



**S.K.BARUA & CO.**  
CHARTERED ACCOUNTANTS

a member of  
**empacta**  
registered in Berlin-Germany

**Independent Auditor's Report**

To

**The Governing Body of  
COAST Foundation**

Metro Melody, House -13, Road -2, Dhaka-1207.

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

**Opinion**

We have audited the Consolidated financial statements of “**COAST Foundation**” which comprise the consolidated statement of financial position as at 30 June 2022 and the consolidated statement of Comprehensive Income for the year ended 30 June 2022 and the consolidated statement of Cash flows for the period from 01 July 2021 to 30 June 2022 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, accompanying financial statements present fairly, in all material respects of the consolidated statement of financial position “**COAST Foundation**” as at 30 June 2022 and its financial performance for the year then ended in accordance with Generally Accepted Accounting practices.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountant (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 COAST Foundation'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 or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the COAST Foundation'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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) would 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 these bases of financial statements. As part of an audit in accordance with International Standards on Auditing (ISAs) we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue in organization's activities. 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, further events or conditions may cause the organization 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the organization's or activities within the institute to express an opinion on the financial statements. We are responsible for our audit opinion.





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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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 do verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the organization so far as it appeared from our examination of these books; and
- c) The consolidated statement of financial position, consolidated statement of comprehensive income and consolidated statement of Cash flows dealt with by the report are in agreement with the books of accounts.
- d) The expenditure incurred was for the purposes of the COAST Foundation's activities.

**Dated: Dhaka**  
**19 NOV 2022**

**Mohammad Anwarul Hoque FCA**  
**Partner**

**Enrollment No. 1458**

**S. K. Barua & Co.**

**Chartered Accountants**

**DVC 221191458 13401880**



**COAST Foundation**  
(Registered in Bangladesh under the Societies Registration Act, 1860)  
**Consolidated Statement of Financial Position**  
As at 30 June 2022

Notes	Central Operation	Micro Finance Program	Social Intervention	Donor Program	Amount In Taka	
					30 June 2022	30 June 2021
<b>Assets:</b>						
<b>Non Current Assets</b>						
6	8,766,345	146,236,822	840,227	16,886,287	172,729,681	169,905,656
6.A	-	2,075,913	-	-	2,075,913	2,126,088
6.B	-	3,453,647	-	-	3,453,647	2,483,647
7	908,552	58,747,939	-	-	59,656,491	183,398,355
	<b>9,674,897</b>	<b>210,514,321</b>	<b>840,227</b>	<b>16,886,287</b>	<b>237,915,732</b>	<b>367,913,746</b>
<b>Current Assets</b>						
7	-	168,701,978	-	-	168,701,978	-
8	-	4,175,617,653	-	-	4,175,617,653	3,091,880,311
9	7,983,647	-	-	-	7,983,647	21,123,365
10	8,028,658	5,650,743	661,666	-	14,341,067	23,285,290
11	656,280	16,943,355	48,748	226,576	17,874,959	17,148,804
12	-	118,284	91,997	-	210,281	5,375,694
13,14	10,738,175	130,634,262	450,238	51,853,164	193,675,839	154,993,108
	<b>27,406,760</b>	<b>4,497,666,275</b>	<b>1,252,649</b>	<b>52,079,740</b>	<b>4,578,405,424</b>	<b>3,313,806,572</b>
	<b>37,081,657</b>	<b>4,708,180,596</b>	<b>2,092,876</b>	<b>68,966,027</b>	<b>4,816,321,156</b>	<b>3,671,720,318</b>
<b>Fund and liabilities:</b>						
<b>Fund</b>						
15	(213,516)	-	-	38,620,237	38,406,721	37,980,291
	55,531,131	-	-	-	55,531,131	55,531,131
16	(29,997,929)	521,571,954	(7,056,489)	-	484,517,556	376,996,418
17	-	57,952,440	-	-	57,952,440	43,980,098
18	1,648,467	-	-	16,886,287	18,534,754	18,690,697
	1,409,462	-	-	-	1,409,462	2,052,045
	<b>28,377,615</b>	<b>579,524,394</b>	<b>(7,056,489)</b>	<b>55,506,524</b>	<b>656,352,044</b>	<b>535,230,681</b>







