,546,518	8,472,596
Other funds (Fixed assets acquisition fund)	18	-	-	-	3,924,398	3,924,398	3,923,363
Total Capital Fund		**(19,918,066)**	**135,465,182**	**(11,431,817)**	**6,432,850**	**110,548,149**	**60,336,891**

S. F. AHMED & CO. *

Particulars	Notes	Operation	Microfinance	Social Intervention	Donor Program	Consolidated June 30, 2016 Taka	Consolidated June 30, 2015 Taka
Non current liabilities							
Loans from PKSF	19	-	189,107,661	-	-	189,107,661	213,166,666
Loans from housing fund -long term		-	-	-	-	-	-
Loans from other long term	20	-	91,875,000	18,741,613	-	110,616,613	129,459,279
Loans from other Government sources		-	-	-	-	-	-
Loan and other microcredit Organizations long term		-	-	-	-	-	-
Loan from other commercial banks- long term	21	-	130,000,000	-	-	130,000,000	-
Other loan long term		-	-	-	-	-	-
		-	**410,982,661**	**18,741,613**	-	**429,724,274**	**342,625,945**
Current liabilities							
Loans from PKSF	22	-	284,424,000	-	-	284,424,000	209,500,000
Loans from housing fund		-	-	-	-	-	-
Loans from other Government sources short term		-	-	-	-	-	-
Loan and other microcredit Organizations short term		-	-	-	-	-	-
Loan and other commercial Bank short term		-	-	-	-	-	-
Other loan short term		-	-	-	-	-	-
Member savings deposits	23	-	458,765,487	-	-	458,765,487	369,120,819
Accounts payables	24	29,207,915	6,683,918	11,296,476	5,387,745	52,576,054	51,946,051
Loan loss provision	25	-	50,369,947	3,431,514	-	53,801,461	43,430,203
Disaster management fund	26	-	-	-	-	-	10,675,893
Gratuity fund	27	16,768,832	1,579,686	2,157,144	-	20,505,662	32,657,529
Emergency fund (Loan insurance)	28	-	39,835,606	-	-	39,835,606	31,538,527
		45,976,747	**841,658,644**	**16,885,134**	**5,387,745**	**909,908,270**	**748,869,022**
Total Capital Fund and Liabilities		**26,058,681**	**1,388,106,487**	**24,194,930**	**11,820,595**	**1,450,180,693**	**1,151,831,858**

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

Deputy Director-Finance and Corporate Affairs
COAST Trust

Executive Director
COAST Trust

Treasurer
COAST Trust

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

S.F. AHMED & CO. *

Dated, Dhaka;
04 October 2016

S.F. Ahmed & Co.
Chartered Accountants

Coastal Association for Social Transformation (COAST) Trust
Statement of Consolidated Comprehensive Income
For the year ended June 30, 2016

Particulars	Notes	Operation	Microfinance	Social Intervention	Donor Program	Consolidated June 30, 2016 Taka	Consolidated June 30, 2015 Taka
Income							
Service charges on loan	29	-	238,408,501	355,256	-	238,763,757	182,201,991
Write off loan collection		-	869,953	-	-	869,953	520,390
Interest provision on loan		-	-	-	-	-	-
Bank interest		-	19,178	3,159	-	22,337	36,474
Bank interest on FDR	30	48,801	1,870,979	1,269	-	1,921,049	1,665,267
Membership admission and form sale		-	1,152,594	-	-	1,152,594	1,003,769
Other sales (Form)		-	-	-	-	-	-
Donation	31	-	7,345,640	-	88,220,637	95,566,277	72,570,433
Others	32	180,168	-	108,546	-	288,714	275,313
Overhead income	33	3,281,474	-	-	-	3,281,474	5,441,232
COAST contribution		-	-	697,136	2,170,029	2,867,165	540,009
Total income		**3,510,443**	**249,666,845**	**1,165,366**	**90,390,666**	**344,733,320**	**264,254,878**
Expenditure							
Service charge of PKSF loan		-	26,360,622	-	-	26,360,622	16,763,333
Interest on members savings	37	-	15,933,701	-	-	15,933,701	12,091,982
Other loans interest	34	1,597,584	12,057,973	668,741	-	14,324,298	12,380,547
Salaries & Benefits	35	2,806,929	111,144,691	395,518	45,548,897	159,896,035	132,306,504
Office rent	36	-	5,592,468	75,000	2,332,015	7,999,483	6,978,857
Office maintenance		210,231	1,037,928	4,000	289,677	1,541,836	1,997,273
Printing & stationary		-	4,869,659	130	535,010	5,404,799	5,769,153
Traveling		127,097	3,499,517	23,586	2,225,699	5,875,899	9,271,183
Telephone and postage		10,044	413,679	-	191,694	615,417	416,913
Repair and maintenance		-	494,152	10,040	111,996	616,188	524,321
Fuel cost		-	4,100,387	87,504	2,328,664	6,516,555	6,204,933
Gas and electricity		-	1,111,125	-	268,748	1,379,873	1,340,436
Entertainment		6,500	1,273,275	-	78,110	1,357,885	906,566
Advertisement		31,438	7,054	-	37,514	76,006	196,947

