

নিরীক্ষা প্রতিবেদন
AUDITORS' REPORT

OF

North West Zone
Power Distribution Company Limited
For the year ended June 30, 2010

রহমান মোস্তফা আলম এন্ড কোং
RAHMAN MOSTAFA ALAM & CO.
CHARTERED ACCOUNTANTS

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Auditors' Report

To

The Shareholders of North-West Zone Power Distribution Company Limited

Introduction

We have examined the statements of financial position of North-West Zone Power Distribution Company Limited (the company) for the year ended June 30, 2010 and the statement of financial position as at June 30, 2009 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009.

Management's responsibility for the financial statements

Management is responsible for the preparation and presentation of these financial statements in accordance with the Companies Act, 1991 and other applicable laws and regulations and the accounting policies adopted by management. It is also responsible for ensuring that the financial statements are prepared in accordance with the accounting policies adopted by management and the accounting policies adopted by management.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on the audit. We conducted our audit in accordance with the standards of the Institute of Nepal Practising Accountants (INPAC). These standards require us to exercise professional judgment and to maintain independence in accordance with the standards of the Institute of Nepal Practising Accountants (INPAC).

**North-West Zone
Power Distribution Company Limited**
For the year ended June 30, 2010

We have examined the financial statements of North-West Zone Power Distribution Company Limited (the company) for the year ended June 30, 2010 and the statement of financial position as at June 30, 2009 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009.

We have also examined the financial statements of North-West Zone Power Distribution Company Limited (the company) for the year ended June 30, 2010 and the statement of financial position as at June 30, 2009 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009.

Opinion

In our opinion, the financial statements, prepared in accordance with the accounting policies adopted by management, present a true and fair view of the financial position of the company as at June 30, 2010 and the statement of financial position for the year ended June 30, 2010 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009.

Emphasis of Matter

We draw attention to the fact that the financial statements of the company for the year ended June 30, 2010 and the statement of financial position as at June 30, 2009 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009.

1. The financial statements of the company for the year ended June 30, 2010 and the statement of financial position as at June 30, 2009 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009.
2. The financial statements of the company for the year ended June 30, 2010 and the statement of financial position as at June 30, 2009 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009.
3. The financial statements of the company for the year ended June 30, 2010 and the statement of financial position as at June 30, 2009 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009.
4. The financial statements of the company for the year ended June 30, 2010 and the statement of financial position as at June 30, 2009 and the statement of financial position for the year ended June 30, 2009 and the statement of financial position for the year ended June 30, 2009.

Dhaka, Dhaka
January 10, 2011

Rahman Mostafa Alam & Co.
Chartered Accountants



Auditors' Report
To
The Shareholders of North-West Zone Power Distribution Company Limited

Introduction

We have audited the accompanying financial statements of North-west Zone Power Distribution Company Limited. ("the company") which comprise the statement of financial position as at June 30, 2010 and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and presentation of these financial statements in accordance with the Company Act, 1994 and other applicable laws and regulation 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statement, prepared in accordance with significant accounting policies in the notes to the financial statements give a true and fair view of the company's affairs as at June 30, 2010 and its cash flows for the year then ended comply with the Companies Act, 1994 and other applicable laws and regulations.

Emphasis of Matter

We draw attention to Note 3 to the financial statements which describes that the company has not started its commercial operation till June 30, 2010 as such all the revenue expenses have been shown in unallocated revenue expenditure. Our opinion is not qualified in respect of this matter.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and believe 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 these books;
- c) the statement of financial position and statement of cash flows dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was to the purposes of the company's business.

Dated: Dhaka
January 10, 2012


Rahman Mostafa Alam & Co.
Chartered Accountants

North-West Zone Power Distribution Company Limited
Statement of Financial Position
As at June 30, 2010

Particulars	Notes	Amount in Taka	
		30.06.2010	30.06.2009
Assets			
Non Current Assets:			
Property Plant & Equipments (Annexure-A)			
At Cost		11,981,016	3,455,128
Less: Accumulated Depreciation		3,230,075	1,172,935
		8,750,941	2,282,193
Un-Allocated Revenue Expenditure	03	25,040,222	14,559,786
		<u>33,791,163</u>	<u>16,841,979</u>
Current Assets:			
Advance Deposit & Prepayment	04	292,198	44,937
Cash and Bank Balance	05	2,430,407	2,780,910
		<u>2,722,605</u>	<u>2,825,847</u>
Total Assets		<u>36,513,768</u>	<u>19,667,827</u>
Liabilities & Sherholders Equity:			
Authorised capital:			
25,000,000 no Ordinary Shares @ Tk 100 each		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Subscribed & Paid up Capital:			
9999 no Ordinary Shares @ Tk.100		999,900	999,900
		<u>999,900</u>	<u>999,900</u>
Non Current Liabilities:			
Loan from BPDB	06	34,338,300	18,213,600
		<u>34,338,300</u>	<u>18,213,600</u>
Current Liabilities:			
Accounts Payables	07	-	6,375
Other Liabilities	08	1,175,568	447,952
		<u>1,175,568</u>	<u>454,327</u>
Total Liabilities & Sherholders Equity		<u>36,513,768</u>	<u>19,667,827</u>

