

# Islamic Relief, Bangladesh (IR,B)

Funded by Islamic Relief Worldwide

**Auditor's Report and Consolidated Financial Statements  
for the period from 01 January 2018 to 31 December 2018**



**S. F. AHMED & CO.**

Chartered Accountants ....since 1958

*Member Firm of HLB International*

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**Independent Auditor's Report**  
to  
**The Country Director of Islamic Relief, Bangladesh (IR,B)**

**Opinion**

We have audited the Consolidated Financial Statements of the Islamic Relief, Bangladesh, which comprise the Consolidated Statement of Financial Position as at 31 December 2018, and the Consolidated Statement of Comprehensive Income, and the Consolidated 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 give a true and fair view of the financial position of the organization as at 31 December 2018, and of its financial performance and its statement of receipts and payments for the year then ended in accordance with International Financial Reporting Standards (IFRS), the accounting policies summarized in Note- 1.3 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), the accounting policies summarized in Note- 1.3 and internal control system as management determines is necessary to enable the preparation of financial statements free from material misstatement, and free from fraud or error.

In preparing the financial statements, management is responsible for assessing IR,B'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 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.



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### **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, 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.
- 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 gives a true and fair view.

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.



Dated, Dhaka;  
10 April 2019


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

**Islamic Relief, Bangladesh (IR, B)**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2018**

	Notes	31.12.2018		31.12.2017	
		GBP	BDT	GBP	BDT
<b>ASSETS :</b>					
Non-current assets		96,194	10,663,506	121,996	13,574,110
Property, plant and equipment	(Annex-1)	96,194	10,663,506	121,996	13,574,110
Current assets		2,291,792	254,054,538	2,501,252	278,306,774
Cash and bank balances	2	2,130,602	236,185,973	2,370,944	263,807,825
Advances and prepayments	3	14,598	1,618,257	11,516	1,281,330
Other receivable	4	51,056	5,659,744	28,334	3,152,656
Staff loan against provident fund	5	93,560	10,371,464	89,035	9,906,679
Inter company	6	1,976	219,100	1,423	158,284
<b>TOTAL ASSETS</b>		<b>2,387,986</b>	<b>264,718,044</b>	<b>2,623,249</b>	<b>291,880,884</b>
<b>FUND AND LIABILITIES :</b>					
Fund	7	1,368,734	151,729,782	1,667,712	185,561,222
Current liabilities		1,019,252	112,988,262	955,536	106,319,662
Staff gratuity fund - unfunded	8	526,179	58,329,129	497,752	55,383,317
Staff medical fund - unfunded	9	15,546	1,723,379	13,392	1,490,058
Staff provident fund	10	459,964	50,988,944	425,023	47,291,031
Staff welfare fund	11	384	42,604	744	82,732
Provisions for expenses	12	6,333	702,011	5,106	568,157
Salary payable	13	565	62,638	524	58,254
Staff security deposit	14	-	-	950	105,696
Supplier security deposit	15	7,020	778,207	5,745	639,193
Accruals	16	3,260	361,350	6,302	701,224
<b>TOTAL FUND AND LIABILITIES</b>		<b>2,387,986</b>	<b>264,718,044</b>	<b>2,623,249</b>	<b>291,880,884</b>

*The annexed notes form an integral part of these financial statements*


  
**Finance Manager**  
Islamic Relief, Bangladesh

  
**Country Director**  
Islamic Relief, Bangladesh

*Signed as per our annexed report of even date.*



Dated, Dhaka;  
10 April 2019

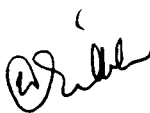
  
**S. F. Ahmed & Co.**  
Chartered Accountants

**Islamic Relief, Bangladesh (IR, B)**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended 31 December 2018**

	Notes	2018		2017	
		GBP	BDT	GBP	BDT
<b>GRANTS &amp; INCOME:</b>					
Foreign grants		4,260,991	447,564,684	4,313,661	444,129,744
Grant income during the year	17	<u>4,260,991</u>	<u>447,564,684</u>	<u>4,313,661</u>	<u>444,129,744</u>
Local grants and others		827	86,865	13,210	1,360,124
Bank profit (IR, B)	18	<u>486</u>	<u>51,017</u>	<u>58</u>	<u>5,964</u>
Income from sale of assets	19	<u>341</u>	<u>35,847</u>	<u>13,152</u>	<u>1,354,159</u>
<b>TOTAL</b>		<b><u>4,261,818</u></b>	<b><u>447,651,549</u></b>	<b><u>4,326,871</u></b>	<b><u>445,489,868</u></b>
<b>EXPENDITURE:</b>					
Personnel costs	20	<u>829,433</u>	<u>87,121,754</u>	<u>1,138,117</u>	<u>117,179,238</u>
Project running costs	21	<u>174,289</u>	<u>18,306,885</u>	<u>222,670</u>	<u>22,925,899</u>
Project deliverable cost	22	<u>3,258,004</u>	<u>342,213,241</u>	<u>2,963,040</u>	<u>305,071,298</u>
Non capital expenditure	23	<u>26</u>	<u>2,700</u>	<u>864</u>	<u>89,005</u>
TAX expense for gain on sale of assets		<u>-</u>	<u>-</u>	<u>2,172</u>	<u>223,628</u>
Tax expense for bank profit		<u>66</u>	<u>6,969</u>	<u>8</u>	<u>800</u>
<b>TOTAL</b>		<b><u>4,261,818</u></b>	<b><u>447,651,549</u></b>	<b><u>4,326,871</u></b>	<b><u>445,489,868</u></b>

*The annexed notes form an integral part of these financial statements*

  
**Finance Manager**  
Islamic Relief, Bangladesh

  
**Country Director**  
Islamic Relief, Bangladesh

*Signed as per our annexed report of even date.*



Dated, Dhaka;  
10 April 2019

  
**S. F. Ahmed & Co.**  
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