



ANNUAL REPORT 2014



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MESSAGE FROM EXECUTIVE DIRECTOR

It's been 12 years since Friendship started working in some of the remotest, most deprived communities of Bangladesh. It has doubled in size more than 6 times during this period, which was not easy in a country like ours. The nature of the land, social constraints and just the sheer difficulties of moving from one place to another is multi-fold in Bangladesh. In order to manage, internalize and control the growth, we had to have a focused vision and an extremely focused code of conduct that every member of the Friendship family had to adhere to. We made sure that the growth achieved during this period was in accordance with Friendship's principles and values. It is always too easy to take shortcuts and the easy way out but I am proud to note that we have never compromised on our beliefs. The greatest support to Friendship has always come from the trust and faith of our donors, the untiring and diverse backing of the Friendship International community

and the friends of the organisation, but most of all, in the truly inspiring dedication of the people who make the entity that is Friendship Bangladesh. The results we see in our communities of the work we do make every second of toil, every little hardship and every little challenge to overcome truly worthwhile. This is most true when we see our results in our future generations. One such triumph this year was in the fantastic results achieved by the students of the Friendship Schools who sat for their National Primary School Examinations; every one of them received an A Grade! The Education Sector witnessed successes not only in terms of measurable results this year, but also in the more intangible changes brought about by Friendship's Codes of Ethics. The impact of this programme was seen in practice when a student found a 500 Taka note lying around. 500 Taka may not be much to you or me but it is a lot of money for *char* dwellers. They will loot and kill for this money. The young boy, upon finding the note, took it to his teacher immediately. His teacher was astonished that he did so and asked him why he didn't just keep it.

His reply was, "Well we're covering honesty in our Codes of Ethics this month. I didn't think it would be very honest of me to keep something that isn't mine". The success of our Codes of Ethics, designed under our Good Governance Sector encouraged 21 Government schools to adopt this in their curriculum as well! This year, the Education Sector also started the "Listen2Learn" in full force. It's quite unbelievable to hear children from the *chars* speak English with beautiful pronunciation.

Another proud moment for our Good Governance Sector came when they were chosen to work with the Government Advisory Committee for the implementation of the Right to Information Act!

We have taken great strides in standardizing our healthcare system this year. Friendship also joined as a partner of an E-Health platform- the SATMED Project. This will help meet the immensely important need of Health connectivity in our hard-to-reach areas. The year ended with Friendship winning the Best Performing NGO in Family Planning, Child and Mother Healthcare (2013-2014) for the third time and second consecutive year!



Runa Khan
Executive Director

“The Education Sector also started the “Listen2Learn” in full force. It’s quite unbelievable to hear children from the *chars* speak English with beautiful pronunciation.”

For our work at disaster prone areas, we needed to fortify people against disasters, along with improving their livelihoods. This included vigilant work in Disaster Risk Reduction and joining the Government and other NGOs in the Cyclone Preparedness Programme.

Our weaving centres, part of our livelihood development programme, launched into the world of ethical fashion this year with our "Friendship Colors from the Chars" products. These products are environmentally, ethically and culturally sound and have found great support around the world. Finally, our work in cultural

preservation is expanding with exhibitions in Dhaka, Japan and Luxembourg in 2013-14.

With the growth of the organisation, we have recognized that our communities would be best served only if we can optimize the usage of our resources. We have thus, worked on the creation of a 3 year strategic plan to manage our work and growth in the coming years.

This was a year of working towards greater social, cultural, gender and age-based equality and dignity from all sectors. Dignity took greater strides into becoming integrated in

all of our work because there really can be no sustainable development without the presence of dignity in our lives.

I would like to finish by thanking each and every single person who has worked towards the growth of the Friendship community, the people who have loved and supported our work, those who have weathered hurricanes, floods and long walks across deserted plains and those who introduced us to the world. Friendship has grown from strength to strength because of your beliefs in its vision and ideologies and I am truly grateful to you for that.

“Friendship has grown from strength to strength because of your belief in its vision and ideologies and I am truly grateful to you for that.”

Small Note on Jan 2013 - June 2013

The programme reporting of Friendship has always been recorded as per the Gregorian calendar since the inception of the organization. The financial reporting, on the other hand, adhered to the financial calendar of July-June. When we released our first annual report, we wrote from a programmatic

perspective and this ended the report at the end of December 2012. However, from this report onwards, the Annual Report will reflect the financial year. It seemed necessary to make this change and I am very happy to note that almost all of our donors were on-board with this change.

However, this means that this annual report will be missing programmatic reporting from January 2013 to June 2013. Since no new projects were commenced or completed during this time frame, we are able to ensure that no projects would be missed in the activity report.

The financial year of July 2012-June 2013 will be reflected in a column next to this year's financial report (the comparison column) which ensures financial transparency. This will allow for future annual reports to be aligned with the financial year.



Highlights for July '13 to June '14

2014 has been an important step forward for Friendship and yet another eventful and fulfilling year. With the assistance and contribution of our partners and sponsors, we continue to expand our services to better serve the ultra – poor communities living in the remote *chars* and the coastal areas of Bangladesh. Some noteworthy achievements and activities of the year 2014 in the sectors at which we work are as follows:

More than a decade of service delivery in hard-to-reach areas for the ultra-poor has enabled Friendship to demonstrate that it is possible to deliver sustainable quality healthcare services in a challenging environment. Our innovative approach towards providing healthcare services focuses on alleviation of suffering, shaping a sustainable healthcare model for remote areas and empowering communities through their participation to avail basic human needs.



Health, Nutrition and
Population



Highlights of July '13 to June '14



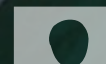
A total of 52,575 patients were served by the Lifebuoy Friendship Hospital. 1,026 surgeries completed in 16 Secondary Healthcare Camps



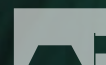
A total of 67,954 patients were served by the Emirates Friendship Hospital. 1,635 surgeries completed in 20 Secondary Healthcare Camps



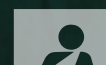
A total of 46,038 patients were served by the Rongdhonu Friendship Hospital. 1,684 surgeries completed in 17 Secondary Healthcare Camps



505 FCMs are functional in 317 *Chars*/villages.



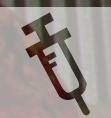
305 Satellite Clinics and 125 Static Clinics sessions were operated per month



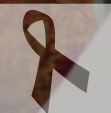
404,309 beneficiaries treated in Satellite clinic and 1,420,590 beneficiaries served by FCM during this period



2,048,405 beneficiaries were served from July '13- June '14



Expanded Programme on Immunization (EPI) served 33,123 children and 23,473 women of 14-49 years old as per national EPI schedule



12,875 women Screened (VIA) under the program of Cervical Cancer Screening and treat program where 654 women were found to be positive



185 FCMs provided basic training and 40 project staff (Paramedic, Supervisor and Assistant Manager) provided ToT on FCM manual



mHealth Programme started pilot operation with 200 selected FCMs in the *chars* of two districts, Kurigram and Gaibandha

