

**Independent Auditor's Report**  
**To**  
**the member of the Governing Body of TMSS**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **Consolidated Financial Statement TMSS**, which comprise the consolidated statement of financial position as at 30 June 2020 and the consolidated statements of Comprehensive Income, Consolidated Statements of Receipts and Payments, Consolidated statement of cash flows, and Consolidated statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respect, the consolidated financial position of **TMSS** as at 30 June 2020 and of its consolidated financial performance, its consolidated cash flow and its consolidated receipts and payments for the year then ended in accordance with International Financial Reporting Standard (IFRSs), MRA Act 2006, MRA Rules 2010 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 consolidated financial statements section of our report. We are independent of the organization in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these ethical 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Organization'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 Organization's or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Organization's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- 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, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization'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 Organization's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, 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**

In accordance with the Microcredit Regulatory Authority Act 2006, The Microcredit Regulatory Authority Rules 2010, Palli- karma Shahayak Foundation guideline and other applicable laws and regulations. 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
- b) in our opinion, proper books of account as required by law have been kept by the Organization's so far as it appeared from our examination of those books; and
- c) the consolidated statements of financial position and consolidated statements of comprehensive income dealt with by the report are in agreement with the books of account and returns.
- d) the organisation has followed and maintained adequate recording system and procedure as prescribed by MRA and its internal management policy,
- e) the organisation complied with TMSS's internal policies and procedures properly and
- f) the organisation complied with PKSF's direction to perform the activities properly.

Place: Dhaka  
Dated: 28 September, 2020

  
K.M. HASAN & CO.  
Chartered Accountants

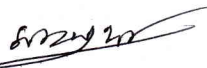


**TMSS**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2020**

Particulars	Notes	Amount in BDT	
		2020	2019
<b>Properties &amp; Assets</b>			
<b>Non-current assets:</b>		<b>3,526,509,034</b>	<b>3,592,607,785</b>
Property, Plant & Equipments	6	2,212,715,262	2,253,623,472
Capital work-in-progress	7	1,213,013,772	1,254,984,313
Investment	8	100,780,000	84,000,000
<b>Current assets:</b>		<b>38,916,689,418</b>	<b>34,542,615,821</b>
Loan to Members	9	32,073,497,649	29,126,803,077
Receivable - projects & others	10	1,759,502,731	1,620,350,105
Other Assets	11	1,494,487,244	1,040,930,766
Fixed Deposit-Short Term	12	2,410,702,115	1,938,308,802
Cash and Cash Equivalent	13	1,178,499,679	816,223,072
<b>Total Properties &amp; Assets</b>		<b>42,443,198,452</b>	<b>38,135,223,606</b>
<b>Fund &amp; Liabilities</b>			
<b>Capital Fund :</b>	14	<b>10,337,457,464</b>	<b>9,437,083,748</b>
Retained surplus		9,201,620,992	8,435,349,604
Statutory Reserve Fund (microfinance)		1,135,836,472	1,001,734,144
<b>Non-current liabilities:</b>		<b>1,447,093,684</b>	<b>1,090,114,029</b>
Liabilities with financiers ( Non-Current)	15	1,430,691,458	1,075,716,611
Grant from Donor- Fixed Assets	16	16,402,226	4,397,418
<b>Reserve and provision:</b>		<b>2,926,835,786</b>	<b>2,357,410,265</b>
Loan Loss Provision	17	1,605,725,694	1,330,646,067
Provision for Gratuity	18	1,321,110,092	1,026,764,198
<b>Current Liabilities:</b>		<b>27,731,811,518</b>	<b>25,250,615,563</b>
Loan from Financiers (Current portion)	19	12,196,597,348	12,463,151,745
Payable - Projects & Others	20	1,459,422,729	869,062,228
Members Savings Deposit	21	10,265,339,728	9,268,639,922
Staff Security & Others	22	377,846,387	320,256,930
Other Liabilities	23	3,432,605,326	2,329,504,737
<b>Total Fund &amp; Liabilities</b>		<b>42,443,198,452</b>	<b>38,135,223,606</b>

Detailed consolidation has been shown in **Annexure-D**

The annexed notes form an integral part of this Consolidated Statement of Financial Position.