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Notes	Central Operation	Micro Finance Program	Social Intervention	Donor Program	Amount In Taka	
					30 June 2022	30 June 2021
<b>19</b>	-	426,739,988	-	-	426,739,988	313,916,653
<b>20</b>	-	15,417,184	-	-	15,417,184	53,624,998
<b>21</b>	-	326,386,667	-	-	326,386,667	50,499,602
<b>22</b>	-	321,342,613	-	-	321,342,613	269,579,305
	-	<b>1,089,886,452</b>	-	-	<b>1,089,886,452</b>	<b>687,620,558</b>
<b>23</b>	-	359,909,996	-	-	359,909,996	343,283,337
<b>24</b>	-	45,916,407	-	-	45,916,407	26,812,500
<b>25</b>	-	544,962,755	-	-	544,962,755	517,014,644
<b>26</b>	-	1,669,525,327	-	-	1,669,525,327	1,207,032,519
<b>27</b>	3,141,936	55,680,528	6,349,462	13,459,503	78,631,429	60,018,147
<b>28</b>	-	193,576,271	-	-	193,576,271	154,358,124
<b>29</b>	5,562,106	8,335,691	2,799,903	-	16,697,700	13,147,548
<b>30</b>	-	160,862,776	-	-	160,862,776	127,202,260
	<b>8,704,042</b>	<b>3,038,769,750</b>	<b>9,149,365</b>	<b>13,459,503</b>	<b>3,070,082,660</b>	<b>2,448,869,078</b>
	<b>37,081,657</b>	<b>4,708,180,596</b>	<b>2,092,876</b>	<b>68,966,027</b>	<b>4,816,321,156</b>	<b>3,671,720,318</b>

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

  
Director-Finance and Corporate Affairs  
COAST Foundation

  
Executive Director  
COAST Foundation

  
Treasurer  
COAST Foundation

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

  
Mohammad Anwarul Hoque FCA  
Enrollment No. 1458  
Partner  
S.K. Barua & Co.



Dated Dhaka

17 NOV 2022

Chartered Accountants  
DVC 22/115/458 AS 90/880

**COAST Foundation**

(Registered in Bangladesh under the Societies Registration Act, 1860)

**Consolidated Statement of Comprehensive Income**

For the year ended 30 June 2022

Particulars	Notes	Central Operation	Micro Finance Program	Social Intervention	Donor Program	Amount in Taka	
						30 June 2022	30 June 2021
<b>Income</b>							
Service charges on loan	31.00	-	759,145,938	-	-	759,145,938	591,613,148
Write off loan collection		-	137,041	-	-	137,041	176,340
Bank & FDR interest	32.00	141,868	7,505,390	-	-	7,724,868	9,077,736
Membership admission and form sale	33.00	312,400	3,624,560	-	77,610	3,936,960	3,158,835
Donor Grant	34.00	3,568,305	4,736,821	-	305,786,164	314,091,291	270,166,260
Others	35.00	436,864	-	55,843	-	492,707	494,890
Management Cost from Project	36.00	27,924,008	-	2,540,408	-	30,564,416	29,977,125
COAST contribution		16,654	3,040,398	-	-	3,057,052	6,920,285
Forfeited amount of Provident Fund	27.03	32,400,100	778,190,148	2,696,251	305,863,774	1,119,150,273	2,819,280
<b>Total Income</b>							<b>914,403,899</b>
<b>Expenditure</b>							
Service charge of PKSF loan		-	47,405,064	-	-	47,405,064	42,586,233
Interest on members savings	27.15	-	74,549,107	-	-	74,549,107	42,962,027
Loan less provision (LLP)	28.00	-	42,649,661	-	-	42,649,661	31,057,004
Other loans interest	37.00	-	84,894,016	-	-	84,894,016	76,610,733
Salaries & Benefits	38.00	12,721,256	305,214,655	2,107,751	88,551,227	408,594,889	383,996,156
Office rent	39.00	-	6,407,179	-	2,655,346	9,062,525	8,178,530
Residential benefits	41.00	-	11,229,475	-	-	11,229,475	9,080,668
Administrative cost (FDMN project)		-	-	-	13,396,386	13,396,386	16,800,449
Office maintenance		1,431,772	3,031,207	35,819	458,970	4,957,768	6,202,548
Printing & stationary		978,369	3,687,363	6,910	437,904	5,110,546	4,770,802
Computer support & software cost		-	5,648,815	-	-	5,648,815	4,979,478
Traveling		2,631,351	9,440,876	3,620	2,258,632	14,334,479	10,053,085
Telephone and postage		77,284	2,530,506	-	196,844	2,804,634	2,445,419
Repair and maintenance		1,161,946	436,820	62,391	23,912	1,685,069	2,106,358
Fuel cost		836,883	6,546,942	245,002	849,769	8,478,596	7,727,603
Gas and electricity		572,130	3,317,148	94,356	234,322	4,217,956	3,719,099
Entertainment		786,588	3,305,631	1,197,848	44,302	5,334,369	2,446,423
Advertisement		116,407	26,783	-	49,500	192,690	173,273
Mail & postage		772,238	450,700	-	-	1,222,938	1,253,352
Bank charge		95,797	1,991,879	8,389	56,242	2,152,307	1,646,043
Income tax		-	1,361,385	-	1,532	1,362,917	14,751
Land Tax Expense		75,000	-	-	-	75,000	6,000





