MOLLAH QUADIR YUSUF & CO.
CHARTERED ACCOUNTANTS
Since: 1988

Independent Member firm of
PrimeGlobal

Independent Auditor's Report And
Audited Financial Statements
of

Ussa Manob Kallyan Foundation.

Vill: South Dhopadanga (Endrapar),
Post: Dhopadanga Notun Bazar
Sundargonj, Gaibandha, Bangladesh.
As at & for the year ended June 30, 2025

Head Office: House # 63/F (Level-3 & 4), Dolphin Goli, Lake Circus, Kalabagan, Dhanmondi, Dhaka- 1205, Bangladesh
Tel: 02223-310 578, Mobile:01819-547 366, 01770-705 465, 01731-119 595, 01716-591 438, 01818-519 918
Branch Office: Flate # C-4, Arteco Trade Centre (4th Floor), House # F-63, Beside Bon Bhaban (Amtoli), Mohakhali, Dhaka-1212
E-mail: info@mqyca.com, mqy_ca@yahoo.com. Web:www.mqyca.com

Ussa Manob Kallyan Foundation
For the year ended 30 June 2025

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Independent Auditors' Report
To the member of governing body of
Ussa Manob Kallyan Foundation

Opinion

We have audited the financial statements of **"Ussa Manob Kallyan Foundation"** which comprise the Statement of Financial Position as at June 30, 2025 Statement of Income & Expenditure, Statement of Receipts & Payments for the year ended June 30, 2025 and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Ussa Manob Kallyan Foundation,** as at June 30, 2025 and the result of its operations and its receipts and payments for the year then ended in accordance with the basis of principle of accounting policies to the financial statements and compliance with applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We could not count the cash in hand physically amounting to BDT 8,262 on 30 June 2025. As a result, we are unable to confirm the accuracy of this balance. Moreover, we could not perform any other alternative procedures.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and other applicable law and regulations, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatements, 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 entity 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.

Auditors' 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 misstatements, 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 it does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

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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 Fund'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 trustees' 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also report that

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

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

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

Date: 12 APR 2026

Dhaka, Bangladesh

DVC- 2604121023AS360032

Mollah Quadir Yusuf & Co.

Chartered Accountants

Signed by **Md. Musfiqur Rahman FCA**
Managing Partner
Enrolment No: 1023
Firm Enlistment Number: CAF-001-076
Firm RJSC Registration No: P-56449/2025

Ussa Manob Kallyan Foundation
Statement of Financial Position
As at 30 June 2025

Particulars	Notes	Figure in Taka 30 June 2025	Figure in Taka 30 June 2024
Property and Assets			
Non-Current Assets :			
Property, Plant and Equipment	7.00	-	-
Total Non-current Asset		-	-
Current Assets :			
Loan to Members (RMC)	8.00	4,418,124	3,225,576
Cash & Bank Balance	9.00	42,404	1,718,369
Total Current Asset		4,460,528	4,943,945
Total Properties and Assets		4,460,528	4,943,945
Capital Fund and Liabilities			
Capital Introduction	10.00	154,688	154,688
Cumulative Surplus/(Deficit)	11.00	(441,835)	(150,292)
Total Capital Fund		(287,147)	4,396
Current Liabilities :			
Loan from Donor	12.00	3,000,000	4,150,000
Member Savings GS RMC	13.00	1,328,140	675,201
Member Welfare Fund	14.00	125,533	50,510
Provision for Expense on Savings	15.00	35,137	14,287
Liability for Expenses	16.00	70,000	-
Loan Loss Provision	17.00	188,865	49,551
Total Liabilities		4,747,675	4,939,549
Total Capital And Liabilities		4,460,528	4,943,945

Annexed notes form an integral part of these financial statements.

Chairman
সুবর্ণা রানী
চেয়ারম্যান
উষা মানব কল্যান ফাউন্ডেশন
গাইবান্ধা, বাংলাদেশ।

Executive Director
লিটন চন্দ্র মহন্ত
নির্বাহী পরিচালক
উষা মানব কল্যাণ ফাউন্ডেশন
গাইবান্ধা, বাংলাদেশ।

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

Dated: 12 APR 2026
Dhaka , Bangladesh

Mollah Quadir Yusuf & Co.
Chartered Accountants
Signed By: Md. Musfiqur Rahman, FCA
Managing Partner
Enrollment No-1023

Ussa Manob Kallyan Foundation
Statement of Income and Expenditure
For the year ended 30 June 2025