  
**Chairman**  
**Governing Body**

  
**Executive**  
**Director**

  
**Chief Director**  
**Finance and Accounts**

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

**Place : Dhaka**  
Dated: 28 September, 2020

  
**K.M. HASAN & CO.**  
Chartered Accountants



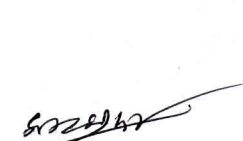


**TMSS**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended 30 June 2020**

Particulars	Notes	Amount in BDT	
		2020	2019
<b>Income :</b>			
Grants and donations	24	292,308,956	370,467,650
Interest on loan to borrowers	25	5,766,854,359	6,295,202,936
Admission, Tuition, Session & Other Fees	26	445,581,650	446,898,162
Medical & Health Care Services- RCH & others	27	184,000,672	154,165,786
Income from Sales	28	32,803,694	15,449,912
Interest Income on Investment	29	146,113,165	81,265,440
Service charges - staff & others		11,339,864	9,828,462
Bank interest		4,710,080	4,074,465
Other Income	30	264,873,032	455,334,340
<b>Total Income</b>		<b>7,148,585,472</b>	<b>7,832,687,153</b>
<b>Expenditures :</b>			
<b>Financial Expenses</b>	31	<b>1,652,685,019</b>	<b>1,408,424,370</b>
<b>Administrative Expenses</b>		<b>4,192,423,490</b>	<b>3,970,009,562</b>
Salary & allowances	32	2,986,587,139	2,697,770,436
Revenue expenditures	33	1,054,912,736	1,135,793,061
Audit Fees		607,200	552,000
Bank charges		12,638,002	12,967,664
Depreciation expenses	34	137,678,413	122,926,402
Loan Loss Expenses- LLE		295,749,961	522,538,172
<b>Total Expenditures</b>		<b>6,140,858,470</b>	<b>5,900,972,104</b>
<b>Surplus/(Deficit) during the year</b>		<b>1,007,727,002</b>	<b>1,931,715,048</b>

Detailed consolidation has been shown in **Annexure-E**

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

  
**Chairman**  
**Governing Body**

  
**Executive**  
**Director**

  
**Chief Director**  
**Finance and Accounts**

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

**Place : Dhaka**  
Dated: 28 September, 2020

  
**K.M. HASAN & CO.**  
Chartered Accountants




**TMSS**  
**Consolidated Statements of Receipts and Payments**  
**For the year ended 30 June 2020**

Particulars	Note	Amount in BDT	
		2020	2019
<b>Receipts</b>			
<b>Opening Balances:</b>		<b>806,341,169</b>	<b>1,072,677,962</b>
Cash and Cash Equivalent	35	806,341,169	1,072,677,962
<b>Loans:</b>		<b>25,065,858,433</b>	<b>25,746,450,017</b>
Loan from Financiers		15,244,124,939	14,765,822,925
Received - projects & others		579,370,207	529,000,329
Members savings		6,340,624,919	7,071,484,688
Staff Security & Others		42,202,788	50,295,708
Remittance received		2,030,000,000	2,690,000,000
Advance		145,144,110	29,496,625
Others Received	36	684,391,470	610,349,742
<b>Realizations:</b>		<b>45,731,826,168</b>	<b>49,663,087,962</b>
Beneficiaries		40,965,800,664	44,806,675,478
Realized - projects & others		398,201,314	320,028,195
Advance		1,866,494,308	3,789,492,674
Investment encashment		2,304,320,646	621,320,267
Grant from donor against projects		143,574,286	76,332,905
Sale of Books & Register		53,434,950	49,238,443
<b>Incomes:</b>		<b>6,945,147,381</b>	<b>7,655,107,681</b>
Grants & donations		188,088,581	237,570,932
Interest on loan to borrowers		5,766,719,972	6,295,022,222
Admission, Tuition, Session & Other Fee		249,511,584	287,805,304
Medical & Health Care Services- RCH & others		174,751,247	141,719,270
Interest on Investment		165,226,146	64,042,151
Service charges - staff & others		6,148,905	7,770,956
Sales proceeds		29,448,999	42,316,541
Bank interest		4,694,993	4,060,246
Other Income	37	360,556,954	574,799,959
<b>Total</b>		<b>78,549,173,150</b>	<b>84,137,323,622</b>



Particulars	Note	Amount in BDT	
		2020	2019
<b>Payments</b>			
<b>Capital Expenditure:</b>			
Fixed assets		117,896,383	133,090,606
<b>Loans Repaid:</b>		<b>23,747,697,634</b>	<b>22,563,052,418</b>
Loan Repayment Financiers		15,477,121,116	13,371,067,923
Refund - projects & others		205,274,080	390,750,289
Members savings		5,343,925,113	5,360,375,424
Staff Security & Others		15,829,819	17,763,743
Remittance		2,070,713,835	2,694,536,184
Suppliers/ Paid to creditors		6,862,491	145,617,947
Risk Fund		47,556,942	61,446,309
Others	38	580,414,238	521,494,599
<b>Disbursements:</b>		<b>49,067,912,974</b>	<b>55,942,229,278</b>
Beneficiaries		43,913,096,354	49,683,536,861
Paid - projects & others		450,355,757	614,980,908
Advance		1,905,947,026	4,013,653,874
Fund to project		15,050,015	15,162,351
Investments-FDR		2,766,683,822	1,614,345,284
Investments-Sister Concern of TMSS		16,780,000	550,000
<b>Expenses and deferrals:</b>		<b>4,437,166,481</b>	<b>4,682,728,249</b>
Salary & allowances		2,317,282,262	2,493,904,471
Revenue expenditures		870,324,778	716,485,930
Purchases		46,639,881	42,974,105
Bank charges		11,701,439	12,309,691
Financial expenses		922,278,746	1,238,618,810
Other payments	39	268,939,375	178,435,242
<b>Closing balance:</b>			
Cash and Cash Equivalent		1,178,499,679	816,223,072
<b>Total</b>		<b>78,549,173,150</b>	<b>84,137,323,622</b>