Particulars	Notes	Central Operation	Micro Finance Program	Social Intervention	Donor Program	Amount in Taka	
						30 June 2022	30 June 2021
Training expense		55,500	367,224	500	-	423,224	1,148,884
Sub Grant Expenditure		-	-	-	-	-	-
Legal expense		244,680	478,131	-	-	722,811	785,188
Registration fee		258,576	1,320,533	-	-	1,579,109	1,051,473
Honorarium, Member Fee & Social Contribution		2,479,600	105,641	2,419	-	2,587,660	670,914
Radio Meghna expense		2,029,042	-	-	-	2,029,042	1,539,771
Radio Soikat expenses		4,328,141	-	-	-	4,328,141	-
HAP Established cost		-	-	-	-	-	327,225
Other operating expense	42.00	2,910,973	1,538,890	232,461	17,157,511	21,839,835	15,368,254
Audit fee	43.00	-	243,000	-	509,500	752,500	648,527
Donor program cost	44.00	-	7,616,898	-	173,249,598	180,866,496	136,924,779
Donor Assets Purchase Exp.		-	-	-	-	-	-
Taxes		-	-	-	-	-	-
Covid-19 Expenses		-	-	-	-	-	5,108
Depreciation		-	-	-	-	-	14,104,476
<b>Total expenditure</b>	6.00	2,797,150	9,042,481	215,736	5,732,277	17,787,644	14,104,476
<b>Excess/(deficit) of income over expenditure before Tax(A-B)</b>		<b>37,340,683</b>	<b>634,838,010</b>	<b>4,213,202</b>	<b>305,863,774</b>	<b>982,255,669</b>	<b>831,390,631</b>
Provision for Income Tax		(4,940,583)	143,352,138	(1,516,951)	-	136,894,604	83,013,268
<b>Excess/(deficit) of income over expenditure after Tax</b>	27.25	<b>(4,940,583)</b>	<b>140,457,046</b>	<b>(1,516,951)</b>	<b>-</b>	<b>(2,900,092)</b>	<b>(2,125,099)</b>
<b>Total</b>		<b>32,400,100</b>	<b>778,190,148</b>	<b>2,696,251</b>	<b>305,863,774</b>	<b>1,119,150,273</b>	<b>914,403,899</b>

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

Director-Finance and Corporate Affairs  
COAST Foundation

Executive Director  
COAST Foundation

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

Treasurer  
COAST Foundation

Partner  
S.K. Barua & Co.  
Chartered Accountants



Dated: Dhaka  
17 NOV 2022

DPC 22/11/1958 AS 401880

**COAST Foundation**

(Registered in Bangladesh under the Societies Registration Act, 1860)

