MABS & J Partners
Chartered Accountants

Member firm of Nexia International, UK

INDEPENDENT AUDITOR'S REPORT

&

AUDITED FINANCIAL STATEMENTS

of

Organization For the Poor Community Advancement (OPCA)

Micro Credit Program

For the year ended 30 June 2025

Nexia in Bangladesh

ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)
For the year ended 30 June, 2025

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Independent Auditor's Report

To the Members of Executive Committee of
Organization for the Poor Community Advancement (OPCA)
Micro Credit Program
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Micro Credit Program** of **Organization for the Poor Community Advancement (OPCA)** (the Organization's), which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of receipts and payments, statement of cash flows, and statements of changes in fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described on the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the fund as at June 30, 2025, and its financial performance and Cash flow statement accordance with International Financial Reporting Standards (IFRSs) and other applicable laws regulations including MRA guidelines.

Basis for Qualified Opinion

1. As per Microcredit Regulatory Authority Rules, 2010 (Rule 34, Sub-rule 1), every organization should preserve in bank account/accounts equivalent to 10% of the members' savings. During our audit, we observed that the required preserve should be BDT 14,920,712.30. However, the organization has maintained only BDT 8,200,000 as preserve, it resulting in a shortfall of BDT 6,720,712.30. This represents a non-compliance with the aforesaid Rule.
2. During the course of our audit, we observed that the Organization has established Provident Fund, Employees' Welfare Fund, and Gratuity Fund for its employees; but no Trust Deed or formal registration of the Provident Fund has been executed. In absence of such legal documentation, we are unable to satisfy ourselves regarding the legal status and compliance of the Provident Fund with applicable laws and regulations.

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 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 ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion

Corporate Office:
SMC Tower (Level 5 & 7) 33, Banani C/A
Road 17, Dhaka-1213, Bangladesh
Phone : +880-2-222275057-58
+880-2-222275365-66
E-mail : info@mabsj.com
Web : www.mabsj.com, www.nexia.com

Chattogram Office :
Jahan Building 5 (Level 3)
74 Agrabad C/A, Chattogram-4100, Bangladesh
Phone : +88-01722-156260
E-mail : info@mabsj.com
Web : www.mabsj.com, www.nexia.com

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	How Our Audit Addressed the key audit Matter
Loan to Members (Note 11.00)	
The Organization has disbursed loans to members amounting to BDT 382,793,388 as at 30 June 2025. Loan to members is a significant balance in the financial statements and represents a key source of the Organization's microfinance activities. The recognition, measurement, and recoverability of these loans are subject to inherent risk of material misstatement due to: 1. The high volume of transactions, 2. Risk of default by members, 3. The judgment involved in estimating loan loss provisions, and 4. The adequacy of internal controls over loan disbursement, monitoring, and collection. Given the magnitude of the balance and the degree of management judgment involved in provisioning for doubtful loans, we identified this area as a Key Audit Matter.	Our audit procedures included, among others: • Evaluating the design and operating effectiveness of controls over loan approval, disbursement, and collection. • Testing a sample of loans disbursed during the year to supporting documentation to assess compliance with policies. • Assessing the ageing of outstanding loans and evaluating management's methodology for calculating loan loss provisions. • Performing analytical procedures on loan collections and delinquency trends. • Considering the adequacy of disclosures made in the financial statements in relation to loan to members and related risks. Based on our procedures, we found management's approach to recognition, measurement, and disclosure of loan to members to be reasonable.
Members Savings (Note 23.00)	
As at 30 June 2025, member savings amounted to BDT 149,207,123. Member savings represents a major source of funding for the Organization's microfinance activities and are a significant liability in the financial statements. The balance is susceptible to risk due to: 1. The large number of small-value transactions,	Our audit procedures included, among others: • Assessing the design and effectiveness of internal controls over collection, deposit, and recording of member savings. • Performing test checks of savings transactions (deposits and withdrawals) against supporting documentation.

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2. Potential misstatement in recording deposits, withdrawals, and accrued interest, 3. Dependence on strong internal controls to prevent fraud or misappropriation, and 4. The need for accurate reconciliation between subsidiary records and the general ledger. Given the significance of the balance and the high inherent risk of error or irregularities, we identified member savings as a Key Audit Matter.	• Obtaining direct confirmations of member savings balances on a sample basis. • Reviewing the reconciliation between member savings subsidiary records and the general ledger. • Evaluating the adequacy of disclosures made in the financial statements in respect of member savings. Based on the procedures performed, we found the recognition, measurement, and disclosure of member savings to be reasonable.
Service Charges on Members' Loan (Note 26.00)	
During the year ended 30 June 2025, the Organization earned BDT 77,050,044 as service charges on loans provided to members. Service charge income is a significant revenue stream for the Organization and directly impacts its financial performance. The recognition of this income involves the following risks: 1. Accuracy of calculation of service charges based on loan agreements and repayment schedules, 2. Completeness of recorded income given the large volume of transactions, 3. Cut-off issues to ensure income is recognized in the correct accounting period, and 4. The reliance on the effectiveness of the Organization's loan management and accounting systems. Due to the significance of the amount and the risk of error or misstatement in revenue recognition, we identified service charges on members' loans as a Key Audit Matter.	Our audit procedures included, among others: • Assessing the design and operating effectiveness of internal controls over loan disbursement, repayment, and service charge recording. • Testing, on a sample basis, service charge calculations against loan agreements and repayment schedules. • Performing analytical procedures on service charge income trends compared with loan portfolio growth. • Checking cut-off transactions to ensure income was recognized in the appropriate accounting period. • Evaluating the adequacy of disclosures in the financial statements relating to service charge income. Based on our audit procedures, we found the recognition and disclosure of service charges on members' loans to be reasonable.
Interest on Member Savings (Note 27.00)	
For the year ended 30 June 2025, the Organization incurred BDT 11,351,564 as interest expense on member savings. Interest on member savings is a significant	Our audit procedures included, among others: • Assessing the design and operating effectiveness of controls over interest

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expense item and directly affects the Organization's surplus/deficit for the year. The calculation and recognition of this expense involve the following risks: 1. Accuracy of interest calculations based on varying deposit balances and applicable rates, 2. Completeness of expense recognition considering the large number of member accounts, 3. Cut-off risk to ensure interest is accrued and recorded in the correct accounting period, and 4. Reliance on the accuracy of the savings management system and internal controls. Given the materiality of the amount and the complexity of calculations across numerous member accounts, we identified interest on member savings as a Key Audit Matter.	calculation and recording. • Recomputing interest on a sample basis and comparing with the amounts recorded. • Reviewing reconciliations between member savings balances and the general ledger to ensure completeness of interest recognition. • Testing cut-off transactions to confirm proper recording in the relevant accounting period. • Evaluating the adequacy of disclosures in the financial statements in respect of interest on member savings. Based on our audit procedures, we found the recognition and disclosure of interest on member savings to be reasonable.

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 IFRSs, Rules and Regulation issued by Micro Credit Regulatory Authority (MRA) and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 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 auditors' 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

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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:

- Identified 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 concluded that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions were based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Organization's 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.

Report on other Legal and Regulatory Requirements

In accordance with the Rules and Regulation issued by Micro Credit Regulatory Authority (MRA), 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 purpose of our audit and made due verification thereof;

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b) In our opinion, proper books of accounts as required by law and MRA Act & Rules have been kept by the Organization so far as it appeared from our examination of those books; and

c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Md. Sultan Mahmood, FCA
Partner
ICAB Enrollment No: 2024
DVC: 2509162024AS825048

Place: Chattogram, Bangladesh
Dated: 16 September 2025

MABS & J Partners
Chattogram
Chartered Accountants

ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)
Micro Credit Program
Statement of Financial Position
As at 30th June 2025

Particulars	Note(s)	Amount in Tk. 2024-2025	Amount in Tk. 2023-2024
PROPERTIES AND ASSETS			
A. Non-Current Assets			
Property, Plant and Equipment (PPE)	08.00	4,014,052	3,924,948
Investments - Long Term	09.00	8,200,000	15,980,709
Other Long Term Loans	10.00	2,244,330	2,337,259
Total Non-Current Assets		**14,458,382**	**22,242,916**
B. Current Assets			
Loans to Members	11.00	382,793,388	357,177,264
Loan to Program and Projects	12.00	8,602,084	10,059,811
Other Short Term Loans	13.00	1,254,901	1,554,901
Advances, Deposits & Prepayments	14.00	6,916,023	5,615,587
Unsettled Staff Advance	15.00	5,449,378	575,264
Cash in Hand		1,253,964	467,542
Cash at Bank	16.00	4,661,510	27,581,409
Total Current Assets		**410,931,248**	**403,031,778**
Total Properties and Assets (A+B)		**425,389,630**	**425,274,694**
CAPITAL FUND AND LIABILITIES			
A. Capital Fund			
Cumulative Surplus		15,046,854	26,222,335
Reserve fund		1,672,637	2,996,120
Total Capital Fund		**16,719,492**	**29,218,456**
B. Non-Current Liabilities			
Loan from PKSF (Long Term Portion)	17.00	96,952,356	72,466,239
Loan from Anukul Foundation (Long Term Portion)	19.01	2,337,017	3,871,764
Loan Insurance (Previous head Risk Fund)	22.00	25,164,504	23,981,354
Total Non-Current Liabilities		**124,453,877**	**100,319,358**
C. Current Liabilities			
Loan from PKSF (Current Portion)	17.00	20,451,805	48,633,759
Loan from Commercial Banks (Current Portion)	18.00	-	16,257,887
Loan from Anukul Foundation (Current Portion)	19.01	9,348,068	7,258,153
Loan from other Sources	20.00	64,505,000	53,990,000
Due to Programs and Projects	21.00	-	-
Members Savings	23.00	149,207,123	138,989,197
Loan Loss Provision (LLP)	24.00	25,691,244	18,973,332
Other Liabilities and Provisions	25.00	13,039,069	8,215,552
WASH incentive		1,973,952	3,419,000
Reimbursement of Liabilities		-	-
Total Current Liabilities		**284,216,261**	**295,736,880**
Total Capital Fund and Liabilities (A+B+C)		**425,389,630**	**425,274,694**

The annexed notes an integral part of these financial statements.