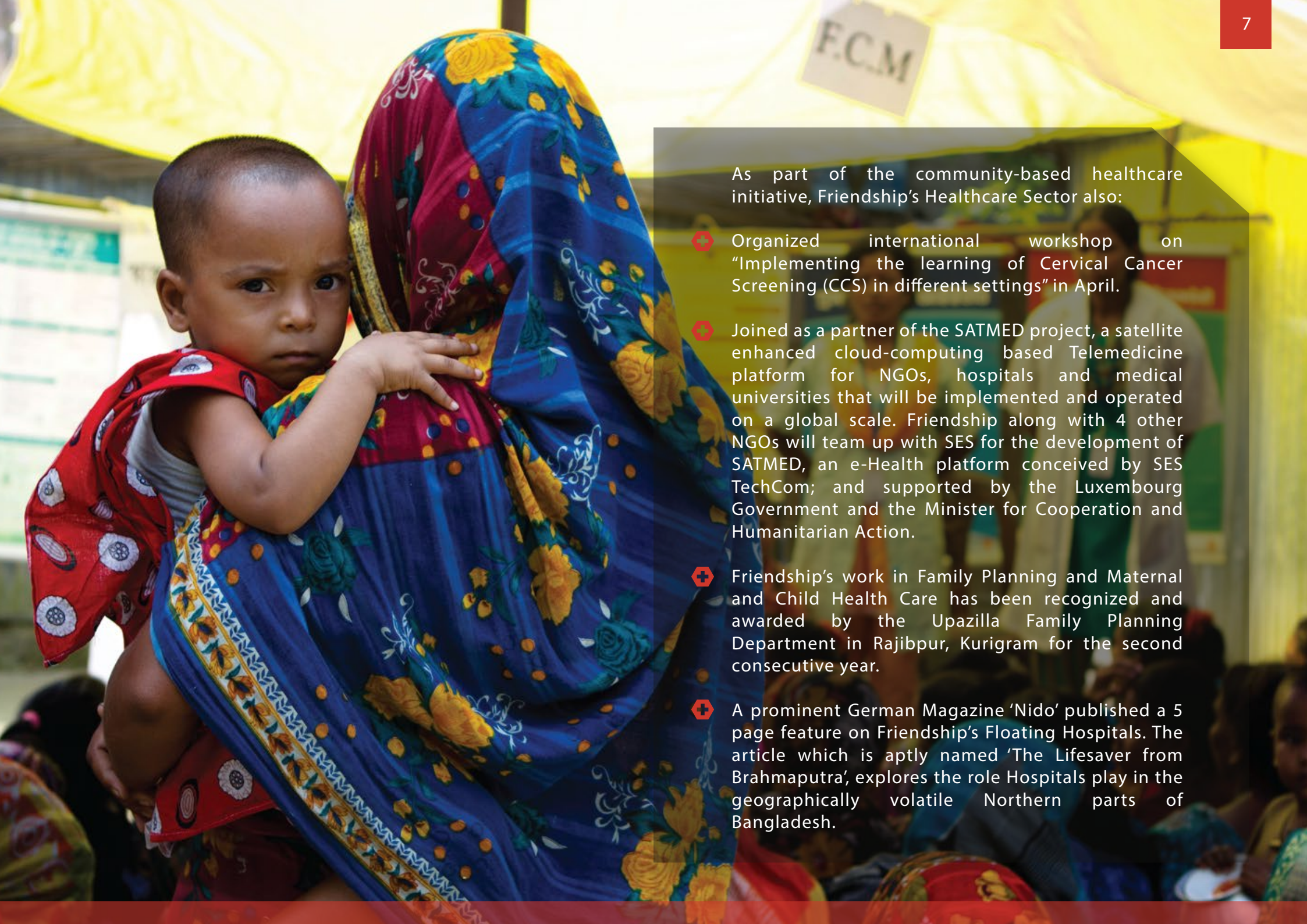


Strong coordination has been established with government and civil societies in Friendship's working areas



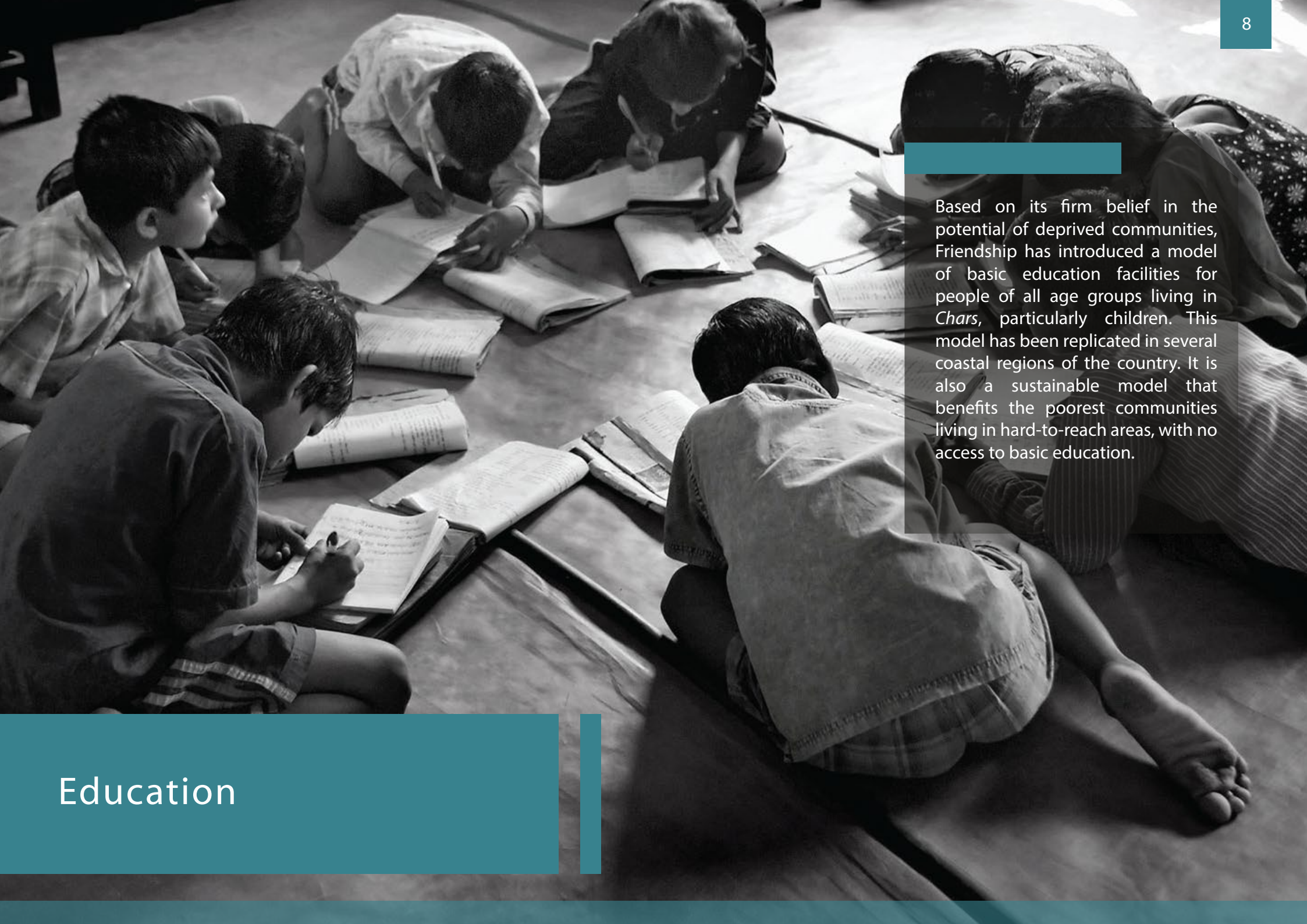
Friendship Health Programme is covering 16 Upazilas of 12 Districts in Bangladesh



A woman wearing a blue sari with yellow floral patterns is carrying a baby on her back. The baby is wearing a red and white patterned cloth. They are standing under a yellow tent. In the background, there is a sign that says "F.C.M." and other people are visible.