**Consolidated Statements of Cash flows**

For the year ended 30 June 2022

Particulars	Amount in Taka					
	Central Operation	Micro Finance Program	Social Intervention	Donor Program	30 June 2022	30 June 2021
<b>A. Cash Flows from Operating Activities</b>						
Surplus for the period	(4,940,583)	140,452,046	(1,516,951)	-	133,994,512	82,968,135
Retained surplus adjust	-	(728,625)	-	-	(728,625)	-
Loan loss provision	-	42,649,661	-	-	42,649,661	31,057,004
DMF provision	-	-	-	-	-	-
Assets hand over to central Office	-	-	-	-	-	-
Depreciation for the year	2,797,150	9,042,481	215,736	5,732,277	17,787,644	14,104,478
Provision expense	-	10,265,769	-	-	10,265,769	2,160,024
Depreciation adjust the year	-	(3,754,862)	-	-	(3,754,862)	(2,574,405)
<b>Sub total of non cash item</b>	<b>(2,143,433)</b>	<b>197,926,470</b>	<b>(1,301,215)</b>	<b>5,732,277</b>	<b>200,214,099</b>	<b>127,715,236</b>
Loan disburse to members	-	(1,083,737,342)	-	-	(1,083,737,342)	(572,679,353)
Increase / decrease in current assets	2,561,219	(44,867,490)	-	(319,617)	(42,625,888)	65,741,139
Increase / decrease in current liabilities	3,086,454	75,980,634	(34,628)	(10,638,955)	68,393,505	45,684,731
<b>Net cash used in operating activities</b>	<b>3,504,240</b>	<b>(854,697,728)</b>	<b>(1,335,843)</b>	<b>(5,226,295)</b>	<b>(857,755,626)</b>	<b>(461,253,483)</b>
<b>B. Cash flow from investing activities</b>						
Acquisition of property, plant and equipment	(3,080,470)	(11,851,511)	(53,000)	2,907,218	(12,077,763)	(94,538,883)
Payment made for work-in-progress	-	(970,000)	-	-	(970,000)	10,571,321
Sale of property, plant and equipment	-	3,754,862	-	273,310	4,028,172	2,870,314
Investment	167,381	2,779,815	-	-	2,947,196	37,020,120
<b>Net cash used in investing activities</b>	<b>(2,913,089)</b>	<b>(6,286,834)</b>	<b>(53,000)</b>	<b>3,180,528</b>	<b>(6,072,395)</b>	<b>(44,077,128)</b>
<b>C. Cash Flows from Financing Activities</b>						
Loan received from PKSF & Others	-	402,265,894	-	-	402,265,894	61,326,196
Members savings	-	462,492,808	-	-	462,492,808	250,038,844
Insurance	-	33,660,516	-	-	33,660,516	21,606,275
<b>Net cash used in Financing activities</b>	<b>-</b>	<b>898,419,218</b>	<b>-</b>	<b>-</b>	<b>898,419,218</b>	<b>332,971,315</b>









D, Net increase / Decrease (A+B+C)	591,150	37,434,656	(1,388,843)	(2,045,767)	34,591,197	(44,644,060)
Add: Cash and Bank Balance at the beginning of the year	10,147,024	93,199,606	1,839,081	49,807,397	154,993,108	199,704,448
Cash and bank balance at the end of the year	10,738,175	130,634,262	450,238	51,853,164	193,675,839	155,060,388

*The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.*

  
Director-Finance and Corporate Affairs  
COAST Foundation

  
Executive Director  
COAST Foundation


  
Treasurer  
COAST Foundation

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

Dated: Dhaka

17 NOV 2022



  
Mohammad Anwarul Hoque FCA  
Enrollment No. 1458  
Partner


S.K. Barua & Co.  
Chartered Accountants


DYC 221101458AS901880


**COAST Foundation**  
(Registered in Bangladesh under the Societies Registration Act, 1860)  
**Consolidated Statements of Changes in Equity**  
For the year ended 30 June 2022

Particulars	Central Operation	Micro Finance Program	Social Intervention	Donor Program	Amount in Taka	
					30 June 2022	30 June 2021
Balance as at 01 July 2021	(25,347,358)	439,800,973	6,522,901	-	420,976,516	339,151,496
Less: Prior year adjustment with IDF	290,012	728,625	12,062,439	-	12,501,052	4,615,944
Add: Adjustment PF Forfeited	-	-	-	-	-	-
Add: Surplus during the year	(4,940,583)	140,452,046	(1,516,951)	-	133,994,512	80,888,170
	<u>(29,997,929)</u>	<u>579,524,394</u>	<u>(7,056,489)</u>	-	<u>542,469,976</u>	<u>415,423,722</u>
Transfer to reserves fund (statutory)	-	57,952,440	-	-	57,952,440	43,980,098
	<u>(29,997,929)</u>	<u>521,571,954</u>	<u>(7,056,489)</u>	-	<u>484,517,536</u>	<u>371,443,624</u>
Total reserve fund	-	57,952,440	-	-	57,952,440	43,980,098
<b>Balance as at 30 June 2022</b>	<b>(29,997,929)</b>	<b>579,524,394</b>	<b>(7,056,489)</b>	-	<b>542,469,976</b>	<b>415,423,722</b>

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

  
Director-Finance and Corporate Affairs  
COAST Foundation

  
Executive Director  
COAST Foundation

  
Treasurer  
COAST Foundation

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



Dated: Dhaka

**17 NOV 2022**

Mohammad Anwarul Hoque FCA  
Enrollment No. 1458  
Partner  
S.K. Barua & Co.  
Chartered Accountants  
DPC 22/11/2019 55AS 401880



**COAST Foundation**  
(Registered in Bangladesh under the Societies Registration Act, 1860)  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**1. Background:**