Particulars	Notes	Figure in Taka 01 Jul. 2024 to 30 Jun. 2025	Figure in Taka 01 Jul. 2023 to 30 Jun. 2024
Income			
Sevice Charge on Loan		1,024,282	230,736
Total Fund Received		**1,024,282**	**230,736**
Other Income	18.00	25,179	175,749
Total Income		**1,049,461**	**406,485**
General & Administrative Expenses			
Salary Expense		917,900	365,000
Travel Allowance		490	12,890
Interest Expense GS RMC		60,099	14,287
Mobile Bill		1,200	600
Stationery Expense		1,320	6,295
Office Rent		96,000	63,500
Bank Charge & Commision		4,629	5,385
Bank Interest Expense			287
Cleaning & Washing Expense		-	200
Electricity , Water & Gas Bill		8,589	1,194
Entertainment Expense		1,020	250
License & Registration MRA		10,000	
Internet Bill		1,800	
Newspaper		-	258
Office Management		700	2,320
Printing Expense		12,843	15,060
Software Service Charge		13,600	9,200
Vat		1,500	
Software Setup Fee		-	10,500
Audit Fees		70,000	-
Loan Loss Provision		139,314	49,551
Excess of Expenditure over Income		**1,341,004**	**556,777**
Total Income over Expenditure		**(291,543)**	**(150,292)**

Annexed notes form an integral part of these financial statements.

Chairman
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উষা মানব কল্যান ফাউন্ডেশন
গাইবান্ধা, বাংলাদেশ।

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

Executive Director
লিটন চন্দ্র মহন্ত
নির্বাহী পরিচালক
উষা মানব কল্যাণ ফাউন্ডেশন
গাইবান্ধা, বাংলাদেশ।

Dated: 12 APR 2026
Dhaka , Bangladesh

Mollah Quadir Yusuf & Co.
Chartered Accountants
Signed By: Md. Musfiqur Rahman, FCA
Managing Partner
Enrollment No-1023

Ussa Manob Kallyan Foundation
Statement of Receipts and Payments
For the period from 01 July 2024 to 30 June 2025

Particulars	Notes	Amount in Taka	
		01 July 2024 to 30 June 2025	**01 July 2023 to 30 June 2024**
Receipts			
Opening Balance :		**1,718,369**	**154,688**
Cash at Bank		1,711,590	154,688
Cash in Hand		6,779	-
Receipts During the year:			
Loan from Donor		850,000	4,350,000
Member Savings GS RMC		1,707,777	777,526
Member Welfare Fund		93,090	50,510
Service Charge of Loan		1,024,282	230,736
Admission Fee		6,710	5,280
Loan Processing Fee		3,160	2,365
Passbook Fee		6,710	5,280
Interest from Bank		8,199	162,824
Miscellaneous		400	
RMC Loan W 12.70% 1Y		8,116,452	1,825,424
Total Receipt During the Year		**11,816,780**	**7,409,945**
Total Receipts		**13,535,149**	**7,564,633**
Payment During the Year			
Member Savings GS RMC		1,094,087	102,325
Member Welfare Fund		18,067	
Loan to repayment to Donor		2,000,000	200,000
Salary		917,900	365,000
Travel Allowance		490	12,890
Mobile Bill		1,200	600
Stationery Expense		1,320	6,295
Office Rent		96,000	63,500
Bank Charge		4,629	5,385
Bank Interest Expense		-	287
Cleaning & Washing Expense		-	200
Electricity , Water & Gas Bill Expense		8,589	1,194
Entertainment Expense		1,020	250
License & Registration Free(MRA)		10,000	-
Internet Bill		1,800	-
Newspaper		-	258
Office Management		700	2,320
Printing Expense		12,843	15,060
Software Service Charge		13,600	9,200
Vat		1,500	-
Software Setup fee		-	10,500
RMC Loan M12 % 1 Y		320,000	-
RMC Loan W12 % 1 Y		8,989,000	5,051,000
Total		**13,492,745**	**5,846,264**

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Particulars	Notes	Amount in Taka	
		01 July 2024 to 30 June 2025	01 July 2023 to 30 June 2024
Closing Balance :		**42,404**	**1,718,369**
Cash at Bank		34,142	1,711,590
Cash in Hand		8,262	6,779
Grand Total		**13,535,149**	**7,564,633**

Annexed notes form an integral part of these financial statements.