As part of the community-based healthcare initiative, Friendship's Healthcare Sector also:

- ✚ Organized international workshop on "Implementing the learning of Cervical Cancer Screening (CCS) in different settings" in April.
- ✚ Joined as a partner of the SATMED project, a satellite enhanced cloud-computing based Telemedicine platform for NGOs, hospitals and medical universities that will be implemented and operated on a global scale. Friendship along with 4 other NGOs will team up with SES for the development of SATMED, an e-Health platform conceived by SES TechCom; and supported by the Luxembourg Government and the Minister for Cooperation and Humanitarian Action.
- ✚ Friendship's work in Family Planning and Maternal and Child Health Care has been recognized and awarded by the Upazilla Family Planning Department in Rajibpur, Kurigram for the second consecutive year.
- ✚ A prominent German Magazine 'Nido' published a 5 page feature on Friendship's Floating Hospitals. The article which is aptly named 'The Lifesaver from Brahmaputra', explores the role Hospitals play in the geographically volatile Northern parts of Bangladesh.



Based on its firm belief in the potential of deprived communities, Friendship has introduced a model of basic education facilities for people of all age groups living in *Chars*, particularly children. This model has been replicated in several coastal regions of the country. It is also a sustainable model that benefits the poorest communities living in hard-to-reach areas, with no access to basic education.

Education

As of July '13 to June '14



78 Friendship Schools

were established, with 17 Six-class Primary Schools having 2,391 students and 61 Single-class Primary Schools with 2,299 students



100% pass rate

141 students participated in PSC examination in December 2013 with a 100% pass rate. 25% (35) students obtained a GPA of 5.00 out of which 8.78% secured GPA 5 (A+) nationally




175 teachers

175 teachers from local *Chars* have been trained and involved in teaching



Adult Literacy Centers

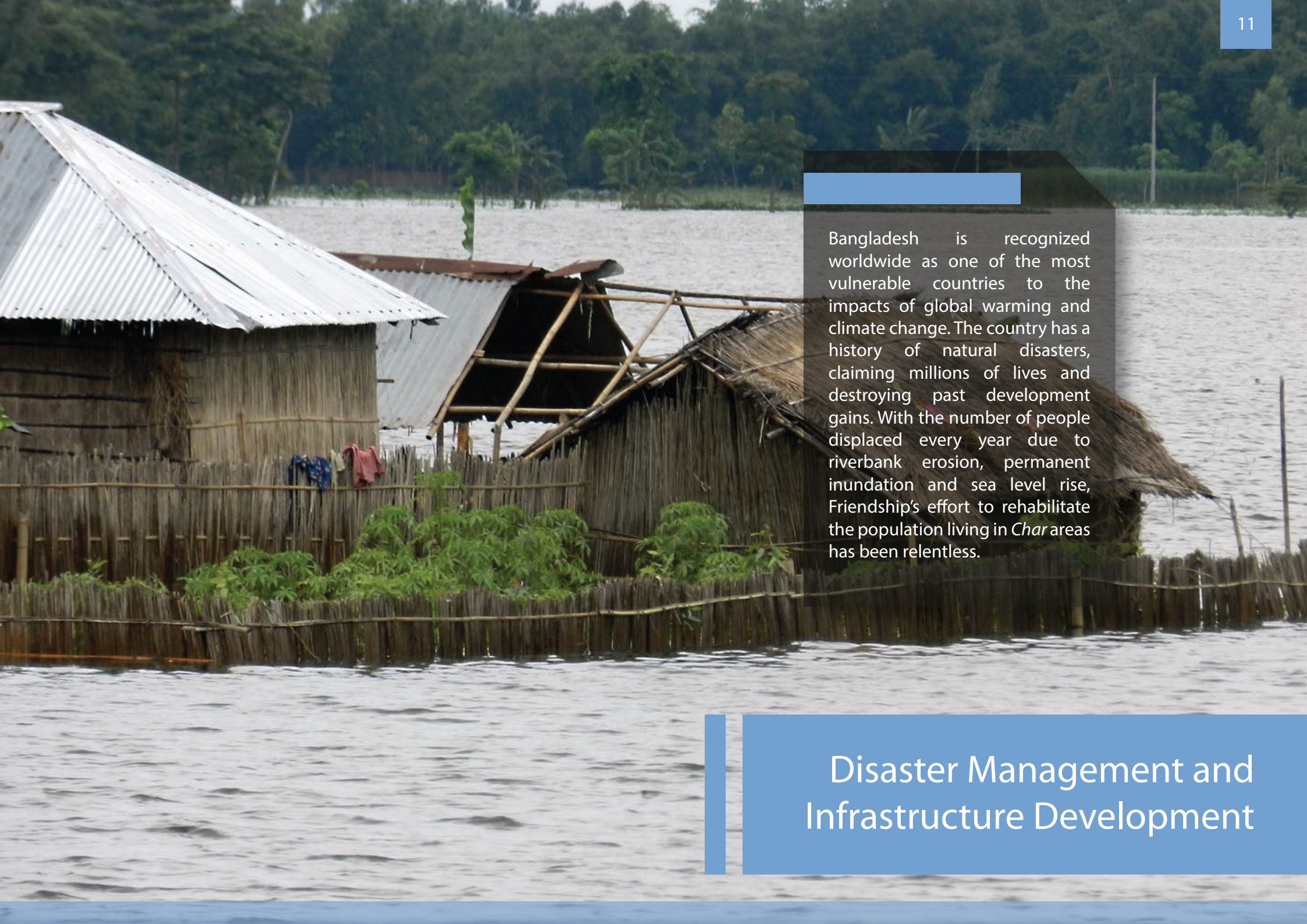
Friendship has also run 65 Adult Literacy Centres with 1,255 learners till June 2014



During this time the Education sector also implemented a “Listen 2 Learn” English listening and speaking programme. This venture aims to enhance students’ ability to grasp the government text books, whereby they can now learn English with appropriate pronunciation by listening to pre-recorded lessons developed by Friendship.