COAST Foundation, formerly known as the COAST Trust is a non- government organization working in Bhola, Patuakhali, Noakhali, Laxmipur, Feni, Chittagong, Cox's Bazar, Jhalkathi and Barisal districts. It was established in 1998 with the objective of improving the socio-economic condition of the Organizationor people of coastal area of the country. The organization registered with "Register of Joint Stock Companies & Firms" (RJSC) Under The Societies Registration Act, 1860 (Act XXI of 1860), Register No S-13496/2021) Dated 3rd February 2021. That was former registration Trust Act 1882 under Mohummadpur subregistri office, Dhaka. Registered No IV-64 & Dalil no-3794 dated 25 September 1997. COAST Foundation Certified from Microcredit Regulatory Authority (MRA) vide certificate # 00956-04041-00068, dated 29 november 2007 as Microcredit Regulatory Authority act 2006. The organization also registered with the NGO Affairs Bureau vide registration # 1242 dated 28 February 1998 under foreign donation regulation Aurdinance. The program activities being executed by COAST includes, Institution Building, Micro Finance, Social Justice and Development Education as its core program and Disaster Management, IGA & Coastal Renewable Energy Project (CREP), Food Security, Health as non-core program. COAST also have implemented different donor's supported projects that agreed with its mission and values.

**Major Area of Operations:**

COAST has been implementing its micro financing credit program under the guidance and directives of MRA & PKSF where most of the funds are from PKSF. At the same time they are also allowed to use funds from statutory Banks and their own funds for operating MF program. The concern Donors also been providing support services to the COAST in developing and capacity building in order to achieve their goals. The Organization support services include:

- a) Organizing training for Organizations personnel as part of their capacity building;
- b) Organizing workshop for Organizations personnel on Micro Credit Program;
- c) Providing institutional supOrganizationrt for capacity building like buying computer, motor cycle and bi-cycle; and
- d) Constant monitoring and supervision of Organizations by donors as a measure of confidence building.

**2. Corporate information of the Organization:**

Name of the Organization	COAST Foundation
Year of Establishment	1998
Legal Entity	COAST Foundation is a non-government, non-profit voluntary organization it registered with: a) Registrar of Joint Stock Companies registration no registration no. # 13496/2021, dated 03/02/2021. b) NGO Affairs Bureau vide registration # 1242 dated 28 February 1998 c) Microcredit Regulatory Authority (MRA) vide certificate # 00956-04041-00068, dated 29 november 2007
Nature of Operations (programs)	Micro Credit Programme (MCP) Beside other Social welfare & Advocay Programs.
Statutory Audit conduct up to	2021-2022
Name of statutory auditor for Last Year	S.K. Barua & Co.
Name of statutory auditor for Current Year	S.K. Barua & Co.
No. of Executive committee meeting held FY 2021-2022	4 times
Date of last AGM Held	26 June 2022





**List of Executive Committee members :**

Name	Qualification	Profession	Designation	Present Address
Mr. Tofail Ahmed (Mr), PhD	BSS (Hon) MSS Ph.D	Consultant	Chairperson	Flat-G-4,(5th floor), House-19, Road-12, Sector-04, Uttara, Dhaka- 8363177
Gawher Nayeem Wahra	MSS	Consultant	Vice Chairperson	Holding no-3 ( A/3), Block-A, Aurengajeb Road,Muhammadpur ,Dhaka 1207
Mostafa Kamal Ahmed	M.COM, FCA	Chartered Accountant	Treasurer	Amicus Amity, Flat-C5, Plot-371, Road-10, Block -C, Bashundhara R/A, Dhaka 1229.
Jacob Kumar Sarker	MSS	Social activist	Member	Apart A 2, House 294, Road 13, Block C, Basundhara R/A
Jasmeen Sultana Paru	BA	Social activist	Member	House no 14/1, 3 no Nasirabad Housing Society, Pachlaish, Chattogram
Anjulika Khisha	M.Ed	Social worker	Member	Apartment - 36/7/B,Mirpur,Shahalibag, Mirpur-1, Dhaka
Rezaul Karim Chowdhury	MA	ED, COAST Foundation	Member Secretary	Flat- B2, House No-13/2, Road No-02,Grand Ruby Shyamoli, Dhaka-1207

**3. Basis of preparation of financial statements:**

The financial statements have been prepared under historical cost convention in accordance with International Accounting Standard (IAS) and International Financial Reporting Standards (IFRSs) adopted in Bangladesh.

