




ANNUAL REPORT 2017



BRAC IN LIBERIA

2017
ANNUAL
REPORT



If you were to describe this world, which one of the following would you pick?

It is home to magic, art, beauty, and tens of thousands of years of human talent.
Or would you say, even though it may be true, that our world is where we live,
but it is a place that doesn't work for everyone? Our world is our playground,
a platform for the creativity of all seven billion of us.

Sometimes it's hard to believe that a world that works for all of us can
be possible. But the opportunities are all around us.

While we all hope for a better future for our world, many of us
are building it. If you are a builder, we are betting on you.

The changemaker

The activist

The hero

The mentor

45 years ago, we started building a world we all want to live in.
We started in Bangladesh.
We listened and learnt, failed and got up again.
We never stopped trying.
And we never will.

We trust in people, and we take on the impossible,
every day. Changing systems of inequity.
Turning potential into skill.
Ready to go to the end of every last mile,
where there are no other signs.

It takes us all to build a world that
works for us all.

We listen, pilot, perfect and scale.
Our DNA is to build.

As the sun rose this morning,
hundreds of thousands of builders rose with it.

Teachers across eight countries opened the
colourful doors of the world's biggest secular
private education system.
65,000 artisans picked up their needles and
started weaving traditional art into
beautiful clothing.

Credit officers in one of the world's largest
microfinance institutions sat down
with women in the remotest
corners of seven countries.

Whoever you are, wherever you are, doing good is everyone's business.
We have never faced bigger challenges but we have never been more ready.
Join the world's biggest family.

Small is beautiful, scale is necessary.

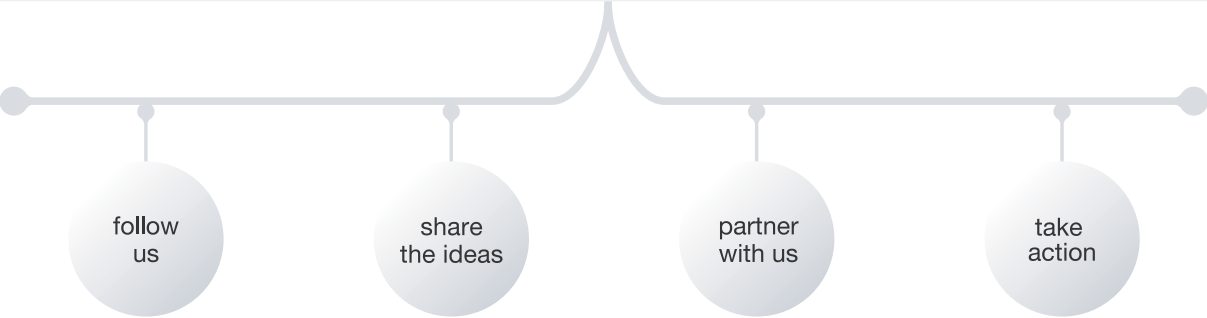
Here at BRAC, we are many things:



and we bring together many different people:



inspired by a single vision.
Building a world that works for all of us takes all of us.
Get onboard:

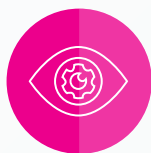


Join the world's biggest family.



BUILDING A WORLD THAT WORKS FOR ALL OF US

We act as a catalyst, creating opportunities for people living in poverty to realise their potential. We specialise in piloting, perfecting and scaling innovations to impact the lives of millions. We were born in Bangladesh, are almost completely self-sustainable through our own network of social enterprises and investments, and operate in 11 countries across Asia and Africa.



VISION, MISSION AND VALUES

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realise their potential.

Empower people and communities in situations of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large scale, positive changes through economic and social programmes that enable women and men to realise their potential.

Integrity Innovation Inclusiveness Effectiveness



SOCIAL DEVELOPMENT

Eliminating extreme poverty, Expanding financial choices, Employable skills for decent work, Climate change and emergencies, Gender equality, Universal healthcare, Pro-poor urban development, Investing in the next generation.

Country offices: Afghanistan, Bangladesh, Liberia, Myanmar, Nepal, Pakistan, Philippines, Sierra Leone, South Sudan, Tanzania, Uganda



HUMANITARIAN RESPONSE

We have been providing life-saving services to forcibly displaced Myanmar nationals through a multi-sector response since the influx began in September 2018. We are working closely with the government, local and international NGOs and other stakeholders through the Inter Sector Coordination Group.



SOCIAL ENTERPRISES

Solution for social challenges and surplus for greater impact: Initiatives that engage individuals, micro and small enterprises as suppliers, producers and consumers.



INVESTMENTS

Socially responsible companies that assist us in our mission. Our network of investments help us strive towards the goal of self-sustainability.



BRAC UNIVERSITY

An educational institution's goal is not only to provide the highest quality teaching, but also to inculcate the values essential for tomorrow's leaders. The journey starts by building a high calibre and supportive faculty and administration team who are capable of teaching the most challenging and up-to-date educational programmes, and empowering them with knowledge and life skills so that they can take on the challenges of building themselves and a better nation.

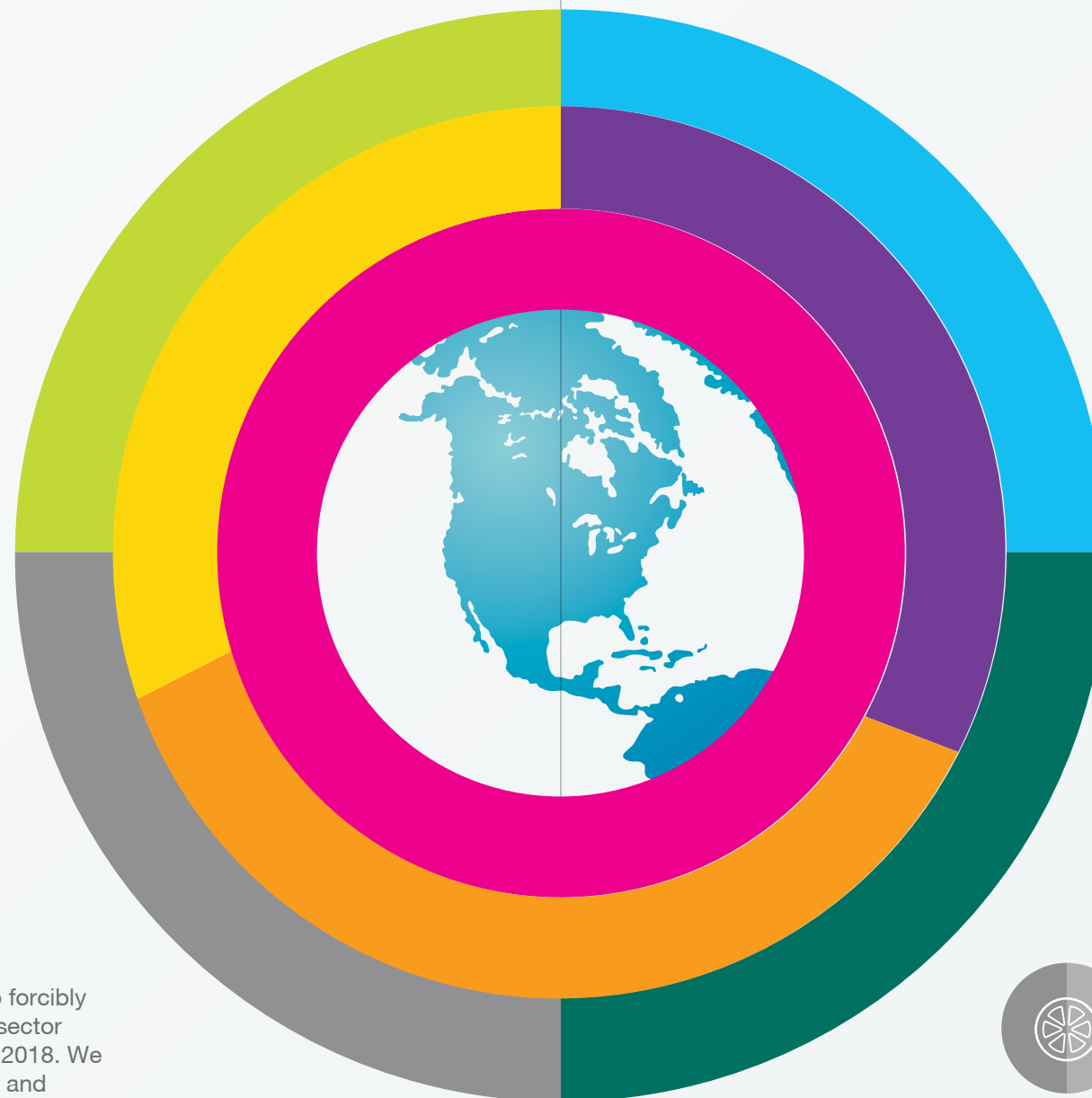


STICHTING BRAC INTERNATIONAL



AFFILIATES

BRAC USA
BRAC UK



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CHAIRPERSON'S FOREWORD



Over recent years, significant investments have been made to ensure the survival and optimal development of children during the first decade of life. Globally, the under-five mortality rate has decreased significantly. Around 20,000 fewer children died every day in 2016 than in 1990. However, this progress has not been universal. Inequities in child mortality between high-income and low-income countries remain large. Reducing these inequities across countries and saving more children's lives by ending preventable child deaths are important priorities.

We also need to focus on the second decade of children's lives. A safe, healthy passage from adolescence into adulthood is the right of every child. To fulfil this right, families and societies need to ensure that adolescents and youth acquire the knowledge and skills required to lead productive and fulfilling lives. Calls for investment in children and young people have increased dramatically in recent years. More and more countries agree that policies, which help young people fulfil their potential, also drive economic development.

Challenges persist in both the education and skills sectors. We need to ensure that all children complete their primary schooling and go on to secondary school. Additional efforts are required to empower girls to believe that they are capable of doing everything boys can. The lack of improvement in the quality and outcomes of education is another concern.

The global youth unemployment rate stands at 13 per cent, which is three times higher than the figure for adults. This lack of job opportunities is one of the issues

of greatest concern. Globalisation and technology are reshaping the lives of young people worldwide. 85 per cent of jobs that today's learners will be doing in 2030 do not exist now. There is an urgent need to redesign curricula for secondary, vocational and higher education to develop skills and competences that will meet the needs of the future. Our goal should be to create adaptable learners who are capable of reengineering their own skills and capacities in disrupted economies. Attention must also be paid to developing children and young people's human qualities and values, such as empathy, cooperation and integrity.

Political instability and conflict are leaving young people vulnerable to violence, disrupting their schooling and access to basic health services and, in many cases, inflicting psychological trauma. We must accelerate efforts to protect children and young people from violence, drug abuse, conflict and poverty, to enable them to lead more productive lives and contribute to society.

Sir Fazle Hasan Abed, KCMG
Founder and Chairperson

LETTER FROM THE EXECUTIVE DIRECTOR



There are more young people today than at any other time in human history. Children and young people make up almost 40% of the world's population, with specific needs and aspirations for the future, which poses both immense opportunities and challenges. While we as a global community have made significant progress in ensuring a better life for all, there is always more work to be done. One in five children, adolescents and youth is out of school. That is 263 million children and youth across the world.

Today's young people will be tomorrow's leaders - in our families, in our workplaces, in our communities. Over a third of the Sustainable Development Goal (SDG) targets highlight the role of young people and the importance of their empowerment, participation, and wellbeing. The SDGs highlight that young people are a driving force for development – however they need to be provided with the skills and opportunities needed to reach their potential. Therefore we at BRAC International have shifted our strategy to focus on ensuring children and youth have better opportunities.

We have invested in Early Childhood Development programmes in Tanzania, Uganda and Liberia. A dollar invested in early childhood development yields a seven-fold return in the future. Having a strong foundation from an early age leads to more productive citizens in the future.

We believe education is a universal right and no one, no matter the circumstance, should be left behind. 130 million girls between the age of 6 and 17 are out of school

and 15 million girls of primary-school age will never enter school. We are building schools only for girls in Afghanistan and Pakistan, places where it is extremely difficult for them to go to school.

In Sub-Saharan Africa alone, 14.2% of the youth population is unemployed, representing massive untapped potential for growth. Everyone should be able to contribute and reap development dividends and our ELA programme ensures just that for our out-of-school adolescent girls. With specialised skills and entrepreneurial lessons, our programme enables them to unlock their potential and contribute to society. We give our girls access to microloans so they can start their own enterprises.

Our newly-launched Skills Development Programme in Nepal connects children and youth to apprenticeships and equips them with the skills needed to not only affect change in their own lives but also in the communities they are a part of.

Our extraordinary strides in the field of development mean that we are ready to provide a better, more equitable life for our children. As our future change-makers, children hold incredible potential for innovation. It is our responsibility to give them what they deserve. We cannot let their potential go unrealised.

Faruque Ahmed
Executive Director
BRAC International

MESSAGE FROM THE COUNTRY REPRESENTATIVE



BRAC Liberia started its operations in 2008 with microfinance, health and agriculture programme in 6 counties. In 2017, our programmes expanded to 10 counties and we now work in the field of microfinance, agriculture-food security and livelihood, health, education, adolescent empowerment.

2017 was a historic year for BRAC in Liberia. The Government of Liberia awarded us with the highest national award called “Knight Official into the humane order of African Redemption” for our invaluable contributions to socio-economic development of Liberia through sponsorship of multi-sectoral programmes for the last ten years.

Our microfinance programme achieved 129.59% Operational Self Sufficiency in 2017. We disbursed USD 9.95 million in 2017 which is 50% more than 2016. During the year, we reached 26,899 clients. Portfolio at risk was decreased to 0.81%, which was 2.67% in 2016. We also opened two new branches.

We were contracted as the second largest implementing partner of the Ministry of Education in its “Partnership School for Liberia (PSL)” project in 2017 with 33 public schools based on the success of the first year.