Finance Co-Ordinator
Delwar Hossain
Manager (Finance & Accounts)
OPCA

Executive Director
Md Alamgir
Executive Director
OPCA

Treasurer
Md. Alauddin
Treasurer, OPCA

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

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

MABS & J Partners Chattogram Chartered Accountants

Md. Sultan Mahmood, FCA
Partner
ICAB Enrollment No: 2024
DVC: 2509162024AS825048

Place: Chattogram
Date: 16 September 2025

ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)
Micro Credit Program
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30th June 2025

	Particulars	Note(s)	Amount in Tk. 2024-2025	2023-2024
A.	**INCOME**			
	Service Charges on Members Loan	26.00	77,050,044	86,127,751
	Bank Interest		254,224	1,586,978
	Interest on FDR		370,643	54,063
	Total Income		**77,674,911**	**87,768,792**
B.	**EXPENDITURE**			
	Interest on Members Savings	27.00	11,351,564	12,755,248
	Service Charge on PKSF Loan	28.00	6,925,419	4,366,125
	Interest Expense on Anukul Foundation Loans		872,828	825,142
	Interest on Long Term Bank Loan (Pronodona)		1,618,984	3,010,102
	Interest on Other funds		81,131	273,824
	Salaries & Allowances	29.00	39,754,436	33,646,280
	Office Rent		2,730,115	2,329,825
	Repair and Maintenance	30.00	1,046,382	561,018
	Gas and Electricity		342,409	268,003
	Telephone, Internet, Postage & Courier		530,723	624,894
	Project Expenses		1,022,441	-
	Area Extension		-	19,905
	Program Contribution			140,229
	Entertainment		612,363	877,612
	Printing and Stationery		555,370	772,236
	Fuel Cost		661,349	845,668
	Vehicle Maintenance Expenses		-	205,543
	Conveyance and Travelling		3,086,310	4,950,339
	Newspapers and Periodicals		1,655	773
	Bank Charges and Commission		419,187	387,544
	Training, Meeting and Seminar Expenses		484,545	-
	Bank Loan Processing Fee		4,069	752,000
	Meeting and Seminar Expenses		-	533,636
	Legal Expenses		113,660	49,994
	Registration and Subscription Fees		3,950	30,337
	Audit Fees		184,500	130,000
	Honorarium		-	245,374
	Loan Loss Provision (LLP)	Annex-I	12,754,729	10,971,317
	Depreciation Expense	Annex-J	949,129	1,173,856
	Other Operating Expenses	31.00	3,925,286	4,778,886
	Income Tax		148,223	508,869
	Total Expenditure		**90,180,757**	**86,034,580**
C.	**Excess of Income over Expenditure (A-B)**		**(12,505,846)**	**1,734,212**

Finance Co-Ordinator | **Executive Director** | **Treasurer**

Delwar Hossain
Manager (Finance & Accounts)
OPCA

Md Alamgir
Executive Director
OPCA

Md. Alauddin
Treasurer, OPCA

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

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Md. Sultan Mahmood, FCA
Partner
ICAB Enrollment No: 2024
DVC: 2509162024AS825048

MABS & J Partners ★ Chattogram ★ Chartered Accountants

Place: Chattogram
Date: 16 September 2025

ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)
Micro Credit Program
Statement of Cash Flows
For the year ended 30th June 2025

Particulars	Note(s)	2024-2025	2023-24
A. Cash Flows from Operating Activities			
Excess of Income over Expenditure (A-B)		(12,505,846)	1,734,212
Add: Amount considered as Non-Cash Transactions			
Loan Loss Provision (LLP)		12,754,729	10,971,317
Adjustments to LLP		(6,036,817)	(6,284,915)
Prior-year adjustment		6,881	(2,740)
Adjustments to Fixed assets		-	996,756
Adjustments to Accumulated depreciation		-	(1,000,205)
Depreciation for the year		949,129	1,173,856
Sub-total of Non-Cash Items		**7,673,922**	**5,854,069**
Loan Disbursement to Members		(639,199,000)	(672,551,000)
Loan Recovered from Members		605,755,503	635,775,941
Adjustment to Loans to Members		7,827,373	6,671,321
Increase/(decrease) in Members savings		10,217,926	14,268,023
Increase/(decrease) in Risk fund		1,183,150	3,780,357
Decrease/(increase) in other Current Assets		(4,416,823)	(3,747,657)
Increase/(decrease) in other Current Liabilities		3,378,469	(2,915,746)
Net Cash generated By/(used in) Operating Activities		**(20,085,326)**	**(11,130,479)**
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(1,038,235)	(716,957)
Investment in FDR		(14,700,000)	(2,500,000)
Encashment of FDR		22,851,352	2,541,134
FDR interest		(370,643)	(860,343)
Decrease/(increase) in other long-term loans		92,929	(519,896)
Net Cash generated By/(used in) Investing Activities		**6,835,403**	**(2,056,062)**
C. Cash Flows from Financing Activities			
Loan received from Different Sources		113,765,988	122,075,000
Repayment of Loans received from Different Sources		(122,649,543)	(146,095,518)
Bank loans interest accrued		-	30,101,102
Members Savings received		-	-
Refund of Members Savings		-	-
Net Cash generated By/(used in) Financing Activities		**(8,883,555)**	**6,080,584**
D. Net Increase/(Decrease) in Cash & Bank Balance (A+B+C)		**(22,133,477)**	**(7,105,958)**
E. Add: Cash & Bank Balance at the Beginning of the Year		28,048,951	35,154,909
F. Cash & Bank Balance at the End of the Year (D+E)		**5,915,474**	**28,048,951**

Finance Co-ordinator
Delwar Hossain
Manager (Finance & Accounts)
OPCA

Executive Director
Md Alamgir
Executive Director
OPCA

Treasurer
Md. Alauddin
Treasurer, OPCA

Place: Chattogram
Date: 16 September 2025

MABS & J Partners
Chattogram
Chartered Accountants

ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)
Micro Credit Program
Statement of Changes in Capital Fund
For the year ended 30th June 2025

Particulars	Cumulative Surplus	Statutory Reserve Fund	Total Capital Fund (Taka)
ance as at July 01, 2024	**26,222,335**	**2,996,120**	**29,218,457**
plus for the Year	(12,505,846)	-	(12,505,846)
-total	**13,716,490**	**2,996,120**	**16,712,611**
ustment during the year	6,881		6,881
nsfer to Statutory Reserve Fund	1,323,483	(1,323,483)	-
ance as at June 30, 2025	**15,046,854**	**1,672,637**	**16,719,492**
ance as at July 01, 2023	**24,738,286**	**2,748,698**	**27,486,985**
plus for the Year	1,734,212	-	1,734,212
-total	**26,472,498**	**2,748,698**	**29,221,197**
ustment during the year	(2,740)	-	(2,740)
nsfer to Statutory Reserve Fund	(247,422)	247,422	-
ance as at June 30, 2024	**26,222,335**	**2,996,120**	**29,218,457**

The accompanying notes form an integral part of this financial statement

Finance Co-Ordinator
Delwar Hossain
Manager (Finance & Accounts)
OPCA

Executive Director
Md Alamgir
Executive Director
OPCA

Treasurer
Md. Alauddin
Treasurer, OPCA

MABS & J Partners
Chattogram
Chartered Accountants

ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)
Micro Credit Program
Notes to the Financial Statements
As at and for the year ended 30th June 2025

01. Corporate Information of the Organization

Sl. No	Particulars	Fact
1.01	Approving Authority for formation of the Organization	Microcredit Regulatory Authority
1.02	Year of Establishment	1992
1.03	Legal Entity	NGO
1.04	MRA Registration Number	01620-02596-00314
1.05	MRA Registration Date	29-Jul-08
1.06	Nature of Operations (Programs)	Microcredit
1.07	Working Areas (Number of Districts)	6 (Chattogram, Khagrachari, Feni, Cox's Bazar, Bandorbhan, Noakhali)
1.08	Statutory Audit conducted up to	Year ended 30 June 2025
1.09	Name of the Statutory Auditor for Last Year	SHAHA & Company, Chartered Accountants
1.10	Name of the Statutory Auditor for Current Year	MABS & J Partners, Chartered Accountants
1.11	Number of Executive Committee Meetings held during Year	4 (Four)
1.12	Date of Last Annual General Meeting (AGM) held	30 June 2025

02. List of Executive Committee Members

Sl. No	Name	Designation	Profession	Present Address	Tenure
02.01	Mr. Alauddin Chowdhury	President	Former member NBR (National Board of Revenue) & Chief Executive Officer, Centre for Tax Training	House #13, Flat #C, Road #34,Gulshan, Dhaka-1212 Cell: 01713-006478	18/2/2023 to 17/2/2026
02.02	Ms. Nasima Banu	Vice President	Teacher	Equity Center, Flat #C10, 30 Mehedibag, Chattogram. Cell: 01914384107	18/2/2023 to 17/2/2026
02.03	Mr.Md. Alamgir	Executive Director	Executive Director, OPCA	Village: North Hazissharai, PO: Zorargonj, Upzila: Mirsarai, Chottagram. Cell: 01819617560	18/2/2023 to 17/2/2026
02.04	Ms Merelin Keka Adhikari	Joint Secretary	Job	House #32/5 (3A), West Senpara Hill, Mirpur-1216, Dhaka city corporation, Dhaka	18/2/2023 to 17/2/2026
02.05	Md Alauddin	Treasurer	Teacher	SM Tower, 2 Ashraf Ali Road, Pilkhana Masjid, Muradpur, Chattogram. Cell: 01817713251	18/2/2023 to 17/2/2026
02.06	Md Mahfuzul Islam	Executive Member	Business	House #358, Road #10, Block C, Basundhara R/A, Dhaka-1219	18/2/2023 to 17/2/2026
02.07	Ms. Shamsun Nahar	Executive Member	Lecturer, Professor Kamal Uddin Chowdhury College	Abutorab, Mirsarai, Chottagram. Cell: 01714310959	18/2/2023 to 17/2/2026

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03. Field Visits

03.01 Number of the audited branches: 04

03.02 Names of the audited branches: Khulshi Branch, Mostanagor Branch, Sitakundo Branch & Kumira Branch

05. Basis of Accounting

OPCA prepares its financial statements on a going concern basis, under the historical cost convention, except for loans and borrowings which are stated at fair value and amortized cost respectively. Thus OPCA generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items. Regarding compliance of accounting standards, OPCA follows the guidelines of PKSF and International Financial Reporting Standards (IFRSs) under the guidelines of PKSF.

