

**Audit Report
of Financial Statements**

of

Partners in Health and Development (PHD)

For the period ended 01 July 2023 to 30 June 2024

Submitted by

Howladar Yunus & Co.

Chartered Accountants

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Bangladesh

T : +880 2 58815247**INDEPENDENT AUDITOR'S REPORT****To the Board of Directors of Partners in Health and Development (PHD)****Report on the Audit of the Financial Statements****Opinion**

We have audited the Financial Statements of **Partners in Health and Development (PHD)**, which comprise the Statement of Financial Position as at June 30, 2024, and Statement of Income and Expenditure, and Statement of Receipts and Payments for the year then ended June 30, 2024 and notes to the financial statements, including a summary of material accounting information.

In our opinion, the accompanying financial statements present fairly, in all material respect, (or give a true and fair view of) the financial position of the Organization as at June 30, 2024, and its Financial Performance and its Receipts and Payments for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other 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 opinion.

Chartered Accountants

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Emphasis of Matter

1. The entity has not prepared combined financial statements as required by the Conceptual Framework. This matter is disclosed in Note 2.01 to the financial statements.
2. We draw attention to Notes 2.01, of the financial statement, which describes the basis for the preparation of financial statements Partners in Health and Development (PHD) have been following the accrual basis in preparation of the financial statement except interest on FDR.
3. We would like to draw attention to Note #10.01, which outlines the amount received from the donor for the projects, and Note #10.02, which details the amount transferred to the project account. Our audit report confirms only the receipt of funds into the entity's mother account and their subsequent transfer to the project accounts. It does not cover any other income or expenditures related to the respective projects.

Our opinion is not modified in respect of these.

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

Management is responsible for the preparation of Financial Statements that gives a true and fair view in accordance with IFRSs, and the companies Act 1994 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 company 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are 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 company 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to 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 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.

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 Companies Act 1994, We also report that following:

- (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 have been kept by the Company 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 agree with the books of account.

Howladar Yunus & Co.

Chartered Accountants

Firm Registration No: N/A


Farhana Sultana, FCA

Partner

Enrolment No: 1619

DVC: 2412011619AS695822

Dated: Dhaka- 01 DEC 2024

Partners in Health and Development (PHD)

Statement of Financial Position

As at 30 June 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
ASSETS			
A. Non-current Assets		20,927,176	20,960,743
Property, Plant and Equipment	03.00	20,927,176	20,960,743
B. Current Assets		32,329,218	79,913,113
Short Term Investment (FDR)	04.00	23,842,699	19,036,916
Loan and Advances	05.00	8,101,872	18,966,255
Advance Income Tax	06.00	-	138,510
Cash and Bank Balance	07.00	384,647	41,771,432
C. Total Assets (A+B)		53,256,394	100,873,856
D. Current Liabilities		5,272,134	65,891,337
Provision for Expenses	08.00	4,898,982	3,777,690
Liability for Expenses	09.00	-	555,519
Grants Payable	10.00	-	60,913,526
Other Liability	11.00	373,152	644,602
Net Current Assets (B-D)		27,057,084	14,021,776
Total Net Assets		47,984,260	34,982,519
Funds			
General Funds	12.00	47,984,260	34,982,519
Total Funds		47,984,260	34,982,519

The annexed notes (1-18) form an integral part of these Financial Statements.


Deputy Director Finance

Partners in Health and Development


Managing Director

Partners in Health and Development


Farhana Sultana, FCA
 Partner

Howladar Yunus & Co.
 Chartered Accountants

DVC No. 24 1 2 0 1 1 6 1 9 A S 6 9 5 8 2 2

Dated: Dhaka- 01 DEC 2024

Partners in Health and Development (PHD)

Statement of Income and Expenditure

For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
Income			
FDR Interest		1,016,758	623,088
Bank Interest		49,577	83,111
Received from Provident Fund		191,717	-
Shared Cost and Overhead Received	13.00	56,994,159	42,271,222
Total Income		58,252,211	42,977,421
Expenditure			
Personnel Cost	14.00	28,979,019	31,706,859
Office Expenses	15.00	4,257,114	4,111,252
Travel and Transportation Expenses	16.00	1,145,219	1,455,340
Repair and Maintenance Expenses	17.00	1,282,329	1,465,466
Project Expenses	18.00	4,628,400	1,794,605
Audit Fee	8.01	127,778	104,632
Depreciation		205,223	233,587
Total Expenditure		40,625,082	40,871,741
Gross Surplus/(Deficit)		17,627,129	2,105,680
Tax Expenses		4,771,204	579,062
Net Surplus/(Deficit)		12,855,925	1,526,618

The annexed notes (1-18) form an integral part of these Financial Statements.


