

**Chattagram Maa-O-Shishu Hospital Medical College (CMOSHMC)**  
Independent auditor's report and financial statements  
as at and for the year ended 30 June 2021

## Independent auditor's report

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To the board of trustees of Chattagram Maa-O-Shishu Hospital Medical College

### **Qualified Opinion**

We have audited the financial statements of Chattagram Maa-O-Shishu Hospital Medical College ("the Medical College") which comprise the balance sheet as at 30 June 2021, the income and expenditure account, statement of changes in funds, statement of receipts and payments account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements are prepared, in all material respects, in accordance with the Rules and Regulations of the Medical College.

### **Basis for Qualified Opinion**

The College has reported net book value of fixed assets of BDT 41,924,197 as at 30 June 2021 and depreciation expense of BDT 4,602,784 for the year then ended. As the management does not maintain a fixed asset register, we were unable to obtain sufficient appropriate audit evidence as to the completeness and existence of fixed assets and accuracy of depreciation expense. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 Medical College 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 – Basis of Accounting and Restriction on Distribution and Use**

We draw attention to Note 2 (A) to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Medical College in complying with the Rules and Regulations of the Medical College referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Trustees of Chattagram Maa-O-Shishu Hospital Medical College, Governing Body and National Board of Revenue and should not be distributed to or used any other party. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the Rules and Regulations of the Medical College, 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 Medical College'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 Medical College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Medical College's financial reporting process.

## Independent auditor's report (continued)

### **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 scepticism 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 Medical College'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 Hospital'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 Medical College to cease to continue as a going concern.

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.

Adeeb H. Khan, Senior Partner, Enrolment Number: 652  
Rahman Rahman Huq, Chartered Accountants  
Firm Registration Number: [N/A]

Chattogram,

DVC:

Chattagram Maa-O-Shishu Hospital Medical College  
Balance Sheet

<i>In taka</i>	<i>Note</i>	30 June 2021	30 June 2020
<b>Financed by</b>			
Capital fund	4	504,250,350	504,250,350
General fund	5	121,191,217	191,401,894
<b>Total funds financed</b>		<b>625,441,567</b>	<b>695,652,244</b>
<b>Non-current assets:</b>			
Fixed assets-at cost	6	128,463,476	127,463,498
Accumulated depreciation		(86,539,279)	(81,936,496)
		41,924,197	45,527,002
Capital work-in-progress	7	-	494,454,893
Investments in FDR - at face value	8	69,150,000	81,150,000
<b>Total non-current assets:</b>		<b>111,074,197</b>	<b>621,131,895</b>
<b>Current assets:</b>			
Stock and stores	9	6,440	2,182
Advances and deposits	10	390,280	518,443
Other receivables	11	15,006,017	19,340,218
Investments in FDR - at face value	8	36,850,000	63,350,000
Due from Chattagram Maa-o-shishu Hospital	12	512,120,415	-
Accrued interest on investments in FDR	13	52,817,497	55,109,663
Cash and cash equivalents	14	38,842,485	90,458,477
<b>Total current assets:</b>		<b>656,033,134</b>	<b>228,778,983</b>
<b>Current liabilities</b>			
Liabilities for expenses	15	(10,747,224)	(8,606,719)
Other liabilities	16	(99,943,682)	(107,978,678)
Due to Chattagram Maa-o-shishu Hospital (net)	12	-	(4,892,087)
Provision for income tax	19	(30,974,858)	(32,781,150)
<b>Total current liabilities:</b>		<b>(141,665,764)</b>	<b>(154,258,634)</b>
<b>Net current assets</b>		<b>514,367,370</b>	<b>74,520,349</b>
<b>Capital employed</b>		<b>625,441,567</b>	<b>695,652,244</b>

The notes set out on pages 10 to 20 form an integral part of these financial statements.

\_\_\_\_\_  
Director

\_\_\_\_\_  
Principal

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Vice Chairman  
Governing Body

As per our annexed report of same date.