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Particulars	Notes	Operation	Microfinance	Social Intervention	Donor Program	Consolidated June 30, 2016 Taka	Consolidated June 30, 2015 Taka
Mail & postage		-	226,093	-	16,830	242,923	322,638
Bank charge		61,297	1,142,849	45,735	79,422	1,329,303	1,557,919
Tax Expense (AIT)		7,318	187,073	-	-	194,391	164,454
Training expense		-	1,120,882	-	-	1,120,882	740,277
Vehicle maintenance			-	-	-	-	-
Legal expense		-	148,968	4,000	-	152,968	188,844
Registration fee		-	187,000	-	-	187,000	208,220
Board Meeting expense		-	46,768	-	-	46,768	105,627
Radio Meghna expense		21,900				21,900	360,845
Other operating expense	38	68,021	730,336	15,561	3,383,612	4,197,530	3,295,900
Audit fee		-	244,500	-	289,650	534,150	235,150
Board members honorarium		-	-	-	-	-	-
HAP Establised cost		-				-	61,473
Donor program cost	39	-	7,780,682	-	32,673,128	40,453,810	25,962,159
Taxes		-	-	-	-	-	-
Loan loss provision (LLP)		-	10,366,630	-	-	10,366,630	7,763,684
Disaster management fund		-	-	-	-	-	1,797,619
Depreciation		1,257,615	3,170,210	88,441	-	4,516,266	4,103,632
Total expenditure		**6,205,974**	**213,248,222**	**1,418,256**	**90,390,666**	**311,263,118**	**254,017,389**
Excess/(deficit) of income over expenditure		**(2,695,531)**	**36,418,623**	**(252,890)**	-	**33,470,202**	**10,237,489**
Total		**3,510,443**	**249,666,845**	**1,165,366**	**90,390,666**	**344,733,320**	**264,254,878**

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

Deputy Director-Finance and Corporate Affairs
COAST Trust

Executive Director
COAST Trust

Treasurer
COAST Trust

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

S. F. Ahmed & Co.
S.F. Ahmed & Co.
Chartered Accountants

Dated, Dhaka;
04 October 2016

S. F. AHMED & CO. *

Coastal Association for Social Transformation(COAST) Trust
Statement of Consolidated Receipts and Payments
For the year ended June 30, 2016

Particulars	Notes	Operation	Microfinance	Social Intervention	Donor Program	Consolidated 30-Jun-16 Taka	Consolidated 30-Jun-15 Taka
Opening Balance							
Cash in hand		41,446	1,360,632	57,432	12,893	1,472,403	770,031
Cash at bank		1,144,982	29,092,275	972,848	7,175,273	38,385,378	49,030,741
		1,186,428	**30,452,907**	**1,030,280**	**7,188,166**	**39,857,781**	**49,800,772**
Receipts:							
Service charges on loan	29	-	238,408,501	355,256		238,763,757	182,201,991
Write off loan collection			869,953			869,953	520,390
Reimbursements (UPP-UJJIBITO, PKSF)	10.09	-	4,174,624	-	-	4,174,624	3,583,785
Bank interest		-	19,178	3,159	18,137	40,474	78,190
Membership admission and form sale		-	1,152,594	-	-	1,152,594	1,003,769
Grant/Donation receive	15	-	1,450,000	-	88,992,076	90,442,076	65,180,086
Others	32	180,168	-	313,595	35,164	528,927	275,313
Overhead from donor	33	3,281,474	-	-	-	3,281,474	5,441,232
Organization /COAST contribution		-	-	697,136	2,170,029	2,867,165	540,009
FDR encashment	7.03	-	20,830,040	-	-	20,830,040	39,216,108
Reserve fund encashment	7.01	-	8,809,138	22,273	-	8,831,411	17,713,473
Loan received from PKSF	19	-	288,115,000	-	-	288,115,000	256,000,000
Loan received from SF	20.01	-	75,000,000	-	-	75,000,000	60,000,000
Loan received from One Bank	21.01	-	50,000,000	-	-	50,000,000	-
Loan received from BMSTEC		1,289,000	-	-	-	1,289,000	-
Loan from BRAC Bank	21.03		30,000,000			30,000,000	
Loan from Midland Bank	21.04		50,000,000			50,000,000	
Members loan recovery		-	1,894,453,003	712,616	-	1,895,165,619	1,468,485,332
Members savings realized	23	-	449,836,768	-	-	449,836,768	314,499,693
Emergency fund (Loan insurance) received	28	-	21,794,577	-	-	21,794,577	16,821,684
Advance recovered	11	6,746,574	2,720,657	63,861	230,368	9,761,460	9,529,955
Personal loan recovered	11	-	9,563,336	-	-	9,563,336	7,429,293
Revenue stamps	12.01	-	614,796	-	-	614,796	443,025
Goods & materials sale	12.02	-	101,273	54,601	-	155,874	479,848
Asset sale		-	161,445		-	161,445	-
Loan received from Operation (CMC)		-	-	5,569,400	3,777,261	9,346,661	10,973,266