Deputy Director Finance

Partners in Health and Development



Managing Director

Partners in Health and Development


Farhana Sultana, FCA

Partner

Howladar Yunus & Co.

Chartered Accountants

DVC No. 2412011619AS695822

Dated: Dhaka- 01 DEC 2024

Partners in Health and Development (PHD)

Statement of Receipts and Payments

For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
Opening Balance		60,737,687	4,842,153
Cash and Bank Balance		41,771,432	4,079,097
Loan and Advances	05.00	18,966,255	763,056
Receipts		746,407,227	701,421,046
Bank Interest		49,577	83,111
Shared Cost and Overhead Received	13.00	56,994,159	42,271,222
Grant Received from Project	10.01	689,171,774	656,566,713
Received from Provident Fund		191,717	
Transfer FDR to Midwifery Project		-	2,500,000
Total Receipt		807,144,914	706,263,199
Payments			
Personnel Cost	14.00	30,624,313	27,257,046
Office Expenses	15.00	4,002,078	3,893,027
Transportation Expenses	16.00	1,145,219	1,455,340
Repair and Maintenance	17.00	1,282,329	1,427,484
Project Expenses	18.00	4,627,900	1,741,348
Grant Transferred to Project	10.02	750,085,300	595,653,187
Purchase of Non-current Assets		171,655	-
Provident Fund payable paid		555,519	9,265,640
FDR		4,000,000	3,000,000
Accounts payable paid- VAT, Tax and other		2,042,137	1,617,751
Advance tax paid		6,945	12,467
Audit Fee		115,000	202,222
Loan To Project	05.01	-	18,300,000
Payments during the year		798,658,395	663,825,512
Cash and bank balance		384,647	41,771,432
Advances Staff & Office Rent		8,101,872	666,255
Closing balance		8,486,519	42,437,687
Total Payment		807,144,914	706,263,199

The annexed notes (1-18) form an integral part of these Financial Statements.


Deputy Director Finance
Partners in Health and Development


Managing Director
Partners in Health and Development


Farhana Sultana, FCA
Partner
Howladar Yunus & Co.
Chartered Accountants

DVC No. 2412011619AS695822

Dated: Dhaka- 01 DEC 2024

Partners in Health and Development (PHD)
Notes, comprising a summary of significant accounting policies and other explanatory information
For the year ended 30 June 2024

01.00 About the organization

01.01 About Partners in Health and Development (PHD)

Partners in Health and Development (PHD) is a not-for-profit Bangladeshi non-government organization registered under Companies Act (Reg. # 524(37) 2002 and NGO Affairs Bureau (Reg. # 2567 dated 29.04.2010, renewal up to 28/04/2030). PHD is a not-for-profit organization, working in Bangladesh for more than 3 decades towards improving the life of the people, particularly of marginalized and the less privileged. PHD works in partnerships for implementing development programs, and delivers technical assistance to government sectors and development actors in managing funds, strengthening systems, developing HR, building organizational capacity, conducting research & evaluation, implementing humanitarian response, livelihood programs and building professional.

PHD is an ancestral organization of DFID supported implementing agency 'Bangladesh Population and Health Consortium' (BPHC) that was established in 1988 to support the national health and population sector program of the Government of Bangladesh and managed over seventy million dollars (US\$ 70m) worth of grants. It has subsequently worked for the Canadian International Development Agency, the Royal Netherlands Embassy, Swedish International Development Agency and other international and national organizations both in public as well as in private health, nutrition and population sector programmed. BPHC was transformed into PHD in 2002.