05.01 Regulatory Compliance

The organization is required to comply with, amongst others, the following laws and regulations:

a) The Microcredit Regulatory Authority Act 2006
b) The Microcredit Regulatory Authority Rules 2010
c) The Regulations of Microcredit Regulatory Authority (MRA)
d) Foreign Donations (Voluntary Activities) Regulation Act 2016
e) Income Tax Act 2023
f) The Value Added Tax Act 2012
g) The Value Added Tax Rules 2016
h) Bangladesh Labor Act 2006 etc.

06. Summary of Significant Accounting Policies

The significant accounting policies, which have been materially consistent over the years, as applied in the preparation and presentation of these financial statements are summarized below:

06.01 Basis of Preparation and Presentation of Financial Statements

OPCA maintains its books of account and records on a programme or project-wise basis. The head office maintains records of all treasury, investment and management functions. All cash balances, including those held for programmes, are held by the head office and transferred to programmes as required. Balances between projects are eliminated upon combination for the purposes of presentation of the financial statements.

OPCA's accounting records and financial statements are maintained and presented in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and internal reporting into funds established according to their nature and purposes based on the existence or absence of donor-imposed restrictions.

06.02 Functional and Presentation Currency

These Financial Statements are prepared in Bangladesh Taka (BDT), which is its functional currency. All financial information presented in BDT has been rounded off to the nearest integer except when otherwise indicated.

06.03 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with IAS - 7, Statement of Cash Flows as customized by PKSF.

06.03 Use of Estimates and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised and in any future periods affected.

06.04 Comparative Information

Comparative information has been disclosed in accordance with IAS-1 Presentation of Financial Statements, for all numerical information in the financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current year without causing impact on the income and value of assets and liabilities as reported in the financial statement.

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06.05 Reporting Period

These financial statements cover one financial year from 01 July 2024 to 30 June 2025.

06.06 Application of Standards

The following IFRSs, as customized by PKSF, are applied to the financial statements for the year under audit:

IAS	01	Presentation of Financial Statements
IAS	07	Statement of Cash Flows
IAS	08	Accounting Policies, Changes in Accounting Estimates and Errors
IAS	10	Events after the Reporting Period
IAS	12	Income Taxes
IAS	16	Property, Plant and Equipment
IAS	19	Employee Benefits
IAS	26	Accounting and Reporting by Retirement Benefit Plans
IAS	32	Financial Instruments: Presentation
IAS	36	Impairment of Assets
IAS	37	Provisions, Contingent Liabilities and Contingent Assets
IFRS	07	Financial Instruments: Disclosures
IFRS	09	Financial Instruments
IFRS	15	Revenue from Contracts with Customers

06.07 Property, Plant and Equipment

a) Recognition and Measurement

Property, Plant and Equipment are stated at cost value less accumulated depreciation and subsequent impairment losses, if any.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of self-constructed/installed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located.

b) Depreciation of the Non-current Assets

Depreciation is provided on all items of PPE at the following rates on straight line basis over the periods appropriate to the estimated useful lives of the different types of assets.

Class of Asset	Rate of Depreciation
Furniture and fixture	10%
Bicycle	10%
Computer, printer and software	25%
Electric equipment	20%
Mobile	20%
Other assets	20%
Parking Space	10%
Vehicle	20%

Depreciation is charged on addition when the assets are available for use or ready for use or from date of acquisition. On deletion of assets, depreciation is suspended from the date of disposal.

06.08 Financial Assets

The organization initially recognizes loans and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the organization becomes a party to the contractual provisions of the instrument.

The organization derecognizes a financial asset when the contractual right to the cash flows from the asset expires, or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

06.09 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

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06.10 Provisions, Contingent Liabilities and Contingent Assets

The preparation of financial statements in conformity with International Accounting Standard IAS-37 "Provisions, Contingent Liabilities and Contingent Assets" requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities during and at the date of financial statements.

In accordance with the guidelines as prescribed by IAS 37 provisions were recognized in the following situations:

i. When the organization has a present obligation as a result of past event;
ii. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
iii. Reliable estimates can be made of the amount of the obligation; and
iv. In case of Loan loss provision, the Microcredit Regulatory Authority Rules 2010 is followed.

We have shown the provisions in the Statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represented the best estimate of the probable expenditure required to fulfill the current obligation on the Statement of financial position date.

06.11 Employees' Benefits

a) Provident Fund

The organization maintains an unrecognized provident fund equally contributed by employee & employer for all eligible permanent employees.

b) Employees Welfare fund

The organization also maintains an unrecognized Employees Welfare Fund .

c) Gratuity fund

The organization also maintains an unrecognized Employees Welfare Fund .

06.12 Financial Liabilities

The organization recognizes all financial liabilities on the trade date which is the date the organization becomes a party to the contractual provisions of the instrument. The organization derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

06.13 Revenue Recognition

The organization has applied IFRS 15 for recognition of revenue from this year.

The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. This core principle is delivered in a five-step model framework

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognized when the entity satisfies a performance obligation by transferring the goods to customers at an agreed transaction price.

06.14 Finance Income and Costs

a) Finance Income

Interest income from bank deposits is recognized on cash basis following specific rate of interest in agreement with banks.

b) Finance Cost

Interest expenses except expenses related to acquisition/construction of assets, incurred during the year are charged to Statement of Profit or Loss and Other Comprehensive Income on cash basis.

06.15 Capital Fund

Capital fund comprises the initial grants of inaugurators, the statutory reserve fund and the accumulated balance of the excess of income over expenditure. The statutory reserve fund is made up as per the requirement of the Microcredit Regulatory Authority Act 2006.

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06.16 Term Loans

Principal amount of the loans is stated at their outstanding amount. Loans repayable within twelve months from the end of the reporting period are classified as current liabilities whereas Loans are repayable after twelve months from the end of the reporting period are classified as non-current liabilities.

06.17 Events after the reporting period

Events after the reporting period that provide additional information about the organization's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting are disclosed in the notes when material.

7. Significant Organizational Policies

07.01 Loan to Beneficiaries

Loan is given to the beneficiaries after 2/3 weeks of his/her membership, having satisfied on his/her performance during the period.

07.02 Savings Collection

Savings Collection is done from all members on weekly basis regardless of whether they availed loan or not.

07.03 Fund Management

Loan from PKSF received for loan operations under the following criteria: -

i. Loan category-wise-accounts will be maintained and loan policy and regulations as per accounting manual provided by PKSF followed properly.
ii. Loan obtained from PKSF will be utilized and accounted for properly as per agreement with the loan giving agency (PKSF).
iii. Loan recovered from borrowers will be properly recorded and deposited to the OPCA's bank accounts.
iv. Member's savings will be collected and refunded to the members as per policy guideline of the OPCA and interest at the rate of 6% was paid to the savings bank depositors.
v. All formalities including documentation of loan will be completed before disbursement of loan.
vi. OPCA will not involve in any activity which is not consistent with its own constitution and relevant laws and regulations.
vii. Fixed assets are acquired out of the OPCA's own resources.
viii. Loan will be utilized by the beneficiaries for their intended purpose.
ix. All transactions will be conducted through the bank account.
x. Loan and savings recovered from the members will be deposited to the bank accounts on the same day or on the following working day.
xi. Loan and saving collected from the members will be recorded properly in the name of the members/beneficiaries, and loan and saving pass books will be kept up to date.
xii. Adequate loan loss provision will be made at the rate specified by the Microcredit Regulatory Authority Act 2006.
xiii. Budgetary control and internal control system will be verified regularly.

ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)
Micro Credit Program
Fixed Assets Schedule
As on 30th June 2025

08.00 Property, Plant and Equipment

Particulars	COST				Rate of Dep. (%)	DEPRECIATION				Written Down Value as at 30 June 2025
	Opening balance	Addition during the year	Disposal/ Adjusted during the year	Closing balance		Opening balance	Charged during the year	Adjustment during the year	Closing balance	
Furniture and fixture	1,072,107	158,407		1,230,514	10%	253,082	82,384	-	335,466	895,048
Computer, printer & software	1,570,054	712,948		2,283,002	25%	913,588	466,992	-	1,380,580	902,422
Electric equipment	612,772	131,730		744,502	20%	149,228	70,392	-	219,620	524,882
Mobile	31,588	19,000		50,588	20%	22,112	10,118	-	32,230	18,358
Other assets	28,213	16,150		44,363	20%	14,112	10,023	-	24,135	20,228
Parking Space	113,121	-		113,121	10%	36,450	11,312	-	47,762	65,359
Vehicle (Micro)	2,979,078	-		2,979,078	20%	1,093,414	297,908	-	1,391,322	1,587,756
As on 30 June 2025	**6,406,933**	**1,038,235**	**-**	**7,445,168**		**2,481,985**	**949,129**	**-**	**3,431,114**	**4,014,052**
As on 30 June 2024	**6,686,732**	**716,957**	**996,756**	**6,406,933**		**2,308,334**	**1,173,856**	**1,000,205**	**2,481,985**	**3,924,948**

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ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)
Micro Credit Program
Notes to the Financial Statements
For the year ended 30th June 2025

	Particulars	Note(s)	2024-2025	2023-2024
09.00	**Investments - Long Term**			
	Savings Fund Investment	09.01	6,000,000	12,803,394
	Statutory Reserve Fund	09.02	2,200,000	3,177,315
	Staff Welfare Fund	09.03	-	-
	FDR interest receivable	09.05	-	-
			8,200,000	**15,980,709**
09.01	**Savings Fund Investment**			
	Opening Balance		12,803,394	11,670,000
	Add : Deposited/recategorised during the year		11,000,000	2,700,000
	Add : Net interest during the year		306,718	603,394
			24,110,112	**14,973,394**
	Less : Encashed/recategorised during the year		18,110,112	2,170,000
			6,000,000	**12,803,394**

The details of the above amount is as follows:

Name of Bank	Branch	FDR number	2024-2025	2023-2024
Premier Bank PLC	Mirsarai	0029	-	2,090,457
Premier Bank PLC	Mirsarai	0028	-	2,090,457
Premier Bank PLC	Mirsarai	0027	-	2,090,457
Premier Bank PLC	Mirsarai	0026	-	2,090,457
Premier Bank PLC	Mirsarai	0025	-	1,614,932
Premier Bank PLC	Mirsarai	0083	-	2,826,633
Premier Bank PLC	Mirsarai	0091	3,000,000	-
The City Bank PLC	O R Nizam Road	9001	3,000,000	-
			6,000,000	**12,803,394**

	Particulars	Note(s)	2024-2025	2023-2024
09.02	**Statutory Reserve Fund**			
	Opening Balance		3,177,315	2,700,000
	Add : Deposited/recategorised during the year		3,700,000	2,885,000
	Add : Net interest during the year		63,925	292,315
			6,941,240	**5,877,315**
	Less : Encashed/recategorized during the year		4,741,240	2,700,000
			2,200,000	**3,177,315**