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Particulars	Notes	Operation	Microfinance	Social Intervention	Donor Program	Consolidated 30-Jun-16 Taka	Consolidated 30-Jun-15 Taka
Receivable from suspended accounts	10.03	-	78,645	-	-	78,645	295,971
Received from CREP	24.02	869,371	-	-	-	869,371	110,000
Fund received for party bill	24.05	-	539,149	-	-	539,149	2,474,964
Fund received from CANSA	10.2	250,075	-		-	250,075	-
Received from MF receivable	10.04	3,943,394	-	-	-	3,943,394	5,533,174
Received from MF as party bill	10.28	100,418	-	-	-	100,418	4,723,901
Received from Provident Fund	24.03	14,649,397	1,100,000	-	-	15,749,397	15,493,961
Received from Gratuity Fund	27	14,213,182	2,100,000	-	-	16,313,182	19,859,729
Received from Janasangathon Fund	10.07	2,000	-	-	-	2,000	323,776
Received as security money		54,486	-	-	-	54,486	-
Received as Tax (AIT)	24.18	342,639	-	-	-	342,639	299,808
Received as VAT	24.19	416,611	-	-	-	416,611	190,776
Received from pathology	10.05	76,697	-	-	-	76,697	260,000
Received from Guest house	24.06	654,000	-	-	-	654,000	808,000
Received from Dryfish	10.06	-	-	-	-	-	56,610
Received from social Justice (RUP)		154,265	-	-	-	154,265	4,180
Received from CHS		94,404				94,404	5,750
Received from IGA (SF)	24.11	-	-	-	1,124,000	1,124,000	760,000
Received from SEEDS	10.36	132,625	-	-	-	132,625	1,203,376
Received from Edn Project		-	-	-	-	-	1,247,312
Received from CAMPE		-	-	-	-	-	21,612
Received from CLS	10.29	379,025	-	-	-	379,025	917,924
Received from C4D	24.13	1,682,850	-	-	-	1,682,850	313,045
Received from ECHOFISH	10.30	39,679	-	-	-	39,679	-
Received from AAB		-	-	-	-	-	57,035
Received from SGSP	10.34	44,490	-	-	-	44,490	156,114
Received from SFP	10.13	4,888,400	-	-	-	4,888,400	1,009,235
Received from TIB		-				-	1,373
Received from MTCP II	10.16	45,994	-	-	-	45,994	460,576
Received from CAMPE	10.24	69,406	-	-	-	69,406	149,641
Received from Value Chain project	10.14	49,092				49,092	360,000
Received from Credit Card		-	-	-	-	-	1,185,669
Received from EWG	10.18	221,997	-	-	-	221,997	-
Security deposit			-		-	-	37,237
Total Receipts		54,871,713	3,151,892,677	7,791,897	96,347,035	3,310,903,322	2,518,737,191
Total		56,058,141	3,182,345,584	8,822,177	103,535,201	3,350,761,103	2,568,537,963

