

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying Financial Statements of the **BANGLADESH FILM DEVELOPMENT CORPORATION** which comprise the Statement of Financial Position as of 30th June, 2012 and the related Statement of Comprehensive Income alongwith the Statement of Cash Flows and Statement of Changes in Equity for the year ended 30th June, 2012 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Bangladesh Financial Reporting Standards (BFRSs). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with approved auditing standards adopted by the Institute of Chartered Accountants of Bangladesh. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor 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 principles used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of financial statements.

We believe that our audit provides a reasonable basis for our opinion:

Opinion:

In our opinion, the Financial Statements present fairly, in all material respects of the Financial Position of the Corporation as at 30th June, 2012 and of the results of its operations and its Cash Flows for the year ended in accordance with Bangladesh Financial Reporting Standards.

Emphasis of Matter:

We draw attention to the following notes to the financial statements which describe as under and our opinion is not qualified in respect of the followings matters:

Note No. 4.1(a), Existence of Fixed Assets:

We could not observed the fixed assets of the statement of financial position date amounting to **Tk. 28,42,15,176.00** Owing to the nature of the Corporation's records we are unable to satisfy ourselves as to physical existence of fixed assets by other audit procedures. As such existence of fixed assets is subject to physical verification.

Note No. 4.2(a), Capital Work-in-Progress- BFDC Staff Quarter, Tk. 4,49,161.00:

The above balance is being carried forward for years together. It represents construction cost of staff quarter situated at Vashantak which is yet to be completed. But we are informed that construction work of this staff quarter was stopped since 1992 due to litigation case filed by the original owners of the land in the court against allotment of this plot of land to BFDC by the Government. Subsequently a decree was awarded by court in favour of BFDC on 20th July, 1995.



Previous audit report reveals that management is supposed to take necessary step to complete the hanging situation. But yet it is not implemented properly for want of fund.

Note No. 4.2(b), Capital Work-in-Progress- Digital Sound Equipment, Tk. 2,91,66,744.00:

Value of digital sound equipment was also carried in account since 2007. We are given to understand that since a dispute with importer in respect of quality of goods supplied arose which has not yet been settled, the advance amount shown under this head of account was not adjusted and transferred to fixed asset. However, we have been informed that litigation is pending against the importer at the court.

We note that the supplied equipment is a obsolete one and not in useable condition. So, future of the equipment is dark.

Note No. 6.1.1, Released Film, Tk. 4,38,84,968.00:

It is observed that above entire amount is being carried forward for long years and each of the amounts shown against each of the above mentioned years is beyond of the period of credit allowed.

Note No. 6.1.2, Under Production Film, Tk. 23,69,59,055.00:

We have not been provided with the aging schedule of the above amount receivables under production film. We assume that the above amount is being carried forward for a long years. In the absence of aging, we could not assessed material risk of the above amount whether amount is realizable or not.

Note No. 6.1.2.4, Blocked Account, Tk. 24,400.00:

It represents demonetized notes which could be encashed into Bangladesh Bank within the time for exchange.

Note No. 6.2.1.5, Suspense Account, Tk. 9,000.00:

Suspense account represents value of a Cheque lost in 1999.

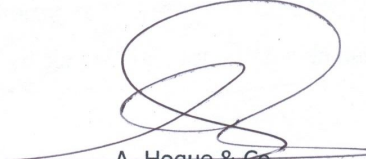
Note No. 6.4.1, Sonali Bank Ltd, Tk. 94,327.00, Agrani Bank Ltd., Tk. 2,651.00:

We have not been provided with regard to two bank accounts vide no. CD-1357 and CD-985 maintained with Sonali Bank Ltd., Local Office Branch and Agrani Bank Ltd., Tejgaon Industrial Area Branch respectively and thus the balances of the above two accounts are remained unconfirmed.

Further to our opinion in the above paragraph 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 have been kept by the company so far as it appeared from our examination of those books adequate for the purposes of our audit;
- (c) the corporation's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred was for the purpose of business of the Corporation.

Dated : 10-02-2016
Place : Dhaka, Bangladesh.