Awareness on personal health hygiene was raised in over 615,696 households by visiting 889 community health promoters. In 2017, our promoters referred 78,156 clients to nearby health facilities for different health care services.

We reached 12,574 agriculture and livestock smallholder farmers and enabled them to increase their income and resilience, and increased access to sufficient and nutritious food. Our poultry hatchery and feed mill produced 18,983 day-old-chicks and 79.5 metric ton of feed. Our Seed Farm produced 1.5 tons of quality rice seed (Nerica L 19 variety) and distributed among 1,500 project beneficiaries.

We introduced market demand based skill training in partnership with other NGOs in 2017. In addition to life skill training for our adolescents in empowerment and livelihood for adolescents clubs, we also ensured the access to microfinance for club members especially for those who received life skill training.

We are grateful to all of our development partners including the Government of Liberia, BRAC Liberia advisory committee, BRAC International headquarters, Stichting BRAC International, our affiliates in UK and USA and especially to our field staff for their continued support to achieve the objective of BRAC Liberia.

Mainuddin Ahmed
Country Representative
BRAC in Liberia

BRAC ACROSS THE WORLD

01 USA
Initiated: 2007
An independent charity to raise profile and funds for BRAC globally

11 SIERRA LEONE
Initiated: 2008
AFSP, ELA, EPR, Health, MF

06 LIBERIA
Initiated: 2008
AFSP, Education, ELA, Health, MF

12 SOUTH SUDAN
Initiated: 2007
Education, ELA, Health

13 TANZANIA
Initiated: 2006
AFSP, Education, ELA, WASH, MF

02 UK
Initiated: 2006
An independent charity to raise profile and funds for BRAC globally

03 NETHERLANDS
Initiated: 2009
Stichting BRAC International registered as a foundation

04 AFGHANISTAN
Initiated: 2002
AFSP, Education, CDP, Health, CCAP

09 PAKISTAN
Initiated: 2007
Education, MF, Health, TUP

07 MYANMAR
Initiated: 2013
EPR, MF

05 BANGLADESH
Initiated: 1972
AFSP, BEP, CEP, DMCC, GJD, HNPP, HRLS, IDP, MF, MG, SDP, TUP, UDP, WASH, HCMP

10 PHILIPPINES
Initiated: 2012
Education

14 UGANDA
Initiated: 2006
AFSP, Education, TUP, ELA, EPR, Health, MF

08 NEPAL
Initiated: 2015
ELA, Health, WASH, SDP

AFSP : Agriculture and Food Security Programme
BEP : BRAC Education Programme
CCAP : Citizens Charter Afghanistan Programme
CDP : Capacity Development Programme
CEP : Community Empowerment Programme

DMCC : Disaster, Management and Climate Change
ELA : Empowerment and Livelihood for Adolescents
EPR : Emergency Preparedness and Response
GJD : Gender Justice and Diversity
HNPP : Health, Nutrition and Population Programme

HRLS : Human Rights and Legal Aid Services
HCMP : Humanitarian Crisis Management Programme
IDP : Integrated Development Programme
MF : Microfinance
MG : Migration

SDP : Skills Development Programme
TUP : Targeting the Ultra Poor
UDP : Urban Development Programme
WASH : Water, Sanitation and Hygiene

AGRICULTURE, FOOD SECURITY AND LIVELIHOOD



Agriculture forms the backbone of the Liberian economy with two-thirds of the population dependent on farming for employment and income generation. Liberia imports food commodities like rice, cattle, goats and sheep, and poultry from neighbouring countries. A high prevalence of food insecurity leads to acute malnutrition with nearly one-third of children under five suffering from stunting. Agriculture follows a seasonal pattern and its availability is dependent on imported inputs. Approximately 90% of the crop area is dependent on rain-fed agriculture and significant changes in climate are negatively affecting production and food security.

We look at the entire value chain, from the provision of inputs such as seeds, fertilizer, and chicken feed, all the way to the market. Our work centers on smallholder farmers, especially women, who constitute at least half of the agricultural workforce and face a far greater share of burdens.

WHAT WE DO

We engage smallholders to build value chains. We train and deploy self-employed entrepreneurs called community agriculture promoters and community livestock promoters who earn money from the sale of quality inputs such as seeds, tools, fertilisers, day old chicks, feed and animal vaccinations. We organise farmers into producer groups where they receive training from our experts. Each group is led by a “lead farmer” who is incentivised with free inputs to share knowledge to his or her neighbours through demonstration plots.

We have established adaptive research and seed testing farms to test and promote high-yield seeds for farmers in collaboration with Central Agriculture Research Institute (CARI). We established the first ever Poultry Hatchery and Feed Mill in Liberia to increase the supply of day old chicks and feed.

HIGHLIGHTS

Trained **4,951** farmers and provided rice, corn, vegetables seeds and cassava cutting along with chicken and fruit sapling

Established **19** cash for work sites to produce crops and vegetables for **285** households

Strengthened capacity of **3,726** smallholder farmers on climate smart agriculture technologies and supported with start up inputs

Strengthened **90** market actors and **260** community agriculture and livestock promoters were developed as entrepreneurs

Developed **26** agricultural entrepreneurs to supply agricultural inputs and services to farmers

Trained **2,340** pregnant and lactating women on improved nutrition at household level

Trained **20** community based organisation leaders on weather forecasting and nutrition

Trained **1,225** households on poultry and livestock rearing and provided with input support

Developed **12** Chick Rearing Unit to produce pullets to sell to community people

EDUCATION



Liberia scores low in a number of human development indicators. There is strong imbalance of literacy by gender, locality and wealth groups. Of children who enroll in school, 69% stay till Grade 6 and 59% stay till Grade 9. A number of under-qualified teacher teachers are a concern in this sector.

We are participating in a new initiative by the Government of Liberia called Partnership Schools for Liberia (PSL), where a chartered style model is being tested to support weak government schools. The flexibilities offered through public-private partnerships for recruitment and management of teachers, timetabling and curriculum freedoms is expected to lead to improved accountability, efficiency and quality.

We are also implementing a community based early childhood development programme in three counties of Liberia.

WHAT WE DO

As one of eight operators selected for the public-private partnership of the Government of Liberia, we are utilising our experience and coverage across the country to target the most hard-to-reach communities.

We are currently operating in 33 schools with 8,000 students and 300 teachers. Our PSL schools are in Lofa, Nimba and Grand Gedeh counties. The PSL delivery model is characterised most, in relation to other operators, by its cost effectiveness, its commitment to close engagement with the communities and establishing a very close collaboration with local level government offices.

We are implementing a community based Early Childhood Education (ECE) project in Grand Bassa, Bong and Grand Gedeh counties. We have set up 30 community based ECE centers in remote communities. We have created access for 103,000 children of 768 primary schools on standard ECE materials and developed capacity of 300 ECE teachers and parents, caregivers and inter-sectoral members on ECE.

HIGHLIGHTS

Developed **300** educators through basic and subject based training

Provided **8,037** learners with access to textbook and quality reading materials

Developed capacity of **40** staff to provide intensive monitoring and support to the teachers

Trained **33** principals on leadership and management

Conducted joint monitoring with **13** district and county level education officers

Provided training to **396** parents teachers association members

Provided **103,000** ECE learners in **768** public schools with access to standard ECE materials

Developed capacity of **30** caregivers from different **30** communities on ECE

Developed capacity of **900** parents on positive parenting

Provided training to **300** ECE teachers of different **300** public schools to develop their capacity

Provided training and orientation to **300** inter-sectorial members of three counties on Early Childhood Development Community Education and Awareness Program (ECDCEAP)

Organised **12** community outreach campaigns on ECE in twelve different places

Launched three years countrywide ECE Campaign jointly with Ministry of Education and UNICEF

Constructed three ECE centers in three counties and repaired and renovated **27** community structures as ECE centers in **27** remote communities

EMPOWERMENT AND LIVELIHOOD FOR ADOLESCENTS



Adolescents girls in Liberia face sexual and reproductive health problems associated with family pressure to earn money for the family, peer pressure, poverty, lack of employment opportunities, limited access to services and the devastating effects of the civil war.

We started our ELA programme to enhance economic and social empowerment of adolescent girls to help them overcome their challenges and reduce early pregnancy.

WHAT WE DO

We assist vulnerable adolescents in achieving economic social empowerment in terms of poverty alleviation. We empower adolescents to participate meaningfully in decision making that affects their lives positively to become active agents of social change. ELA interventions also work to reduce early pregnancy and early marriage, increase awareness on sexual transmitted diseases, increasing awareness on sexual reproductive health and family planning, reduce gender based violence, reduce drug abuse and sexual abuse.

We provide “safe spaces” close to their homes, where teens can discuss problems with their peers in small groups and build their social networks, away from the pressures of family and male-centered society. Health, education, confidence building and other life skills are then added to the regular life skill session conducted by a trained Mentor. We increase access to Income generating activities (IGA) through training and financial support. Our interventions increase adolescent girls’ participation in decision making process in families and society.

We target adolescent girls aged 11 – 19 in four counties: Montserrado, Margibi, Bong and Grand Cape Mount.

HIGHLIGHTS

Enrolled **3,560** adolescent club members

Reached **4,850** indirect community members through parents meeting

Established **60** mothers’ forums in **60** ELA clubs

90 adolescent in **18** microcredit group accessed **USD 10,000** in microloans

Provided **3,058** adolescents with financial literacy training

Provided **3,296** adolescent with life skills training

Provided **798** with livelihood training

Established **60** club management committee comprising of community elites and stakeholders

Conducted **720** awareness raising sessions in **60** communities to promote community participation

Reached **3,200** parents and community members through regular meetings to engage community

HEALTH



Liberia's health system has been seriously affected by the Ebola outbreak of 2014. The maternal mortality ratio is 1,072 in every 100,000 live birth, the child mortality for under five is 94 in every 1,000 live birth and contraceptive prevalence rate is 19% (Liberia Demographic and Health Survey, 2013). The tuberculosis mortality rate is 60 in 100,000 population and the incidence rate is 308 per 100,000 (WHO, 2017).

Our health programme is focused on reducing the above rates through community based Reproductive, Maternal, Neonatal and Child activities as well as through reducing tuberculosis.

WHAT WE DO

We train community health promoters with basic curative services to provide healthcare services at the doorsteps of hard to reach communities. For more serious cases, the promoters refer patients to the nearest clinic or hospitals.

In 2017, we operated three different projects to fight AIDS, tuberculosis and malaria. All of these through a community based approach by trained and skilled community health promoters in collaboration with the Ministry of Health and Social Welfare.

We have implemented the maternal neonatal health service delivery project in 38 government health facilities in five counties: Montserrado, Grand Cape Mount, Gbarpolu, Margibi and Lofa. Volunteers, located within 5 Km areas of each government health facilities are engaged for community mobilisation, health education and awareness, client referral and follow up.

We implemented a tuberculosis prevention project in four counties- Monrovia, Grand Bassa, Margibi and Lofa, in collaboration with Ministry of Health. We conducted health awareness campaign, presumptive case findings and follow up of relapse patients.

HIGHLIGHTS

615,696 households visited by community health promoters

Provided training and developed 889 health promoters

Referred 13,945 patients for antenatal care

Referred 12,058 mothers for safe child delivery

Referred 7,352 patients for postnatal care

Referred 10,395 children under five years old for immunisation

Referred 7,076 patients for ARI and diarrhea

Referred 7,184 patients for FP Semi Permanent Methods (Injection, IUD and Implant)

78,156 patients referred to by health promoters

Referred 1,532 tuberculosis cases

MICROFINANCE



Liberia's financial system remains vulnerable to political and economic instability. Financial intermediation is low while there is a high cost of credit and scarce access to financing. Poor infrastructure still represents a major impediment to the expansion of financial services across the country.

We work through a unique approach of addressing the special needs of various target populations such as women, youth and adolescents, smallholder farmers, migrant workers and small entrepreneurs.

WHAT WE DO

We have a network of 24 branches in 6 counties (out of 15) in Liberia. In 2017, we opened two new branches. With over to 26,899 loan clients and a loan portfolio of over USD 4.71 million, BRAC Liberia Microfinance Company Limited (BLMCL) is the largest microfinance institution in Liberia.

We understand the heterogeneity of people in poverty and focus on financial products and services that best meet their varying needs. We bring collateral free credit and savings services to the doorsteps of local communities through our village organizations, each comprised of around 20 to 30 women.

HIGHLIGHTS

Total Loan Disbursed **USD 8.91** Million (**64%** more compared to 2016)

Disbursed **USD 6.13** Million in Microloans

Disbursed **USD 2.78** Million in Small Enterprises Loans

PAR>30 days 0.81% in 2017 compared 2.20% in 2016

Microfinance active borrowers increased by **7,332** in 2017

Small Enterprise program active borrower increased by **316** in 2017

Operational Self sufficiency **129.59%** in 2017 compared to **99%** in 2016

Mobile Money piloted

"Jobholder loan" a new loan product has been introduced

A FRIEND IN NEED IS A FRIEND INDEED



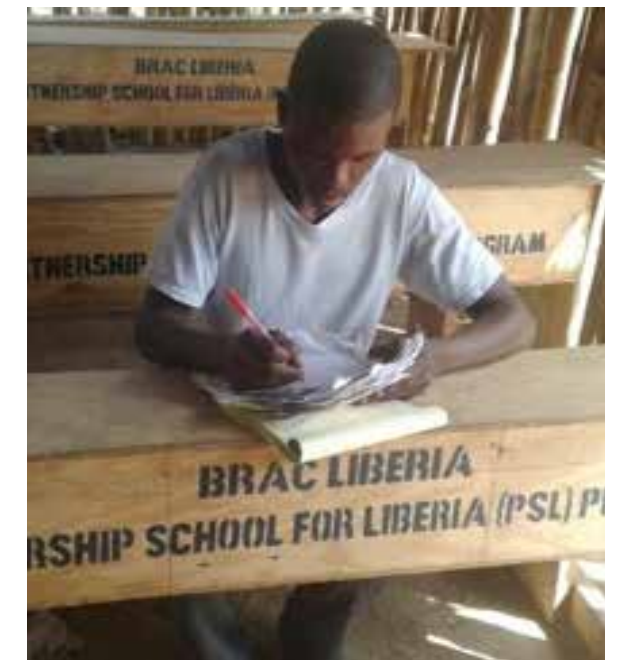
My name is Gbassay Vah. I am 43 years old and married with 6 children, ages 4 through 25. I live with my husband and children. I currently sell a range of items, including soft drinks, water, sardines, basketballs, and other provisions, in the Sinkor area of Monrovia. Before I took out my first loan from BRAC's Sinkor office, I used to walk door-to-door selling cayenne (a traditional Liberian treat) in buckets. I was only able to save 200 LRD (~\$2 USD) per day and had trouble providing for my family and myself. I first took out a loan in 2013, with a 40-week repayment period. This first loan allowed me to begin selling in a table market with a wider range of products to offer.