Chairman

সুবর্না রানী
চেয়ারম্যান
উষা মানব কল্যান ফাউন্ডেশন
গাইবান্ধা, বাংলাদেশ।

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

Executive Director

লিটন চন্দ্র মহন্ত
নির্বাহী পরিচালক
উষা মানব কল্যাণ ফাউন্ডেশন
গাইবান্ধা, বাংলাদেশ।

Dated: 12 APR 2026
Dhaka , Bangladesh

Mollah Quadir Yusuf & Co.
Chartered Accountants
Signed By: Md. Musfiqur Rahman, FCA
Managing Partner
Enrollment No-1023

Ussa Manob Kallyan Foundation

Vill: South Dhopadanga(Endrapar), Post: Dhopadanga Notun Bazar Sundargonj, Gaibandha, Bangladesh

Notes to the Financial Statements

For the year ended 30 June, 2025

1.0 Background:

Ussa Manob Kallyan Foundation (USSA), is a local level Non-Govt. Organization (NGO), has been working in the North West Part of Bangladesh at Gaibandha District. It was founded by a group of development activists and social workers who had the background in rural & urban reconstruction and development. It is registered under the Registrar of Joint Stock Companies & Firms of Bangladesh in the year of 2016. Its Reg.No-405/2016.

Its unique genesis resulted in two advantages for the foundation of the organization; it initiated its program with people possessing prior field experience and owing to the specific background inherited with broad and comprehensive outlook encompassing a socio-economic, health-hygienic & nutrition, empowerment, gender, agriculture, small business and environmental development as well as micro finance perspectives.

In 2013 USSA started its activities initially taking the rural & urban poverty issues of women, disables and child rights through a rights-based and holistic participatory approach. These approaches were upheld by the organization in its further programs.

1.1 Vision

Be the first choice of all honourable beneficiaries/members. Be the popular Social Leader.

1.2 Mission

To be regarded as the best development organization/society in the country through Quality, Innovation, Technology and Modern Management, thereby contributing to the social and economic development of Bangladesh.

1.3 Goal

Proverty eradication & people's employment and empowerment

1.4 Objectives:

1) Reduce Proverty
2) Empower people socially, economically & politically
3) Promote human rights, social justice and social change.
4) Impede environmental degradation & counteract its effects.

1.5 Focus Area

1) Community Organization Building
2) Livelihood
3) Health, Hygiene & Nutrition
4) Education & Culture
5) Environment & sustainable agriculture
6) Human Resource Development
7) Gender and Human Rights
8) Employment and Empowerment by the Micro finance
9) Research and Training
10) Enterprise & Social Business

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2.0 Corporate Information of the MFI:

Sl	Information Query	PO's Status
1	Name of the MFI	Ussa Manob Kallyan Foundation
2	Year of Establishment	2016
3	Legal Entity	MRA Temporary Approval No-202101007 , Date: 11 June 2023 Societies Reg No- 405/2016, Date: 28 Feb 2016.
4	Nature of the Operation (Program)	Poverty eradication, people's employment & empowerment and micro credit activities.
5	Statutory Audit Conducted Up to	30.06.2024
6	Name of the Statutory Auditor for the Last Year	M/s. Mollah Quadir Yusuf & Co. Chartered Accountants
7	Name of the Statutory Auditor for the Current Year	M/s. Mollah Quadir Yusuf & Co. Chartered Accountants
8	Number of the Executive Committee held in FY 2024-2025	7
9	Date of Last AGM Held	15.07.2025

List of Executive Committee Members:

Sl	Name	Nationality	Designation	Address
1	Suborna Rani	Bangladeshi	Chairman	Mithipur,panbazar,Pirgonj,Rangpur.
2	Hare-krishna Singha	Bangladeshi	Member	UttarHatbamuni , Kamarpara, Sadullapur, Gaibandha.
3	Devendra Nath Deb	Bangladeshi	Member	Damodarpur,Kisamot Khaju,Sadullapur,Gaibandha.
4	Tumpa Rani Mahonta	Bangladeshi	Member	Mithipur,panbazar,Pirgonj,Rangpur.
5	Md.Makbul Hossain	Bangladeshi	Vice Chairman	Moksadpur,Kishergonj.
6	Liton Chandra Mohanta	Bangladeshi	General Secretary	Daskin Dhopadanga, Natun Bazar, Sundarganj, Gaibandha.
7	Ramandra Nath Sarker	Bangladeshi	Finance Secretary	PurboKasalidanga, Kamarpara, Sadullapur,Gaibandha.

Basis of Preparation of Financial Statements

3.0 Basis of Accounting

Accounts of the organization was maintained on accrual accounting basis, that is, all income actually received/due were taken as income and all expenditure / payments actually made / due during the year was taken as expenditure. This has resulted in making the financial statements more meaningful and accurate for reporting and monitoring purpose.

4.0 Summary of Significant Accounting Policies:

4.1 Currencies:

Though there were no foreign currency transactions during the period the policy of the organization is to convert the financial transactions in foreign currencies into local currency at exchange rates prevalent on the respective dates of transactions.