S. F. AHMED & CO. *

Particulars	Notes	Operation	Microfinance	Social Intervention	Donor Program	Consolidated 30-Jun-16 Taka	Consolidated 30-Jun-15 Taka
Payments							
Service charge of PKSF loan		-	26,360,622	-	-	26,360,622	16,763,333
Interest on members Savings		-	-	-	-	-	-
Other loans interest		-	12,057,973	668,741	-	12,726,714	10,876,292
Salaries & allowance		2,806,929	87,255,534	397,309	45,308,897	135,768,669	106,714,100
Office rent			5,074,668	75,000	2,332,015	7,481,683	6,512,481
Office maintenance		210,231	1,037,928	4,000	289,677	1,541,836	1,995,373
Printing & stationary		-	4,869,659	130	535,010	5,404,799	5,769,153
Traveling		127,097	4,607,454	23,586	2,215,534	6,973,671	9,271,183
Telephone and postage		10,044	413,679	-	180,694	604,417	416,913
Repair and maintenance		-	494,152	10,040	111,996	616,188	524,321
Fuel cost		-	4,100,387	70,565	2,328,664	6,499,616	6,175,605
Gas and electricity		-	1,111,125	-	268,748	1,379,873	1,340,436
Entertainment		6,500	1,273,275	-	78,110	1,357,885	906,566
Advertisement		31,438	7,054	-	37,514	76,006	196,947
Mail & postage		-	226,093	-	16,830	242,923	322,638
Bank charge		60,298	1,013,412	44,657	79,422	1,197,789	1,218,033
Tax Expense		-	-	-	-	-	-
Training expense		-	1,120,882	-	-	1,120,882	740,277
BMSTEC Exp	24.12	423,100	-	-	-	423,100	-
Legal expense		-	148,968	4,000	-	152,968	188,844
Registration fee		-	187,000	-	-	187,000	208,220
Board Meeting expense		-	46,768	-	-	46,768	105,627
Radio Meghna expense		21,900				21,900	360,845
HAP Establised cost		-	-	-	-	-	61,473
Other operating expense	38	68,021	730,336	15,561	2,937,241	3,751,159	2,856,629
Audit fee		-	139,500	-	93,000	232,500	137,150
Board members honorarium		-	-	-	-	-	-
Donor Program cost		-	7,780,682	-	28,645,365	36,426,047	24,249,987
Advance to staff & house lord	11	7,563,663	3,680,898	80,800	1,421,405	12,746,766	8,618,662
Personal loan paid to staff	11	-	8,879,722	-	-	8,879,722	7,780,427
Revenue stamps	12.01	-	620,586	-	-	620,586	450,605
Goods & materials purchase	12.02	-	29,179	-	-	29,179	255,587
Asset purchase	6	1,957,236	2,684,419	282,266	1,430,856	6,354,777	7,864,219

S. F. AHMED & CO.

Particulars	Notes	Operation	Microfinance	Social Intervention	Donor Program	Consolidated 30-Jun-16 Taka	Consolidated 30-Jun-15 Taka
Members loan disbursement	8	-	2,178,696,000	-	-	2,178,696,000	1,665,376,000
Members savings return	23	-	360,187,472	-	-	360,187,472	236,874,533
Micro insurance paid	28	-	13,374,895	-	-	13,374,895	7,155,011
Provision paid for savings interest	24.15	-	15,990,902	-	-	15,990,902	12,938,491
Provision paid for staff salary	24.14	-	5,768,543	-	471,857	6,240,400	9,228,820
Provision paid		-	-	-	605,747	605,747	-
Provision paid for office rent		-	127,100	-	88,560	215,660	254,318
Provision paid for audit fee		-	-	-	-	-	-
Loan paid to PKSF	22	-	237,250,005	-	-	237,250,005	190,250,002
Loan paid to SF	20.01	-	89,461,407	-	-	89,461,407	61,726,093
Loan paid to One Bank		-	-	-	-	-	9,583,320
Loan paid to MTB		-	-	-	-	-	11,653,156
Loan paid to IDCOL		-	-	4,381,259	-	4,381,259	9,931,996
Loan paid to Operation		-	2,369	1,054,513	5,289,581	6,346,463	11,778,769
Loan paid to CREP	24.02	5,429,371	-	-	-	5,429,371	1,953,981
Provident fund paid	24.03	9,925,490	17,756,485	10,526	255,548	27,948,049	15,092,211
Loan paid to Gratuity Fund	27	12,560,062	24,347,575	9,108	181,798	37,098,543	11,610,462
Payable to Security Deposit		32,024	19,800	-		51,824	15,600
Party payable paid	24.18	-	588,965	-	-	588,965	2,625,169
Fund refund to RUP		221,925	-	-	-	221,925	-
Suspense accounts (Receivable)	14.03	-	459,519	-	-	459,519	244,474
Janasanghathon Fund	24.1	-	-	-	-	-	323,776
Reserve Fund investment		-	5,539,245	-	-	5,539,245	8,654,060
FDR investment	7.03	-	29,000,000	-	-	29,000,000	22,500,000
Loan paid to MF (prchase)	10.28	57,000	-	-	-	57,000	4,400,665
Loan paid to EWG program	10.18	-	-	-	-	-	221,997
Loan paid to C4D program	10.08	727,241	-	-	-	727,241	300,000
Loan paid to CLS program	10.29	379,025	-	-	-	379,025	917,924
Loan paid to CAMPE		122,047	-	-	-	122,047	21,612
Loan paid to MTCP II	10.16	24,510	-	-	-	24,510	548,772
Loan paid to Microfinance	10.04	3,897,956	-	-	-	3,897,956	1,170,000
Expense & Fund return Donor Fund	15	340,800	-	-	-	340,800	382,603
Loan paid to ECHOFISH		72,601	-	-	-	72,601	-
Loan paid to ECM		17,400	-	-	-	17,400	-