The Ebola Crisis caused BRAC's microfinance department to shut down for several months. Therefore, I did not receive my second loan from BRAC until 2015, where I promptly began selling at the front of my current shop. I received my third loan for 40,000 LRD (~\$400 USD) in 2017 and expanded my business to include the whole shop. Taking loans from BRAC has greatly improved my life. I now have profits of greater than 1000 LRD (~\$10 USD) per day and have a much larger business with a wider range of product to offer. My oldest child is currently attending college. I hope that all of my children will become educated.

I thank God and BRAC's staff for allowing me to control my future. I hope to take out larger loans from BRAC and expand my business. I plan to stay friends with BRAC forever.

LIKE A MESSIAH

"I am Anthony T. Koryon, I am a Kindergarten Teacher, I would like to share how children attended classes before BRAC's support. The classrooms were not up to the mark; students sat under the sun, on a bare floor with no roof over them. During the rainy season, we were not able to conduct classes. We are very thankful to BRAC for providing us aid and care. BRAC arranged tarpaulin to cover the roof of our two annexes here, desks to help our children sit, provided extracurricular activity materials like footballs and jerseys for our children. I feel that BRAC is a messiah for us, I hope that BRAC will stay with us and help us in making our school better.



GRATEFUL TO BRAC

"I am Mariam Munyah, Kpandonin Principal, have witnessed how BRAC's intervention has positively changed the conditions for the school. More children are now coming to school because of the provision of learning materials, desks, extra-curricular activities that are available to encourage children to attend school. Our teachers are also regular and motivated because of the current employment and compensation packages, they are prompt in making lesson plans and teaching objectively. We are very happy to have BRAC in our school, and praying that this good relationship continues"

WONDER KIDS

Ernest Joe is a five year old student from Frank Diggs ECD center in Grand Bassa County. Shy and reserved by nature, Ernest once found it difficult to mingle with other kids of his age. But with the efforts of the caregiver, Cecelia George and the BRAC ECD Team, Ernest now has confidence and has excelled in his academic activities and plays. He is planning to be a doctor in the future to help his parents and other community members. Ernest's parents are involved with farming activities as a means of survival/living.



Princess Bannie is five years and she attends the Kpandy Town ECD Center in Grand Bassa County. Princess had difficulties in reading and writing when she started attending the center. Over time, she grew confident and began to read three to four letter words and also write and subsequently took interest in reading and writing as seen in the picture. Her reading and writing skills have improved and was noticed by two of her friends in the community and they decided to ask their parents to send them to the same ECD Center. The parents recommended that the program should continue as it helps children in their community to be like little Princess.

GOVERNANCE AND MANAGEMENT

BRAC INTERNATIONAL

BRAC International is registered as Stichting BRAC International in the Netherlands.

CORPORATE GOVERNANCE

In line with the guidelines for corporate governance in the Netherlands, the Board decided to adopt a two-tier governance structure to create a clear division between executive and supervisory responsibilities from the end of 2016.

SUPERVISORY BOARD

Stichting BRAC International has a ten (10) member Supervisory Board.

The Supervisory Board is charged with the overall supervision of the policies pursued by the Management Board and its associated institutions and/or entities. The Supervisory Board members are appointed by co-optation. The period of membership is governed by the constitution and there is no board remuneration applicable for the Supervisory Board.

The current members of the Supervisory Board are:

Chairperson

Sir Fazle Hasan Abed, KCMG

Members

Ms. Sylvia Borren
Dr. Muhammad Musa
Ms. Parveen Mahmud
Dr. Ahmad Mastaqur Raza Chowdhury
Dr. Debapriya Bhattacharya

Ms. Shabana Azmi
Mr. Shafiqul Hassan
Ms. Irene Khan
Dr. Fawzia Rasheed

MANAGEMENT BOARD

The Management Board is charged with the daily management, the preparation of the budget, the financial statements and the long-term strategy plan. The Supervisory Board has stipulated specific restrictions that require its approval. The Management Board is appointed by Supervisory Board and their performance is reviewed annually. The Management Board consists of the following members:

Mr. Faruque Ahmed, Executive Director
Mr. Saif Md Imran Siddique, Director
Mr. Shameran Abed, Director
Ms. Lamia Rashid, Director

The gender diversity in the management board is 75/25. The Foundation is trying to bring in more female participation into its Management board. The management board meets on a weekly basis.

BRAC INTERNATIONAL HOLDINGS BV

BRAC International Holdings BV is a wholly owned subsidiary of Stichting BRAC International and was incorporated in 2010. BRAC International's microfinance programmes, social enterprises and investment companies are consolidated under this wing. The social programmes currently supporting the enterprises include seed production and training centres.

BRAC International Holdings BV has the role to consolidate the financial results of all country operations in six countries. The consolidated financial statements include the financial data of the stand-alone parent organisation, its group companies and other legal entities over which the foundation has control.

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Sir Fazle Hasan Abed KCMG, Chair
Dr. Muhammad Musa, Member
Ms. Parveen Mahmud, Member
Ms. Sylvia Borren, Member

MANAGEMENT BOARD

The Management Board consists of the following members:

Managing Director
Mr. Faruque Ahmed

Director
Mr. Hans Eskes

In the discharge of their duties, the Directors shall be guided by the interests of the Company and the business carried on by the Company. The Management Board may decide to appoint one or more authorised signatories and to determine their authority and title.

**GROUP FINANCE AND
AUDIT COMMITTEE**

Composition of the present finance and audit committee is as follows:

Ms. Parveen Mahmud, Chair
Dr Muhammad Musa, Member
Ms. Sylvia Borren, Member
Mr. Faruque Ahmed, Member
Mr. Hans Eskes, Member
Mr. Saif Md Imran Siddique, Secretary of the Committee

The primary function of the finance and audit committee is to assist the governing board in fulfilling its responsibilities on the:

- Financial reporting and budgeting processes
- System of internal controls and risk assessment
- Compliance with legal and regulatory requirements
- Qualifications, independence, and performance of the external auditors
- Qualifications, independence, and performance of the internal audit function

LOCAL BOARDS

Each country entity has a local board. We pursue microfinance and development activities through separate entities

in countries where it is required. The local board members are appointed by Stichting BRAC International’s board. The business of the local entities is managed by these local boards. Further details of the roles of the local board are available in the respective incorporation documents of these entities.

ADVISORY COUNCIL

In 2015, BI decided to form advisory councils to strengthen governance, support advocacy at the national level and enhance credibility.

The council members, who are country nationals, provide the country leadership with advice and support on standards and policies, and the development and implementation of programmes. They advise on key external developments and trends nationally, and promote BRAC’s mission through effective and strategic working relationships with key stakeholders and civil society partners in the countries. They also support information sharing and relevant advocacy on behalf of BRAC.

**ACCOUNTABILITY AND
TRANSPARENCY**

The internal audit department conducts periodical audits at all our cost centres on a sample basis. Audits take place at least once a year and twice or more in locations and on programmes where a closer watch is warranted. In addition, special investigations are conducted in case of fraud or irregularities that may be detected. A ‘whistle blower’ policy is in place and HR takes actions as and when required.

External audit of Stichting BRAC International, BRAC International Holdings BV and all of our legal entities are undertaken annually. Financial transparency is ensured by BRAC International’s finance and accounts division, which prepares financial statements following the International Financial Reporting Standards and the laws of relevant countries.

The summary of all audits and investigations are submitted to the audit and finance committee on a half yearly basis.

BRAC IN LIBERIA

GOVERNANCE

Local Board Members

BRAC Liberia

Dr AMR Chowdhury
Faruque Ahmed
Shib Narayan Kairy

BRAC Liberia Microfinance LTD

Faruque Ahmed
Shameran Abed
Lamia Rashid
Md. Saif Imran Siddique
Mainuddin Ahmed

Country Advisory Council Members

Dr. Roland C. Massaquoi
Ruth Gibbsom Caesar
S. Tornorlah Varpilah
Mainuddin Ahmed

Chair

Member Secretary

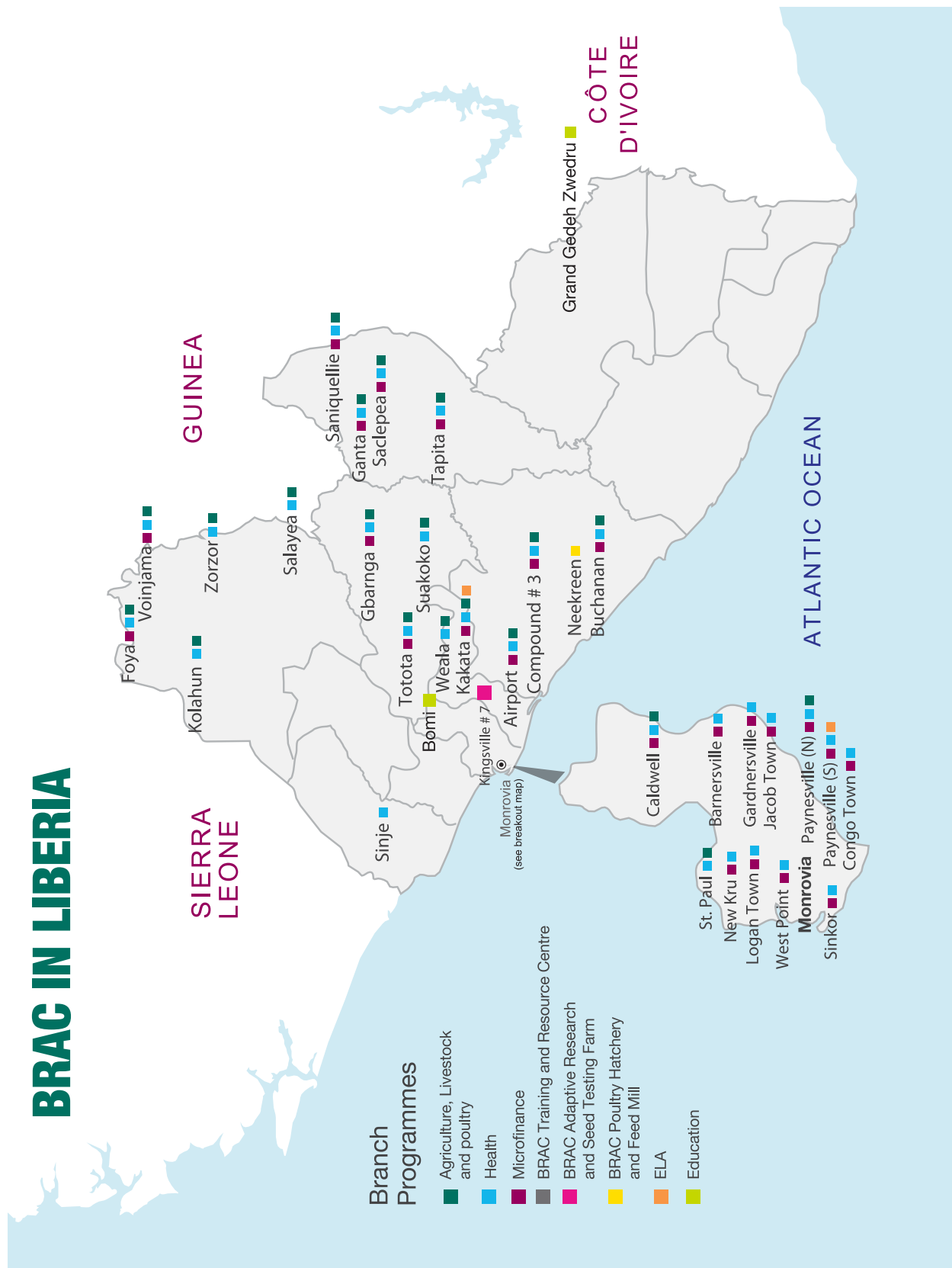
MANAGEMENT

Mainuddin Ahmed, Country Representative and Managing Director,
BRAC Liberia MF Limited
Md. Abdus Samad, Senior Programme Manager-Education
Jacobson D. Sendolo, Head of Finance
Aisha Nansamba, Research Associate
Sylvanus S. Domah, Manager, HR and Training
Md. Rezaul Karim, Programme Manager-Microfinance
Md. Emanur Shikder, Programme Manager-Food Security and Livelihood
M A Razzaque Khan, Programme Manager-Health
Md. Nurul Amin Hawlader, Country Head of Internal Audit