**3.1 Use of estimates and judgment:**

The preparation of financial statements in conformity with IFRS requires management to make judgment, 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate recognized in the period in which the estimates are revised and in any future periods affected

**3.2 Reporting period**

The financial period of the COAST Foundation covers one-year period from 01 July 2021 to 30 June 2022

**3.3 Comparative information and rearrangement thereof**

Comparative information has been disclosed in respect of the one-year period from 01 July 2020 to 30 June 2021 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statement. Figures for the period ended on 30 June 2021 have been rearranged wherever considered necessary to ensure comparability with the current period.

**3.4 Currencies**

The financial statements are presented in Bangladeshi Taka (BDT) which is COAST's functional currency. All financial information presented in Bangladesh Taka (BDT) has been rounded off to the nearest Taka

**3.5 Offsetting**

The organization reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.





**3.6 Current versus non-current classification**

The entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is

- i. expected to be realized or intended to be sold or consumed in normal operating cycle, or
- ii. expected to be realized within twelve months after the reporting period, or
- iii. held primarily for the purpose of trading, or
- iv. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when it is:

- i. expected to be settled in normal operating cycle, or
- ii. due to be settled within twelve months after the reporting period
- iii. held primarily for the purpose of trading, or
- iv. there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

**4.01 Summary of significant accounting policies:**

**4.02 Revenue recognition:**

The revenue during the year are recognized as following which satisfy all condition of revenue recognition as prescribed by IFRS-15 "Revenue Recognition".

Service charge is the main source of income of the Organization in accordance with the loan agreement made between Organization and loanee/borrower. Income in case of service charges is accounted for on realization basis. Besides, income from sales of passbook, contract form, admission fees are recognized when collected, (cash basis).

**Accruals**

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade payables and others.

**4.03 Provisions**

A provision is recognised in the financial statements when the organization has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. During the year provision has been made in the financial statements.

**4.04 Contingencies**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. We recognise any amount as an asset only if recovery of that amount is virtually certain.

There are no such contingent events during the period as per IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

**4.05 Events after Reporting Period**

Amounts recognized in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period.

**4.06 Related Party**

There is no transaction with related parties in the normal course of operation during the financial period of the organization.





**4.07 Re-arrangement / Reclassification / Re-statement**

Comparative figures have been rearranged/restated/reclassified where ever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the Financial Statements.

**4.08 Going Concern**

At each year end management of the organization makes assessment of going concern as required by IAS-1. The organization has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. The management continues to adopt going concern assumption while preparing the financial statements.

**4.09 Component of Financial Statements**

1. Statement of Financial Position as at 30 June 2022.
2. Statement of Comprehensive Income for the year ended 30 June 2022.
3. Statement of Changes in Equity for the year ended 30 June 2022.
4. Statement of Cash Flows for the year ended 30 June 2022.
5. Notes to the Financial Statements comprising summary of significant accounting policies, explanatory information & disclosures.

**4.10 Inventories**

Inventories comprise revenue stamps which are recognized in the financial statements at lower of cost and net realizable value as per IAS-2.

**4.11 Interest income:**

**Service Charge on loan**

Service charge from beneficiaries end - users in recognized in the financial statements on the basis of actual realization. The amount of service charges collected from the beneficiaries is recognized as income on cash basis. The principal amount of loan and organizational service charges are collected in following equal weekly installments. Interest on loan to members has been being charged @ following service charge rate per annum is recognized on actual payment on cash basis.

Name of loan component	Service charge rate (Effective Rate)	No of installment
Jagoron / General Loan	24%	46
Agorsor (SEP & MDP) / Enterprise loan	24%	46
Agorsor MDP-AF Loan	18%	46
Buniad / Hardcore poor	20%	45
Seasonal loan	2% (monthly)	1
ENRICH IGA	24%	46
ENRICH ACL	8%	12 (Yearly)
ENRICH LI	8%	12 (Yearly)
LIFT (land leasing loan)	10%	1 (Yearly)
SDL	18%	12 (Yearly)
Stimulus Loan	9%	46
LRL 2nd Phase	3.50%	2 years
SEP Common Service Loan	18%	2 years
Household Sanitation Loan	18%	
Household Eater Loan	18%	

**Interest expenses:**

COAST Foundation has taken loans from PKSF, SF, commercial Banks, different fund from internal sources to provide loans to members. Interest on loans have been accounted for on accrual basis.

**Other expenses:**

Other expenses is recognized on accrual basis.