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Particulars	Notes	Operation	Microfinance	Social Intervention	Donor Program	Consolidated 30-Jun-16 Taka	Consolidated 30-Jun-15 Taka
Loan paid to Education program (SF)	10.11	-	-	-	-	-	877,312
Loan paid to Social Justice		-	-	-	-	-	4,180
Loan paid to WHS		54,911	-	-	-	54,911	5,750
Loan paid to SFP	10.13	2,878,895	-	-	-	2,878,895	1,705,810
Expenpnse against SEEDS Project	10.36	729,949	-	-	-	729,949	1,177,325
Expenpnse against SGSP Project	10.34	16,982	-	-	-	16,982	156,114
Expenpnse against CHS		238,842	-	-	-	238,842	-
Loan paid to other CANSA		250,075	-	-	-	250,075	-
Credit deposit	10.27	-	-	-	-	-	328,032
Paid to party	24.05	-	-	-	17,392	17,392	99,000
Loan paid to Guest house	24.06	795,400	-	-	-	795,400	1,168,000
Loan paid to Dry Fish	10.06	153,000	-	-	-	153,000	474,000
Loan received from IGA		-	-	-	-	-	860,000
Income Tax paid	24.18	266,707	3,750	-	-	270,457	311,818
Provision VAT paid	24.19	705,638	-	-	-	705,638	347,501
Donor Fund return	15	-	-	-	1,647,770	1,647,770	549,599
Total Payment		**53,184,308**	**3,154,525,987**	**7,132,061**	**96,869,231**	**3,311,711,587**	**2,528,680,182**

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Particulars	Notes	Operation	Microfinance	Social Intervention	Donor Program	Consolidated 30-Jun-16 Taka	Consolidated 30-Jun-15 Taka
Closing Balance							
Cash in hand		25	38,677	3,189	3,955	45,846	1,472,403
Cash at bank		2,873,808	27,780,920	1,686,927	6,662,015	39,003,670	38,385,378
		2,873,833	**27,819,597**	**1,690,116**	**6,665,970**	**39,049,516**	**39,857,781**
Total		**56,058,141**	**3,182,345,584**	**8,822,177**	**103,535,201**	**3,350,761,103**	**2,568,537,963**

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

Deputy Director-Finance and Corporate Affairs
COAST Trust

Executive Director
COAST Trust

Treasurer
COAST Trust

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

Dated, Dhaka;
04 October 2016

S. F. Ahmed & Co.
S.F. Ahmed & Co.
Chartered Accountants

Annexure- A1/5

Coastal Association for Social Transformation (COAST) Trust
Statements of Consolidated Cash flows
For the year ended June 30, 2016