DEVELOPMENT PARTNERS



BRAC IN LIBERIA



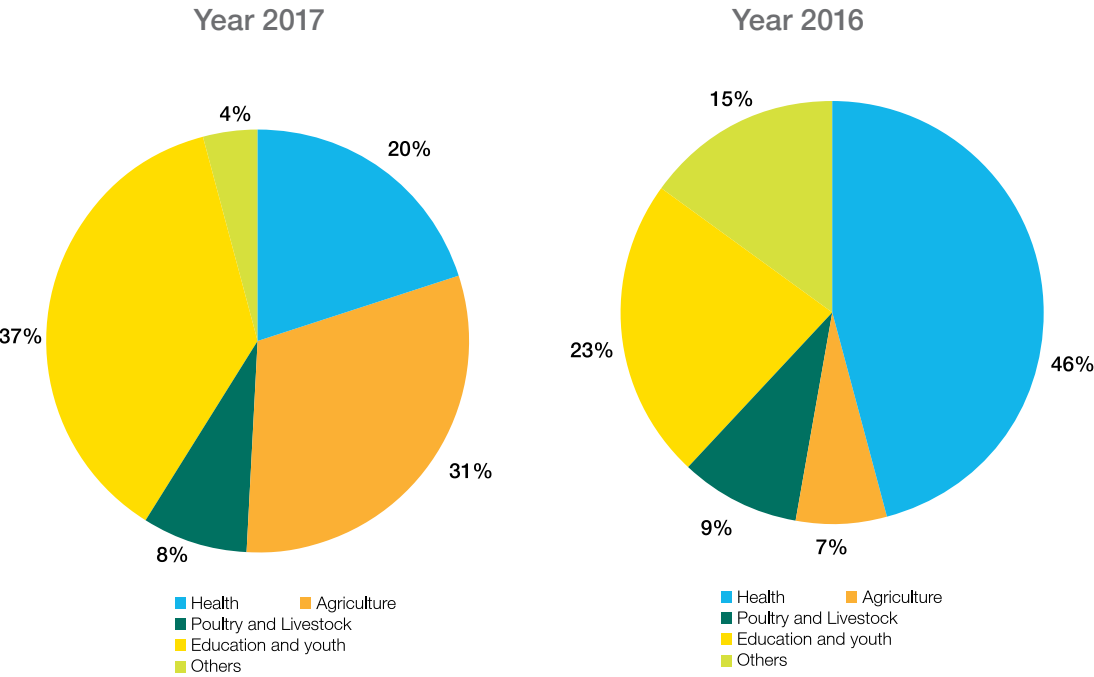
FINANCIALS

FINANCIAL HIGHLIGHTS – NGO

BRAC Liberia received USD 1,459,274 as grants compared to USD 2,591,770 in 2016. Total Project expenses for the year were increased by 11% to USD 2,339,362. Out of the total expenses, Health supported by Novo foundation, EU and Unicef hold the majority of the portion. About 99 % of total expenditure has been used for program services.

Total Equity as at 31 December 2017 stands at USD 39,317 compared to USD 666,908 in 2016.

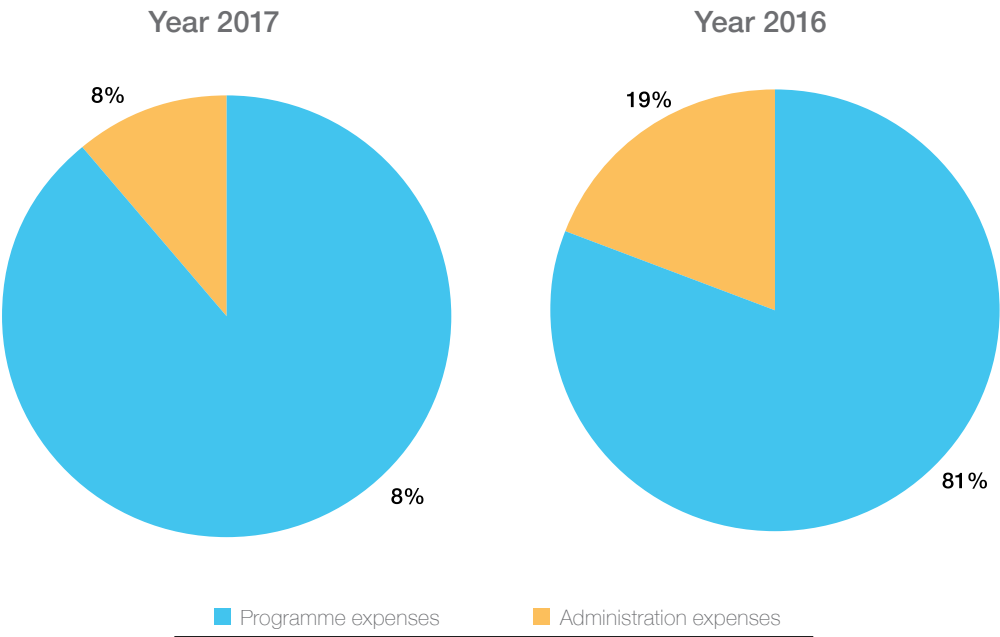
PROGRAMME COST BY NATURE OF PROGRAMMES



PROGRAMME COST BY NATURE OF EXPENSES

Programme	2017	%	2016	%
	USD		USD	
Health	463,869	20%	964,013	46%
Agriculture	735,967	31%	153,439	7%
Poultry and livestock	182,848	8%	200,128	10%
Education and Youth	863,040	37%	476,050	23%
Others	93,637	4%	311,931	15%
Total	2,339,362	100%	2,105,562	100%

Expenses	2017	%	2016	%
	USD		USD	
Program Expenses	2,141,488	92%	1,709,405	81%
Admin expenses	197,874	8%	396,157	19%
Total	2,339,362	100%	2,105,562	100%



FIVE YEAR PERFORMANCE REVIEW

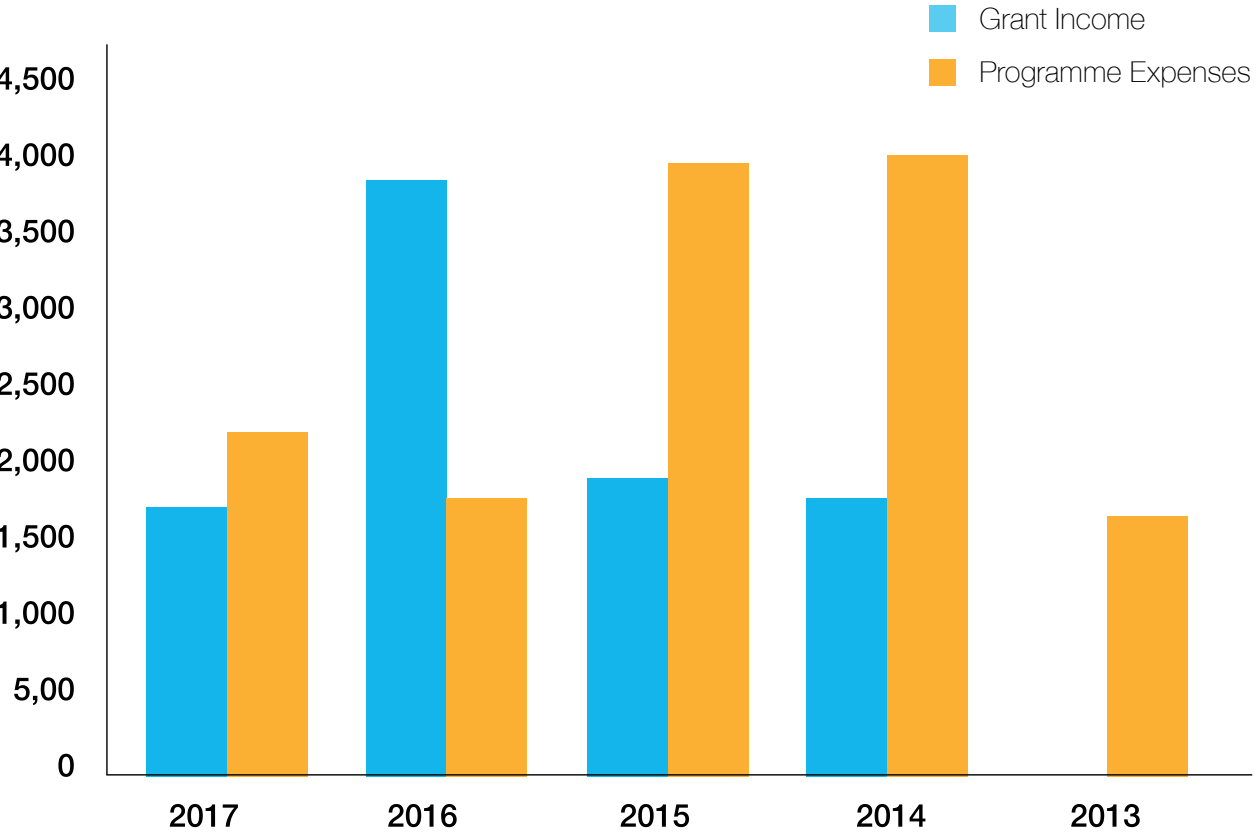
Currency	2017	2016	2015	2014	2013
	USD	USD	USD	USD	USD
Income Statement					
Grant Income	2,231,574	1,594,109	3,802,382	1,868,008	1,668,847
Other Income	137,949	384,996	451,859	475,106	94,293
Program Expenses	2,141,488	1,709,405	4,051,693	4,051,693	1,575,571
Admin expenses	197,874	396,157	478,335	478,335	351,482
Financial Position					
Net Equity	39,317	666,908	162,666	526,133	639,262
Cash at Bank	301,600	1,214,119	290,186	924,729	982,519
Operational Statistics					
Number of Programmes	9	12	16	12	13

Contribution to Government Exchequer

	2017	2016
	USD	USD
Withholding tax	160,439	45,051
Social Security and pension	39,576	41,363
Total	200,015	86,414

ANNUAL INCOME AND EXPESES

in Thousand USD



Last five years grant used as income vs programme expenses

FINANCIAL HIGHLIGHTS – MICROFINANCE

Net Income

BRAC Liberia Microfinance Company Limited maintained its profit trend in 2017 and posted Profit before tax of USD 603,780 (2016: Profit USD 261,393). Interest income has increased significantly by 32% due to growth in loan disbursment by 34%.

Operating expenses

Total operating expenses for the year was USD 1,393,164 as compared to USD 1,344,426 in 2016 showing a small increase of 4%.

Provisions for Impairment losses

This year amount charged for impairment on loans was USD 64,440 as against USD 79,331 in 2016, showing a decrease of 19 %. This is due to increase in the quality of loan portfolio which resulted decrease in PAR 30. Portfolio at Risk (PAR>30) is 0.81% as to 2.67% in 2016. Total reserve for impairment was USD 110,602 in 2017 compared to 130,251 in 2016, representing 2.73% of Gross portfolio.

Financial Position

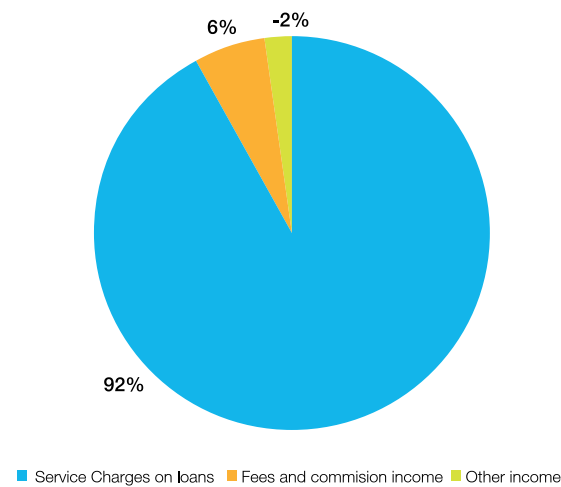
In 2017, BRAC Liberia Microfinance company Limited's total assets increased by 29.54% to USD 5,324,237. The increase is mainly due to growth of loan portfolio which has been increased by 30% to USD 3,935,699.

VALUE ADDED STATEMENTS

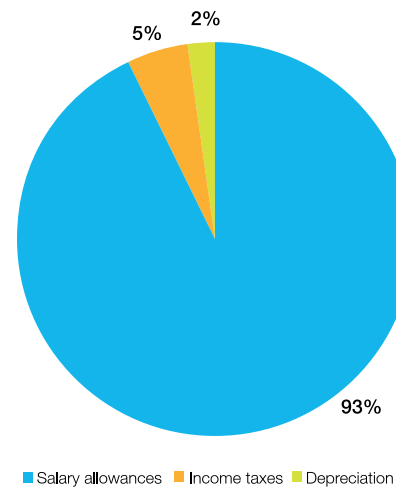
A value added statement provides a detailed information of the total addition and distribution of value created by the organization. BRAC Liberia Microfinance Company Limited contributes positively to overall economic development by empowering the poor people (especially women) through micro-credit. We empower employees through the payment of salaries and allowances and by assisting the local regulatory authorities through paying taxes and of course keeping in mind of organization's growth.