Some other new initiatives:

- Monthly lessons on **Code of ethics** increases self-honesty, responsibility integrity and commitment among the students, teachers and non-teaching staff
- **First day at school reception** unifies parents and communities in support of education and schools
- **Self-attendance reporting in the pre-primary classes** which leads the children feel enthusiastic and interested in attending the school every day even if only to turn the card and show his/her name to other children
- Clean school, clean home motivates the children keep the classrooms, playground and the environment clean and helped them make it their habit



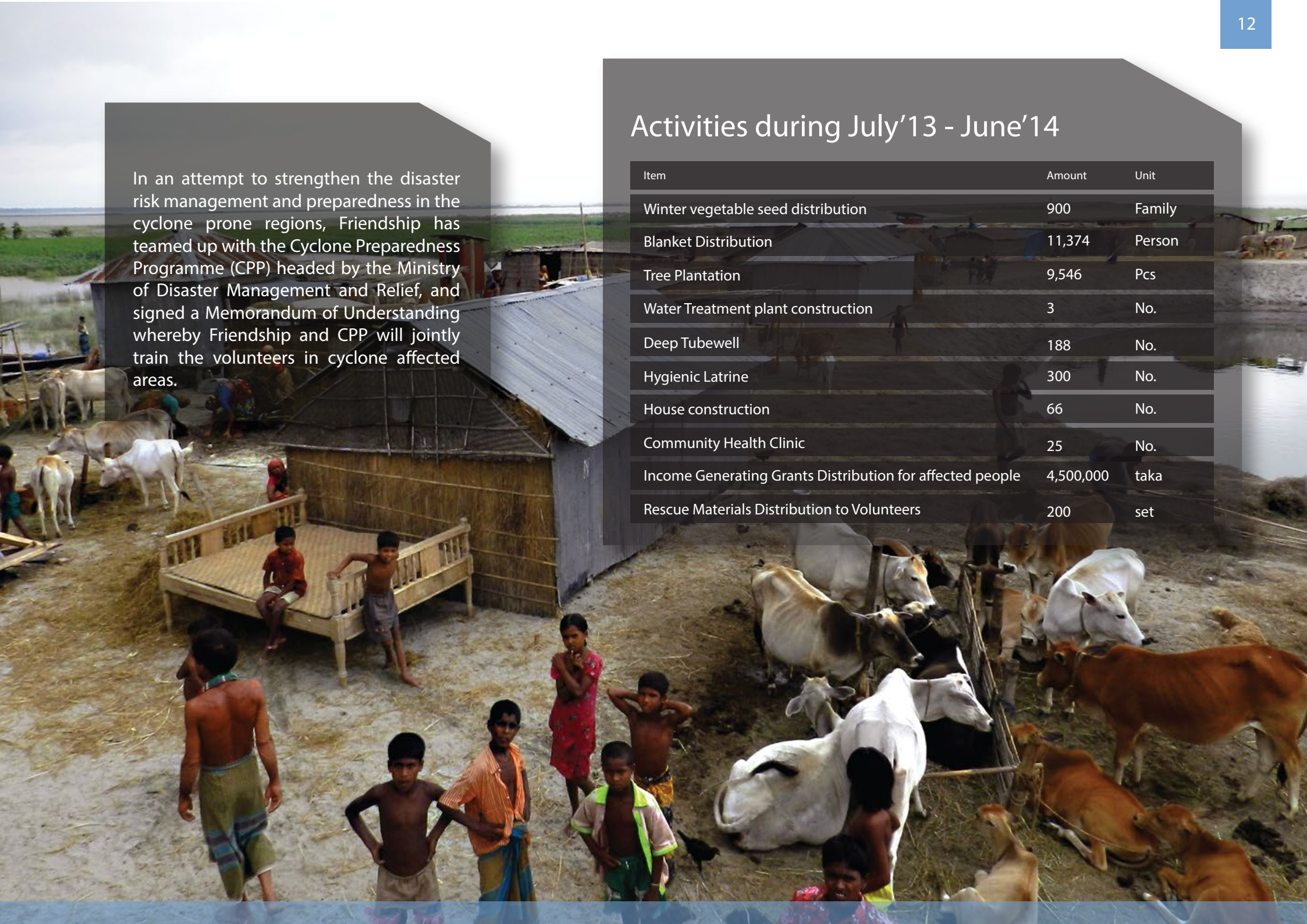
Bangladesh is recognized worldwide as one of the most vulnerable countries to the impacts of global warming and climate change. The country has a history of natural disasters, claiming millions of lives and destroying past development gains. With the number of people displaced every year due to riverbank erosion, permanent inundation and sea level rise, Friendship's effort to rehabilitate the population living in *Char* areas has been relentless.

Disaster Management and Infrastructure Development

In an attempt to strengthen the disaster risk management and preparedness in the cyclone prone regions, Friendship has teamed up with the Cyclone Preparedness Programme (CPP) headed by the Ministry of Disaster Management and Relief, and signed a Memorandum of Understanding whereby Friendship and CPP will jointly train the volunteers in cyclone affected areas.

Activities during July'13 - June'14

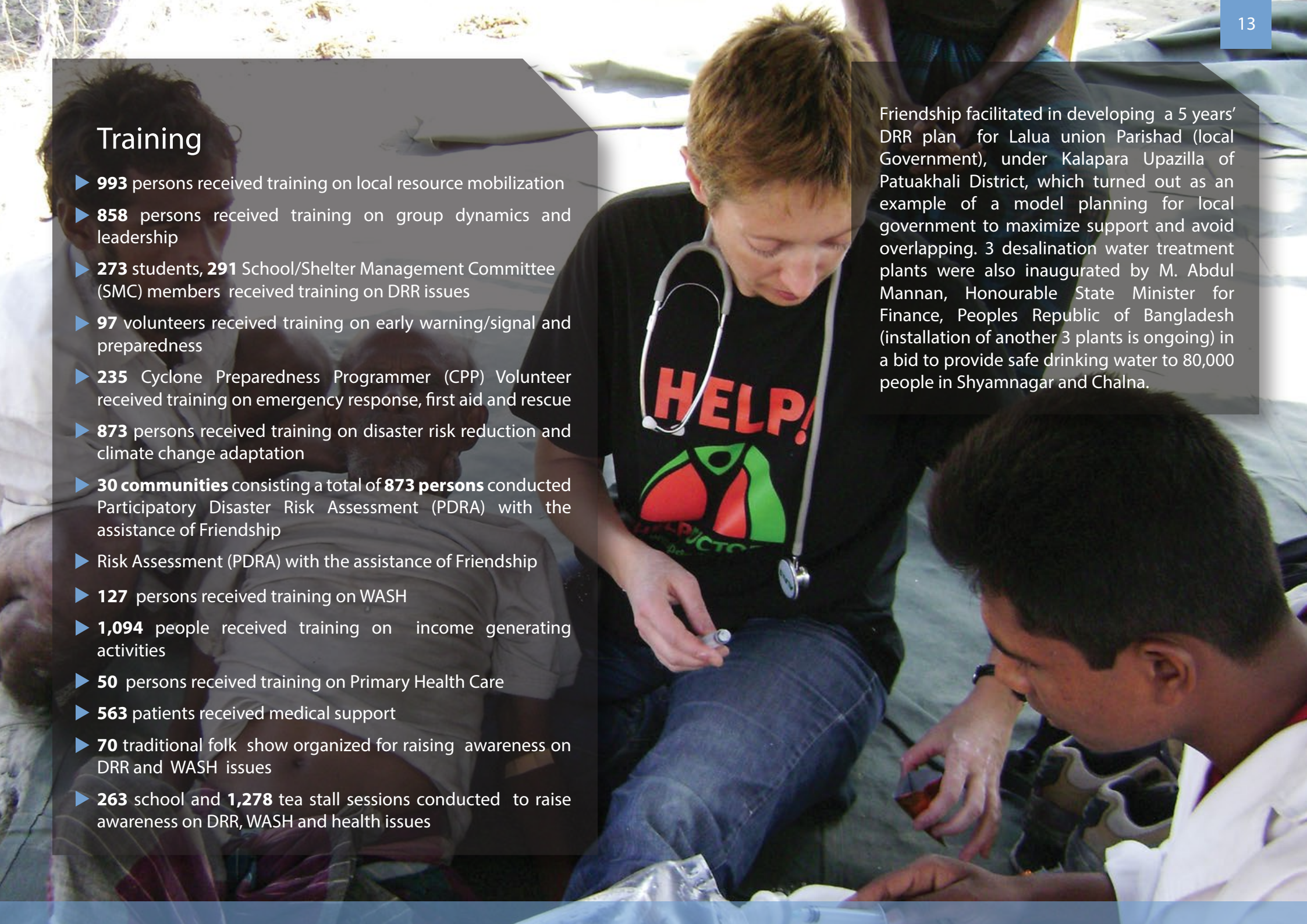
Item	Amount	Unit
Winter vegetable seed distribution	900	Family
Blanket Distribution	11,374	Person
Tree Plantation	9,546	Pcs
Water Treatment plant construction	3	No.
Deep Tubewell	188	No.
Hygienic Latrine	300	No.
House construction	66	No.
Community Health Clinic	25	No.
Income Generating Grants Distribution for affected people	4,500,000	taka
Rescue Materials Distribution to Volunteers	200	set