Director

Director

Dated, Dhaka
January 10, 2012


Rahman Mostafa Alam & Co.
Chartered Accountants



North-West Zone Power Distribution Company Limited
Statement of Cash Flows (Receipts & Payments)
For the year ended June 30, 2010

Particulars	Amount in Taka	
	30.06.2010	30.06.2009
A. Cash Flow from Operating Activities		
Interest on Bank	552,616	256,178
Other income	1,500	-
Net cash generated from operating activities	554,116	256,178
B. Cash Flow from Investing Activities		
Basic Pay of Officer	(1,970,000)	(2,215,000)
House Rent Allowances	(1,140,000)	(1,140,000)
Medical Allowances	(564,871)	(530,124)
Dearness Allowances	(234,000)	(283,190)
Festival Bonus (Officer)	(390,000)	(390,000)
Electricity Bill	(179,981)	(83,941)
Wages for Hired Labour	(249,825)	(128,200)
Travelling	(205,816)	(112,142)
Tiffin & Conveyance Allowance	(2,760)	-
Leave Encash	(126,499)	(136,333)
Washings	(315)	(650)
Entertainment	(75,873)	(130,208)
Stationary & Printing	(495,271)	(373,700)
Licence & Fees	(664,528)	(2,680,363)
Office Rent	(55,100)	-
Postage & Telegram	(127,174)	(149,129)
Telephone	(95,821)	(61,056)
Advertisement & Promotion	(26,520)	-
Legal Expenses	(2,500)	(17,000)
Books & Periodicals	(8,885)	(17,231)
Fuel & Lubricants	(640,720)	(630,717)
Insurance on Vehicals	(283,794)	(55,695)
Employee Income Tax	(195,000)	(71,000)
Traning & Education	(7,633)	-
Bank Charge & Commission	(62,010)	(26,570)
Director Fee	(192,000)	(76,000)
Repairs of Building	(76,632)	-
Repairs of Vehicles	(175,017)	(133,600)
Repairs of Furniture	(1,250)	(300)
Security Contractor	(10,785)	-
Temporary Advance	(50,000)	-
Vehicals	(7,819,000)	-
Office Furniture	(706,888)	-
Telephone Security	(4,000)	-
Advance House Rent	(138,000)	-
Advance Tax (At source)	(55,261)	(25,617)
Net cash used in investing activities	(17,033,729)	(9,467,766)
C. Cash Flow from Financing Activities		
Long term browing (BPDB)	16,124,700	-
Short term browing (Contractor)	4,410	6,375
Net cash used in financing activities	16,129,110	6,375
D. Net increase in cash and cash equivalents (A+B+C)	(350,503)	(9,205,213)
Add: Cash and Cash Equivalents at the beginning of the year	2,780,910	11,986,123
Cash and Cash Equivalents at the end of the year	2,430,407	2,780,910

Director


Director



North-West Zone Power Distribution Company Limited

Notes to the accounts

As on June 30, 2010

01. Corporate Information and Nature of Business Activities

1.1 Corporate Information

North-west Zone Power Distribution Company Limited (the "Company") was incorporated in Bangladesh on 03.08.2005 vide no C-58433 (439)/ 05 as a Public Company Limited .

1.2 Nature of Business Activities

The main activities of North-West Zone Power Distribution Company Limited is to generate, harness, develop, accumulate, distribute and supply electricity by setting up power plants by use of solid, liquid and gaseous fuels for the purposes of light, heat motive power and for all other purpose for which electric energy can be employed and to distribute and supply such power either directly or through transmission lines and facilities and other utilities to consumers of electricity of the area under Rajshahi Division excluding areas of Rural Electrification Board (REB) / Palli Bidyut Samities.

02. Significant Accounting Policies and basis of preparation of the financial statements

2.1 Preparation of Accounts

The Company has not start its commercial operation till 30.06.2010 as such all the revenue expenses have been shown in unallocated revenue expenditure till 30.06.2010. The financial statements of the company have been prepared assuming going concern basis based on the accrual basis of accounting following under the historical cost convention.

2.2 Reporting Period

These financial statements cover one accounting year from July 01, 2009 to June 30, 2010.

2.3 General

Figures shown in the accounts have been rounded off to the nearest Bangladeshi Taka.