Mollah Quadir Yusuf & Co.
Dhaka
Chartered Accountants

4.2 Revenue Recognition:

Grants and donations related to operations (revenue) are recognized as income for the relevant period and shown in income statement below the net income from operations. Grants and donations for periods beyond the current operating year are recorded under liabilities as deferred grant revenue. Loan funds and fixed assets are directly recorded in the Balance Sheet. No grants in kind were received by The Organization during the year under reporting period.

(i) Interest Income:

Service Charge on Loan:

From our test verification we observed that the recovery rate of Loan to member was adequate and rate of service charge of Loan to member is 24% as Declined Rate.

Interest Expenses:

Interest have been recorded & deposited to Bank as per agreement.

Other Expenses:

The organization has maintained bills and vouchers for all transactions, which are duly approved for payment by the competent authority. Moreover, it follows the budgetary control system and maintains approved standard rates for expenditure.

(ii) Interest Paid on Savings:

Saving have been recorded & deposited in Bank as per the rule. The Interest is given on the deposited Savings @ 6% per annum.

5.0 Fixed Assets and Depreciation:

Fixed Assets follow the reducing depreciation method.

6.0 Significant Organization Policies:

6.1 Loan Loss Provision

The management of the organization evaluates the adequacy of the provision for loan losses regularly. Factors considered in evaluating the adequacy of the provision include the size of the portfolio, previous loss experience, current economic conditions and their effect on clients, the financial condition of individual clients and the performance of individual loans in relation to contract terms. The provision for loan losses charged to expense is based on management's judgment of the amount necessary to maintain the provision at an adequate level to absorb possible losses. The organization's loan loss provision policy is based on management's analysis of the historical performance of the overdue portfolio, aged by the same categories.

6.2 Policy on Loan to Beneficiaries

The loan funds were provided to the affiliated beneficiaries of the organization for undertaking various small-scale income generation activities (IGAs). Among others, major IGAs are - small trading rickshaw project, goat & sheep rearing, poultry & livestock, kitchen gardening and horticulture, fisheries, nursery, etc. We have observed that 24% (Decline rate) service charge is imposed on the investment to make the programme sustainable. We have also observed that recoveries of the said loans have been further lending among the other beneficiaries, aiming to provide more services.

Mollah Quadir Yusuf & Co.
Dhaka
Chartered Accountants

6.3 Policy on Saving Collection

This is group members' savings raised by the management of the organization to mobilize small savings. We have observed that members savings were recorded on standard documents. Collections of savings amount are also disbursed and rest of the amount is deposited to the account.

6.4 Grants/Donations Accounting

Grants and donations (revenues) related to operations are recognized as income for the relevant period and shown in income statement below the net income from operations. Grants and donations for periods beyond the current operating year are recorded under liabilities as deferred grant revenue. Loan funds and fixed assets are directly recorded in the Balance Sheet. No grants in kind were received by the organization during the year under reporting.

6.5 Grants/Subsidies/Donation (non refundable) received

No Grants/Subsidies(non refundable) funds were observed during period under audit.

Mollah Quadir Yusuf & Co. Dhaka Chartered Accountants

Ussa Manob Kallyan Foundation
Notes to the Financial Statement
For the year ended 30 June 2025

SL No.	Particulars	Note	Amount in Taka 01 July 2024 to 30 June 2025	Amount in Taka 01 Jul. 2023 to 30 Jun. 2024
7.00	**Property, Plant and Equipment**			
	Opening Balance		-	-
	Add: Purchase during the year		-	-
	Less: Accumulated Depreciation		-	-
	Closing balance		-	-
8.00	**Loan to Members (RMC)**			
	Opening Balance		3,225,576	-
	Add: Loan to RMC M		320,000	
	Add: Loan to RMC W		8,989,000	5,051,000
	Total		**12,534,576**	**5,051,000**
	Less: Advance adjusted during the year		8,116,452	1,825,424
	Closing balance		4,418,124	3,225,576
9.00	**Cash & cash equivalents**			
	Cash in hand		8,262	6,779
	Cash at bank	9.01	34,142	1,711,590
	Closing balance		42,404	1,718,369
9.01	**Cash at bank**			
	NRBC Bank (A/C: 3115-36000000119)		28,558	-
	NRBC Bank (A/C: 3009-36000000206)		5,584	1,711,590
	Closing Balance		34,142	1,711,590
10.00	**Capital Introduction**			
	Opening Balance		**154,688**	-
	Add: Introduced during the year		-	154,688
	Closing balance		154,688	154,688
11.00	**Cumulative Surplus/(Deficit)**			
	Opaning Balance		(150,292)	-
	Add: Surplus/(Deficit) during the year		**(291,543)**	**(150,292)**
	Closing balance		(441,835)	(150,292)
12.00	**Loan from Donor**			
	Opening balance		**4,150,000**	-
	Fund received from Donor			3,000,000
	Add: Further Donation		850,000	1,350,000
	Total		**5,000,000**	**4,350,000**
	Less: Payment to Donor		2,000,000	200,000
	Closing balance		3,000,000	4,150,000