Training

- ▶ **993** persons received training on local resource mobilization
- ▶ **858** persons received training on group dynamics and leadership
- ▶ **273** students, **291** School/Shelter Management Committee (SMC) members received training on DRR issues
- ▶ **97** volunteers received training on early warning/signal and preparedness
- ▶ **235** Cyclone Preparedness Programmer (CPP) Volunteer received training on emergency response, first aid and rescue
- ▶ **873** persons received training on disaster risk reduction and climate change adaptation
- ▶ **30 communities** consisting a total of **873 persons** conducted Participatory Disaster Risk Assessment (PDRA) with the assistance of Friendship
- ▶ Risk Assessment (PDRA) with the assistance of Friendship
- ▶ **127** persons received training on WASH
- ▶ **1,094** people received training on income generating activities
- ▶ **50** persons received training on Primary Health Care
- ▶ **563** patients received medical support
- ▶ **70** traditional folk show organized for raising awareness on DRR and WASH issues
- ▶ **263** school and **1,278** tea stall sessions conducted to raise awareness on DRR, WASH and health issues

Friendship facilitated in developing a 5 years' DRR plan for Lalua union Parishad (local Government), under Kalapara Upazilla of Patuakhali District, which turned out as an example of a model planning for local government to maximize support and avoid overlapping. 3 desalination water treatment plants were also inaugurated by M. Abdul Mannan, Honourable State Minister for Finance, Peoples Republic of Bangladesh (installation of another 3 plants is ongoing) in a bid to provide safe drinking water to 80,000 people in Shyamnagar and Chalna.




SED program works to provide capacity building, technical assistance and financial support in order to improve economic stability and food security and to enhance employment opportunities for the hard to reach people. As Friendship works with the “ultra-poor” segment of the population comprising of people who have no readily available sources to practice primary income generation activities, SED tries to bring in a solution to this gap. Factors such as geographic vulnerability, climate change, lack of improved technologies and financial constraints continue to hinder this population’s attempt to progress. Friendship’s multifaceted approach tries to facilitate them to get out of the poverty cycle by creating sustainable means of generating regular income.

Sustainable Economic Development




SED highlights of July '13 to June '14

- 3,646 beneficiaries are involved with agricultural programme.
- Friendship Fisherman Project has a total of 900 beneficiaries at the end of the fiscal year.
- Rural Electrification Project has installed 233 Solar Home Systems.
- 7 Solar Micro-Grid Systems were launched to cover 30 households.
- An agricultural water pump started functioning to bring a third crop to nearly 100 acres of land in the Haluaghat Upazila of Mymensingh district.
- Over 22% increase in yield was made among the Friendship Agriculture Project beneficiaries.

A close-up photograph of a woman with dark skin, wearing a yellow and orange patterned headscarf and a matching shawl. She is focused on her work, weaving a vibrant green thread onto a wooden loom. Her hands are positioned to pull and guide the threads. In the background, another woman wearing a red headscarf is also working on a similar loom, though she is out of focus. The setting appears to be an indoor workshop or training center with bright, natural light coming from the right side. The overall atmosphere is one of concentration and traditional craftsmanship.

Apart from the infrastructural and sustainable changes made available, Friendship Vocational Training Centre has trained 268 women and adolescents over the last year. 2 tailoring, 1 embroidery and 7 weaving centres are running. Currently 133 women are employed in these weaving centres. In total, 657 women have completed training at these vocational centres from 2009-2014.



From its inception, Friendship has strived to incorporate a Rights Based Approach in all its sectors. Friendship maintains the view that inadequate legal services and lack of empowerment will continue to be one of the major causes of the poverty cycle in Bangladesh. The aim of good governance initiative run by Friendship is to work with the marginalized communities of Bangladesh and inspire the capacitated communities to claim good governance, practices of the code of ethics and dignity.

Good Governance



SL	DISTRICT	DESCRIPTION	YEAR	
			ACTIVITIES COMPLETED	NO. OF PARTICIPANTS
1	Gaibandha	Group Class	460	6,527
2		School class	89	3,013
3		Civil Society Group (CSG) meeting	36	298
4		Parents, Teacher and Students (PTS) meeting	21	1,135
5	Kurigram	Group Class	180	2,838
6		School class	13	734
7		Civil Society Group (CSG) meeting	16	151
8		Parents, Teacher and Students (PTS) meeting	4	366


Landmarks reached by Friendship during 2014

- ❁ The Good Governance Project was extended to 21 *Chars* with 2,100 members.
- ❁ 21 primary schools, Friendship schools and government schools in the *chars* have now incorporated Child Rights in their curriculum.
- ❁ Friendship Civil Society Groups (FCSG) comprising of 20 members have been formed in each island for the betterment of their communities.
- ❁ Friendship was amongst the three NGOs selected to join the Government Advisory Committee team for the Right to Information Act's implementation in Gaibandha district.
- ❁ Friendship has been asked by the government bodies of Chilmari and Kurigram to bring the teachings of the Governance Program, Code of Ethics and Dignity to the government schools in these regions.
- ❁ GG arranged **Parents, Teacher and Students** (PTS) meeting and daylong discussion with the presence of parents, students and teachers regarding the responsibility of teachers, students and parents at the school premises with the aim of building awareness of their duties and responsibilities. One of the major agendum of the meeting was motivating the parents to admit their children in schools at proper time. In these group, matters on code of ethics, dignity and humility are also discussed. There is One PTS meeting is held in a *char* every month. Discussions on the demerits of early marriage, dowry, corporal punishment and many such civil and family matters are discussed and selected code of ethics' topic are also discussed. One PTS meeting is conducted once every month on each of the 21 *chars*.