Figures in (USD)	2017		2016	
	Amount	%	Amount	%
Service Charges on loans	1,828,979	147%	1,389,908	174%
Fees and commission income	115,093	9%	88,099	11%
Other income/(expense)	(32,389)	-3%	7,039	1%
Other operating expense	(602,807)	-48%	(608,212)	-76%
Loan provision(doubtful losses)	(64,440)	-5%	(79,331)	-10%
Total value added	1,244,436	100%	797,503	100%

Value added 2017



Value distributed 2016



Contribution to Government Exchequer

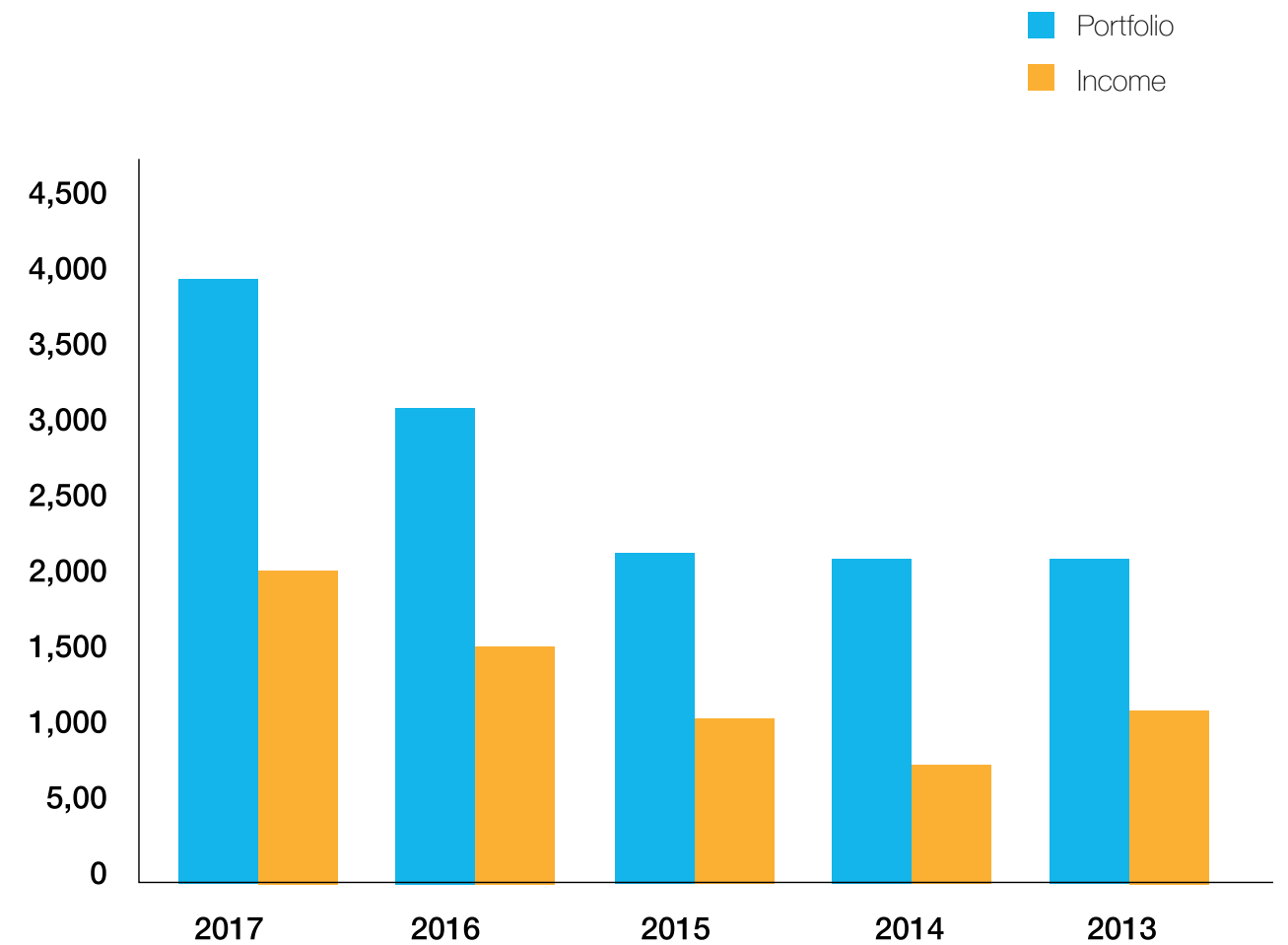
	2017	2016
	USD	USD
Income Tax	38,323	21,052
Withholding tax	78,181	48,927
Social Security and pension	59,201	45,996
Total	175,705	115,975

FIVE YEAR PERFORMANCE REVIEW

Currency	2017	2016	2015	2014	2013
	USD	USD	USD	USD	USD
Income Statement					
Operating Income	2,003,318	1,597,120	1,096,757	789,678	1,175,807
Net profit/(loss) before tax	603,780	261,393	(229,407)	(451,835)	(430,416)
Financial Position					
Total assets	5,324,237	4,109,955	3,406,524	3,648,615	3,775,068
Net Equity	3,118,531	2,537,012	2,080,155	2,353,134	2,575,528
Loans to customers (net)	3,935,699	3,026,937	2,253,397	2,091,486	2,066,933
Cash at Bank	1,047,593	718,975	850,894	1,016,783	1,325,105
Returns and ratio					
Return on Asset	11%	6%	-7%	-12%	-11%
Cost to income	73%	78%	114%	204%	193%
Operational Statistics					
Total Borrowers	27,010	19,333	14,033	12,328	11,578
PAR>30	0.81%	2.67%	5.72%	9.43%	5.85%

ANNUAL INCOME AND PORTFOLIO

in Thousands USD



Last five years income vs. portfolio

BRAC IN LIBERIA

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

GENERAL INFORMATION

Board of Directors	:	Dr. A M R Chowdhury- Chair Mr. Faruque Ahmed Mr. Shib Narayan Kairy
Country Representative	:	Mr. Mainuddin Ahmed
Registered Office	:	Divine Town, Old Road Monrovia
Bankers	:	Eco Bank Limited Liberia Randall and Ashman Street International Bank (Liberia) Limited Broad Street Monrovia
Auditors	:	Baker Tilly Liberia <i>(Certified Public Accountants)</i> King Plaza, 2-3rd Floor 80 Broad Street Monrovia
Legal Counsel	:	Henries Law Firm 31 Benson Street Monrovia, Liberia

Management report

The Organisation’s management presents their reports and the audited financial statements of BRAC Liberia for the period ended 31st December 2017.

Management’s Responsibility Statement

Management is responsible for the preparation and fair presentation of the financial statements comprising, the Statement of financial position as at 31st December, 2017, the statements of income and expenditure, the statement of cash flows for the year then ended, and the notes to the financial statements. The notes to the financial statements include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standard (IFRS) and in the manner required by the provisions of the grant agreement.

The Management’s responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these 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.


The Management’s responsibility also includes maintaining adequate accounting records and an effective system of risk management.

Approval of the financial statements

The financial statements, as indicated above, were approved by management and signed on its behalf by:

FARUQUE AHMED


Director



Signature and date

SHIB NARAYAN KAIRY

Director



Signature and date

INDEPENDENT AUDITORS’ REPORT

To: The members of BRAC Liberia

Opinion

We have audited the financial statements of BRAC Liberia, which comprise the statement of financial position as at December 31, 2017, and the statement of income and expenditure, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BRAC Liberia as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and International Public Sector Accounting Standard (IPSAS).

Basis for opinion

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 organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Liberia, 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.

Responsibilities of Management of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard (IFRS) and for such control as management determines 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 organization or to cease operations, or has no realistic alternative but to do so.

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 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’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 organization'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 Company to cease to continue as a going concern.

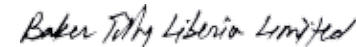
Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


(Certified Public Accountants)
March 7, 2018
Monrovia

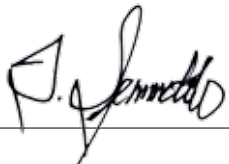
BRAC LIBERIA
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017


Statement of Financial Position

As at December 31, 2017


	Note	2017 LRD	2016 LRD	2017 USD	2016 USD
Assets					
Non-current assets					
Property and equipment	10	38,440,957	42,316,456	306,914	413,853
Current assets					
Cash and Bank	11	37,775,400	124,143,715	301,600	1,214,119
Other assets	12	34,350,317	13,375,651	274,254	130,814
Total Current assets		<u>72,125,717</u>	<u>137,519,366</u>	<u>575,854</u>	<u>1,344,933</u>
Total assets		<u>110,566,674</u>	<u>179,835,822</u>	<u>882,768</u>	<u>1,758,786</u>
Liabilities and Capital Fund					
Liabilities					
Other payables	13	48,958,357	69,002,869	390,885	674,845
Related party payables	14	56,683,911	42,641,619	452,566	417,033
Total Liabilities		<u>105,642,268</u>	<u>111,644,488</u>	<u>843,451</u>	<u>1,091,878</u>
Capital Fund					
Donor funds	15	54,030,397	119,087,960	431,380	1,164,674
Accumulated Fund		(49,105,991)	(50,896,626)	(392,063)	(497,767)
Total capital fund		<u>4,924,406</u>	<u>68,191,334</u>	<u>39,317</u>	<u>666,908</u>
Total Liabilities and Capital fund		<u>110,566,674</u>	<u>179,835,822</u>	<u>882,768</u>	<u>1,758,786</u>

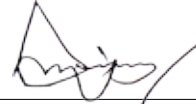
These financial statements on pages 43 – 45 were approved on 7th March 2018 by:



Head of Finance


Director



Country Representative


Director

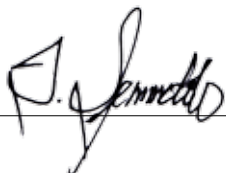
The notes on the financial statements from page 46 to 59 are an integral part of these financial statements

BRAC LIBERIA
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017


Statement of Income and Expenditure

For the year ended December 31, 2017

	Note	2017 LRD	2016 LRD	2017 USD	2016 USD
Income					
Grant income	4	279,504,643	179,939,888	2,231,574	1,759,803
Other income	5	17,278,106	22,423,533	137,949	219,301
Total Income		296,782,749	202,363,421	2,369,523	1,979,105
Expenditures					
Staff costs and other benefits	6	81,447,058	56,444,609	650,276	552,026
Training, workshops & seminars	7	51,343,550	30,622,947	409,929	299,491
Occupancy expenses	8	8,953,608	13,259,976	71,486	129,682
Other general & administrative expenses	9	142,766,002	106,721,074	1,139,848	1,043,727
Depreciation	10	8,494,863	8,245,100	67,823	80,637
Total Expenditures		293,005,081	215,293,706	2,339,362	2,105,562
Operating (Deficit) / Surplus		3,777,669	(12,930,285)	30,161	(126,458)
Other comprehensive income		(1,987,032)	729,005	(15,865)	7,130
(Deficit) / Surplus		1,790,636	(12,201,280)	14,296	(119,328)



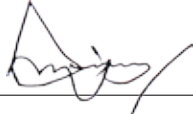
Head of Finance



Director



Country Representative



Director

The notes on the financial statements from page 46 to 59 are an integral part of these financial statements

BRAC LIBERIA
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Statement of Cash Flows

For the year ended 31 December 2017

	Note	2017 LRD	2016 LRD	2017 USD	2016 USD
Net cash provided by/(used in) Operating Activities	16	(16,691,388)	29,309,312	(133,265)	286,644
Cash flow from Investing Activities					
Acquisition of fixed assets		(4,619,364)	(1,782,404)	(36,881)	(17,432)
Net cash provided by/(used in) Investing Activities		(4,619,364)	(1,782,404)	(36,881)	(17,432)
Cash flow from Financing Activities					
Increase/(decrease) in deferred income		1,937,227	(37,781,157)	15,467	(369,498)
Increase/(decrease) in grants received in advance		(66,994,790)	108,861,603	(534,889)	1,064,661
Net cash provided by/(used in) Financing Activities		(65,057,563)	71,080,446	(519,422)	695,163
Net (decrease)/increase in cash and cash equivalents		(86,368,315)	98,607,354	(689,567)	964,375
Cash in hand and at banks at beginning of the year		124,143,715	25,536,361	991,167	290,186
Translation difference		-	-	-	(40,442)
Cash and cash equivalents at end of the year	11	37,775,400	124,143,715	301,600	1,214,119

The notes on the financial statements from page 46 to 59 are an integral part of these financial statements

BRAC LIBERIA
INDEPENDENT AUDITOR’S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Notes to the financial statements

1. Reporting entity

BRAC Liberia, which was incorporated in March of 2008, is a not-for-profit development organization. It is the Liberia arm of international NGO Stichting BRAC International. At present, BRAC Liberia has a number of development programs that cover the areas of health, agriculture, poultry & livestock and training for the people of Liberia.

2. Basis of preparation

(a) Basis of presentation of the financial statements

BRAC Liberia prepares its financial statements on a going concern basis, under the historical cost convention. BRAC Liberia generally follows the acural basis of accounting, thereof for key income and expenditure items, as disclosed in the summary of Significant accounting policies. The financial statements are expressed in Liberian Dollars with equivalent United States Dollars translation.

(b) Functional and reporting currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (Liberian Dollars). Major activities were measured in Liberian dollars and translated in USD. BRAC Liberia uses an exchange rate of **USD 1 : LRD 125.25** for 2017 and exchange rate of **USD 1: LRD 102.25** for the year 2016.

(c) Uses of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the applications of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the entity at exchange rates at the dates of the transactions; BRAC Liberia used an exchange rate of USD 1: LRD 125.25 for the year 2017 and exchange rate of USD 1: LRD 102.25 for the year 2016. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

(b) Donor grant

Income from donor grants is recognized when conditions on which they depend have been met. Substantially, BRAC Liberia's donor grants are for the funding of projects and programs, and for these grants, income is recognized to equate to expenditure incurred on projects and programs. For donor grants which involve funding for fixed assets, grant income is recognized as the amount equivalent to depreciation expenses charged on the fixed assets concerned. For donor grants provided to purchase of fixed assets for specific projects, income is recognized over the estimated useful life of them.

BRAC LIBERIA
INDEPENDENT AUDITOR’S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Summary of significant accounting policies (continued)

All donor grants received are initially recorded at fair value as liabilities in Grants Received in Advance Account. For grants utilized to purchase fixed assets, the donor grants are transferred to deferred income accounts whilst for grants utilized to reimburse program-related expenditure, the amounts are recognized as income. Donor grants received in-kind, through the provision of gifts and/or services, are recorded at fair value (excluding situations when BRAC Liberia may receive emergency supplies for onward distribution in the event of a disaster which are not recorded as grants). Income recognition of such grants follows that of cash-based donor grants and would thus depend on whether the grants are to be utilized for the purchase of fixed assets or expended as program-related expenditure.