**(ii) Interest paid on savings:**

COAST Foundation collects three types of deposits. e.g. security savings deposit, open savings deposits, and term deposit. Interest paid on group savings deposits is recognized on accrual basis. Interest expenses have been recognized on cash basis. The savings interest rate is 6% for general and variable % for term deposit

**(iii) Reporting Period**

The financial period of the organization covers one year from 01 July 2021 to 30 June 2022.





**4.12 Property plant & equipment and depreciation:**

Property, plant and equipment are stated at cost less accumulated depreciation in accordance with IAS-16. Depreciation has been charged on fixed assets using straight line method at rates varying from 5% to 20% depending on the useful life of each assets. Details have been shown in Annexure -AV4.

**Intangible Assets**

Computer software has recognized as an intangible Assets and has shown separately in statement of Financial position. As the computer software has no physical existence and the indefinite useful life and every year the technical person COAST Foundation IT department and concern Official do the review the performance and usefulness of the software. So, no amortization has been considered in preparing the financial statements.

**4.13 Capital work-in-progress**

Capital work in progress consists of acquisition costs of building and other construction until the date placed in service. Capital work in progress is recognized when risks and rewards associated with such assets are transferred to the organization. A new building is being constructed at Bhola Sadar to increase the capacity of Micro Finance Program of COAST Foundation.

**4.14 Cash flow statement:**

Cash flow statement is prepared principally in accordance with IAS-7 "Cash Flow Statement" and the cash flow operating activities have been presented under the indirect method to confirm consistency to previous year.

**4.15 Income Tax**

Under the Income Tax Ordinance (ITO), 1984 as amended, COAST Foundation is subject to taxation for some of its activities (Interest income from FDR and Bank interest) Under Income Tax Ordinance (ITO), 1984 as amended, COAST Foundation is subject to taxation for Interest income from FDR and Bank interest. As per 6th schedule, Para- A Para -IA of ITO 1984, Income from Microfinance activities is tax exempted. COAST Foundation submits its return for tax of the organization as a whole COAST Foundation and TIN number is 773532386890, Circle-90 (Companies), Zone -5.

**4.16 Value added tax**

Under Value Added Tax and Supplementary Duty Act, 2012, COAST obtained a central registration on 10 March 2022 vide BIN 004588319-0402.

**4.17 Financial instruments risk management objectives and policies**

COAST's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the operations. COAST's principal financial assets include trade receivables, loans to members, and cash and short-term deposits that derive directly from its operations. COAST is exposed to market risk, credit risk, and liquidity risk. COAST's senior management oversees the management of these risks.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loan to members, term loans (borrowings), saving deposits, debt and equity investments

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate. Exposure to fair value movement relates to fixed-rate instruments subject to fair value accounting and exposure to cash flow fluctuation relates to variable-rate instruments. COAST is primarily exposed to cash flow fluctuation arising from variable rate borrowings. The objective of interest rate risk management for COAST is to reduce financial costs and ensure predictability.

**Foreign currency risk**

COAST's exposure to the risk of changes in foreign exchange rates relates primarily to the commitments by the donor for donation/grants which are recognized as income on cash basis. Foreign currency risk is not hedged.

**Liquidity risk**

COAST monitors its risk of a shortage of funds using a liquidity forecast. COAST's objective is to maintain continuity of funding through efficient use of working capital. COAST assessed the concentration of risk with respect to financing and concluded it to be low.





**4.18 Asset Revaluation surplus:**

COAST Foundation has revaluated its land situated in Bhola and Cox's Bazar on January 2019 so that the carrying amount of the asset does not differ materially from its fair value on the balance sheet (IAS-16). This revaluation represents the difference between book value and the re-valued amount of land of the Foundation as assessed by professional valuers in the financial year 2018-19 which are reviewed at the end of the reporting period.

**4.19 Grant Income**

Grants are recognized as income in accordance with International Accounting Standard IAS -20 over the periods necessary to match them with the corresponding cost as incurred. Income from donor grants is recognized when the conditions on which they depend have been met. All donor grants received are initially recorded as at fair value as liabilities in grants received in the advance account. Whilst grants are utilized for program-related expenditures, the amounts are recognized as income. For any projects and program, any expenditure yet to be funded but for which funding has been agreed upon at the end of the reporting period is recognized as grant receivable.