Detailed consolidation has been shown in **Annexure-F**

  
Chairman  
Governing Body

  
Executive  
Director

  
Chief Director  
Finance and Accounts

Place : Dhaka  
Dated: 28 September, 2020

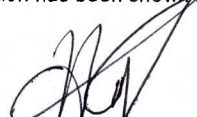


**TMSS**  
**Consolidated Statement of Cash Flows**  
For the year ended 30 June 2020

Particulars	Amount in BDT	
	2020	2019
<b>Cash flow from operating activities:</b>		
Grants & donations	188,088,581	237,570,932
Interest on loan to borrowers	5,766,719,972	6,295,022,222
Admission, Tuition, Session & Other Fee	249,511,584	287,805,304
Service Charge- RCH & others	165,226,146	141,719,270
Income from Sales (Sales-Purchase)	(17,190,882)	(657,464)
Salary & Allowances	(2,317,282,262)	(2,493,904,471)
Revenue Expenditures	(870,324,778)	(716,485,930)
Interest on funding liabilities	(919,668,457)	(1,238,618,810)
Advance	145,144,110	29,496,625
Paid to Creditors	(6,862,491)	(145,617,947)
<b>Net cash used in/generated from operations</b>	<b>2,383,361,523</b>	<b>2,396,329,731</b>
Bank Interest (Net)	(7,006,447)	(8,249,445)
Others (Net)	521,604,913	621,158,006
<b>Net cash used in/ generated from operating activities</b>	<b>2,897,959,990</b>	<b>3,009,238,292</b>
<b>Cash flow from investing activities:</b>		
Investment in Fixed Assets	(117,896,383)	(133,090,606)
Net Staff Advance	(39,452,718)	(224,161,200)
Net loan to Beneficiaries	(2,947,295,690)	(4,876,861,383)
Net Receivable- Projects & Others	(52,154,444)	(294,952,713)
Net Investments	(479,143,176)	(993,575,017)
Fund to project	(13,317,960)	(15,162,351)
<b>Net cash used in investing activities</b>	<b>(3,649,260,370)</b>	<b>(6,537,803,270)</b>
<b>Cash flow from financing activities:</b>		
Net Loan from Financiers	(232,996,177)	1,394,755,002
Net payable - Projects & Others	374,096,127	138,250,040
Net Member savings	996,699,805	1,711,109,264
Net staff security & others-SSO	26,372,969	32,531,965
Net Remittance	(40,713,835)	(4,536,184)
<b>Net cash used in/generated from financing activities</b>	<b>1,123,458,890</b>	<b>3,272,110,087</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>372,158,509</b>	<b>(256,454,890)</b>
Cash and cash equivalent at the beginning (Note-35.00)	806,341,169	1,072,677,962
<b>Cash and cash equivalent at the ending</b>	<b>1,178,499,679</b>	<b>816,223,072</b>

Detailed consolidation has been shown in Annexure-G

  
Chairman  
Governing Body

  
Executive  
Director

  
Chief Director  
Finance & Accounts

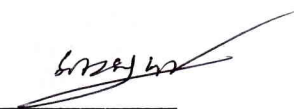
**Place : Dhaka**  
Dated: 28 September, 2020





**TMSS**  
**Consolidated Statement of Changes in Equity**  
For the year ended 30 June 2020

PARTICULARS	Amount in BDT	
	2020	2019
<b>Capital Fund:</b>		
<b>Balance as on 01 July 2019</b>	<b>8,435,349,604</b>	<b>6,596,069,331</b>
Add/ (less): Prior year's adjustments	14,393,702	275,976,104
Add/ (less): Adjustments/Merged/Termination	(123,130,725)	(18,911,215)
Add: Surplus for the year-2019-20	1,007,727,002	1,931,715,048
Less: Transfer to Statutory Reserve Fund (microfinance)	132,718,592	349,499,664
<b>Balance as on 30 June 2020</b>	<b>9,201,620,992</b>	<b>8,435,349,604</b>
<b>Statutory Reserve Fund (microfinance):</b>		
<b>Balance as on 01 July 2019</b>	<b>1,001,734,144</b>	<b>772,807,126</b>
Add: Transfer from Surplus	132,718,592	349,499,664
Add: Prior year's adjustment	1,383,737	-
Less: Adjusted of Interest on Reserve Fund Investment	-	(120,572,646)
<b>Balance as on 30 June 2020</b>	<b>1,135,836,472</b>	<b>1,001,734,144</b>
<b>Disaster Management Fund-DMF</b>	-	400,000
Less: Transfer to Capital Fund	-	(400,000)
<b>Balance as on 30 June 2020</b>	-	-
<b>Total Fund as at 30 June 2020</b>	<b>10,337,457,464</b>	<b>9,437,083,748</b>

  
**Chairman**  
**Governing Body**

  
**Executive Director**

  
**Chief Director**  
**Finance & Accounts**

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

**Place : Dhaka**  
Dated: 28 September, 2020

  
**K. M. HASAN & CO.**  
Chartered Accountants

