



A. Qasem & Co.
Chartered Accountants

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AUDITORS' REPORT

We have audited the accompanying consolidated financial statements of **Young Power In Social Action (YPSA)** for the year ended **June 30, 2010** which comprise Balance Sheet, Income and Expenditure Account, Receipts and Payments Account and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The projects management are responsible for the preparation of these consolidated financial statements and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements 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 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 presentation of the consolidated financial statements.

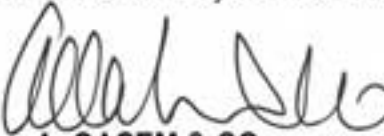
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the projects as at **June 30, 2010** and of its financial performance for the year then ended.

Dated: Chittagong
November 30, 2010

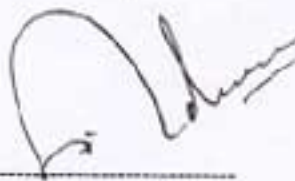



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YOUNG POWER IN SOCIAL ACTION (YPSA)

Consolidated Balance Sheet as at 30 June, 2010.

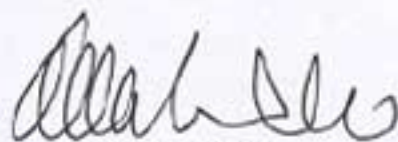
| | | Amount in Taka | |
|-----------------------------------|------------|--------------------|--------------------|
| | Notes | June 30, 2010 | June 30, 2009 |
| Fund and liabilities: | | | |
| Funds & Grants | 4 | 46,770,533 | 49,108,048 |
| | | <u>46,770,533</u> | <u>49,108,048</u> |
| Assets: | | | |
| A. Fixed assets less depreciation | Schedule-A | 24,840,503 | 19,863,934 |
| B. Investment | | 14,977,764 | 10,877,931 |
| | | <u>39,818,267</u> | <u>30,741,865</u> |
| C. Current assets: | | | |
| Inventories | 5 | 751,455 | 719,355 |
| Advances & deposits | 6 | 6,146,379 | 11,266,256 |
| FDR Interest Receivable | 6.3 | 414,341 | - |
| Loan with groups | 7 | 120,221,275 | 83,477,797 |
| Cash & Bank balances | 8 | 22,465,606 | 25,702,645 |
| | | <u>149,999,056</u> | <u>121,166,053</u> |
| D. Current liabilities: | | | |
| Savings & accrued interest | 9 | 45,737,014 | 34,175,975 |
| Loan account | 10 | 85,712,727 | 56,901,125 |
| Emergency fund | 11 | 754,042 | 731,225 |
| School development fund | 12 | 109,835 | 101,635 |
| Members welfare fund | 13 | 3,075,780 | 2,432,155 |
| Reserve on outstanding loan | 14 | 4,856,453 | 3,626,104 |
| Micro insurance payable | 15 | - | 2,559,803 |
| Liabilities for expenses | 16 | 1,294,298 | 1,941,964 |
| Liabilities for other finance | 17 | 15,524 | 2,402 |
| Future Security Fund | 18 | 738,705 | 322,793 |
| YPSA S and I Fund | 19 | 2,800 | 4,689 |
| Liabilities for grants | 20 | 739,612 | - |
| | | <u>143,046,790</u> | <u>102,799,870</u> |
| E. Net current assets (C-D) | | <u>6,952,266</u> | <u>18,366,183</u> |
| Total assets (A+B+E) | | <u>46,770,533</u> | <u>49,108,048</u> |


President
YPSA

Chief Executive
YPSA


Director (Finance)

Footnotes:


1. Auditors' Report - Page 1
2. The annexed notes form an integral part of these financial statements


Dated: Chittagong
November 30, 2010

A. Qasem & Co.
Chartered Accountants


YOUNG POWER IN SOCIAL ACTION (YPSA)

Consolidated Statement of Income and Expenditure for the year ended 30 June, 2010

| | Notes | Amount in Taka | |
|--|------------|--------------------|--------------------|
| | | 2009-2010 | 2008-2009 |
| Income: | | | |
| Grants & Donation | 21 | 103,824,602 | 90,015,714 |
| Local contribution | | 14,588,739 | 10,358,676 |
| Other receipts | | 16,042,467 | 13,059,616 |
| Bank interest | | 1,605,563 | 1,253,120 |
| Service charge collection from credit programme | | 21,868,492 | 14,668,601 |
| Total Income | | 157,929,863 | 129,355,727 |
| Expenditure: | | | |
| Administrative expenses | | 11,911,241 | 11,600,737 |
| Travel & per-diem | | 3,921,408 | 4,248,911 |
| Other programme cost | | 6,386,742 | 2,820,602 |
| Salary & allowances | | 42,315,121 | 31,666,217 |
| Direct programme cost | | 84,084,701 | 53,586,032 |
| Interest on borrowings | | 3,020,036 | 1,452,390 |
| Human resource/Organization development | | 3,111,074 | 3,590,593 |
| Loan loss Provision | | 1,240,349 | 920,126 |
| Interest paid on members savings | | 1,458,268 | 1,192,788 |
| Disaster Management Fund (DMF) | | 22,817 | - |
| Provision for Audit fee | | 60,000 | 35,000 |
| Liability for Expenses | | 5,077 | - |
| VAT Payment on sales & Service | | 92,332 | - |
| Organizational Contribution to project | | 386,683 | - |
| Depreciation | Schedule-A | 2,612,076 | 2,685,781 |
| Total Expenditure | | 160,627,925 | 113,799,177 |
| Excess of income over expenditure Transferred to fund account | | (2,698,062) | 15,556,550 |