Grant income is classified as temporarily restricted or unrestricted depending upon the existence of donor imposed restrictions. For completed or phased out projects and programs, any unutilized amounts are dealt with in accordance with consequent donor and management agreements. For ongoing projects and programs, any expenditure yet to be funded but for which funding has been agreed at the end of the reporting period is recognized as grant receivable.

(c) Expenses

Program related expenses arise from goods and services being distributed to beneficiaries in accordance with the program objectives and activities. BRAC's Head Office overhead expenses are allocated to various projects and programs at a range of 5% to 10% of their costs, based on agreement with donors or management’s judgment.

(d) Property, plant & equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided for on a straight-line basis over the estimated useful lives at the following annual rates:

Depreciation

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each part of an item of fixed assets. Leasehold improvements are amortized over the life of the improvement or the life of the lease, whichever is shorter. Leasehold land is not depreciated but amortized over the period of the lease.

The estimated useful lives for the current and comparative periods are as follows:

	Rates	Useful lives
Motor Vehicles/Cycles	20%	5 Years
Computers	20%	5 Years
Furniture and fittings	10%	10 Years
Equipment	15%	6.67Years

(e) Employee Benefits

Pension obligations

The entity operates a defined contribution scheme. A defined contribution plan is a pension plan under which the entity pays fixed contributions into a separate entity. The scheme is generally funded through payments to the National Social Security and Welfare Corporation (NASSCORP) on a mandatory basis.

The entity has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

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Significant accounting policies (continued)

End of service benefit
The entity provides end of service benefits to their retirees. The entitlement to these benefits is usually conditional on the completion of a minimum service period.
Self-Insurance Fund
BRAC Liberia sets aside a monthly amounts equivalent to 1% of the basic salary of local employees, to constitute a self-insurance fund. This fund is to cover liabilities arising out of death and other permanent injuries suffered by all the local employees. The payment in the event of death or permanent injury is ranging from 12 months’ equivalent of basic salary in the first year of employment, up to 50 months equivalent of basic salary for 10th year of employment onwards.

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Notes to the financial statements (continued)

4. GRANT INCOME	2017 LRD	2016 LRD	2017 USD	2016 USD
Income from grant received in - advance account	258,764,910	159,242,736	2,065,987	1,557,386
Transfer from Deferred income	587,360	3,754,875	4,690	36,723
Contribution from Stichting BRAC international	20,152,373	16,942,277	160,897	165,695
	<u>279,504,643</u>	<u>179,939,888</u>	<u>2,231,574</u>	<u>1,759,803</u>

Grant income relates to the operating expenses incurred by the different projects that are transferred from grand received in advance to the statement of comprehensive income. Project wise details are provided in Note-17.

5. OTHER INCOME

Income from Laboratory(Reg. fee)	43,270	116,535	345	1,140
Income from diagnosis test	175,970	304,983	1,405	2,983
Income from sale of medicine	289,505	121,784	2,311	1,191
Income from sale of seed	4,596,722	300,025	36,700	2,934
Income from sale of by-product	74,302	323,449	593	3,163
Income from Sale of DOC	2,441,268	5,101,741	19,491	49,895
Income from sale of Feed	2,367,552	6,419,776	18,903	62,785
Income from sale of Cull Egg	130,704	753,105	1,044	7,365
Other income-(Training Centre)	2,082,841	8,969,504	16,629	87,721
Income from sale of vaccine (poultry farm)	25,867,39	12,631	20,654	124
Other income-Research	1,505,373	-	12,019	-
Other income (feed Mill)	983,860	-	7,855	-
	<u>17,278,106</u>	<u>22,423,533</u>	<u>137,949</u>	<u>219,301</u>

6. STAFF COSTS AND OTHER BENEFITS

Salary and benefits	74,643,633	50,939,543	595,957	41,363
Bonus	6,735	1,157,143	54	1,159
NASSCORP	4,956,935	4,229,365	39,576	498,187
Medical	992,673	-	7,926	11,317
Staff Insurance	847,082	118,558	6,763	1,159
	<u>81,447,058</u>	<u>56,444,609</u>	<u>650,276</u>	<u>552,026</u>

7. TRAINING, WORKSHOP AND SEMINARS

External member trainings	50,876,312	30,525,697	406,198	298,540
Staff training	467,238	97,250	3,731	951
	<u>51,343,550</u>	<u>30,622,947</u>	<u>409,929</u>	<u>299,491</u>

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8. OCCUPANCY EXPENSES

Rent and utilities	8,953,608	13,259,679	71,486	129,682
	<u>8,953,608</u>	<u>13,259,679</u>	<u>71,486</u>	<u>129,682</u>

9. OTHER GENERAL & ADMINISTRATIVE EXPENSES

Audit & other legal fees	1,252,500	1,867,750	10,000	18,267
Stationery and supplies	2,406,678	2,264,184	19,215	22,144
Maintenance and general expenses	14,468,969	27,081,982	115,521	264,860
Program supplies	86,337,009	43,443,135	689,317	424,872
Travel and transportation	26,065,013	22,538,481	208,103	220,425
Monitoring and evaluation	3,728,653	3,650,873	29,770	35,705
HO logistic expenses	8,507,180	5,874,669	67,922	57,454
	<u>142,766,002</u>	<u>106,721,074</u>	<u>1,139,848</u>	<u>1,043,727</u>

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Notes to the financial statements (continued)

PROPERTY & EQUIPMENT

10. Cost	Furniture LRD	Building LRD	Leasehold Land LRD	Equipment LRD	Motor Vehicle LRD	Total LRD	Total USD
At 1 January 2016	4,925,932	24,659,352	1,772,092	20,388,198	17,884,858	69,610,432	791,028
Additions during the year	364,985	-	-	1,417,419	-	1,782,404	17,432
Translation difference	-	-	-	-	-	-	(110,241)
At 31 December 2016	5,290,917	24,659,352	1,772,092	21,785,617	17,884,858	71,392,836	698,219
Addition during the year	733,069	-	-	3,886,295	-	4,619,364	36,881
Translation difference	-	-	-	-	-	-	(128,216)
At 31 December 2017	6,023,986	24,659,352	1,772,092	25,671,912	17,884,858	76,012,200	606,884
Accumulated depreciation							
At 1 January 2016	1,760,089	2,811,892	193,309	7,666,700	8,399,290	20,831,280	236,719
Charge for the year	509,029	986,274	43,091	3,216,792	3,489,814	8,245,100	80,637
Transferred/adjustment	-	-	-	-	-	-	(32,990)
Adjustment for disposal/transfer	-	-	-	-	-	-	-
At 31 December 2016	2,269,118	3,798,266	236,400	10,883,492	11,889,104	29,076,380	284,366
Charge for the year	594,762	986,374	43,091	3,500,203	3,370,433	8,494,863	67,823
Translation difference	-	-	-	-	-	-	(52,219)
At 31 December 2017	2,863,880	4,784,640	279,491	14,383,695	15,259,537	37,571,243	299,970
Written down value							
At 31 December 2016	3,021,799	20,861,086	1,535,692	10,902,125	5,995,754	42,316,456	413,853
At 31 December 2017	3,160,106	19,874,712	1,492,601	11,288,217	2,625,321	38,440,957	306,914

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Notes to the financial statements (continued)

11. CASH AND BANK	2017 LRD	2016 LRD	2017 USD	2016 USD
Cash in hand	2,294,583	1,545,958	18,320	15,119
Cash at Bank:				
Eco Bank 35,434,587				
IB Bank 46,230				
	35,480,817	122,597,757	283,280	1,199,000
	<u>37,775,400</u>	<u>124,143,715</u>	<u>301,600</u>	<u>1,214,119</u>
12. OTHER ASSETS				
Advance to 3rd party	5,684,367	4,913,598	45,384	48,055
Receivable from donor	26,077,797	5,725,955	208,206	56,000
Receivable from customer		2,123,938		20,772
Stock and consumables (medicine & Reagents)	-	612,160	-	5,987
Receivable from BRAC Liberia Microfinance company Limited	2,588,153	-	20,664	-
	<u>34,350,317</u>	<u>13,375,651</u>	<u>274,254</u>	<u>130,814</u>
13. OTHER PAYABLES				
Bonus provision	1,240,984	1,380,459	9,908	13,501
Gratuity Provision	813,207	703,919	6,493	6,884
Self-Insurance fund	3,508,587	491,592	28,013	4,808
Provision for NASSCORP	4,697,190	3,368,179	37,503	32,941
Withholding tax payable	1,813,228	1,805,479	14,477	17,657
Provision for audit fees	876,660	992,500	6,999	9,707
Salary provision	3,532,977	5,601,378	28,207	54,781
Provision for Medical expense	1,696,781	-	13,547	
Other Accruals	343,856	-	2,745	
Revolving funds (Health, Agriculture, Livestock)	-	12,654,311	-	123,759
Current account in transit	30,434,887	30,742,174	242,993	300,657
	<u>48,958,357</u>	<u>57,739,986</u>	<u>390,885</u>	<u>564,694</u>

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Notes to the financial statements

14. RELATED PARTY PAYABLES	2017 LRD	2016 LRD	2017 USD	2016 USD
Payable to BRAC Bangladesh	47,242,307	32,088,112	377,184	313,820
Payable to Stitching BRAC International	9,441,604	10,553,507	75,382	103,213
Payable to BRAC Liberia Microfinance company Limited	-	11,262,883	-	110,150
Total	<u>56,683,911</u>	<u>42,641,619</u>	<u>452,566</u>	<u>417,033</u>
15. DONOR FUNDS				
Donor funds received in advance (Note -15.1)	41,866,814	108,861,604	334,266	1,064,661
Donor funds investment in fixed assets (Note -15.2)	12,163,583	10,226,356	97,114	100,013
Total	<u>54,030,397</u>	<u>119,087,960</u>	<u>431,380</u>	<u>1,164,674</u>
15.1 Donor fund received in advance				
Opening balance	108,861,604	-	1,064,661	-
Donation received during the year 15.1a	182,774,039	265,008,483	1,459,274	2,591,770
Receivable from donor	20,351,842	11,300,631	162,490	110,520
Adjustment of deferred grant for fixed assets	(2,524,587)	74,330	(20,156)	727
Receivable from donors Adjusted	-	(20,114,302)	-	(196,717)
Transferred to deferred income- Investment in fixed assets	-	(1,569,611)	-	(15,351)
Transferred to Statement of income and expenditure	(278,917,283)	(176,185,013)	(2,204,511)	(1,723,081)
Foreign exchange	1,590,999	-	(182,804)	-
Adjustment of income and expenditure		30,347,086		296,793
Receivable adjusted with Stichting BRAC International	9,730,200		77,686	
Closing balance	<u>41,866,814</u>	<u>108,861,604</u>	<u>334,266</u>	<u>1,064,661</u>

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15.1a Donation received during the year	2017 LRD	2016 LRD	2017 USD	2016 USD
Contribution from Stichting BRAC International (Country Office)	19,213,319	13,987,500	153,400	136,797
Contribution from Stichting BRAC International (PSL)	8,340,000	-	66,587	-
BRAC (Research)	-	3,893,831	-	38,081
UNFPA (Health)	-	939,567	-	9,189
UNFPA (ELA)	-	14,000,111	-	136,920
EU (Phase-I)	-	18,390,492	-	179,858
DFID (GPAF- RMNCH)	4,967,979	41,405,658	39,665	404,945
BRAC UK (Medicor)	-	14,364,650	-	140,486
WFP (Food for Asset)	10,353,516	-	82,663	-
Global Fund (TB)	15,471,594	-	123,526	-
UNFPA (Health)	32,354,588	-	258,320	-
Partnership for Economic Policy (Research)	5,850,241	-	46,708	-
USAID (PSS)	-	4,617,024	-	45,156
GFATM –TB Control	-	5,057,131	-	49,458
DAI – US AID (PPR Vaccination)	-	12,595,763	-	123,186
BRAC USA (ELA-Scale Up)	26,439,569	20,072,503	211,094	196,308
ARK Foundation (PSL)	14,487,202	13,509,133	115,666	132,119
Social Finance (PSL)	27,872,545	-	222,535	-
EU(Phase II)	-	72,316,462	-	707,251
BRAC USA (Emergency Preparedness Program)	-	1,883,149	-	18,417
UNICEF (ECD)	17,423,486	27,975,509	139,109	273,599
TOTAL	182,774,039	265,008,483	1,459,274	2,591,770
15.2 Donations - Investment in fixed assets				
Opening balance	10,226,356	48,007,513	100,013	469,511
Transferred from donor funds received in advance	2,524,587	1,495,281	20,156	14,624
Transferred/Adjustment	-	(37,786,826)	-	(369,553)
Depreciation charged during the year	(587,360)	(3,754,875)	(4,690)	(36,722)
Adjustment of depreciation	-	2,265,263	-	22,154
Foreign exchange adjustment	-	-	(18,365)	
Closing balance	12,163,583	10,226,356	97,114	100,013

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16. CASHFLOW FROM OPERATING ACTIVITIES

	2017 LRD	2016 LRD	2017 USD	2016 USD
Excess of income over expenditure	1,790,636	(12,201,280)	14,296	(119,328)
Depreciation	8,494,863	8,245,100	67,823	80,637
Cash flow before changes in working capital	10,285,499	(3,956,180)	82,120	(38,691)
Changes in working capital				
Changes in other receivables	(20,974,666)	13,052,055	(167,461)	127,648
Changes in related party payables	2,779,408	16,134,227	22,191	157,792
Changes other payables	(8,781,629)	9,081,681	(70,113)	88,818
Changes in accumulated fund	-	(5,002,471)	-	(48,924)
Net cash from operations	(16,691,338)	29,309,312	(133,265)	286,644