Friendship's Cultural Preservation Sector is currently working with the last of the master craftsmen towards the preservation of wooden boats of Bangladesh, a history spanning hundreds of years and incorporating all facets of life in the most densely populated deltaic plain in the world. Friendship's holistic development approach places great significance in communities' growth while staying in touch with their roots, as no development is truly sustainable unless one pays due respect to their roots. The craftsmen, descending from a long line of such artisans, are working towards the restoration of life-scale wooden boats, along with making perfect miniature replicas and documenting the unique techniques involved in their creation

Cultural Preservation



Friendship's Cultural Preservation Sector has participated in the following events this year to raise awareness of this age-old craft:

➤ **July- August 2013:**

Friendship participated in the Setouchi Triennale in Japan festival this year. During the course of the festival, the master craftsmen created an 18 foot dinghy boat which they then sailed on the Japan inland sea. The festival showcased many Bangladeshi artisans along with Japanese and international artists, performing their arts for everyone to see.

➤ **Carpentry Art Exhibition, December 2013- National Museum, Bangladesh**

The Government of Bangladesh invited the artists present at the Setouchi Triennale to present their works of art at the Bangladesh National Museum for 10 days. Friendship modeled its varied replicas and created larger models for the Bangladeshi art lovers during this period.

➤ **Display of boats at the Belle Etoile, Luxembourg - May 2014**

The Luxembourg crowd showed massive interest in previous exhibitions of Boats of Bengal. In response to this overwhelming support, Friendship arranged a 2 week long exhibition, displaying 50 varieties of our wooden boats at Belle Etoile. This attracted crowds from all over Luxembourg, with local school children dropping by.



An invaluable source of strength and support for Friendship is its network of friends from around the world. Their continued assistance plays a crucial role in helping Friendship restore the dignity of marginalized communities in which it works. Contrary to the popular practice of carrying pre-determined support to the grassroots level, Friendship took the reverse path of raising voices from the community and getting them heard through an international platform, so that their needs can be addressed. These voices resonate in the generous support extended by passionate individuals who have responded by endorsing, counseling and campaigning for Friendship's work.

Friendship's international offices are instrumental in ensuring that Friendship's holistic development solutions and messages of hope and dignity are disseminated among a diverse audience. This not only contributes towards generating interest and building alliances between diverse groups, but also assists in securing necessary funds for Friendship's programmes. Furthermore, they assist in capacity building and improving the quality of Friendship's work in Bangladesh.



Friendship
International

Our exemplary partners are:

Friendship **Luxembourg**

- Marc Elvinger, Chairperson
- Ken Hayone, Secretary
- Roger Spautz, Treasurer
- Philippe Depoorter, Member
- Patrick Losch, Member

Friendship **Netherlands**

- Dorothee ter Kulve, Chairperson
- Caroline Noordhoek Hegt, Secretary
- Henriëtte Lurvink, Treasurer
- Alfred Levi, Member
- Runa Khan, Member

Friendship **France**

- Gérard Marchand, President
- Maïty Romnicanu, Secretary
- Runa Khan, Member

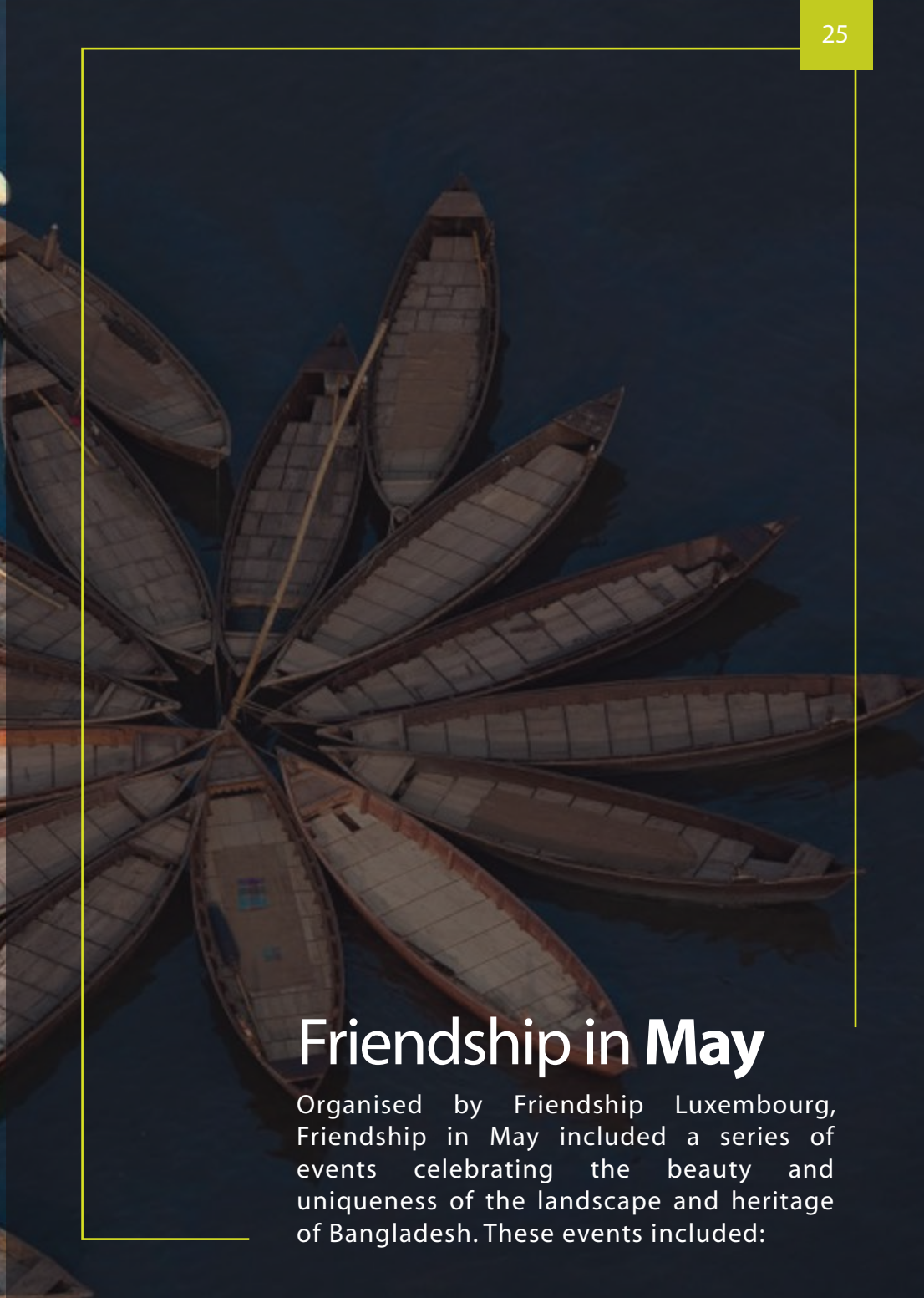
Friendship **Germany**

- Dr. Stefan Forwein, Chairman
- Wolfgang Daun, Vice Chairman
- Josef Dreier, Secretary
- Kai Kienast, Treasurer