Mollah Quadir Yusuf & Co. Dhaka Chartered Accountants

SL No.	Particulars	Amount in Taka	
		01 July 2024 to 30 June 2025	01 Jul. 2023 to 30 Jun. 2024
13.00	**Member Savings GS RMC**		
	Opening balance	675,201	-
	Add: Contribution by member	1,707,777	777,526
	Add : During the year	39,249	
	Total	2,422,227	777,526
	Less: Repayment to member	1,094,087	102,325
	Closing balance	1,328,140	675,201
14.00	**Member Welfare Fund**		
	Opening	50,510	
	Add: During this Year	93,090	50,510
	Less: Adjustment	18,067	
	Closing balance	125,533	50,510
15.00	**Provision for Expense on Savings**		
	Opening	14,287	
	Add: During this Year	60,099	14,287
		74,386	14,287
	Less: Adjustment with Member Saving	(39,249)	-
	Closing balance	35,137	14,287
16.00	**Liability for Expense**		
	Audit Fees for 2 years	70,000	-
	Closing balance	70,000	-
17.00	**Loan Loss Provision**		
	Opening	49,551	-
	Add: During this Year	139,314	49,551
	Closing balance	188,865	49,551
18.00	**Other Income**		
	Admission Fee	6,710	5,280
	Loan Processing Fee	3,160	2,365
	Passbook Fee	6,710	5,280
	Interest from Bank	8,199	162,824
	Miscellaneous	400	
	Total	25,179	175,749

Mollah Quadir Yusuf & Co. Dhaka Chartered Accountants

Ussa Manob Kallyan Foundation

Vill: South Dhopadanga(Endrapar), Post: Dhopadanga Notun Bazar Sundargonj, Gaibandha, Bangladesh

Eligibility Criteria Compliance Certification

For the year ended 30 June 2025

Sl #	Eligibility Criteria	Standard	Audited Figures or Compliance	Audited Figures or Compliance
			2024-2025	2023-2024
1.	Minimum Loan Recovery Rates:			
i	Cumulative Recovery Rate: Cumulative recovery-Advance recovery (at the end of year) X100 Cumulative Recovery+Watchful Loan +Overdue-Advance Recovery	95%	97.51%	99.17%
ii	OTR (One Time Realization) 92-100% minimum loan collection ratio on current dues (on running 12 month basis) Principle -Advance Recovery X 100 Principle +Watchful Loan -Advance Recovery	92%	97.55%	99.73%
2.	Liquidity to savings ratio	10%	3.19%	254.50%
3.	Current ratio	2 : 1	0.94:1	0.99:1
4.	Capital adequacy ratio	15%	-6.50%	-0.95%
5.	Debt service cover ratio	1.25 :1	1.04:1	1.04:1
6.	Debt Capital Ratio	9 : 1	-15.07	157.68:1
7.	Rate of return on capital	1%	206%	605%
8.	Non Performing Loans	<3%	6%	2%

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Ussa Manob Kallyan Foundation

Vill: South Dhopadanga(Endrapar), Post: Dhopadanga Notun Bazar Sundargonj, Gaibandha, Bangladesh

Loan Loss Provision (LLP)

For the year ended 30 June 2025

Review of Loan Classifications and Provision

(i) Classification of Loan Loss Provision (LLP)

Sl #	Particulars	Basis of Classification	Outstanding Loan Taka	Required Rate	Provision Taka
1	Total Loan Outstanding (TLO)		4,418,124		
2	Total Overdue				
3	Regular	Loan with No overdue installment	4,133,775	1%	41,338
4	Watch Full Loan	1-30 days	19,548	5%	977
5	Sub standard Loan	31-180 days	115,106	25%	28,777
6	Doubtful Loan	181-365 days	127,690	75%	95,768
7	Bad Loan	365+ days	22,005	100%	22,005
	Total : Taka		**4,418,124**		**188,865**