The details of the above amount is as follows:

Name of Bank	Branch	FDR number	2024-2025	2023-2024
Premier Bank PLC	Mirsarai	0013	-	792,930
Premier Bank PLC	Mirsarai	0014	-	798,471
Premier Bank PLC	Mirsarai	0015	-	798,471
Premier Bank PLC	Mirsarai	0012	-	787,443
Premier Bank PLC	Mirsarai	0089	-	-
NRB Global Bank PLC	Heyako	8906	2,200,000	-
			2,200,000	**3,177,315**

	Particulars	Note(s)	2024-2025	2023-2024
09.03	**Staff Welfare Fund**			
	Opening Balance		-	715,000
	Add : Deposited during the year		-	-
			-	715,000
	Less : categorized as Reserve FDR 0012			715,000
			-	-
09.04	**Accrued Interest on FDR**			
	Opening Balance		-	76,500
	Add : Accrued during the year		-	-
			-	76,500
	Less : Encashed during the year		-	76,500
			-	-

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	Particulars	Note(s)	2024-2025	2023-2024
10.00	**Other Long Term Loans**			
	Staff Loan	10.01	-	-
	Motorcycle and By-cycle Loan	10.02	2,244,330	2,337,259
			2,244,330	**2,337,259**
10.01	**Staff Loan**			
	Opening balance		-	-
	Add: Disbursement during the year			
			-	-
	Less: Recovery during the year			
			-	-
10.02	**Motorcycle and By-cycle Loan**			
	Opening balance		2,337,259	1,817,363
	Add: Disbursement during the year		500,000	1,140,900
			2,837,259	**2,958,263**
	Less : Recovery during the year		592,929	621,004
			2,244,330	**2,337,259**
11.00	**Loans to Members**			
	Jagoron Loans	11.01	223,359,891	196,446,508
	Agrosor Loans	11.02	114,631,180	100,262,354
	Sufalan Loans	11.03	7,781,432	4,486,892
	ENRICH Loans	11.04	2,007,753	27,021,865
	Buniad Loans	11.05	7,388,380	3,393,262
	LRL Loan	11.06	101,145	481,593
	Pronodana Loan	11.07	-	239,684
	LRL Loan 2nd Phase	11.08	38,250	140,622
	HHW Loan	11.09	3,963,648	1,030,892
	HHS Loan	11.10	20,850,319	20,279,076
	Bank Loan (Premier Bank)	11.11	1,637,892	3,394,516
	SAHOS Loan	11.12	1,033,498	-
			382,793,388	**357,177,264**
11.01	**Jagoron Loans**			
	Opening balance		196,446,508	149,739,530
	Add: Loan disbursement during the year		368,584,000	367,039,000
			565,030,508	**516,778,530**
	Less: Loan recovery during the year		338,621,917	316,725,983
	Less: Write off during the year		1,526,727	2,236,213
	Less: Loan insurance adjusted during the year		717,244	571,802
	Less: Savings adjustment during the year		804,729	798,024
			223,359,891	**196,446,508**
11.02	**Agrosor Loans**			
	Opening balance		100,262,354	103,146,961
	Add: Loan disbursement during the year		186,187,000	182,023,000
			286,449,354	**285,169,961**
	Less: Loan recovery during the year		167,834,100	183,009,394
	Less: Write off during the year		3,715,491	1,629,630
	Less: Loan insurance adjusted during the year		126,572	126,572
	Less: Savings adjustment during the year		142,011	142,011
			114,631,180	**100,262,354**
11.03	**Sufalan Loans**			
	Opening balance		4,486,892	9,851,877
	Add: Loan disbursement during the year		12,395,000	10,785,000
			16,881,892	**20,636,877**
	Less: Loan recovery during the year		9,072,630	15,589,572
	Less: Write off during the year		27,830	560,413
			7,781,432	**4,486,892**
11.04	**ENRICH Loans**			
	Opening balance		27,021,865	20,567,720
	Add: Loan disbursement during the year		10,971,000	53,112,000
			37,992,865	**73,679,720**
	Less: Loan recovery during the year		35,798,150	46,034,787
	Less: Write off during the year		186,962	623,068
			2,007,753	**27,021,865**

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Particulars	Note(s)	2024-2025	2023-2024
11.05 Buniad Loans			
Opening balance		3,393,262	3,472,744
Add: Loan disbursement during the year		12,386,000	7,455,000
		15,779,262	**10,927,744**
Less: Loan recovery during the year		8,338,241	7,565,894
Less: Write off during the year		52,641	(31,412)
		7,388,380	**3,393,262**
11.06 LRL Loan			
Opening Balance		481,593	1,371,238
Add: Loan disbursement during the year		-	1,515,000
		481,593	**2,886,238**
Less: Loan recovery during the year		297,218	2,404,645
Less: Write off during the year		83,230	-
		101,145	**481,593**
11.07 Pronodana Loan			
Opening Balance		**239,684**	332,684
Add: Loan disbursement during the year		-	-
		239,684	**332,684**
Less: Loan recovery during the year		-	93,000
Less: Write off during the year		239,684	-
		-	**239,684**
11.08 LRL Loan 2nd Phase			
Opening Balance		**140,622**	1,331,840
Add: Loan disbursement during the year		-	-
		140,622	**1,331,840**
Less: Loan recovery during the year		17,750	1,191,218
Less: Write off during the year		84,622	-
		38,250	**140,622**
11.09 HHW Loan			
Opening Balance		1,030,892	383,463
Add: Loan disbursement during the year		7,592,000	2,481,000
		8,622,892	**2,864,463**
Less: Loan recovery during the year		4,659,244	1,783,571
Less: Write off during the year		-	50,000
		3,963,648	**1,030,892**
11.10 HHS Loan			
Opening Balance		20,279,076	10,315,371
Add: Loan disbursement during the year		34,454,000	41,657,000
		54,733,076	**51,972,371**
Less: Loan recovery during the year		33,763,127	31,728,295
Less: Write off during the year		119,630	(35,000)
		20,850,319	**20,279,076**
11.11 Bank Loan (Premier Bank)			
Opening Balance		3,394,516	26,560,098
Add: Loan disbursement during the year		130,000	6,484,000
		3,524,516	**33,044,098**
Less: Loan recovery during the year		1,886,624	29,649,582
		1,637,892	**3,394,516**
11.12 SAHOS Loan			
Opening Balance		-	-
Add: Loan disbursement during the year		6,500,000	-
		6,500,000	**-**
Less: Loan recovery during the year		5,466,502	-
		1,033,498	**-**
12.00 Loan to Programs and Projects			
Adolescent & Cultural Program	12.01	2,064,161	2,209,431
ENRICH Sambriddhi Project (PKSF)	12.02	4,555,757	3,629,493
PHCP	12.03	373,981	332,915
RMTP	12.04	858,185	2,787,972
Out of School Children Project	12.05	500,000	1,100,000
Actionaid Project		250,000	-
		8,602,084	**10,059,811**

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	Particulars	Note(s)	2024-2025	2023-2024
12.01	**Adolescent & Cultural Program**			
	Opening balance		2,209,431	1,672,940
	Add: Disbursement during the year		200,000	1,915,240
			2,409,431	3,588,180
	Less : Recovery during the year		345,270	1,378,749
			2,064,161	**2,209,431**
12.02	**ENRICH Sambriddhi Project (PKSF)**			
	Opening balance		3,629,493	3,293,999
	Add: Disbursement during the year		4,984,409	4,864,605
			8,613,902	**8,158,604**
	Less : Recovery during the year		4,058,145	4,529,111
			4,555,757	**3,629,493**
12.03	**PHCP Loan**			
	Opening balance		332,915	271,570
	Add: Disbursement during the year		291,416	328,564
			624,331	**600,134**
	Less : Recovery/Adjusted during the year		250,350	267,219
			373,981	**332,915**
12.04	**RMTP**			
	Opening balance		2,787,972	-
	Add: Disbursement during the year		5,474,009	4,727,972
			8,261,981	**4,727,972**
	Less : Recovery/Adjusted during the year		7,403,796	1,940,000
			858,185	**2,787,972**
12.05	**Out of School Children Project (OSCP)**			
	Opening balance		1,100,000	-
	Add: Disbursement during the year		2,391,000	1,100,000
			3,491,000	1,100,000
	Less : Recovery/Adjusted during the year		2,991,000	-
			500,000	**1,100,000**
13.00	**Other Short Term Loans**			
	Loan to Executive Director	13.01	-	300,000
	Loan to Mirsarai Autism Center	13.02	1,254,901	1,254,901
			1,254,901	**1,554,901**
13.01	**Loan to Executive Director**			
	Opening balance		300,000	1,654,624
	Add: Disbursement during the year		-	800,000
			300,000	**2,454,624**
	Less : Recovery during the year		300,000	2,154,624
			-	**300,000**
13.02	**Loan to Mirsarai Autism Center**			
	Opening balance		1,254,901	1,363,371
	Add: Disbursement during the year		-	(8,470)
			1,254,901	1,354,901
	Less : Recovery during the year		-	100,000
			1,254,901	**1,254,901**
14.00	**Advances, Deposits and Prepayments**			
	Office Advance	14.01	1,484,377	1,287,494
	Advance Rent	14.02	774,000	558,500
	Maintenance of vehicle advance	14.03	-	-
	Staff Advance	14.04	174,100	68,407
	OSP Advance	14.05	2,868,980	3,416,846
	BD wash BCC campaign Advance	14.06	1,468,636	131,492
	Security Money Deposits	14.07	100,000	-
	Advance to Parties	14.08	-	-
	Anukul donation receivable	14.09	120	-
	Fuel & Lubricant Advance	14.10	-	-
	Advance Income Tax (AIT)	14.11	45,810	152,848
			6,916,023	**5,615,587**