Note 17 - Project wise income & expenses:
For the period ended 31 December 2017

Laboratory	Seed Testing Farm	Training Center	Country office	Total	Poultry farm	Feed mill	Research & Evaluation	RMNCH	ELA - BRAC	PSL (SOPS)	EU (Phase II)	ECD	EPP	WFP	Global fund TB	MNHSO - UNFPA	Total
	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD
INCOME																	
Grant Income																	
(Grant received in advance)		-	2,802,306	2,802,306				14,627,943	28,141,409	28,403,181	78,064,241	51,458,058	825,553	11,716,077	17,133,946	25,592,196	258,764,910
Grant Income																	
(Deferred grant for fixed assets)			-	-			-	-	5,622	87,526	416,316	-	30,962	38,604	6,310	-	5,87,360
OTHER INCOME	508,745	2,892,408	2,054,371	28,470	5,483,994	5,222,663	5,066,076	1,505,373									17,278,106
BRAC Contribution	-	-	19,213,319	19,213,319				939,054									20,152,373
TOTAL INCOME																	
	508,745	2,892,408	2,054,371	22,044,095	27,499,619	5,222,663	5,066,076	2,444,427	14,627,943	28,147,031	28,490,707	51,458,058	856,535	11,754,681	17,140,256	25,592,196	296,782,749
EXPENDITURE																	
STAFF COSTS AND OTHER BENEFITS	-	-	1,472,393	7,112,807	8,585,200	1,126,827	2,249,166	3,021,731	5,479,211	5,557,093	7,303,837	28,386,274	5,033,454	655,151	4,051,850	3,545,577	81,447,058
TRAINING, WORKSHOPS AND SEMINARS	-	-	473,408	473,408				-	2,745,361	4,727,547	4,837,223	7,295,508	17,155,934	-	55,045	5,070,641	51,343,550
OCCUPANCY EXPENSES	-	-	1,177,775	1,177,775	1,906,542	2,500			703,021	1,051,440	565,202	2,408,936	1,103,146	-	3,5,046	-	8,953,608
Travel and transportation	-	-	413,396	413,396	383,019	606,996		425,872	1,927,075	2,340,063	4,822,409	8,655,420	1,896,816	174,270	358,486	1,450,075	26,065,013
Professional & other legal fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Audit fees	-	-	660,412	660,412					-	-	-	592,088	-	-	-	-	1,252,500
Stationery & Supplies	-	-	266,479	266,479				4,762	54,643	124,176	146,850	219,533	16,380	-	930,321	643,534	2,406,678
Maintenance and general expenses	612,160	1,446,057	-	(5,464,731)	(3,406,514)	6,417,797	6,498,277	1,233,846	1,190,185	61,000	1,025,305	671,002	117,878	15,833	146,670	159,460	338,231
Program supplies	-	22,360	-	-	22,360	371,047	-	1,466,590	1,744,643	11,425,599	9,702,355	23,242,521	20,857,764	(19,701)	6,419,030	5,362,012	5,742,789
Monitoring & evaluation	-	-	-	-	-	-	-	346,920	-	-	-	1,270,631	2,111,102	-	-	-	3,726,653
HO logistic expenses	-	81,805	-	(6,688,541)	(6,606,736)	571,164	328,778	-	783,804	2,854,491	-	5,322,328	3,165,584	-	664,996	580,814	8,507,180
Depreciation	127,096	392,412	-	4,948,391	5,467,899	2,438,763	840	-	-	5,622	87,526	416,316	-	30,962	38,604	6,310	8,484,863
TOTAL EXPENSES																	
	739,256	1,942,634	1,472,393	2,899,397	7,053,680	13,215,159	9,686,557	6,499,721	14,627,943	28,147,031	28,490,707	78,482,557	51,458,058	856,535	11,754,681	17,140,256	293,005,081
Surplus/ Reserve	(230,511)	949,774	581,978	19,144,698	20,445,939	(7,992,469)	(4,620,481)	(4,055,294)	-	-	-	-	-	-	-	-	3,777,689
Exchange (loss)/gain - unrealized	-	-	-	(1,508,231)	(1,508,231)	96,000	-	-	-	-	-	-	-	(1,590,999)	1,016,198	-	(1,987,032)
NET SURPLUS FOR THE YEAR																	
	(230,511)	949,774	581,978	17,636,467	18,937,708	(7,896,496)	(4,620,481)	(4,055,294)	--	-	-	-	-	(1,590,999)	1,016,198	-	1,790,636

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Note 17 - Project wise financial position
As at 31 December 2017

Laboratory	Seed Testing Farm	Training Center	Country office	Total	Poultry farm	Feed mill	Research & Evaluation	RMNCH	ELA - BRAC	PSL (SOPS)	EU (Phase II)	ECD	EPP	WFP	Global fund TB	MNHSO - UNFPA	Total
	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD
ASSETS																	
Non-current assets																	
Property and equipment	73,687	2,579,302	-	17,908,204	20,561,193	12,054,191	2,908,845	-	-	53,304	328,219	2,038,450	-	123,927	189,834	182,995	38,440,957
Current assets																	
Cash and Bank	-	-	-	35,808,147	35,808,147	1,011,770	-	0	-	-	-	-	-	-	-	955,483	37,775,400
Receivable from Donors	-	-	-	-	-	-	-	-	-	-	15,716,076	8,510,064	-	-	-	1,851,657	26,077,797
Other receivables	-	(646,436)	-	22,858,620	22,212,184	(1,331,624)	(1,769,883)	(68,474)	(6,688,873)	21,782,972	(25,327,036)	(11,088,626)	328,259	1,884,607	1,099,163	(18,105,311)	8,272,520
	-	(646,436)	-	58,666,767	58,020,331	(319,854)	(1,769,883)	(68,474)	16,688,873	21,782,972	(9,610,960)	(2,578,562)	328,259	1,884,607	3,906,323	(18,105,311)	72,125,717
Total assets																	
	73,687	1,932,866	-	76,574,971	76,581,524	11,734,337	1,118,962	(68,474)	16,742,177	22,111,191	(7,572,510)	(2,578,562)	452,186	2,074,441	4,089,318	(18,105,311)	110,566,675
LIABILITIES AND CAPITAL FUND																	
Liabilities																	
Other payables	1,172,628	11,242,930	-	27,068,820	39,484,378	30,809,236	(3,011,292)	192,449	7,210,954	(3,737,658)	(11,628,753)	(2,917,549)	328,259	3,133,108	2,609,917	(25,244,134)	48,958,357
Related party payables	435,180	1,718,677	-	56,190,361	58,344,218	690,124	347,199	-	(7,279,428)	916,130	309,750	2,017,794	-	342,498	280,208	376,431	56,683,911
Total liabilities																	
	1,607,808	12,961,607	-	83,259,181	97,828,596	31,499,360	(2,664,093)	192,449	(68,474)	12,645,572	(3,427,908)	(9,610,960)	328,259	3,475,606	2,890,125	(24,867,703)	105,642,268
Capital fund																	
Donor funds received in advance		-	-	-	-		5,850,241		4,043,301	25,210,880	-	-	-	-	-	6,762,392	41,866,814
Deferred Grant for Fixed asset			9,246,854	9,246,854			-	-	53,304	328,219	2,038,450	-	123,927	189,834	182,995	-	12,163,583
BRAC Contribution received in advance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained surplus	(1,534,121)	(11,028,741)		(15,931,066)	(26,483,928)	(19,765,023)	(4,055,294)	0	-	-	-	-	-	(1,590,999)	1,016,198	-	(49,105,991)
Total capital fund																	
	(1,534,121)	(11,028,741)	-	(6,684,212)	(19,247,074)	(19,765,023)	3,783,055	1,794,947	0	4,096,605	25,539,099	2,038,450	-	123,927	(1,401,165)	6,762,392	4,924,406
Total liabilities and capital fund																	
	73,687	1,932,866	-	76,574,970	76,581,522	11,734,337	1,118,962	1,987,996	(68,474)	16,742,177	22,111,191	(7,572,510)	452,186	2,074,441	4,089,318	(18,105,311)	110,566,673

BRAC LIBERIA MICRO–FINANCE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

BRAC LIBERIA MIROFINANCE COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

CORPORATE INFORMATION			
BOARD OF DIRECTORS	:	Mr. Faruque Ahmed	- Chair
		Mr. Shameran Abed	- Director
		Mr. Tapan Kumar Karmaker	- Director
		Ms. Lamia Rashid	- Director
		Mr. Saif Md. Imran Siddique	- Director
MANAGING DIRECTOR	:	Mr. Mainuddin Ahmed (appointed on 4th Feb 2018)	
		Mr. Tapan Kumar Karmakar (Resigned on 4th Feb 2018)	
REGISTERED OFFICE	:	Divine Town, Old Road Monrovia	
BANKERS	:	Eco Bank Limited Liberia Randall and Ashman Street	
		International Bank (Liberia) Limited Broad Street, Monrovia	
		The Liberian Bank for Development and Investment 9th Street Sinkor	
		Guaranty Trust Bank 13th Street, Sinkor, Monrovia	
		Access Bank Liberia Limited 20th Street, Sinkor; Monrovia	
AUDITORS	:	Baker Tilly Liberia (Certified Public Accountants) King Plaza, 2 nd -4 th Floor 80 Broad Street Monrovia	
LEGAL COUNSEL	:	Henries Law Firm 31 Benson Street Monrovia, Liberia	

BRAC LIBERIA MIROFINANCE COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Report of the Board of Directors

The Board of Directors presents their report and audited financial statements for the year ended December 31, 2017.

The Board of Directors' Responsibility Statement

The entity's Board of Directors are responsible for the preparation and fair presentation of the financial statements, comprising the balance sheet as at December 31, 2017, the statements of income and expenses, the statement of changes in equity and statements of cash flows for the period then ended, and the notes to the financial statements. The notes to the financial statements include a summary of significant accounting policies and other explanatory notes, and the report of the Board of Directors in accordance with International Financial Reporting Standards (IFRS), the Disclosure Guidelines for Financial Reporting by Microfinance Institution which guidelines are voluntary norms recommended by a consultative group in international donors including the Consultative Group to Assist the Poor (CGAP) and the member of the Small Enterprise Education and Promotion Network (SEP), the Prudential Regulations for Micro-finance Institutions issued by the Central Bank of Liberia and in the manner required by the provisions of the Articles of Incorporation.

The Boards' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these 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.

The Boards' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The Boards have made an assessment of the entity's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the years ahead.

Principal Activities

The principal activities of the entity continue to be the providing of micro-finance to low income and economically active members of the Liberian community who manage small and micro businesses and would like credit financing to expand and improve on their activities.

Results

The results for the periods and the state of the entity's affairs are shown in the attached financial statements.

Approval of the financial statements

The financial statements were approved by the Board of Directors on 7th March 2018

BRAC LIBERIA MIROFINANCE COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Report of the Board of Directors *(continued)*

Going concern

The financial statements have been prepared on the going concern basis of accounting which assumes that the entity will and can continue to exist as a going concern and that the assets will be realized in the normal course of the entity's business for at least the values contained in the financial statements. The entity will continue to meet its obligations for its liabilities in the normal conduct of its business.

The Board members

The following members served during the period:

- Mr. Faruque Ahmed
- Mr. Shameran Bahar Abed
- Mr. Tapan Kumar Karmaker (Resigned 4th February 2018)
- Ms. Kate Murphy (Resigned 31 October 2017)
- Ms. Lamia Rashid
- Mr. Saif Md. Imran Siddique
- Mr. Mainuddin Ahmed (Appointed on 4th February 2018)

Managing Director

Mr. Mainuddin Ahmed is serving in the capacity of Managing Director of the company.

Auditors

Baker Tilly Liberia, the auditors, has expressed their desire to continue as auditors of the entity.

By order of the Board of Directors

FARUQUE AHMED

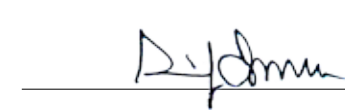
Director



Signature and date

SAIF MD IMRAN SIDDIQUE

Director



Signature and date

7/3/2018

INDEPENDENT AUDITOR'S REPORT

To: The members of BRAC Liberia Microfinance Company Limited

Opinion

We have audited the financial statements of BRAC Liberia Microfinance Company Limited ("BRAC" or also referred as "the Company"), which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BRAC Liberia Microfinance Company Limited as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, the Disclosure Guidelines for financial reporting by Microfinance Institutions which guidelines are voluntary norms recommended by a consultative group in international donors including the Consultative Group to Assist the Poor(CGAP) and the member of the Small Enterprise Education and Promotion Network (SEP), the Prudential Regulations for Microfinance issued by the Central Bank of Liberia and in the manner required by the Association's Law Title 5 of the Liberian Code of Laws Revised.

Basis for opinion

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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Liberia, 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.

Responsibilities of Management of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard (IFRSs) the Disclosure Guidelines for financial reporting by Microfinance Institutions which guidelines are voluntary norms recommended by a consultative group in international donors including the Consultative Group to Assist the Poor (CGAP) and the member of the Small Enterprise Education and Promotion Network (SEP), the Prudential Regulations for Microfinance issued by the Central Bank of Liberia and in the manner required by the Association's Law Title 5 of the Liberian Code of Laws Revised and for such control as management determines 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 Company'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.

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 also:

Partners: G. Fonderson (Executive Chairman); A. Fumbah
An independent member of Baker Tilly International

- 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'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 Company'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 Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

In accordance with the provisions of Association's Law Title 5 of the Liberian Code of Laws Revised, we also report that:

- I. We have obtained all the information and explanations we have required, and
- II. Books of accounts have been maintained by BRAC Liberia Microfinance Company Limited as required by section 8 of Association's Law Title 5 of the Liberian Code of Laws Revised.