(ii) Loan Loss Provision (LLP) status of the PO

Particular	**Amount (TK)**
Required reserve fund as per MRA policy	188,865
Opening Balance (LLP)	**49,551**
Add: Provision made during the year	139,314
Closing Balance (LLP)	**188,865**
Shortfall/Excess LLP	**0**
Comment on LLP: Its appeared from the above computation that the organization has made adequate provision on its outstanding loan balance but no investment were made against LLP provision.	
Disclosure on Written off Loan	
Loan Written off Loan :	
Loan written off balance the year	
Loan written off during the year	
Written off Loan Recovery during the year	
Loan written off during the year 2023-2024	-

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Ussa Manob Kallyan Foundation
Vill: South Dhopadanga(Endrapar), Post: Dhopadanga Notun Bazar Sundargonj, Gaibandha, Bangladesh
Loan Operational Report
For the year ended 30 June 2025

(iii) Loan Operational Report:

No.		FY: 2024-2025			FY: 2023-2024		
1	**Financial Service Product:**						
	Loan Product:						
	Loan (PKSF)						
	Loan (Non-PKSF)			4,418,124			3,225,577
	Savings Product:						
	Members			1,328,140			675,201
	Insurance Product:						
	Life (Risk Fund)						-
	Livestock						
	Others						
2	Number of Branches	2			1		
		M	F	Total	M	F	Total
3	Number of Samities	0	65	65	0	41	41
4	Number of Members	0	905	905	0	494	494
5	Number of Loanee	0	629	629	0	406	406
6	Number of Staff	4	3	7	3	3	6
7	Amount (Taka) of Loan Outstanding with Samiti Members			4,418,124			3,225,577
8	Member : Borrower			1.44:1			1.22.1
9	Average loan size(Taka)			7,024			7,945

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Ussa Manob Kallyan Foundation

Vill: South Dhopadanga(Endrapar), Post: Dhopadanga Notun Bazar Sundargonj, Gaibandha, Bangladesh

For the year ended 30 June 2025

Calculation of Ratio

01. **Liquidity to Savings Ratio:**

$$= \frac{\text{Cash+Bank+ FDR against Savings}}{\text{Total Savings of Fund}}$$

$$= \frac{42{,}404}{1{,}328{,}140} \times 100 \quad \mathbf{3.19\%}$$

02. **Current Ratio:**

$$= \frac{\text{Current Asset}}{\text{Current Liabilities}}$$

$$\frac{4{,}460{,}528}{4{,}747{,}675} = \mathbf{0.94}$$

03. **Capital Adequacy Ratio :**

$$= \frac{\text{Total Net Worth}}{\text{Total Asset - (Cash+Bank+STD)}} \times 100$$

$$= \frac{-287{,}147}{4{,}418{,}124} \times 100 \quad \mathbf{-6.50\%}$$

04. **Debt Service Cover Ratio:**

$$= \frac{\text{Surplus+Total Interest Payment+ Principal paid to Bank}}{\text{Total Interest+ Principal paid to Bank}}$$

$$= \frac{4{,}096{,}696}{4{,}388{,}239} = \mathbf{0.93}$$

05. **Debt to Capital Ratio :**

$$= \frac{\text{Debt}}{\text{Total Capital (Net Worth)}}$$

$$= \frac{4{,}328{,}140}{-287{,}147} = \mathbf{-15.07}$$

06. **Rate of Return on Capital**

$$= \frac{\text{Net Surplus of Current Year}}{\text{Average Capital Fund}} \times 100$$

* Average capital Fund= (Opening capital+Closing capital)/2

$$= \frac{-291{,}543}{-141{,}376} \times 100 \quad \mathbf{206\%}$$

07. **Non-Performing Loans (NPL)**

$$= \frac{\text{Total Non Performing Loan}}{\text{Total Loan}} \times 100$$

$$= \frac{264{,}801}{4{,}418{,}124} \times 100 \quad \mathbf{6\%}$$

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Ussa Manob Kallyan Foundation

Vill: South Dhopadanga(Endrapar), Post: Dhopadanga Notun Bazar Sundargonj, Gaibandha, Bangladesh