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	Particulars	Note(s)	2024-2025	2023-2024
14.01	**Office Advance**			
	Opening balance		1,287,494	1,481,462
	Add: Paid during the year		4,660,877	5,646,566
			5,948,371	**7,128,028**
	Less : Adjusted during the year		4,463,994	5,840,534
			1,484,377	**1,287,494**
14.02	**Advance Rent**			
	Opening balance		558,500	637,500
	Add: Paid during the year		528,500	77,000
			1,087,000	**714,500**
	Less : Adjusted during the year		313,000	156,000
			774,000	**558,500**
14.03	**Maintenance of vehicle advance**			
	Opening balance		-	11,612
	Add: Paid during the year		-	-
			-	11,612
	Less : Adjusted during the year		-	11,612
			-	-
14.04	**Staff Advance**			
	Opening balance		68,407	169,870
	Add: Paid during the year		445,100	489,500
			513,507	**659,370**
	Less : Adjusted during the year		339,407	590,963
			174,100	**68,407**
14.05	**OSP Advance**			
	Opening balance		3,416,846	3,489,846
	Add: Paid during the year		-	-
			3,416,846	**3,489,846**
	Less : Adjusted during the year		547,866	73,000
			2,868,980	**3,416,846**
14.06	**BD wash BCC campaign Advance**			
	Opening balance		131,492	11,112
	Add: Paid during the year		1,657,540	120,380
			1,789,032	**131,492**
	Less : Adjusted during the year		320,396	-
			1,468,636	**131,492**
14.07	**Security Money Deposits**			
	Opening balance		-	-
	Add: Deposits during the year		100,000	-
			100,000	-
	Less : Adjusted during the year		-	-
			100,000	-
14.08	**Advance to Parties**			
	Opening balance		-	-
	Add: Received during the year		109,000	-
			109,000	-
	Less : Adjusted during the year		109,000	-
			-	-
14.09	**Anukul donation receivable**			
	Opening balance		-	-
	Add: Disbursement during the year		308,120	-
			308,120	-
	Less : Received during the year		308,000	-
			120	-
14.10	**Fuel & Lubricant Advance**			
	Opening balance		-	-
	Add: Disbursement during the year		3,500	-
			3,500	-
	Less : Adjusted during the year		3,500	-
			-	-

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Particulars	Note(s)	2024-2025	2023-2024
14.11 Advance income taxes			
Opening balance		152,848	
Add: Paid during the year		41,186	152,848
		194,034	**152,848**
Less : Adjusted during the year		148,223	-
		45,810	**152,848**
15.00 Unsettled Staff Advance			
Opening balance		575,264	-
Add: Addition during the year		5,082,003	1,018,907
		5,657,267	1,018,907
Less : Recovery during the year		207,889	443,643
		5,449,378	**575,264**

16.00 Cash at Bank

Name of Bank	Branch	Type	Account No.	2024-2025	2023-2024
Janata Bank PLC	Jorargonj	CD	6771	474,948	2,798,734
Janata Bank PLC	Jorargonj	SB	4390	844,651	101,654
Union Bank PLC	Jorargonj	SND	0515	1,730	1,730
Premier Bank PLC	Jorargonj	SND	0011	9,156	111,089
Premier Bank PLC	Mirsarai	SND	0003	158,872	25,255
The City Bank PLC	OR Nizam Rd	CD	9001	22,503	22,504
Southeast Bank PLC	Abu Turab	SND	0048	3,000	3,000
EXIM Bank PLC	Abu Turab	SND	2877	3,000	3,000
Pubali Bank PLC	Barayarhat	SND	0916	256,276	2,781,622
Pubali Bank PLC	Barayarhat	SND	0920	49,257	57,793
Southeast Bank PLC	Abu Turab	SND	0026	11,613	3,364,699
Southeast Bank PLC	Abu Turab	SND	0030	217,028	207,078
Premier Bank PLC	Mirsarai	SND	0006	156,091	2,270,318
Premier Bank PLC	Mirsarai	SND	0008	30,041	268,727
Union Bank PLC	Jorargonj	SND	0021	6,362	581,703
Union Bank PLC	Jorargonj	SND	0482	5,939	269,842
Janata Bank PLC	Jorargonj	SND	676	4,226	-
Janata Bank PLC	Jorargonj	SND	901	169,995	-
Global Islami Bank PLC	Narayanhat	SND	3295	44,657	868,941
Global Islami Bank PLC	Narayanhat	SND	6015	89,557	15,924
Bangladesh Krishi Bank	Narayanhat	SND	135	252	-
Bangladesh Krishi Bank	Narayanhat	SND	144	12,821	-
Union Bank PLC	Jorargonj	SND	0032	5,823	1,807,285
Union Bank PLC	Jorargonj	SND	0493	5,010	4,385
Janata Bank PLC	Jorargonj	SB	218	137,164	-
Janata Bank PLC	Jorargonj	SB	447	5,702	-
Rupali Bank PLC	Ramgar	SND	0014	2,958	1,396,878
Janata Bank PLC	Shaherkhali	SND	7038	80,292	2,339,129
Janata Bank PLC	Shaherkhali	SND	6217	4,396	172,652
Pubali Bank PLC	Sitakunda	SND	0576	282,573	1,208,747
Pubali Bank PLC	Sitakunda	SND	0580	33,520	215,834
Janata Bank PLC	Sitakunda	SND	7694	2,586	-
Janata Bank PLC	Sitakunda	SND	5349	4,017	-
United Commercial Bank PLC	Kumira	SND	1738	47,385	450,871
United Commercial Bank PLC	Kumira	SND	1749	30,770	99,191
Global Islami Bank PLC	Heako	SND	0221	-	582,629
Global Islami Bank PLC	Heako	SND	6014	-	932,114
Bangladesh Krishi Bank	Heako	SND	0013	89,503	-
Bangladesh Krishi Bank	Heako	SND	0014	4,846	-
First Security Islami Bank PLC	Korerhat	SND	0066	3,887	2,056,934
First Security Islami Bank PLC	Korerhat	SND	0067	2,257	164,173
Pubali Bank PLC	Barayarhat	SND	2280	1,093,219	-
Pubali Bank PLC	Barayarhat	SND	2295	54,438	-
Union Bank PLC	Fatikchari	SND	1556	5,945	741,363
Union Bank PLC	Fatikchari	SND	1545	7,996	450,777
Southeast Bank PLC	Fatikchari	SND	0139	14,652	-
Southeast Bank PLC	Fatikchari	SND	0140	2,853	-
The City Bank PLC	Khulshi	STD	5001	(2,910)	995,694
Bank Asia PLC	Khulshi	STD	2548	3,536	3,542
Dhaka Bank PLC	Chhagalnaiya	STD	0349	166,457	159,992
Dhaka Bank PLC	Chhagalnaiya	STD	0371	660	45,606
				4,661,510	**27,581,409**

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	Particulars	Note(s)	2024-2025	2023-2024
17.00	**Loan from PKSF**			
	Loan from PKSF (Long Term Portion)		96,952,356	72,466,239
	Loan from PKSF (Current Portion)		20,451,805	48,633,759
			117,404,161	**121,099,999**
17.01	**Loan from PKSF**			
	Jagoron		39,300,000	36,200,000
	Agrosor		25,737,500	27,200,000
	Buniad		6,666,667	7,666,669
	Sufalan		4,000,000	7,000,000
	SAHOS		6,500,000	-
	ENRICH Income Generating Activities (IGA)		3,950,000	8,450,000
	ENRICH Livelihood Improvement Loans (LIL)		250,000	750,000
	ENRICH Asset Creation Loans (ACL)		499,993	833,329
	Livelihood Restoration Loan		-	-
	LRL 2nd Phase		-	1,000,000
	House Hold Water Loan		3,166,666	999,999
	House Hold Sanitation Loan		27,333,334	31,000,001
			117,404,161	**121,099,999**
18.00	**Loan from Commercial Banks (Premier bank)**			
	Opening Balance		16,257,887	51,351,932
	Add: Loan Received From Bank		-	-
	Add: Interest during the year		1,618,985	30,101,102
			17,876,872	**81,453,034**
	Less: Refund during the year		17,876,872	65,195,147
			-	**16,257,887**
19.00	**Loan from Anukul Foundation**			
	Opening Balance		11,129,917	11,168,623
	Add: Received during the year		6,500,000	6,000,000
			17,629,917	17,168,623
	Less: Refunded during the year		5,944,831	6,038,706
			11,685,086	**11,129,917**
19.01	**Breakup of the Loan from Anukul Foundation**			
	Current Portion of Loan from Anukul Foundation		9,348,068	7,258,153
	Long Term Portion of Loan from Anukul Foundation		2,337,017	3,871,764
			11,685,086	**11,129,917**
20.00	**Loan from other Sources (Member Loan)**			
	Opening Balance		53,990,000	29,315,000
	Add: Received during the year		29,147,003	36,070,000
			83,137,003	**65,385,000**
	Less: Refund during the year		18,632,003	11,395,000
			64,505,000	**53,990,000**
21.00	**Due to Programs and Projects**			
	ENRICH Sambriddhi & PACE Project Project	21.01	-	-
			-	-
21.01	**ENRICH Sambriddhi & PACE Project**			
	Opening Balance		-	114,986
	Add: Addition during the year		-	500,000
			-	614,986
	Less: Paid during the year		-	614,986
			-	-
22.00	**Loan Insurance (Previous head Risk Fund)**			
	Opening Balance		23,981,354	20,200,997
	Add: Addition during the year		2,026,966	6,725,510
			26,008,320	**26,926,507**
	Less: Adjustment during the year		843,816	2,945,153
			25,164,504	**23,981,354**

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Particulars	Note(s)	2024-2025	2023-2024
23.00 Members Savings			
Jagoron Savings		81,472,055	73,238,664
Agrosor Savings		26,912,536	25,014,946
Buniad (UP)		3,947,809	2,455,399
ENRICH Income Generating Activities (IGA)		3,393,943	9,208,385
Voluntary Savings		226,358	314,616
Monthly Savings		33,254,422	28,757,187
		149,207,123	**138,989,197**
24.00 Loan Loss Provision (LLP)			
Opening Balance		18,973,332	14,286,930
Add: Provision made during the year		12,754,729	4,686,402
		31,728,061	18,973,332
Less: Write off during the year		6,036,817	-
		25,691,244	**18,973,332**
25.00 Other Liabilities and Provisions			
Audit Fee		149,500	125,000
Staff Security Fund	25.01	1,223,710	962,710
Provident Fund	25.02	30,134	6,000
Loan from SWF	25.03	1,375,300	944,700
Provision for Interest on FDR		318,763	1,069,156
Provision for Interest on DPS		787,642	1,066,344
Provision for Interest on VS Saving		9,878	304
Loan from Provident Fund		6,586,714	2,336,584
Loan from Gratuity fund		1,018,410	550,000
SWF deducted		7,332	100
Junket fund deducted		325,534	87,000
Salary and allowances payable		-	25,192
Office rent payable		15,596	45,800
Unclaimed Savings		1,189,346	520,924
PKSF Donation fund		1,210	-
VAT Provision		-	8,536
TAX Provision		-	467,202
		13,039,069	**8,215,552**
25.01 Staff Security Fund			
Opening Balance		962,710	972,710
Add: Addition during the year		543,000	209,000
		1,505,710	**1,181,710**
Less: Paid during the year		282,000	219,000
		1,223,710	**962,710**
25.02 Provident Fund			
Opening Balance		6,000	6,000
Add: Employees contribution during the year		-	-
Organization contribution during the year		2,547,249	-
		2,553,249	6,000
Less: Paid/Adjusted during the year		2,523,115	-
		30,134	**6,000**
25.03 Loan from SWF			
Opening Balance		944,700	944,700
Add: Addition during the year		430,600	-
		1,375,300	944,700
Less: Paid during the year		-	-
		1,375,300	**944,700**