01.02 Vision

PHD belongs with the vision of creating 'an inclusive and empowered society with equal opportunity.

01.03 Mission

PHD prolongs as a non-profit organization with the missions for-

- Supporting development actors in managing development process for sustainable development and
- Enhancing quality of life of the people with particular emphasis to marginalized and less privileged through improving access to livelihood opportunities.

01.04 Overall Objective

The objectives of the project are:

PHD has long experience in implementing health, nutrition, WASH related development and humanitarian response projects for the poor and disadvantaged communities across the country. PHD implemented projects include primary health care, adolescents' health, safe motherhood, HIV/AIDs, community clinic pilot project, essential new-born care (saving new-born lives), climate resilience and so on. At present, PHD implements UNICEF-MNH Project, UNFPA-MNRHP Cox's Bazar, UNFPA-HGS COX, DFAT-III (SCI Cox's Bazar), SCI ECHO HIP, Sukhi Jibon (Pathfinder International in Moulvibazar & Kishoregonj), UNICEF-WB Cox's Bazar, Urban PHC supported by Unicef, UNICEF-MNCHN Project-Cox's bazar, MLHS with CWW, UNFPA IWGRCC, SRH&CVB and CCR HSC.



02.00 Significant Accounting Policies**02.01 Basis of preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention. The accounting policies applied by Partners in Health and Development (PHD) are consistent with those used in the previous year. Revenues and expenditures have been accounted for on accrual basis except interest on FDR. Moreover, the Financial Statements is prepared only for General Fund of Partners in Health and Development (PHD). Income and Expenditure related to the projects is not included in this Financial Statements, hence no combined Financial Statement is prepared.

02.02 Non-current Assets**a) Recognition**

Property, plant and equipment have been valued at written down value.

b) Depreciation

Depreciation on Non-current Assets is provided on a reducing balance method. (Details in Annex-1)

02.03 Provident Fund

Provident fund was introduced in Partners in Health and Development (PHD) in 1 January 2012 where employee and employer contribute 10% of their basic salary. Approval was taken from National Board of Revenue (NBR) as recognized provident fund for the PHD staff's provident fund.

02.04 Reporting period

This financial statements have been prepared for the period from 1 July 2023 to 30 June 2024.

02.05 Comparative financial information

Comparative financial information has been presented in respect of the previous 12 months from 01 July 2022 to 30 June 2023 for all amounts reported in the financial statements, both on the face of the financial statements and in the notes.

02.06 Functional and presentation currency

The financial statements are presented in Taka which is both functional currency and presentation currency of the organization.

02.07 General

a) Figures in the Financial Statements have been rounded off to the nearest Taka.

b) Previous years Presentation has been rearranged and adjusted to confirm with present years presentation where applicable.

02.08 Shared Cost and Overhead Received

Shared Cost and Overhead is the receipt of money by PHD for implementing different projects of different donor. Considering the volume of the activities and the rate is fixed. But the rate is varies from 5% to 10%.

Presently PHD received 7% management capacity development cost from UNICEF Funded project and 5% from UNFPA Funded project as IP support cost, 7% -10% management cost/Overhaed cost from WHO. 5% from FCDO funded BRAC DMP-2 project. PHD have no fixed NICRA (Negotiated Indefinite Cost Rate Agreement) to Implement USAID Funded Project but in past agreement PHD received demines rate of 10% of modified total direct cost (MTDC) from USAID funded FHI-360 MSNP project.

Considering time involvement of organizational staff to implement Project activities PHD charged share cost of staff Salary, Partial office rent, communication, transport, office supplies and utilities considering the volume of the project activities and this rate is varies from 10% to 25% according to PHD Share cost allocation policy. PHD Share Cost received from SCI- MaMoni MNCSP, MaMoni Covid-19, BMZ, DFAT-III. Plan International- LEAP, Pathfinder-WLCR, Shukhi Jibon, UNICEF- PHC URBAN, MNCHN-HC, MNCAH Project. PHD Overhead received from UNFPA- MNRHP. HGS, WHO, ESDO project.