Friendship **UK**

- Ilona Zuurmond, Chairman
- Lisa Genasci, Secretary
- Runa Khan, Member





Friendship in May

Organised by Friendship Luxembourg, Friendship in May included a series of events celebrating the beauty and uniqueness of the landscape and heritage of Bangladesh. These events included:



Photographic Exhibition in Galerie Clairefontaine "An Alternative Look at Bangladesh"

Since the launch of Friendship's first Floating Hospital in 2002, the organisation has attracted the attention of photographers from all over the world, who wished to document the initiatives of the NGO and also photograph the beautiful landscape of the Brahmaputra valley. Running from the 2nd to the 24th of May 2014, the exhibition displayed the works of Yann Arthus-Bertrand, Helene Binet, Eric Chenal, Kashef Chowdhury, Wasama Doja, Jenny Fischbach, Paolo Pelizzari, Wendell Phillips and Gregory Wait.

Architectural Exhibition of the work of Urbana and Kashef Chowdhury and Talks by Kashef Chowdhury

Designer of the award-winning Friendship Centre and the upcoming Cyclone Shelter, Kashef Chowdhury's work was displayed at the Fondation to L'Architecture from the 13th to the 31st of May. On the 13th of May, he engaged in talks on the pivotal topics of "Responses to restraints: architecture of the essential" and "An Architecture of Responsibility- un-poor spaces for the most need-full". He shared his thoughts on the largest delta in the world covering the entire nation of Bangladesh, and also its influences over his approach to creating architectural designs. He also discussed some works varying in typology, nature of project and in the manner the architect responds to the immediate and larger context.

Concert on Indian Classical Music Featuring Rajrupa Chowdhury

Rajrupa Chowdhury, an international musician and one of the few true female talents of the sarod, played at the auditorium of the Banque de Luxembourg on the 15th of May 2014. Her performance was preceded by a presentation of the training and emancipation opportunities created by Friendship through its sewing and weaving centres across the coastline of Bangladesh.

Exhibition- Belle Etoile Shopping Centre on "Friendship Colors from the Chars"

The handcrafted wooden boat miniatures of Bengal, loved by all in the Musee de la Marine in Paris went on sale during this exhibition. The 2010 exhibition on the "Ancient Sails of Bengal" at Neumunster Abbey received extensive public interest. The cultural heritage and splendours of Bengal were reflected through the boats, which were meticulously crafted by the Friendship Cultural Preservation Sector. The Belle Etoile exhibition also hosted the beautifully hand-woven, environmentally savvy scarves and bags of "Friendship Colors from the Chars".



Strategic Planning Workshops

The Executive Director and the leaders of all the Sectors and Central Services participated in a series of three Strategic Planning Workshops held at the Friendship Centre in Gaibandha in the course of 2014.

The objective of these workshops was to build a strategic plan for Friendship for the three years 2015, 2016 and 2017, to identify our goals and to agree and document the specific actions necessary to achieve them. The Strategic Plan, which was completed in December 2014 and is now being implemented, will guide the Friendship organisation through its next phase of growth, and help to:

- Strengthen our organisational structure to ensure that we can continue to deliver our services successfully in the long terms
- Develop effective interaction between the Front-line Sectors and the essential Central Services
- Secure well in advance the financial and other resources required to support and deliver our planned activities
- Ensure that we maintain the fundamental values that have guided us so far on our journey

The Workshops were facilitated by Ken Hay, member of the Board of Friendship Luxembourg, whose Chairman Marc Elvinger was also an active participant.



Organisational Structure

The implementation of Friendship's holistic development solutions are executed under 6 sectors, namely:

- Health, Nutrition and Population
- Education
- Disaster Management and Infrastructure Development
- Sustainable Economic Development
- Cultural Preservation
- Good Governance

Because in charity, social work, social business and alike, resources and outputs should be managed as efficiently as in ordinary business, Friendship seeks to manage its central services professionally. Over the last few years, Friendship has been working towards bringing in improved professional standards and procedures in order to maximize the impact of the services it provides as a humanitarian organisation to its end beneficiaries. These professional standards are constantly reviewed and enhanced in our 14 Central Services which work in support of the implementation Sectors:

Health, Nutrition and Population

Education

**Disaster Management and
Infrastructure Development**

Sustainable Economic Development

Good Governance

Cultural Preservation

Administration

The administration team manages and maintains Friendship's Head Office, Regional Offices, and Training Centre, ensuring security. They also manage all fixed assets, vehicles and the transport arrangements for Friendship personnel, donors, volunteers and guests.

Communications

The communications team is responsible for all aspects of internal and external communications, including the development and implementation of the Friendship brand and the management of the website and other social media platforms.

External Relations

The External Relations Department is responsible for liaising with different Government bodies for project preparation, submission, approval and follow up.

Field Operations

The field operations team guides and assists programme staff in all aspects of the set-up, implementation and completion of projects. They build working relationships with the community, local and government bodies and provide crisis management in times of natural or man-made disasters

Finance

The finance team establishes and assures the implementation of appropriate internal financial controls. They provide instructions for and complete the preparation of budgets and financial reports, including the audited financial statements and assure compliance of all financial reports with the appropriate accounting standards. The team further advises on the structure and delegation of financial authority for commitments and payments made.



Human Resources

The HR team guides and manages the provision of all Human Resource services to the organisation including the recruitment and retention of personnel, training and career development of employees, compensation and benefits and all employee relations.

Internal Control

The Internal Control team plans and implements a comprehensive programme of internal audits; covering Friendship's regular activities and projects, audits to include verification of compliance with all applicable laws, regulations and internal policies and procedures.

The department also carries out investigative or special audits as requested by the Executive Director.

IT

The IT team manages all aspects of Friendship's IT infrastructure, including acquisition and maintenance of hardware, internet connectivity, firewalls, and security and back-up systems

Legal and Compliance

The Legal and Compliance team reviews and advises on legal aspects of all significant contracts and internal policies, acting as a depository for attending these issues, all internal policies and significant contracts. Furthermore, they advise Sectors and Central Services on matters of compliance with internal policies. They receive audit reports on compliance matters from IC and advise on resolving any related issues and coordinates all internal confirmations of compliance.

MIS

The MIS team collects and collates data from the Sectors and Central Services and generates reports for the use of Management and other stakeholders. They develop and maintain certain specialist software, mainly for use in the Health Sector and designs. They also develop and implement ICT projects prioritized by Friendship management.

Procurement and Supply

The Procurement and Supply team manages and coordinates the purchasing activity of the organisation, with a view to obtaining the required quality of goods on time and at the best available purchase conditions.