Particulars	Operation	Microfinance	Social Intervention	Donor Program	Consolidated 30-Jun-16 Taka	Consolidated 30-Jun-15 Taka
A. Cash Flows from Operating Activities						
Surplus for the period	1,738,913	50,713,912	(574,640)	-	51,878,185	5,964,098
Add: Amount considered as non cash items:					-	-
Loan loss provision	-	10,371,258	-	-	10,371,258	(20,163,967)
DMF provision	-	(10,675,893)	-	-	(10,675,893)	1,730,355
Depreciation for the year	1,257,615	3,170,210	88,441	1,429,821	5,946,087	5,027,121
Provision expense	-	(554,685)	(255,795)	2,189,907	1,379,427	(7,798,233)
Sub total of non cash item	**2,996,528**	**53,024,802**	**(741,994)**	**3,619,728**	**58,899,064**	**(15,240,626)**
Loan disburse to members	-	(284,242,997)	-	-	(284,242,997)	(21,732,217)
Increase / decrease in current assets	(3,210,875)	(4,053,167)	1,369,096	(1,191,037)	(7,085,983)	3,340,211
Increase / decrease in current liabilities	3,899,472	53,302,164	4,674,177	(1,521,066)	60,354,747	(63,806,270)
Net cash used in operating activities	**3,685,125**	**(181,969,198)**	**5,301,279**	**907,625**	**(172,075,169)**	**(97,438,902)**
B. Cash flow from investing activities					-	-
Acquisition of property, plant and equipment	(1,957,236)	(2,522,974)	(282,266)	(1,430,856)	(6,193,332)	(5,422,955)
Sale of property, plant and equipment	-	-	-	1,035	1,035	2,227,039
Investment	(40,484)	(7,562,473)	22,082	-	(7,580,875)	(33,132,660)
Net cash used in investing activities	**(1,997,720)**	**(10,085,447)**	**(260,184)**	**(1,429,821)**	**(13,773,172)**	**(36,328,576)**
C. Cash Flows from Financing Activities					-	-
Loan received from PKSF & Others	-	91,479,588	(4,381,259)	-	87,098,329	79,695,625
Members savings	-	89,644,668	-	-	89,644,668	52,332,887
Insurance	-	8,297,079	-	-	8,297,079	7,647,361
Net cash used in Financing activities	**-**	**189,421,335**	**(4,381,259)**	**-**	**185,040,076**	**139,675,873**
D. Net increase / Decrease (A+B+C)	1,687,405	(2,633,310)	659,836	(522,196)	(808,265)	5,908,395
Add: Cash and Bank Balance at the beginning of the year	**1,186,428**	**30,452,907**	**1,030,280**	**7,188,166**	**39,857,781**	**49,800,772**
Cash and bank balance at the end of the year	**2,873,833**	**27,819,597**	**1,690,116**	**6,665,970**	**39,049,516**	**55,709,167**

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

Deputy Director-Finance and Corporate Affairs
COAST Trust

Executive Director
COAST Trust

Treasurer
COAST Trust

S.F. AHMED & CO.

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

Dated, Dhaka
04 October 2016

S.F. Ahmed & Co.
Chartered Accountants

Annexure- A1/6

Coastal Association for Social Transformation Trust (COAST) Trust
Statements of Consolidated Changes in Equity
For the year ended June 30, 2016

Particulars	Operation	Microfinance	Social Intervention	Donor Program	Consolidated 30-Jun-16 Taka	Consolidated 30-Jun-15 Taka
Balance as at 01 July 2015	(21,450,487)	84,751,270	(10,857,177)	-	52,443,606	26,557,042
Less: Prior year adjustment	-	246,692	321,750	-	568,442	(3,793)
Add: Prior year adjustment	4,434,444	14,541,981	-	-	18,976,425	2,579,376
Add: Surplus during the year	(2,695,531)	36,418,623	(252,890)	-	33,470,202	3,388,515
Total capital fund 30.06.2016	**(19,711,574)**	**135,465,182**	**(11,431,817)**	-	**104,321,791**	**32,521,140**
Transfer to reserves fund (statutory)	-	13,546,518	-	-	**13,546,518**	919,688
Balance as on 30.06.2016	(19,711,574)	121,918,664	(11,431,817)	-	90,775,273	31,601,452
Total reserve fund	-	13,546,518	-	-	13,546,518	919,688
Balance as at 30 June 2016	**(19,711,574)**	**135,465,182**	**(11,431,817)**	-	**104,321,791**	**32,521,140**

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

Deputy Director-Finance and Corporate Affairs
COAST Trust

Executive Director
COAST Trust

Treasurer
COAST Trust

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

S.F. AHMED & CO. *

Dated, Dhaka
04 October 2016

S. F. Ahmed & Co.

S.F. Ahmed & Co.
Chartered Accountants

Coastal Association for Social Transformation (COAST) Trust
Notes to the Financial Statements
For the year ended June 30, 2016

1. **Background:**

Coastal Association for Social Transformation (COAST) Trust is a non- government organization working in Bhola, Patuakhali, Noakhali, Lakhipur, Feni, Chittagong and Cox's Bazar districts. It was established in 1998 with the objective of improving the socio-economic condition of the poor people of coastal area of the country. The organization is registered with the NGO Affairs Bureau vide registration # 1242 dated 28 February 1998 as well as registered with Microcredit Regularity Authority (MRA) from Bangladesh Bank vide registration # 00956-04041-00068 dated 29 November, 2007. The program activities being executed by COAST includes, Institution Building, Micro Finance, Social Justice and Development Education as its core program and Disaster Management, IGA & Coastal Renewable Energy Project (CREP), Food Security, Health as non-core program. COAST also have implemented different donor's supported projects that agreed with its mission and values.