03. Un- allocated Revenue Expenditure

Amount in Taka		
	30.06.2010	30.06.2009
Year 2008	4,540,015	4,540,015
Year 2009	10,019,771	10,019,771
Year 2010	10,480,435	-
03.1	<u>25,040,222</u>	<u>14,559,786</u>



03.01. Un- allocated Revenue Expenditure

Amount in Taka		
	30.06.2010	30.06.2009
Basic salary (Officer)	2,340,000	2,340,000
House Rent Allowances	1,140,000	1,140,000
Medical Allowances	564,871	530,124
Dearness Allowances	234,000	283,190
Festival Bonus (Officer)	390,000	390,000
Electricity Bill	179,981	83,941
Wages for Hired Labour	249,825	128,200
Traveling	205,816	112,142
Leave Encase	126,499	136,333
Tiffin & Conveyance Allowance	2,760	
Washings	315	650
Entertainment	75,873	130,208
Stationary & Printing	493,772	373,700
Licence & Fees	664,528	2,680,363
Office Rent	55,100	
Postage & Telegram	127,174	149,129
Telephone	95,821	61,056
Advertisement & Promotion	26,520	-
Legal Expenses	2,500	17,000
Books & Periodic	8,884	17,231
Fuel & Lubricants	640,720	630,717
Training & Education	7,633	
Insurance on Vehicles	283,794	55,695
Bank Charge & Commission	62,010	26,570
Director Fee	192,000	76,000
Repairs of Building	76,632	-
Repairs of Vehicles	175,017	133,600
Repairs of Furniture	1,250	300
Depreciation	2,057,140	523,622
	10,480,435	10,019,771

04. Advance ,Deposits & Prepayments

Advance Tax (At source)	04.01	80,878	25,617
Telephone Security	04.02	23,320	19,320
Advance House Rent		138,000	-
Temporary Advance		50,000	-
		292,198	44,937

04.01 Advance Tax (At source)

Opening Balance	25,617	
Add: Addition Made during the year	55,261	25,617
	80,878	25,617

04.02 Telephone Security

Opening Balance	19,320	19,320
Add: Addition Made during the year	4,000	-
	23,320	19,320



		Amount in Taka	
		30.06.2010	30.06.2009
05. Cash and Bank Balance			
Janata Bank (Hatam Khan Branch, A/c No. STD-51)		45,058	33,694
AB Bank (Rajshahi Branch, A/c no. 760879-430)	05.01	2,385,349	2,747,216
		<u>2,430,407</u>	<u>2,780,910</u>
05.01 Reconciliation Statement of Bank Balance			
AB Bank (Rajshahi Branch, A/c no. 760879-430) :			
Balance as per Bank book		2,466,227	2,772,833
Less: Advance income Tax (At source),2009		25,617	25,617
Advance income Tax (At source),2010		55,261	-
		<u>2,385,349</u>	<u>2,747,216</u>
06. Loan from BPDB			
Janata Bank (Abdul Gani Road Branch)		10,470,250	10,470,250
Agrani Bank (WAPDA Branch)		8,743,250	8,743,250
Agrani Bank (WAPDA Branch)		16,124,700	-
		<u>35,338,200</u>	<u>19,213,500</u>
Less: Accounts Receivables		999,900	999,900
		<u>34,338,300</u>	<u>18,213,600</u>
07. Accounts Payable			
Security (Contractor)	07.01	-	6,375
		<u>-</u>	<u>6,375</u>
07.01 Security (Contractor)			
Opening Balance		6,375	6,375
Add: Addition made during the year		4,411	-
		<u>10,786</u>	<u>6,375</u>
Less: Payment during the year		10,786	-
		<u>-</u>	<u>6,375</u>
08. Other Liabilities			
Interest suspense	08.01	875,568	322,952
Employee Income Tax	08.02	300,000	125,000
		<u>1,175,568</u>	<u>447,952</u>
08.01 Interest suspense			
Year 2008		66,774	66,774
Year 2009		256,178	256,178
Year 2010		552,616	-
		<u>875,568</u>	<u>322,952</u>
The Company could not start its commercial operation till 30.06.2010 as such interest on STD shown as interest suspense accounts.			
08.02 Employee Income Tax			
Opening Balance		125,000	71,000
Add: Addition made during the year		370,000	125,000
		<u>495,000</u>	<u>196,000</u>
Less: Payment during the year		195,000	71,000
		<u>300,000</u>	<u>125,000</u>



North-West Zone Power Distribution Company Limited
Fixed Assets Schedule
As at June 30, 2010

Annexure-A

Particulars	Cost			Rate	Depreciation			W.D.V as on 30.06.10
	Balance as on 01.07.09	Addition made during the year	Balance as on 30.06.10		Balance as on 01.07.09	Charged during the year	Balance as on 30.06.10	
Vehicles	3,038,000	7,819,000	10,857,000	20%	1,093,680	1,952,664	3,046,344	7,810,656
Office Furniture	417,128	706,888	1,124,016	10%	79,255	104,476	183,731	940,285
Total	3,455,128	8,525,888	11,981,016		1,172,935	2,057,140	3,230,075	8,750,941

Note # Depreciation charged during the year and shown in unallocated revenue expenditure.