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Particulars		Note(s)	2024-2025	2023-2024
26.00	**Service Charges on Loan**			
	Jagoron		43,375,718	41,157,728
	Agrosor		22,204,011	23,835,011
	Sufalan		1,157,776	1,953,344
	ENRICH Sambriddhi		4,509,684	5,784,432
	Buniad		839,637	761,505
	LRL		35,005	274,071
	Pronodona Loan		42,016	16,200
	SC On HHW& HHS Loan		3,470,375	3,017,015
	SC On Bank Loan (Premier)		317,835	-
	SAHOS Loan		111,050	-
	Admission and Registration Fee & PHCP Income		214,229	-
	Loan Written off Recovery		772,708	-
	Diverse schemes		-	9,328,445
			77,050,044	**86,127,751**
27.00	**Interest on Members Savings**			
	General Savings		5,875,290	5,757,528
	Voluntary Savings		9,574	10,190
	Monthly Savings		3,611,444	2,551,572
	Monthly Savings DPS		1,855,256	4,435,958
			11,351,564	**12,755,248**
28.00	**Service Charge on PKSF Loans**			
	Jagoron		2,243,750	1,521,250
	Agrosor		1,493,750	1,233,125
	Buniad		89,583	53,750
	Sufalan		291,667	291,667
	ENRICH Income Generating Activities (IGA)		456,875	320,625
	ENRICH Livelihood Improvement Loans (LIL)		16,252	13,125
	ENRICH Asset Creation Loans (ACL)		19,167	15,083
	Service Charge on PKSF		-	6,250
	LRL 2nd Phase		1,875	11,250
	HSWL		447,916	164,583
	HHSL		1,864,584	735,417
			6,925,419	**4,366,125**
29.00	**Salaries & Allowances**			
	Salaries		33,916,204	26,184,566
	Festival Allowances		2,460,725	2,244,969
	Overtime and Other Allowances		3,377,507	5,216,745
			39,754,436	**33,646,280**
30.00	**Repair & Maintenance**			
	Office Maintenance		386,624	-
	Vehicles Maintenance		273,298	-
	Data Processing & Website		385,760	-
	Repair & Maintenance		700	-
			1,046,382	**-**

Particulars	Note(s)	2024-2025	2023-2024
31.00 Other Operating Expenses			
Advertisement		25,000	61,280
Source VAT		-	60,362
Rebate and Discount Granted		1,181,510	1,741,558
Donation		197,889	157,807
Special Day Celebration		24,390	5,480
Work Aid Allowance		-	5,000
Software Fee		-	198,516
Contribution to Provident Fund		1,286,538	968,251
Contribution to Gratuity Fund		336,407	514,201
CSR cost		-	395,658
Motivational expenses		-	6,790
Donor visit		143,005	50,704
Other expenses		482,067	318,984
Hardship Allowance		2,500	-
Training Expenses		-	141,853
Recruitment Cost		57,777	23,520
Membership subscriptions and others		188,203	128,922
		3,925,286	**4,778,886**

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ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)

Micro Credit Program

Receipts and Payments Account

For the year ended 30th June 2025

Particulars	Note(s)	2024-2025	2023-2024
A. Opening Balance			
Cash in Hand		467,542	2,760,025
Cash at Bank		27,581,409	32,394,883
		28,048,951	**35,154,908**
B. RECEIPTS			
Loan Received from PKSF		76,500,000	80,005,000
Loan Received from Bank		-	-
Loan Received from Member		29,140,003	36,070,000
Loan Received from Anukul Foundation		6,500,000	6,000,000
Loans Recovery (Principal) from Members		605,755,503	635,775,941
Service Charge on Members Loan		75,399,056	79,325,443
Savings Collection from Members		91,337,753	85,845,597
Encashment of FDR		22,679,875	2,541,134
Bank Interest		212,069	620,713
Risk Fund Collections		6,326,990	6,725,510
Reimbursement		15,102,261	1,645,665
Recovery of other short term loans		4,200,710	8,910,151
Recovery of Loan to Others		3,747,297	4,308,144
Advances, Deposits and prepayments		6,018,528	4,740,000
Provident Fund deducted		1,025,817	1,084,024
Receipts on other liability		30,782,853	20,072,529
Other receipts		14,367,350	32,978,737
Total		**989,096,066**	**1,006,648,587**
Total Receipts (A+B)		**1,017,145,017**	**1,041,803,495**
C. PAYMENTS			
Loan Disbursement to Members		639,199,000	672,551,000
Refund of PKSF Loans		80,195,837	63,466,665
Refund of Bank Loan		16,257,887	35,094,045
Refund of Anukul Foundation Loan		5,944,831	6,038,706
Refund of Member Loan		18,622,910	11,395,000
Refund of Savings of Members		85,233,360	77,180,702
Refund of loan from PF		15,000	4,202,123
Refund of loan from SWF		-	102,148
Transfer of reimbursement to projects		12,074,233	2,617,974
Service Charge of PKSF Loan		7,464,808	4,454,728
Service Charge of Anukul Foundation Loan		872,828	825,142
Interest on Bank Loan		1,618,985	3,010,102
Interest on Members Savings		5,656,632	3,667,570
Interest on DPS & FDR		1,179,777	359,833
Capital Expenditure		907,254	707,091
Investment (FDR)		12,500,000	2,500,000
Salaries and Allowances		33,916,204	33,368,502
Other Allowances Expenses		5,838,232	
Gas and Electricity		342,409	268,003
Repair and Maintenance		1,234,585	546,947

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Particulars	Note(s)	2024-2025	2023-2024
Telephone, Internet, Postage & Courier		530,723	189,068
Entertainment		612,363	496,151
Printing and Stationary		555,370	732,061
Conveyance and Travelling		3,086,310	3,770,062
Fuel Cost		661,349	529,621
Training, Meeting and Seminar Expenses		484,545	373,481
Advertisement		-	61,280
Bank Charges and Commission		419,187	365,810
Legal Expenses		113,660	49,994
CSR Cost		-	307,168
Rebate and Discount		-	346,621
Audit Fee		184,500	70,000
Income Tax and vat			392,570
Office rent		2,730,115	2,201,525
Payment of Loan to Programs and Projects		12,997,968	12,443,471
Disbursement of Bicycle & Motorcycle Loans		500,000	1,140,900
Advances to office rent and others		201,000	77,000
Disbursement of Staff Advance		11,446,869	7,339,600
Payment of PF		3,294,403	2,647,946
Advance income tax		11,301	24,322
Payment of other liabilities		7,936,758	15,599,090
Project expense		-	340,269
Registration		1,022,441	35,000
Source VAT		-	60,362
Donation		-	157,290
Provident Fund paid		-	-
Gratuity fund		-	692,791
Staff Security Fund refunded			219,000
Risk Fund paid		4,021,161	3,405,353
Other Operating Expenses		9,209,770	37,330,458
Total Payment		**989,094,565**	**1,013,754,545**
Closing Balance			
D. Cash in hand		1,253,964	467,542
Cash at Bank		4,661,510	27,581,409
		5,915,474	**28,048,951**

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Chattogram
Chartered Accountants

ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)

Eligibility Criteria Compliance Certification

For the year ended June 30, 2025

SL.	Eligibility Criteria	Audited Figures Or Compliance	
		30.06.2025	30.06.2024
1	Minimum Loan Recovery Rates: a) 95% Minimum cumulative Loan collection ratio on total dues: Actual cumulative collections x100 / Cumulative collectibles	99.02%	98.00%
	b) 92-100% Minimum loan collection ratio on current dues (on running 12 months basis): Actual collection during the past 12 months on current dues x100 / Collectibles on current dues	97.18%	92.96%
2	Liquidity to Savings Ratio (Standard= 10%)	4.02%	29.39%
3	Minimum Current Ratio (Standard= 2 : 1)	1.45 : 1	1.62 : 1
4	Minimum Capital Adequacy Ratio (Standard= 15%)	4.95%	8.00%
5	Minimum Debt Service Coverage Ratio (Standard= 1.25 : 1)	-0.33 : 1	1.03 : 1
6	Debt Capital Ratio (Standard= 9 : 1)	18.3 : 1	11.4 : 1
7	Minimum Rate of Return on Capital (Standard= 1%)	-54.42%	5.94%
8	Return on Total Assets (ROTA)	-2.92%	0.41%
9	Member Per Branch	987	1185
10	Credit Officer Member	1:231	1:273
11	Borrower Coverage	68%	67%
12	Credit Officer Borrower	1:157	1 : 182
13	Credit Officer Total Staff	1.86	1 : 1.76
14	Loan Outstanding Per credit Officer	1 : 60	1 : 67
15	PAR% (Portfolio at Risk)	13.48%	13.23%
16	Good loan as % of total outstanding loans	87%	87%

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ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)
Micro Credit Program
Statement of Performance Analysis
For the year ended 30th June 2025

Annexure-H

A. Ratio Analysis

Performance Parameters	Aspects	Formula	PKSF Standards	01 July 2024 to 30 June 2025	01 July 2023 to 30 June 2024
Long-term Solvency Indicators	Debt : Capital Ratio	$\frac{\text{Total Debts}}{\text{Adjusted Capital Fund}}$	Max 9 : 1	18.3 : 1	11.4 : 1
	Capital Adequacy Ratio	$\frac{\text{Adjusted Capital Fund}}{\text{Total RBA}} \times 100$	Min 10%	4.95%	8%
	Debt Service Cover Ratio	$\frac{\text{Surplus for the year + Total Principal \& Service Charge payable to PKSF, Banks \& Other Loans}}{\text{Total Principal \& Service Charge payable to PKSF, Banks \& Other Loans}}$	1.25 : 1	-0.33 : 1	1.03 : 1
Short-term Solvency Indicators	Current Ratio	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	Min 2 : 1	1.45 : 1	1.62 : 1
	Liquidity to Savings Ratio	$\frac{\text{Investment in FDR against Savings Fund}}{\text{Total Savings Fund}} \times 100$	Min 10%	4.0%	29%
Profitability Indicators	Return on Capital (ROC)	$\frac{\text{Surplus for the Year}}{\text{Average Capital Fund}} \times 100$	Min 15%	-54%	5.9%
	Return on Total Assets (ROTA)	$\frac{\text{Surplus for the Year}}{\text{Average Total Assets}} \times 100$	Min 3%	-2.92%	0.41%