COAST has been implementing its micro financing credit program under the guidance and directives of PKSF and Stromme Foundation (SF) where most of the funds are from PKSF. At the same time they are also allowed to use funds from statutory banks and their own funds for operating MF program. The concern donors also been providing support services to the COAST in developing and capacity building in order to achieve their goals. The support services include:

a) Organizing training for POs personnel as part of their capacity building;

b) Organizing workshop for POs personnel on Micro Credit Program;

c) Providing institutional support for capacity building like buying computer, motor cycle and bi-cycle; and

d) Constant monitoring and supervision of POs by donors as a measure of confidence building.

2. **Corporate information of the PO:**

Name of the PO-MFI	**The Coastal Association for Social Transformation (COAST) Trust**
Year of Establishment	1998
Legal Entity	Registered under the trust act 1882 and Dalil No. 3794, Mohammadpur, Dhaka,Registered under NGO Affair's Bureau, registration no.1242 dated 24.02.1998 (renewal date 24.02.2013 for next five years) and also Micro Credit Regulatory Authority, Certificate num. 00956-04041-00068,dated 29.12.2007.
Nature of Operations (programs)	Micro Credit Programme (MCP) Beside other Social welfare Programs.
Statutory Audit conduct up to	2015-2016
Name of statutory auditor for Last Year	A. Qasem & Co.
Name of statutory auditor for Current Year	S.F AHMED &CO.
No. of Executive committee meeting	4 times
Date of last Board of Trustee (BoT) meeting held	25 June, 2016

List of Executive Committee members :

Name	Qualification	Profession	Designation	Present Address
Begum Shamsun Nahar	M.S.S	Consultant	Chairperson	National Consultant, Gender Specialist, PSSWRSP, LGED, Agargaon, Dhaka.
Mr. Minar Monsur	MA	Jurnalist	Vice-Chairperson	Assistant Editor, The Daily Ittefaq, 40-Kawran Bazar, Dhaka.
M. Zahirul Alam	FCA	Service	Treasurer	Financial Management Specialist, Secondary Education Quality & Access Enhancement Project, Shikka Bhavan. Abdul Gani Road, Dhaka.
Dr.Tofail Ahmed	Ph.D	Consultant	Member	Director-Governance, Manusher Jonno, Gulshan-2, Dhaka.
Ms. Halima Begum	Class-VIII	People organizer leader & House wife	Member	Vill: Jinnagar, Ward-8, Charfasion Paurashava, Charfassion, Bhola
Ms. Ruma Akter	Class-VIII	People organizer leader & House wife	Member	Vill: East Rajarkul, Hajir Para, UPz: Ramu, Cox'sbazar

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3. **Basis of accounting:**

The financial statements have been prepared under historical cost convention in accordance with International Accounting Standard (IAS) and International Financial Reporting Standard (IFRS) adopted in Bangladesh.

4.01 **Summary of significant accounting policies:**

4.01 **Currencies:**

All transactions have been carried out in Bangladesh Taka Currency.

4.02 **Revenue recognition:**

The revenue during the year are recognized as following which satisfy all condition of revenue recognition as prescribed by BAS-18 "Revenue Recognition".

Service charge is being the main source of income of PO in accordance with the loan agreement made between PO and loanee. Income in case of service charges is accounted for on realization basis. Besides income from sales of passbook, contract form, admission fees are recognized when collected.

4.03 (i) **Interest income:**

* Service charge from beneficiaries/end - users in recognized in the financial statements on the basis of actual realization. The amount of service charges collected from the beneficiaries is recognized as income

The principal loan and proportional service charges are collected in 45 equal weekly installments.

Interest on loan @ 12.5% per annum is recognized on actual payment.

* **Interest expenses:**

Interest expenses have been accounted for on accrual basis.

* **Other expenses:**

Other expenses is recognized on accrual basis.

(ii) **Interest paid on savings:**

Interest paid on savings is recognized on accrual basis. Interest expenses have been recognized on cash basis. The savings interest rate is 6%.