A. Hoque & Co.
Chartered Accountants


A. B. Saha & Co.
Chartered Accountants



BANGLADESH FILM DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2012

Particulars	Note	Amount (Tk.) June 30, 2012	Amount (Tk.) June 30, 2011
Non Currents Asset:	4.00	31,38,31,081.00	33,27,40,279.00
Fixed Assets (At cost less depreciation)	4.01	28,42,15,176.00	30,31,24,374.00
Capital Work-in-Progress	4.02	2,96,15,905.00	2,96,15,905.00
Investment:	5.00	8,24,67,934.00	8,24,67,934.00
Investment in FDR	5.01	8,24,67,934.00	8,24,67,934.00
Current Assets:	6.00	40,69,69,799.00	41,90,56,624.00
Accounts Receivable	6.01	26,28,45,071.00	25,54,48,593.00
Advances, Deposits and Prepayments	6.02	5,67,81,959.00	5,63,07,353.00
Inventories	6.03	8,05,13,940.00	9,48,45,069.00
Cash and Cash Equivalents	6.04	68,28,829.00	1,24,55,609.00
Total Assets		80,32,68,814.00	83,42,64,837.00
Authorized Capital	7.00	20,00,00,000.00	20,00,00,000.00
Equity and Liabilities:			
Equity:	8.00	21,13,52,954.00	23,72,87,146.00
Share Capital	8.01	8,20,00,000.00	8,20,00,000.00
Retained Earnings	8.02	(6,10,97,719.00)	(3,51,63,527.00)
Govt. Grant	8.03	19,04,50,673.00	19,04,50,673.00
Long Term Loan:	9.00	20,15,48,111.00	20,15,48,111.00
Loan from Government		20,15,48,111.00	20,15,48,111.00
Current Liabilities:	10.00	39,03,67,749.00	39,54,29,580.00
Accounts Payable	10.01	1,76,64,518.00	1,59,92,785.00
Short Term Loan	10.02	27,96,435.00	1,95,40,906.00
Security Deposit & Earnest Money	10.03	80,05,113.00	80,71,612.00
Provision for Income Tax	10.04	85,96,773.00	85,96,773.00
Provision for Interest on Govt. Loan	10.05	35,33,04,910.00	34,32,27,504.00
Total Equity and Liabilities		80,32,68,814.00	83,42,64,837.00

Annexed notes are integral part of the financial statements

Managing Director

Tapan Kumar Ghosh
Additional Secretary
Managing Director
Bangladesh Film Development Corporation
Tejgaon Dhaka-1208

Director

Director

Chairman

Signed in terms of our separate report of even date annexed

Dated : 10-02-2016
Place : Dhaka, Bangladesh.

A. Hoque & Co.
Chartered Accountants

A. B. Saha & Co.
Chartered Accountants

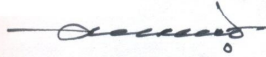


BANGLADESH FILM DEVELOPMENT CORPORATION

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2012

Particulars	Note	Amount (Tk.) June 30, 2012	Amount (Tk.) June 30, 2011
Sales of Raw Film		10,45,28,684.00	6,94,39,681.00
Add: Service Charges Received	11.00	9,15,41,875.00	9,95,99,633.00
		19,60,70,559.00	16,90,39,314.00
Less: Cost of Goods Sold	12.00	19,46,92,222.00	17,42,81,966.00
Gross Profit / (Loss)		13,78,337.00	(52,42,652.00)
Less: Administrative Expenses	13.00	4,12,24,305.00	4,49,03,538.00
Operating Profit / (Loss)		(3,98,45,968.00)	(5,01,46,190.00)
Less: Financial Expenses	14.00	1,08,08,613.00	1,05,20,439.00
		(5,06,54,581.00)	(6,06,66,629.00)
Add: Non-Operating Income	15.00	2,47,20,389.00	1,65,71,974.00
Net Profit / (Loss) before Tax		(2,59,34,192.00)	(4,40,94,655.00)
Less: Provision for Income Tax		0.00	0.00
Net Profit / (Loss) after Tax		(2,59,34,192.00)	(4,40,94,655.00)

Annexed notes are integral part of the financial statements



Managing Director



Director

Director

Chairman

Tapan Kurin Ghosh
Additional Secretary
Managing Director
Bangladesh Film Development Corporation
Tejgaon Dhaka-1208

Signed in terms of our separate report of even date annexed


A. Hoque & Co.
Chartered Accountants


A. B. Saha & Co.
Chartered Accountants

Dated : 10-02-2016
Place : Dhaka, Bangladesh.