Performance Parameters	Aspects	Formula	PKSF Standards	01 July 2024 to 30 June 2025	01 July 2023 to 30 June 2024
Productivity Indicators	Member per Branch	$\frac{\text{No. of Total Members}}{\text{No. of Total Branches}}$	1500 - 2000	987	1185
	Credit Officer : Member	$\frac{\text{No. of Total Members}}{\text{No. of Total Credit Officers}}$	1 : 300 - 400	231	1:273
	Borrower Coverage	$\frac{\text{No. of Total Borrowers}}{\text{No. of Total Members}}$	Min 70%	68%	67%
	Credit Officer : Borrower	$\frac{\text{No. of Total Borrowers}}{\text{No. of Total Credit Officers}}$	1 : 240 - 250	157	1 : 182
	Credit Officer : Total Staff	$\frac{\text{No. of Total Staff}}{\text{No. of Total Credit Officers}}$	1 : 1.50 - 1.70	1.86	1 : 1.76
	Loan Outstanding per Credit Officer	$\frac{\text{Total Loan Outstanding}}{\text{No. of Total Credit Officers}}$	1 : 25 - 30 (In BDT Lac)	1 : 60	1 : 67
Portfolio Quality Indicators	Total Overdue Loan	Absolute figure of overdue loan should be disclosed	-	45,883,261	21,320,843
	Total Bad Loan	Absolute figure of bad loan should be disclosed	-	17,796,089	6,483,874
	OTR (On Time Realisation)	$\frac{\text{Sum of regular recovered loan balance in the last 12 months}}{\text{Sum of regular recoverable loan balance in the last 12 months}} \times 100$	Min 92%	97%	93%

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Performance Parameters	Aspects	Formula	PKSF Standards	01 July 2024 to 30 June 2025	01 July 2023 to 30 June 2024
Portfolio Quality Indicators	CRR (Cumulative Recovery Rate)	(Cumulative Recovery - Advance Recovery - Loan Written off) / (Cumulative Recovery - Advance Recovery - Overdue (Principal)) x 100	Min 95%	99%	98%
	PAR (Portfolio at Risk)	Outstanding Loan of Overdue Loanees (Principal) / Total Outstanding Loan (Principal) x 100	Max 10%	13%	13.23%
	Good Loan as % of Total Outstanding Loans	Good Loan Outstanding / Total Loan Outstanding x 100	-	87%	87%

Conducive Definitions:

a) **Total Current Assets (TCA)** = Total Assets - Bad Loan Outstanding (Principal) - Unsettled Staff Advance - Total Fixed Assets (TFA).

b) **Total Debts** = PKSF Fund + Members Savings Fund + Loan from Gratuity Fund for Credit Program + Loan from Provident Fund for Credit Program + Loan from Staff Welfare Fund for Credit Program + Risk Fund + Bank/NBFI Loan + Other long-term interest-bearing loans (if any).

c) **Adjusted Capital Fund** = Total Capital Fund - Revaluation Surplus + 1% of Good Loan Outstanding (Principal).

d) **Total Risk-based Assets (RBA)** = Total Assets - Total Investment in FDR & DPS - Cash at Bank - Cash in hand - Fund in transit - Bank Demand Draft - Investment in Treasury Securities.

e) **Total Current Liabilities (TCL)** = Total Liabilities & Capital Fund - Total Capital Fund - Total Debts (as per 'b' above) + Members Savings Fund + Risk Fund + Current Portion of Long-term Debts refundable in next year.

B. Income and Expenditure Patterns of Latest 5 Years

(Figures in BDT)

C1	C2	C3	C4	C5 = (C2/C3)	C6	C7	C8 = (C3/C6)
Financial Year	Total Income	Total Expenditure	Net Income	Total Income to Total Expenditure (%)	Disbursement of Loan to Program/ Project Participants	Outstanding of Loan to Program/ Project Participants	Total Expenditure to Disbursement of Loan to Program/ Project Participants (%)
2020-2021	45,177,339	43,312,601	1,864,738	104%	369,395,000	208,873,464	11.73%
2021-2022	54,232,049	49,287,658	4,944,391	110%	490,398,200	267,393,309	10.05%
2022-2023	66,886,322	62,905,137	3,981,185	106%	581,874,000	327,073,526	10.81%
2023-2024	87,768,792	86,034,580	1,734,212	102%	672,551,000	357,177,264	12.79%
2024-2025	77,674,911	90,180,757	(12,505,846)	86%	639,199,000	30,782,853	14.11%

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ORGANIZATION FOR THE POOR COMMUNITY ADVANCEMENT (OPCA)
Micro Finance Project
Portfolio Report
For the year ended June 30, 2025

Annexure "I"

(i) Classification of Loan and Loan Loss Provision:

Sl No.	Particulars	Outstanding Loan Tk.	Loan Loss Provision		Remarks
			Rate %	Required Tk.	
1	Balance as at 30/06/2024	357,177,264		18,973,332	
	Change (30-06-2024 to 30-06-2025)				
2	Good loans	331,194,164	1%	3,311,909	
2	Special mention	2,565,033	5%	128,429	
2	Substandard	8,319,681	25%	2,079,927	
3	Doubtful	22,918,421	75%	17,188,824	
4	Bad loans	17,796,089	100%, 50%	12,139,982	
		382,793,388		**34,849,071**	

(ii) Loan Loss Provision (LLP) Status of the organization :

Particulars	Taka
Opening Loan Loss Provision	18,973,332
Actual Provision made by the Year	12,754,729
Less: Adjustment for the period	(6,036,817)
Total Loan Loss Provision	**25,691,244**
Required During the Year	15,875,739
Previous Year Balance	18,973,332
Total Loan Loss Provision Required	**34,849,071**
Excess/(Short) fall of provision	**(9,157,827)**

SL No	Particulars		01 July 2024 to 30 June 2025		01 July 2023 to 30 June 2024	
			Amount	% of Individual with Subtotal & Subtotal with Total	Amount	% of Individual with Subtotal & Subtotal with Total
1.	**Loan Components (Balance)**					
	Jagoron	Jagoron	223,359,891	100%	196,446,508	100%
		RMC	-	-	-	-
		UMC	-	-	-	-
		Sub-total	**223,359,891**	58%	**196,446,508**	55%
	Agrosor	Agrosor	114,631,180	100%	100,262,354	100%
		ME	-	-	-	-
		Sub-total	**114,631,180**	30%	**100,262,354**	28%
	Sufalan	Sufalan	7,781,432	100%	4,486,892	100%
		Seasonal	-	-	-	-
		KGF	-		-	-
		Sub-total	**7,781,432**	2%	**4,486,892**	1%
	Buniad	Buniad	7,388,380	100%	3,393,262	100%
		UPP	-	-	-	-
		Sub-total	**7,388,380**	2%	**3,393,262**	1%
	ENRICH	IGA	1,975,955	98%	25,502,769	94%
		LIL	1,794	0%	338,533	1%
		ACL	30,004	1%	1,180,563	4%
		Sub-total	**2,007,753**	10%	**27,021,865**	133%

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			30-Jun-25	%	30-Jun-24	%
	SAHOS	Sahos	1,033,498	100%	-	
		Sub-total	**1,033,498**	0%	-	0%
	Others	Pronodana Loan	1,637,892	6%	3,634,200	14%
		HH Water Loan	3,963,648	15%	1,030,892	4%
		HH Sanitation Loan	20,850,319	78%	20,279,076	79%
		LRL	101,145	0%	481,593	2%
		LRL 2nd Phase	38,250	0%	140,622	1%
		Sub-total	**26,591,254**	7%	**25,566,383**	7%
		Grand Total of Loan	**382,793,388**	100%	**357,177,264**	100%
02	**Savings Components (Balance)**	Compulsory Savings	33,254,422	22%	28,757,187	21%
		Voluntary Savings	226,358	0%	314,616	0%
		Term Savings	115,726,343	78%	109,917,394	-
		Grand Total of Savings	**149,207,123**	100%	**138,989,197**	100%
03	**Risk Fund Components (Balance)**	Credit Risk Fund	25,164,504	100%	23,981,354	100%
		Livestock Risk Fund	-		-	-
		Others Risk Fund	-		-	-
		Grand Total of Risk Fund	**25,164,504**	100%	23,981,354	100%

Other Vital Information

Particulars	30-Jun-25	30-Jun-24
Number of Branch	15	15
Number of Samity	1,014	991
Number of Members	14,801	14,453
Number of Borrowers	10,075	9,631
Number of Credit Officers	64	53
Number of Staff	119	115
Borrower : Member	68%	67%
Average Loan Size per Member	25,863	24,713

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Management report on the Accounts of
Organization for the Poor Community Advancement (OPCA)
MFI
For the year ended 30 June, 2025
Section- A
Details of Observation

Topic-1- Accounting System:

Observation:

While auditing we observed that the organization maintain both accrual and cash basis accounting treatment. Service charge of this organization is followed as cash basis and all other accounts are treated as accrual basis.

Consequence:

Top management may be misguided due to this kind of accounting practice.

Recommendation:

The organization should follow the proper accounting policy and system.

Management Response:

Service charges on micro credit loan is accounted for as income once it is earned/received to show the actual views of financial position.

Topic-2- Investments:

Observation:

During our audit we observed that the closing balance of FDR as on 30.06.2025 was BDT 8,200,000 which was not sufficient as required by MRA i.e. 5% on member's savings & 10% on capital reserve. The shortfall amount is BDT 6,720,712.

Consequence:

If investment in FDR does not maintain as required percentage, organization may face liquidity crisis in given savings to the members.

Recommendation:

The organization should follow the MRA guideline properly.

Management Response:

Like the present practice about investment against reserve fund, required standard also will be maintained in future.