Budget Variance Statement

For the year ended 30 June 2025

Particulars	2024-2025			
	Approved Budget	Actual Expense	Variance(Amount)	Variance (%)
Income				
Sevice Charge on Loan	1,100,000	1,024,282	75,718	7%
Passbook Fee	15,000	6,710	8,290	55%
Admission Fee	10,000	6,710	3,290	33%
Loan Processing Fee	-	3,160	(3,160)	100%
Bank Interest	10,000	8,199	1,801	18%
Other Income	10,000	-	10,000	100%
Total Income	1,145,000	1,049,061	95,939	8%
Expenditure			-	
Salary Expense	900,000	917,900	(17,900)	-2%
Interest Expense GS RMC	50,000	60,099	(10,099)	-20%
Office Expenses			-	
Travel Allowance	200,000	490	46,309	23%
Mobile Bill		1,200		
Stationery Expense		1,320		
Office Rent		96,000		
Bank Charge & Commision		4,629		
Bank Interest Expense		-		
Cleaning & Washing Expense		-		
Electricicty , Water & Gas Bill		8,589		
Entertainment Expense		1,020		
Licence & Registration MRA		10,000		
Newspaper		-		
Office Management		700		
Internet Bill		1,800		
Vat		1,500		
Printing Expense		12,843		
Software Service Charge		-		
Software Setup Fee		13,600		
Traing & development	10,000			
LLP	140,000	139,316	684	0%
Audit Fee	35,000	70,000	(35,000)	-100%
Others	10,000	-	10,000	100%
Total Expense	1,345,000	1,341,006	3,994	0%
Surplus/(Deficit)	(200,000)	(291,945)	91,945	-46%

Chairman

সুবর্ণা রানী
চেয়ারম্যান
উষা মানব কল্যাণ ফাউন্ডেশন
গাইবান্ধা।

Executive Director

লিটন চন্দ্র মহন্ত
নির্বাহী পরিচালক
উষা মানব কল্যাণ ফাউন্ডেশন
গাইবান্ধা

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Dhaka
Chartered Accountants

MANAGEMENT REPORT
ON
FINANCIAL STATEMENTS
Ussa Manob Kallyan Foundation
For the year ended 30 June 2025

OBSERVATION AND RECOMMENDATIONS

Currents Year's (2024-2025) Observation:

Review of internal control of Financial Management System ensuring accountability and transparency: **Ussa Manob Kallyan Foundation** to ensure accountability and transparency within the organization. The Management Report has been presented here under in compliance with Terms of Reference (TOR) for external auditor as prescribed by the Microcredit Regulatory Authority (MRA).

1.00 Maintenance of Books of Account

Observation:
During the course of our audit, we observed that the organization maintained the prescribed Registers and Record books manually at the Organization's as required under section 41 of MRA Rules 2010. In some case, the organization did not maintain some registers as required by MRA. The status of maintenance of books and registers at head office has been given below:

Sl. No.	Record book / Register at the Head Office	Maintained/Not Maintained (Y/N)
01.	Cash and Bank Book	Y
02.	General Ledger	Y
03.	Client based subsidiary ledger (loans, deposit and Insurance)	Y
04.	Loan Distribution Register	Y
05.	Loans Due and Realization Register	Y
06.	Deposit return / adjustment register	Y
07.	Cheque issue register	Y
08.	FDR register	N/A
09.	Fixed Asset register	Y
10.	Default register	Y
11.	Advance register	Y
12.	Salary register	Y
13.	Loan writes off register and other necessary registers	Y
14.	Bad Loans register branch wise	N/A

Recommendation:

The organization should maintain all required books and registers.

Management Response: We are maintaining the number of registers which we feel necessary. In future we shall maintain all the registers which you suggested.

2. Loan operation management

Observation:
The organization complies with the policies for different component of microcredit as designed by the organization. The pre-condition of microcredit activities of the organization is to verify, select beneficiaries properly and thereafter to determine valid project. If any inconsistency is observed in this process, the organization may face threat. For selection of proper beneficiaries, the loan operation management of the organization ensures:
i. whether the beneficiaries are familiar with the microcredit activities and rules & regulations
ii. Whether the beneficiaries are present in group meeting.
iii. Whether loanee beneficiaries are selected through discussion in the group meeting and so on.

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Some documents are maintained for loan disbursement. Details are as below:

i. Loan disbursement from Office

a. Demand wise money requisition from office
b. Approved money requisition through the management.
c. Money transfer to office through the account payee cheque/ Demand Deal Pay Order
d. Voucher

ii. Loan disbursement by office to Beneficiaries:

a. Admission form

b. Loan application form

- Joint photograph
- National ID card
- Guarantor
- Stamp

c. Member verification

d. Loan approved by respective person

e. Payment of loan

iii. Loan recovery from beneficiaries:
While loan recovered from beneficiaries some documents are maintained in branch office.
Details are as follows

a) Pass book (Member)
b) Collection short
c) Daily collection registers
d) Credit voucher
e) Cash book
f) Ledger/Sub ledger.