Research and Evaluation

The research and evaluation team assesses the overall impact of Friendship's programmes over time, and collates and distributes the findings of the assessments to stakeholders. They also coordinate research work relevant to Friendship's activities and arrange the dissemination of relevant reports and presentations.

Technical Management

The technical management team maintains the hospital ships and equipment in compliance with all maritime regulations ensuring safety of the ship, staff and visitors, and taking preparation for emergencies into consideration.

Accountability

In order to act visibly, predictably and plausibly to promote participation and accountability, Friendship follows certain rules and regulations in all its activities. Internal Control and Compliance, in its scope, can be described as a process designed to provide assurances regarding the achievements of-

- Effectiveness and efficiency of operation
- Reliability of reporting
- Compliance with applicable rules, laws and regulations of the land

Friendship's Internal Control components include:

- A controlled environment whereby responsibilities are delegated in a manner where activities are not reliant on just one person but a group of individuals based on their capabilities. Furthermore, decisions and actions taken are cross-checked so that there is no scope for mismanagement or misdirection.
- Risk assessment prior to intervention activities.
- Control activities such as dual signing and dual checking of all documents.
- Openness in provision of information and communication within the organization.
- Monitoring of all activities.



The emphasis is on common control activities most of the time. This may include the following:

- Segregation of functional responsibilities to create a system of checks and balances.
- A system of authorization and recording processes to provide reasonable accounting controls over assets, liabilities, revenues and expenditures.
- Development of policies and procedures for prescribing and documenting the business and control process. This consists of a well thought-out strategy and are reviewed and adjusted periodically to reflect changes in the organizational and external environments.

Our control measures include:

- Segregation of duties
- Internal Control and Compliance Unit
- Pre-audit system
- External audits by independent auditors





FINANCIAL REPORT 2014

Independent Auditors' Report

We have audited the accompanying Consolidated Statement of Financial Position of **Friendship** which comprise Balance Sheet as at June 30, 2014 and Consolidated Income and Expenditure Account and Consolidated Receipts and Payments Account for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Bangladesh Accounting Standards (BAS)/ Bangladesh Financial Reporting Standards (BFRS) 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standard on Auditing. 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 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 the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 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 consolidated statement of financial position present fairly, in all material respects, the financial position of the project as at June 30, 2014, and of its financial performance for the year then ended in accordance with Bangladesh Accounting Standards (BAS)/ Bangladesh Financial Reporting Standards (BFRS) as applicable, and comply with the requirements of the Foreign Donation (Voluntary Activities) Regulation Ordinance and Rules 1978 and other applicable laws and regulations.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the organization so far as it appeared from our examination of those books;
- The Consolidated statement of financial position and Consolidated statement of comprehensive Income and its Consolidated statement of receipts and payments dealt with by the report are in agreement with the books of account; and
- The expenditure incurred was for the purpose of the organization's activities;

Dated, Dhaka.
 December 31, 2014



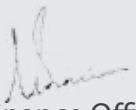
G. Biswas & Co.
 Chartered Accountants

Friendship
Consolidated Statement of Financial Position
As at 30 June 2014

PROPERTY AND ASSETS	Notes/Schedule	Amounts in BDT	
		At 30 June 2014	At 30 June 2013
Non-current Assets			
Property, Plant and Equipments (Fixed Assets)	A	195,684,776	124,644,024
Current Assets			
Security Deposits		110,600	110,600
Loans and Advances	7	55,605,115	50,429,628
Cash and Cash Equivalents	8	129,103,257	160,733,905
TOTAL		380,503,748	335,918,157
FUND AND LIABILITIES			
Fund Account	9	338,263,271	258,719,807
Current Liabilities			
Donation/Grants Received in Advance	10	3,822,993	33,960,853
Other Liabilities	11	38,417,485	43,237,497
TOTAL		380,503,748	335,918,157


 Executive Director
 Dated: Dhaka,
 12/31/2014

The annexed notes form an integral part of these Financial Statements
 Signed in terms of our report of even date annexed


 Chief Finance Officer



 G. Biswas & Co.
 Chartered Accountants

**Friendship
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2**

	Notes/ Schedule	Amounts in BDT	
		Year ended 30 June 2014	Year ended 30 June 2013
INCOME		593,056,286	457,179,175
Donation/Grants	12	593,030,476	457,170,250
Bank Interest	13	25,810	8,925
TOTAL		593,056,286	457,179,175
EXPENDITURE			
Health Program		268,021,589	216,104,292
Education Program		59,291,149	45,881,998
Sustainable Economic Development Program		85,865,255	78,357,348
Friendship Own Fund	B	44,371,629	35,864,993
Good Governance		14,292,100	13,274,374
Disaster Management and Integrated Development Program		70,300,376	25,921,005
Cultural Preservation Program		3,760,028	3,199,540
Training Centre Program		4,046,197	36,332,572
Other Expenses		20,328,499	20,784,916
Depreciation	A	20,328,499	20,784,916
Sub Total		570,276,822	475,721,038
Net surplus/(deficit) for the year		22,779,464	(18,541,863)
TOTAL		593,056,286	457,179,175


Executive Director
Dated: Dhaka,
12/31/2014

The annexed notes form an integral part of these Financial Statements
Signed in terms of our report of even date annexed


Chief Finance Officer

G. Biswas & Co.
Chartered Accountants

**Friendship
Consolidated Receipts and Payments Statement
For the year ended 30 June 2014**

	Notes/ Schedule	Amounts in BDT	
		Year ended 30 June 2014	Year ended 30 June 2013
RECEIPTS			
Opening Balance		160,733,905	123,458,175
Cash in hand		210,367	445,112
Cash at Banks		160,523,538	123,013,063
RECEIPTS		562,918,425	461,821,962
Donation/Grants	12	562,892,615	461,813,037
Bank Interest	13	25,810	8,925
Loans and Advance Adjusted	7.2	207,872,000	28,047,722
TOTAL		931,524,330	613,327,859
PAYMENTS		528,101,168	363,883,022
Health Program		249,280,944	135,929,285
Education Program		58,451,167	38,873,484
Sustainable Economic Development Program		84,483,337	70,661,404
Friendship Own Fund		44,354,020	42,060,199
Good Governance		13,755,996	12,274,374
Disaster Management and Integrated Development Program		69,970,346	25,921,005
Cultural Preservation Program		3,759,161	3,199,540
Training Centre Program		4,046,197	34,963,731
Capital Expenditure	14	34,605,252	50,766,279
Loans and Advance Paid	7.1	213,047,487	33,461,062
Accrued Expenses Paid	11	26,667,166	835,200
Prior year's Adjustment		-	3,648,391
Sub Total		802,421,073	452,593,954
Closing balance		129,103,257	160,733,905
Cash in hand	8	418,711	210,367
Cash at Banks	8	128,684,546	160,523,538
TOTAL		931,524,330	613,327,859


Executive Director
Dated: Dhaka,
12/31/2014

The annexed notes form an integral part of these Financial Statements
Signed in terms of our report of even date annexed


Chief Finance Officer

G. Biswas & Co.
Chartered Accountants