4.04 **Property plant & equipment and depreciation:**

Property, plant and equipment are stated at cost less accumulated depreciation in accordance with BAS-16.

Depreciation has been charged on fixed assets using straight line method at rates varying from 5% to 20% depending upon the useful life of each assets. Details have been shown in Annexure -A\4.

4.05 **Cash flow statement:**

Cash flow statement is prepared principally in accordance with BAS-7 "Cash Flow Statement" and the cash flow operating activities have been presented under the indirect method to conform consistency to previous year.

5. **Significant organizational policies:**

5.01 **Loan loss provision:**

Loan classification:

The PO classified the loan into five categories as per MRA policy, and PKSF guideline which are mentioned below:

Current Loan (no overdue) - Standard - (LLP Charged to be 1%)

Regular loan (no overdue) - Good loan,

Loan overdue (1-30 days) – Watchful loan,

Loan overdue (31-180 days) –Substandard loan,

Loan overdue (181-365 days) – Doubtful loan,

Loan overdue (365+days) – Bad loan.

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Loan Loss Provisioning and Write Off Policy:

The PO makes provision on loan loss as per MRA policy and PKSF guideline. They create 1% provision on regular loan outstanding, 5% on wacthful loan outstanding, 25% on sub-standards loan outstanding, 75% on doubtful loan outstanding & 100% on bad loan outstanding.

5.02 Policy on loan to beneficiaries:

The PO follows the following policies to disburse the loan to the beneficiaries:

a) To avail loan, a beneficiaries should deposit at least 10% of required loan amount to the savings fund.

b) 12.5% Interest has been charged on UMC, RMC, ME,PLDP, MFTS,FSC, & Non PKSF. 10% on HCP & 1% on DMF for the loan amount.

c) The Loan has to be refunded by the beneficiaries on generally weekly basis.

d) The beneficiaries have to buy/take the pass book & loan form of the PO.

e) The beneficiaries have to be the member of the group savings fund of the PO.

f) The principal amount of loan and proportionate service charges are collected in 44-45 equal weekly installments.

5.03 Policy on savings collection:

The PO has followed the following policy to collect the savings-

a) A samity has to be established consisting of at least 15-50 members.

b) Savings will be collected @ Tk.10 to 20 on weekly basis.

c) Savings will be collected @ Tk 5-10 on weekly basis for Ultra Poor Program.

d) The collection saving will be deposited to the bank on the same day.

e) 6% Interest will be paid to the members on yearly basis on their savings.

5.04 Grant/donation accounting:

Grant/Donations' amount has been accounted for as an Income/Expenses in the financial statements when they are received/paid.

5.05 Grant/subsidies/donation (non refundable) received (2015-2016):

Information of Grant / Donation received in 2015-2016 is given below:

Sl. No	Name of Donor	Name of the Project	Duration of the Project	Total Committed fund Taka	Received in (2015-2016) In Taka
1	Manusher Janno Foundation	Responsive Union Paroshad (RUP)	August 2013 to Decembe 2016	29,127,629	8,228,178
2	Manusher Janno Foundation	Eyes and Actions on GSP	March 2014 to June 2017	18,590,710	4,500,500
3	Stomme Foundation	Socio Economic Empowerment with Dignity and Sustainability (SEEDS)	January 2014 to December 2018	96,610,158	7,684,986
4	ASIA Foundation	Voter & Civic Education	May 2013 to December 2015	12,911,292	716,880
5	Unicef	Commiunity for Development (C4D)	March 2014 to March 2015	15,838,065	28,179,953
6	Bangladesh Government, Europian commission	School Feeding Program	January 2011 to November 2015	31,388,000	6,638,012
7	MAXWEL STAMP PLC	Cmmunity Legal Services (CLS)	January 2013 to March 2017	64,064,865	17,200,000
8	Pallikarma Sahayak Foundation & EC	UPP UJJIBITO (Year wise budget)	July 2013 to June 2019	4,179,850	4,174,624
9	Pallikarma Sahayak Foundation (PKSF)	ENRICH (Year wise budget allocated)	July 2014 to June 2018	3,578,500	1,450,000
10	Bangladesh Government & world food programee	SFP-WFP	December 2015 to June 2017	3,500,000	1,132,757
11	All Nepal Peasants Federation	Needful Actions Nacessary preparations to move the program	January-2014 to December-18	21,945,768	6,266,315
12	WORLDFISH	EcoFish Project	April 2015 to December 2015	5,850,000	8,444,495
	Total			**307,584,837**	**94,616,700**

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