Chattogram,

\_\_\_\_\_  
Auditor

Chattogram Maa-O-Shishu Hospital Medical College  
Income and expenditure account

For the year ended 30 June 2021

<i>In taka</i>	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>Income</b>			
Operating income	17	52,750,830	121,663,020
Non-operating income	18	21,729,527	36,418,286
<b>Total income</b>		<b>74,480,357</b>	<b>158,081,306</b>
<b>Expenditure</b>			
Salary and allowances		120,689,183	112,115,866
Contribution to employees' provident fund		3,728,686	3,500,045
Electricity, gas and water		1,460,720	1,749,665
Telephone bill		60,293	49,118
Cleaning and washing		149,920	147,619
Bulbs and other replacements		74,233	267,943
Printing and stationery-(net)		444,862	559,122
Travelling and conveyance		108,570	145,101
Repairs and up-keep		970,433	1,792,571
Fooding and entertainment		96,257	214,744
Postage and stamps		13,882	8,159
Advertisement		51,977	591,845
Email and internet charges		184,250	144,670
Depreciation on fixed assets	6	4,602,784	4,990,222
Photography expenses		8,000	6,370
Annual General Meeting and other celebrations		126,941	460,948
Oil and lubricants for motor car		155,440	127,940
Linen and utensils		206,450	116,525
Newspapers and periodicals		3,655	282,764
Gardening expenses		743	3,630
Examination form fee of University of Chittagong & CMU		1,192,000	248,050
Examination expenses		599,848	899,167
Audit fee including VAT		59,800	57,500
Insurance fee		28,233	28,233
Bank charges		328,625	274,736
M.B.B.S. admission test remuneration and expenses		20,821	111,986
Honorarium		73,000	277,500
National day expenses		126,980	5,761
Computer accessories		255,730	472,434
Contribution to employees' annual picnic		15,000	549,000
Other expenses		17,500	24,974
Inspection/ Re-inspection fee		442,956	286,637
Excess expenses against internship fees		5,700,614	5,139,340
Medical journal		308,500	331,890
IRB expenses		80,000	10,000
Over time paid		27,469	5,210
Contribution to Eng. L.K. Siddique M.B. fund		489,000	362,680
Medical and surgical		91,410	255,968
Software expenses		223,000	249,000
President scholarship		10,750	10,750
Governing Body election expenses		18,000	16,000
Bangladesh Medical Dental Council registration fee		33,200	27,900
Bangladesh Medical Dental Council expenses		8,600	25,645
Legal & Professional		285,055	-
Registration and license fee		39,023	-
Chattogram University & Chattogram Medical University expenses		855,200	-
Laboratory chemical		-	16,570
<b>Balance carried forward</b>		<b>144,467,593</b>	<b>136,961,798</b>

Chattagram Maa-O-Shishu Hospital Medical College  
Income and expenditure account (continued)

For the year ended 30 June 2021

<i>In taka</i>	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>Balance brought forward</b>		<b>144,467,593</b>	136,961,798
Sports and others		-	180,480
I.D card expenses		-	18,068
Admission cancelled		-	739,200
M.B.B.S. form cancelled		-	1,000
Scholarship		-	253,650
Registration and tax fee of motor car		-	38,016
Expenses for mujib barsha		-	723,920
Practical note book		-	128,500
Registration fee (land)		-	1,001
Over expense against retention fee of University of Chittagong		-	3,500
Autopsy class fee		-	216,000
		-	2,303,335
<b>Total expenditure</b>		<b>144,467,593</b>	139,265,133
Surplus before tax for the year/ period		<b>(69,987,236)</b>	18,816,173
Income tax expenses:			
Current year	19	<b>(223,441)</b>	(2,822,426)
<b>Surplus/(deficit) after tax transferred to general fund (Note-5)</b>		<b>(70,210,677)</b>	15,993,747

The notes set out on pages 10 to 20 form an integral part of these financial statements.

\_\_\_\_\_  
Director

\_\_\_\_\_  
Principal

\_\_\_\_\_  
Vice Chairman  
Governing Body

As per our annexed report of same date.

Chattogram,

\_\_\_\_\_  
Auditor

DVC:

Chattagram Maa-O-Shishu Hospital Medical College  
Statement of changes in funds

For the year ended 30 June 2021

<i>In taka</i>	<b>Capital fund</b>	<b>General fund</b>	<b>Total</b>
Balance at 1 July 2019	504,250,350	175,408,147	679,658,497
Surplus after tax for the year	-	15,993,747	15,993,747
<b>Balance at 30 June 2020</b>	<b>504,250,350</b>	<b>191,401,894</b>	<b>695,652,244</b>
Balance at 1 July 2020	<b>504,250,350</b>	<b>191,401,894</b>	<b>695,652,244</b>
Deficit after tax for the year	-	(70,210,677)	(70,210,677)
<b>Balance at 30 June 2021</b>	<b>504,250,350</b>	<b>121,191,217</b>	<b>625,441,567</b>

*The notes set out on pages 10 to 20 form an integral part of these financial statements.*