**5. Summary of significant organizational policies:**

**5.01 Loan loss provision:**

**Loan classification:**

The Organization classified the loan into five categories as per MRA Organization policy, and PKSF guideline which are Current Loan (no overdue) - Standard - (LLP Charged to be 1%)

Regular loan (no overdue) - Good loan,

Loan overdue (1-30 days) - Watchful loan- LLP charged to be 5%

Loan overdue (31-180 days) - Substandard loan- LLP charged to be 25%

Loan overdue (181-365 days) - Doubtful loan- LLP charged to be 75%

Loan overdue (365+days) - Bad loan- LLP charged to be 100%

**Loan Loss Provisioning and Write Off Organization policies:**

The Organization makes provision on loan loss as per MRA Organization policy. They create 1% provision on regular loan outstanding, 5% on watchful loan outstanding, 25% on sub-standards loan outstanding, 75% on doubtful loan outstanding & 100% on bad loan outstanding. Organization has been following the MRA prescribed write-off policy.

**5.02 Organization policy on loan to beneficiaries:**

The Organization follows the following Organization policies to disburse the loan to the beneficiaries:

- a) At first arrange a group (samity) by 15 to 30 similar professional women or man with a community.
- b) COAST Foundation provide loan to beneficiaries different types of loan under different sector, cluster. E.g Rural / General Microcredit that's call "Jagoron" Hardcore poor loan called "Buniad" Microenterprise loan called "Agrosor" "MDP" "SEP", Seasonal IGA Activity / Beef fattening loan called "Sufalon", Land Leasing loan as seasonal called "LIFT" and others Project wise and promotional loan according to national crisis.
- c) 24% service charge has been charged on regular/ main component loan (Jagoron, Agrosor, Sofolon, Agrosor-SEP, Agrosor-MDP, and ENRICH-IGA). 20% on Buniad and LIFT, Stimulus loan on 9% yearly and all loans are calculated as per declining method.
- d) The Loan has to be refunded by the beneficiaries on generally weekly basis.
- e) The beneficiaries have to buy/take the pass book & loan form of the Organization.
- f) The beneficiaries have to be the member of the group savings fund of the Organization.
- g) The principal amount of loan and proportionate service charges are collected in 44-46 equal weekly installments.

**5.03 Organization policy on savings collection:**

The Organization has followed the following Organization policy to collect the savings-

- a) A samity has to be established consisting of at least 15-50 members.
- b) Savings will be collected @ Tk.20 to 100 on weekly basis.
- c) Savings will be collected @ Tk 20-25 on weekly basis for Ultra Poor Program.
- d) The collection saving will be deposited to the bank on the same day.
- e) 6% Interest will be paid to the members on yearly basis on their savings.







**5.05 Grant/subsidies/donation (Non refundable) received (2021-2022):**  
Information of Grant / Donation received in 2021-2022 is given below:

Sl. No	Name of Donor	Name of the Project	Duration of the Project	Total Committed fund Taka 2021-2022	Received in (2021-2022) In Taka
1	Manusher Janno Foundation	Citizens Engagement in Public Institutions (CEPI)	January 2019 to June 2022	8,530,886	8,325,361
2	Bangladesh Government & world food programme	School Feeding Program (SFP)-WFP	December 2015 to June 2022	934,264	840,488
3	Maltesur International	Towards Greater Effectiveness and Timeliness in Humanitarian Emergency Response (ToGETHER)	July 2020 to June 2023	48,912,095	43,323,715
4	International fund for Agricultural Development (IFAD)	Asia Pacific Farmers Program (APFP)	November 2019 to December 2023	9,503,455	1,203,681
5	British Council	Climate Fund Transparency Mechanism (CFTM)	January 2017 to November 2021	5,129,757	-
6	New Venture Fund	Climate Led Initiative for Climate Justice and resilience in the islands and coastal areas of the bay of bengal in Bangladesh (CJRF)	January 2018 to September 2022	11,832,387	14,991,756
7	Access to Justice at Community (A2JaC) Project	Awareness Raising on benefit of E-Commerce platform for farmers and fisher folks in Moheshkhali island	July, 2021 to December, 2022	21,644,360	16,442,101
8	Sustainable Development Foundation (SDF)	SSF Gender Mainstreaming (SGM) Project	January 2022 to December 2024	2,242,050	1,809,774
9	UNICEF	Ensuring Continuous Early Learning and Informal Basic Education for Rohingya Refugee Children in Cox's Bazar	January 2021 to March 2023	90,424,373	81,381,936
10	UNICEF	Enhancing Self Resilience and Protective Environment for Rohingya and Host Community Adolescents and Youth (girls and boys) in Cox's Bazar District from Myanmar in Cox's Bazar District	January 2021 to March 2022	73,458,425	67,584,041