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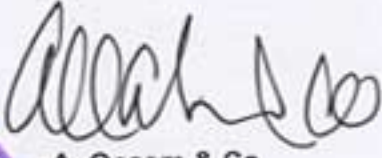

Director (Finance)
YPSA

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November 30, 2010




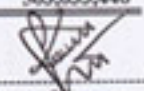

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Chartered Accountants

YOUNG POWER IN SOCIAL ACTION (YPSA)
Consolidated Statement of Receipts and Payments for the year ended 30 June, 2010.

| | Amount in Taka | |
|---|---------------------------|---------------------------|
| | 2009-2010 | 2008-2009 |
| Opening balances: | | |
| Cash in hand | 282,179 | 234,942 |
| Cash at banks | 25,420,467 | 14,411,968 |
| | <u>25,702,646</u> | <u>14,646,910</u> |
| Inflow of funds: | | |
| Grants & Donation | 104,564,214 | 90,015,714 |
| Local contribution | 14,588,739 | 10,558,676 |
| Other receipts | 16,019,662 | 14,717,783 |
| Advance realized | 30,442,855 | 10,347,283 |
| Loan received from PKSF | 55,000,000 | 32,000,000 |
| Loan received from borrowed fund | 24,433,321 | 18,353,640 |
| Loan received from Basic Bank | - | 11,000,000 |
| MHIP collection | - | 1,349,957 |
| Group savings collection | 31,327,027 | 22,247,029 |
| Service charge collection | 21,868,492 | 14,671,601 |
| Loan collection (Principal) | 174,356,522 | 116,320,908 |
| School development fund | 8,200 | 22,250 |
| Staff security fund | 406,093 | 289,106 |
| YPSA S & I society Fund | 157,800 | 89,941 |
| FDR & Bank Interest | 1,191,222 | 764,977 |
| Sale of goods | 1,054,491 | 1,005,666 |
| Employee PF collection | 417,730 | 315,783 |
| Member welfare fund | 1,036,650 | 636,165 |
| Revenue stamp sale | 44,660 | - |
| VAT collection | 13,122 | - |
| Investment withdrawn | 1,000,000 | - |
| | <u>477,930,800</u> | <u>344,706,479</u> |
| A. Total generation of funds | <u>503,633,446</u> | <u>359,353,389</u> |
| Outflow of funds: | | |
| Capital expenditure | 6,916,332 | 6,044,069 |
| Salary & allowances | 42,252,442 | 31,454,685 |
| Human resource/Organization development | 3,111,074 | 3,729,258 |
| Administrative expenses | 11,928,884 | 11,954,431 |
| Direct programme cost | 71,168,470 | 54,122,737 |
| Loan refund to borrowers | 50,574,274 | 19,902,205 |
| DMF return | - | 4,000 |
| Audit fee | 35,000 | 55,000 |
| Advance paid | 41,816,356 | 28,593,600 |
| Loan disbursement | 211,100,000 | 147,999,000 |
| Travel & per-diem | 3,921,408 | 4,183,315 |
| Other programme cost | 6,386,742 | 2,557,761 |
| Interest on borrowings | 3,020,036 | 1,452,390 |
| Interest on savings | 48,329 | - |
| Future security Fund Deposit | 408,400 | 283,774 |
| YPSA S & I society Fund Deposit | 159,200 | 86,052 |
| Payment against liabilities | 25,000 | 1,323,893 |
| Revenue stamp purchase | 44,440 | 50,640 |
| Saving withdrawal | 21,165,423 | 15,090,774 |
| Investment-savings | 1,506,283 | 1,696,163 |
| Investment-LLPI | 373,550 | 1,071,332 |
| Investment-DFRI | 650,000 | - |
| Investment-FSF | 650,000 | - |
| Member welfare fund | 393,025 | 257,157 |
| Return to MHIP | 932,433 | 412,955 |
| Staff P F withdrawn | - | 552 |
| VAT payment | 92,332 | - |
| Other Investment | 920,000 | 1,325,000 |
| Grant return to donor | 61,042 | - |
| Organizational contribution by YPSA | 386,683 | - |
| Purchase of goods | 1,123,301 | - |
| | <u>481,170,459</u> | <u>333,650,743</u> |
| Closing balances: | | |
| Closing cash in hand | 735,315 | 282,179 |
| Closing cash at banks | 21,727,672 | 25,420,467 |
| | <u>22,462,987</u> | <u>25,702,646</u> |
| B. Total application of funds | <u>503,633,446</u> | <u>359,353,389</u> |


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