3. Savings Deposit

As per MRA rules **Ussa Manob Kallyan Foundation** calculates monthly interest on average balance determined on the basis of balances of the deposit at the beginning and end of every month Savings collections from members are being recorded properly. Interest is paid, on members savings 6% on yearly basis
In the period of our audit, we observed that @ 6% interest have been paid on savings collections from members

Recommendation

Management should maintain the cut position

Management Response:

We will follow the recommendation

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4. Material Findings under "Scope of Audit"

Cash management

Cash management consists of taking the necessary actions to maintain adequate levels of cash to meet operational requirements as well as a good cash management program is a very significant component of the overall financial management of the organization. The primary goal of a good cash management system is:

- to maintain adequate money at hand to meet the daily cash requirements; In order to reach these primary goals, the responsible officer to maintain cash should strive to
- develop strong, internal control of cash receipts and disbursements;
- establish clear lines of communication;

It was observed that existed sufficient control over cash management that reduce the financial risks of the organization. We observed that minimum amount was lying as cash in hand as on closing date of statement of financial position.

Recommendation:

Management should maintain the current position.

Management Response:
We will maintain the current position

5. Analysis of unused fund and disbursement of loan

We observed that **Ussa Manob Kallyan Foundation** had an outstanding borrowing loan amounting to **Tk. 4,418,214** from **Ussa Manob Kallyan Foundation.** We checked the sanction/approval letter including relevant documents and found that all documents had been properly complied. It appears from Statement of Receipts & Payments for the year under audit that total cash & Bank Balances at close of year was Tk **42,404** except FDR.

The above fund was held with various banks which would be used towards loan repayments of **Ussa Manob Kallyan Foundation** in the month of June 2025 and for the loan disbursement.

Required provisions for loan outstanding

We have reviewed the total outstanding loan balances of **Ussa Manob Kallyan Foundation** disbursed among members and revealed the following scenario:

Total Loan Outstanding and Required Provision according to MRA's guidelines:

S.I.	particulars	No. of the day Outstanding	Outstanding loan	Required Provision		Remarks
			Amount	Rate %	Amount	
1	Total Loan Outstanding		4,418,124			
2	Total overdue		-			As per MRA Circular 75
3	Regular loan	Loans with no overdue installment	4,133,775	1%	41,337	
4	Watchful loan	Loan default duration between 1 and 30 days	19,548	5%	977	

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5	Sub-standard loan	Loan default duration between 31 and 180 days	115,106	25%	28,776	
6	Doubtful loan	Loan default duration between 181 and 365 days	127,690	75%	95,767	
7	Bad Loan	Loan default duration above 365 days	22,005	100%	22,005	
	Total		**4,418,214**		**188,865**	

The required loan loss provision comes to Tk **188,865** during the year under audit total provision was made to the extent of Tk **188,865**

6. Review of last three (3) years operational activities of Ussa Manob Kallyan Foundation to examine the sustainability of the organization in carrying on the Microfinance program

With a view to examining the solvency and capacity of **Ussa Manob Kallyan Foundation,** we did not endeavor to review in details the activities of last three years of **Ussa Manob Kallyan Foundation** because this organization has started the operation of micro-credit activities from the previous year. We have reviewed in detail the administrative expenses, financial expenses, other expenses and earnings profit, salary structure of employees, disbursement of loans, collection of savings etc. within the purview of the detail review process to make overall assessment of the capacity of the organization.

The financial performance of microcredit operations of Ussa Manob Kallyan Foundation for the current year is as follows:

Particulars	Financial Year
	2024-2025
Total Income including surplus of Enrich project	1,049,461
Total Expenditures	1,270,222
Surplus/(Deficit) for the year (Tk)	(220,761)
% of Surplus of income	(21%)

The above analysis does not show that the profitability of Microfinance Programs of **Ussa Manob Kallyan Foundation** is very sound & satisfactory.

7. Significant Budgets Variance

Fact: During our audit we observed significant variance in Expenditure

SL	Particulars	Approve Budget	Actual Expense	Variance	In %
1	Passbook Fee	15,000	6,710	8,290	55%
2	Admission Fee	10,000	6,710	3,290	33%
3	Audit Fee	35,000	70,000	35,000	100%

Effect: It indicates weakness in Budgetary control of the organization.

Recommendation: Budgetary control should be implemented strictly.

Management Comment: Budgetary control of the organization will be implemented.

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8. Books of Accounts:

Observation:

We have noticed that most of the NGOs use electronic software which makes it easy for the NGOs to get the financial information.

Recommendation:

So, we recommend to install electronic software instead of manual book keeping. This will help supervise the financial management of the organization.

Management Response

We have already installed the accounting software name Swosti which will be helpful for the organization.

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Dhaka
Chartered Accountants

Money Laundering and Terrorist Financing

01. Observation by auditor about following the guideline by **Ussa Manob Kallyan Foundation** for prevention of money laundering and terrorist financing.
02. During the course of our audit, we do not find any evidence of involvement in money laundering and terrorist financing activities by **Ussa Manob Kallyan Foundation.**

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