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Topic-3- Investments (Fixed Assets):

Observation:

During our Audit period we found that the organization invested **Tk. 1,038,235** on account of fixed assets in the following

Furniture and fixture	158,407
Computer, printer & software	712,948
Electric equipment	131,730
Mobile	19,000
Other assets	16,150
Total	**1,038,235**

We have verified the vouchers thoroughly relating to **fixed assets and** have found all of fixed assets are shown in fixed assets register.

Consequence:

No adverse effect.

Recommendation:

OPCA should continue procuring assets as per **policy of organization.**

Management Response:

Not applicable.

Topic-4- Payables and accruals:

Observation:

During our audit we observed that the accounts **has been prepared** under historical cost convention following accrual basis of accounting **expect service charges** which are accounted for on cash basis under prudence concept.

Consequence:

No adverse comment.

Recommendation:

No adverse comment.

Management Response:

No Adverse comment.

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Topic-5- Commercial Loan:

Observation:
During our review, we noted that the organization did not receive any new bank loan during the year. Instead, they repaid existing bank loans amounting to Tk. 17,876,872 (including interest). As a result, no commercial loan balances remained outstanding at year-end.

Consequence:
No adverse comment.

Recommendation:
No adverse comment.

Management Response:
No adverse comment.

Topic-6- Loan operation management:

Observation:
We observed that loan activities, classification of loan and loan realization is satisfactory. However, the organization did not maintain a loan loss provision for bad loans in accordance with **MRA Circular Letter No. 82**. The required provisioning under that circular has not been adhered to.

Consequence:
Non-maintenance of loan loss provision may result in regulatory non-compliance, misstated financial statements, and potential financial instability.

Recommendation:
The organization should comply with MRA Circular Letter No. 82 by maintaining adequate loan loss provisions to ensure regulatory compliance, accurate financial reporting, and financial stability.

Management Response:
Management acknowledges the observation and confirms that steps will be taken to calculate and maintain loan loss provisions in accordance to ensure compliance and accurate financial reporting.

Topic-7- Savings Deposits:

Observation:
We observed that as of 30.06.2025 the organizations savings balance was Tk. 149,207,123.

Consequence:
No adverse comment.

Recommendation:
We suggested that the organization should follow necessary formalities and keep all book of accounts as per MRA guideline.

Management Response:
Not Applicable.

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Topic-8- General Reserve:

Observation:

We observed the organization provided general reserve fund on net surplus during the year which is required 10% on net surplus as per MRA guideline and the amount of cumulative surplus is satisfactory.

Consequence:

No adverse comment.

Recommendation:

We suggest that the organization should follow the MRA guideline on this issue.

Management Response:

Auditors' appreciation will encourage us to maintain 10% reserve on net surplus as per requirement of MRA guidelines.

Topic-9- Cash in hand & Cash at Bank:

Observation:

During our audit we observed that the closing balance of cash at bank as on 30.06.2025 was Tk. 149,207,123 which was sufficient as required by MRA i.e. 5% on member's savings. The Shortfall amount was Tk. 1,544,882.

Consequence:

If cash at bank does not maintain as required percentage, organization may face liquidity crisis in giving loan to members.

Recommendation:

The organization should follow the MRA guideline properly.

Management Response:

Auditors' appreciation will encourage us to maintain 5% cash & bank balances as per requirement of MRA guidelines.

Topic-10- ED remuneration and lowest salary of the staff:

Observation:

Salary of the Chief Executive Tk.362,598 and the lowest salary of the senior credit officer TK.16,791 as per month.

Consequence:

No adverse comment.

Recommendation:

No Comment.

Management Response:

We are maintaining standard ratio.

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SECTION – B

P) MONEY LAUNDERING:

Compliance with guidelines on Prevention of Money Laundering and Terrorist for Non-Government Organization /Non-Profit Organization:

Guideline No	Title	Compliance status
1	Whether the NGO has policy approved by the Governing BODY /Executive Committee with regard to preventing funds from using money laundering and terrorist financing in order to comply Prevention of Money Laundering Act, 2009.	Complied
	Whether the NGO has assigned a senior executive as contract person to communicate with the Bangladesh Bank in order to perform properly money laundering prevention activities.	Complied
	Whether the NGO has submitted name, address, telephone no, fax and e-mail to the money laundering prevention Department of Bangladesh Bank.	Complied
2	Whether the NGO preserves information with regard to goal, objectives and activities of the organization.	Complied
3	Whether the NGO preserves correct and complete information with necessary documents of persons responsible for controlling and directing the NGO (Senior management personnel, members of the Board of Directors, executive committee, Board of Trustees and other). The information shall be available to public.	Complied
4	Whether the NGO preserves financial statements, and supporting documents for a minimum period of 5(five).	Complied
5	Whether selected candidate's introduction, experience and other relevant information with supporting documents are screened before recruitment.	Complied
6	Whether the NGO preserve details particulars of functions and up-to-date information of officers and employees of foreign branch (if applicable)	Not Applicable
7	Whether the NGO collect, ensure propriety and preserves correct and complete information with supporting documents of all beneficiaries whose loan balance is TK 75,000 or more savings balance is TK 50,000 or more. Weather the NGO preserve beneficiaries' information / documents for a minimum period of 5 (five) years after transaction with the beneficiaries are closed. In case of NGO receiving foreign donation /grants/loan, the provision in this paragraph shall be applicable for any balance of loan or	Complied

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	savings.	
8	Whether the NGO uses banking channel for transaction TK 100,000(One Lac) or more.	Complied
9	Whether management personnel, Board of Directors, Trustee of the NGO ensure utilization of funds as per NGO's goal, objectives and functions of the NGO. In this regards, annual independent audit shall be conducted.	Complied
10	Whether senior Executive or Board of Directors (if applicable) conducts quarterly meeting with officers in connection with money laundering prevention activities and arranges appropriate training for all officers. Weather the NGO preserves records relating to meeting & training.	Complied
11	Has the NGO received funds from individuals /organizations listed in resolution UNSCR-1267 AND UNSCR-1373 of the United Nations security Council?	No
	Whether the NGO follows Enhanced Due Diligence (EDD) for receiving funds from individuals /organizations listed in public statement of Financial Action Task Force (FATF). Whether the NGO collect, ensures propriety of and preserves correct and complete information with documents of donor /donor organization.	Not Applicable
12	Whether the NGO collects and preserves clearance from appropriate authority for foreign donations/contribution /loan receipts and refunds foreign donations/contribution/loan to the donors without permission from appropriate authority.	Not Applicable
13	Whether the NGO has established monitoring mechanism to identify if funds disbursed to the beneficiaries have been used money laundering and terrorist activities. Whether the NGO has submitted report to the money laundering Department of Bangladesh Bank if any event /transaction are identified/ suspected.	Complied
14	Whether the NGO has submitted report to the money laundering Department of Bangladesh Bank if it is suspected that the donors /donor organizations has used the NGO contrary to the laws of the country or has requested the NGO to do activities contrary to the laws of the country.	Complied
15	Whether the NGO has submitted information and documents as per requirements of Bangladesh Bank.	Complied

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SECTION - C

REPORT AS PER TERMS OF REFERENCE (TOR) MICRO CREDIT AUTHORITY:

1. Scope of audit:

a) The Organization has been complied with the International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) while maintaining accounting records and preparing financial statements.

b) The Organization did not perform any activity, involved in transaction or provided services that are contrary to "Microcredit Regulatory Authority Act-2006." Or "Micro credit Regulatory Authority Ordinance-2010"and did not involve in any transaction that goes against the interest of different donors, beneficiaries.

c) The Organization carried forward closing balance of last year's audited financial statement as opening balance in current year's accounts.

d) The Organization has maintained proper books for sector-wise receipt of funds and properly comply with the rules and regulations as per accounting manual provided by the authority.

e) The Organization has kept the records separately for the collected funds under various components of micro credit activities and submit separate reports on that basis.

f) The Organization has properly recorded and accounted for the receipt and disbursement of fund from different donor organizations and utilized them as per their principles/terms and conditions of the agreement with the donors.

g) The savings collected from the members are properly recoded in accounts and deposited into the bank. The collection and refund of savings has been done according to the principle and whether interests on savings are paid to members and also examine the rate of interest etc.

h) The Organization has maintained the formalities and properly complied with the provisions in the rules mentioned before disbursing loan among the beneficiaries.

i) The documents i.e. passbook, loan/savings collection schedule, and loan application form regarding loan write off, bad loan, have been preserved separately.

j) The Organization properly complies with the rules & regulations relating to the constitutions particularly in respect of formation and meetings of Executive Committee and Governing Body held as per constitution.

k) To examine the physical existence of assets acquired out of surplus service charge and fund received from different sources for institutional development as loan or grants.

l) We conduct a sample check for whether the loans were properly utilized by the beneficiary members through physical verification in the field level.

m) All kinds of significant transactions were done through bank except collection of savings and disbursement of micro credit.

n) The recovered loan and savings amount from members were duly deposited into bank on the same or nearest date.

o) The Organization's collected savings are properly recorded and accounted in at member's level and samity level.

p) The organization charged at 24% on general loan and income generating activities loan, charged at 8% on assets creation loan & livelihood improvement loan disbursed

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amount. The recovery of loan disbursed out of fund received from several sources is made as per amortization schedule and the effective rate of service charges is agreed with terms and conditions

q) The organization did not maintain a loan loss provision for bad loans in accordance with MRA Circular Letter No. 82, Dated 30 June 2025.

r) We confirmed closing cash balance through physical verification the end of the accounting year at 30.06.2025. We also confirmed the balance of bank book and bank statement.

s) All the bill/ vouchers which were approved by the competent authority and approve price and budgetary control.

t) There was no unutilized / unused fund during the year under review.

u) We confirmed that the audit report and audited financial statements presented to different donor organizations, regulatory authority and other authorities were found them in order.

v) The deduction of income tax and deduction of VAT at source for some expenses were not complied to some extent.

w) All the policies i.e., the procurement policy, service policy, loan and savings policy & insurance policy are in place and are properly followed by the organization.

x) There is an internal audit division in the organization and internal audit is conducted regularly.

y) There was no such major negative observation in last year audit report to implement in current year.

z) There is a cost sharing between micro-credit and other program in the organization therefore in the report.

1. Audit fees are fixed on a lump sum basis.
2. The organization has several funds from outside sources i.e. PKSF, and Anukul Foundation. MIS classification Loan, Loan realization is satisfactory.
3. The utilization of loan received from PKSF and Anukul Foundation are agreed with terms and condition between the Institution mentioned above and OPCA.

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