Baker Tilly Liberia Limited

(Certified Public Accountants)

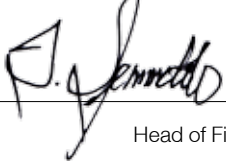
March 7, 2018
Monrovia

BRAC LIBERIA MIROFINANCE COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017


Statement of Financial Position
For the year ended 31 December 2017

	Notes	2017 LRD	2016 LRD	2017 USD	2016 USD
ASSETS					
Non-Current Assets					
Property and equipment	16	6,951,777	6,429,092	55,503	62,876
Intangibles	17	7,664,736	-	61,195	-
Current Assets					
Cash and bank	13	131,211,023	73,515,184	1,047,593	718,975
Loans and advances to customers	14	492,946,256	309,504,334	3,935,699	3,026,937
Other assets	15	10,323,886	26,434,685	82,426	258,530
Deferred tax asset	12(b)	2,270,753	2,270,753	18,130	22,208
Advance tax payment	12(c)	15,492,319	2,088,896	123,691	20,429
		652,244,237	413,813,852	5,207,539	4,047,079
Total Assets		666,860,750	420,242,944	5,324,237	4,109,955
Liabilities and Capital Fund					
Liabilities					
Loan security fund	18	107,006,633	71,093,750	854,344	695,293
Related party payables	19	75,601,639	48,825,971	603,606	477,516
Borrowings	20	72,522,842	23,152,834	579,025	226,434
Other liabilities	21	21,133,567	17,760,809	168,731	173,700
		276,264,681	160,833,364	2,205,706	1,572,943
Total Liabilities		276,264,681	160,833,364	2,205,706	1,572,943
Capital Fund					
Donor Funds	22	2,620,230	21,095,943	20,920	206,317
Donated Equity	23	153,049,902	137,523,299	1,221,955	1,589,338
Retained Earnings		(99,774,221)	(181,653,033)	(796,601)	(1,776,558)
Share Premium	25	59,529,493	-	500,000	
Share capital	24	339,339,071	339,339,071	4,076,145	4,076,145
Translation difference		(64,168,406)	(56,895,700)	(1,903,888)	(1,558,230)
		390,596,069	259,409,580	3,118,531	2,537,012
Total capital fund		390,596,069	259,409,580	3,118,531	2,537,012
Total Liabilities and Capital fund		666,860,750	420,242,944	5,324,237	4,109,955

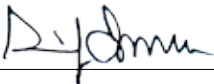
These financial statements on pages 66 – 69 were approved by the Board of Directors on 7th March 2018




Head of Finance



Managing Director



Director



Director

The notes on pages 70 to 85 are an integral part of these financial statements

BRAC LIBERIA MIROFINANCE COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Statement of Comprehensive Income
For the year ended 31 December 2017

Income	Notes	2017 LRD	2016 LRD	2017 USD	2016 USD
Service charge on loans	5	229,079,614	142,118,111	1,828,979	1,389,908
Membership fees and other charges	6	14,415,305	9,008,115	115,093	88,099
Other income	7	3,215,965	9,720,758	25,676	95,069
Grant Income	8	11,477,460	11,459,607	91,636	112,074
		29,108,730	30,188,480	232,405	295,242
Total operating income		258,188,344	172,306,591	2,061,384	1,685,150
Expenditures:					
Impairment losses on loan and advances to customers	9	8,071,153	8,111,558	64,440	79,331
		250,117,191	164,195,033	1,996,944	1,605,819
Operating income after impairment charges		250,117,191	164,195,033	1,996,944	1,605,819
Staff costs	10	96,471,811	74,036,071	770,234	724,069
Other operating expenses	11	75,501,553	62,189,716	602,807	608,212
Depreciation and amortization expense	16 &17	2,520,351	1,241,817	20,123	12,145
Total operating expenses		174,493,715	137,467,604	1,393,164	1,344,426
Profit/(Loss) before tax		75,623,475	26,727,429	603,780	261,393
Income tax Credit/(expense)	12(a)	6,255,337	(7,114,632)	49,943	(69,581)
Net loss for the year		81,878,812	20,472,092	653,723	191,812
Other comprehensive income					
Unrealized exchange gains/(loss)		(7,272,706)	(9,001,068)	(58,066)	(88,030)
Total comprehensive income		74,606,106	10,611,729	595,658	103,782

The notes on pages 70 to 85 are an integral part of these financial statements

BRAC LIBERIA MIROFINANCE COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Statement of changes in equity
For the year ended 31 December 2017

	Share Capital	Share premium	Donor Funds	Retained Earnings	Donated Equity	Translation reserve	Total Capital fund	Total Capital fund
	LRD	LRD	LRD	LRD	LRD	LRD	LRD	USD
At 1 January 2016	339,339,071	-	-	(201,265,830)	92,875,000	(47,894,632)	183,053,609	2,080,154
Donations received during the year	-	-	32,555,550	-	44,648,299	-	77,203,849	755,050
Transferred from grant received in advance account	-	-	(11,459,607)	-	-	-	(11,459,607)	(112,074)
(Loss) for the year	-	-	-	19,612,797	-	-	19,612,797	191,812
Adjustment in share capital	-	-	-	-	-	-	-	-
Foreign exchange gains	-	-	-	-	-	-	-	-
Translation difference	-	-	-	-	-	(9,001,068)	(9,001,068)	(377,929)
As at 31 December 2016	339,339,071	-	21,095,943	(181,653,033)	137,523,299	(56,895,700)	259,409,579	2,537,013
At 1 January 2017	339,339,071	-	21,095,943	(181,653,033)	137,523,299	(56,895,700)	259,409,580	2,537,012
Donations received during the year	-	-	8,528,350	-	-	-	8,528,350	68,091
Share premium	-	59,529,493	(11,477,460)	-	-	-	59,529,493	500,000
Transferred to statement of income and expenses	-	-	-	-	-	-	(11,477,460)	(91,636)
Profit/ (Loss) for the year	-	-	-	81,878,812	-	-	81,878,812	653,723
Adjustment in share capital	-	-	-	-	-	-	-	-
Transferred to donated Equity	-	(15,526,603)	-	-	15,526,603	-	-	-
Translation difference	-	-	-	-	-	(7,272,706)	(7,272,706)	(548,659)
As at 31 December 2017	339,339,071	59,529,493	2,620,230	(99,774,221)	153,049,902	(64,168,406)	390,596,069	3,118,531

The notes on pages 70 to 85 are an integral part of these financial statements

BRAC LIBERIA MIROFINANCE COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Statement of Cash flows
For the year ended 31 December 2017

	Notes	2017 LRD	2016 LRD	2017 USD	2016 USD
Cash flow from Operating activities	27	115,397,916	45,196,148	921,340	363,394
Loan disbursements		(1,116,437,000)	(679,145,500)	(8,913,669)	(6,642,010)
Loan collections		928,339,497	562,085,990	7,411,892	5,497,173
Interest receivable written off		(760,075)	(1,573,305)	(6,068)	(15,387)
Net cash flow from operating activities		(73,459,662)	(73,436,667)	(586,505)	(718,207)
Cash flow from investing activities					
Acquisition/ disposal of fixed assets		(10,707,773)	(4,766,548)	(85,491)	(46,617)
Net cash flow from investing activities		(10,707,773)	(4,766,548)	(85,491)	(46,617)
Cash flow from financing activities					
Changes in:					
Term loans		49,370,009	(9,125,000)	394,172	(89,242)
Loan security fund		35,912,882	20,220,521	286,730	197,756
Donated equity		15,526,603	44,684,299	123,965	436,658
Donor fund		(18,475,713)	21,095,943	(147,511)	206,317
Share premium		59,529,493	-	500,000	-
Net cash flow from financing activities		141,863,274	76,839,763	1,157,356	751,614
Net (decrease)/ increase in cash and cash equivalents		57,695,839	(1,363,452)	485,360	(13,209)
Cash and cash equivalent at 1 January		73,515,184	74,878,636	718,975	850,894
Convenience translation reserve		-	-	(156,742)	(118,584)
Cash and cash equivalents at 31 December		131,211,023	73,515,184	1,047,593	718,975

The notes on pages 70 to 85 are an integral part of these financial statements

BRAC LIBERIA MIROFINANCE COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Notes to the Financial Statement

1. Reporting entity

BRAC Liberia Microfinance Company Limited, which was established in February of 2009, is a microfinance institution in Liberia. It was established to contribute to the economic rebuilding of Liberia by providing financial services to low-income entrepreneurs, mostly women, while serving as a means to improve the agriculture sector and micro businesses. BRAC Liberia Microfinance Company Limited began operations with five (5) branches in Monrovia - Sinkor, Paynesville, Barnesville, Caldwell, and New Kru Town - in April 2009. Currently it has twenty four branches in six counties in Liberia.

2. Basis of preparation

(a) Basis of presentation of the financial statement

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Disclosure Guidelines for Financial Reporting by Microfinance Institutions which guidelines are voluntary norms recommended by a consultative group in international donors including the Consultative Group to Assist the Poor (CGAP) and the member of the Small Enterprise Education and Promotion Network (SEEP).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value;

(c) Functional and reporting currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (United States Dollars). Major activities were measured in Liberian dollars and translated in USD. The exchange rates used in the financial statements are as follows: 2017 (1USD: 125.25 LRD) and 2016 (1USD: 102.25 LRD);

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the applications of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

Notes 3(d) Depreciation

Notes 3(h) Provisions and other liabilities

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

BRAC LIBERIA
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the entity at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

(b) Revenue recognition

Service charge on loan

Service charge on loan is recognized in the income statement on all operational loans on an accrual basis. The recognition of interest ceases when a loan is transferred to Non-Interest Bearing Loan (NIBL). Service charge on loan is recognized thereafter, only when it is received.

(c) Loan administration fees

This is a fee paid by each respective group/client on approval of their loan application. It is charged by BRAC Liberia Microfinance Company Limited to cover loan processing costs. The amount is usually paid before the loans are disbursed.

(d) Fixed assets (operating assets)

Recognition and measurement

Items of operating assets are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) of fixed assets.

Subsequent costs

The cost of replacing part of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The cost of the day-to-day servicing of fixed assets is recognized in profit or loss as incurred.

Depreciation

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each part of an item of fixed assets. Leasehold improvements are amortized over the life of the improvement or the life of the lease, whichever is shorter. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|-------------------|------------|
| • Vehicles/Cycles | 5 years |
| • Furniture | 10 years |
| • Equipment | 6.67 years |
| • Generator | 5 years |

Assets residual value and useful lives are reviewed and adjusted, if appropriate at each balance sheet date.

BRAC LIBERIA
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Disposals

Gains or losses on the disposal or scrapping of fixed assets are determined as the difference between the sales price less the cost of dismantling selling and re-establishing the assets and the carrying amount. Any gains or losses are recognized in the income statement as other operating income or expenses respectively.

(e) Intangible (operating assets)

Accounting software

Accounting Software is shown at historic cost. Software has a finite useful life and is carried at cost less accumulated amortization. Amortization is calculated using the straight line method to allocate the cost of the licenses over their useful lives.

The expected useful life of the Software is four years or 25%

(f) Financial assets

The entity classifies its financial assets in the following categories: loans and held-to-maturity investments. Management determines the classification of its investments at initial recognition.

(g) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable.

(h) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity's management has the positive intention and ability to hold to maturity.

(i) Provisions and other liabilities

Provisions for legal claims are recognized when the entity has a present legal or constructive obligation as a result of past events; and it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Other liability also includes a self-insurance fund. BRAC Liberia Microfinance Company limited, started to sets aside a monthly amounts equivalent to 1% of the basic salary of local employees from November 2012 to constitute this fund. This fund is to cover liabilities arising out of death and other permanent injuries suffered by all the local employees. The payment in the event of death or permanent injury is ranging from 12 months' equivalent of basic salary in the first year of employment, up to 50 months' equivalent of basic salary for 10th year of employment onwards.

(j) Employee benefit

Pension obligations

The entity operates a defined contribution scheme. A defined contribution plan is a pension plan under which the entity pays

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fixed contributions into a separate entity. The scheme is generally funded through payments to the National Social Security and Welfare Corporation (NASSCORP) on a mandatory basis.

The entity has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

End of service benefit

The entity provides end of service benefits to their retirees. The entitlement to these benefits is usually conditional on the completion of a minimum service period.

Medical benefit

The company started providing medical cost reimbursement to all its staffs. The maximum benefit availed by staff is USD 1,200/pa.

(k) Stocks

Inventory items are stated at the lower of cost and net realizable value.

(l) Finance income and expenses

Finance income comprises gains on disposal of available-for-sale finance assets and foreign currency gains.

Finance expenses comprise foreign currency losses. All foreign exchange losses and gains are recognized in profit or loss.

(m) Administrative expenses

Administrative expenses comprise expenses relating to administrative staff and management, including office expenses, salaries and depreciation as well as other indirect costs.

(n) Borrowings

Borrowings are recognized initially at fair value, being the proceeds net of transaction costs incurred. If the amount borrowed is denominated in Liberian Dollars which is the entity's functional and reporting currency, it is maintained at the initial amount recorded, less any repayments made as at the reporting date. If the amount is denominated in a currency other than the reporting currency of the entity, it is revaluated and adjusted though the income statement at each reporting date.

Borrowings are classified as current liabilities unless when the entity has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

(o) Impairment of financial assets

The entity assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the entity about the following loss events:

- (i) Significant financial difficulty of the issuer or obligor;

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Notes to the financial statement

Significant accounting policies (continued)

(ii) a breach of contract, such as a default or delinquency in interest or principal payments.

The entity first assesses whether objective evidence of impairment exists individually and collectively. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement.

When a loan is uncollectable, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are treated as debt recoveries in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

4. Financial risk factors

The entity's activities expose it to a variety of financial risks, including:

(a) Credit risk

The entity takes on exposures to credit risk which is the risk that a client will be unable to pay amounts in full when due. Credit risk is managed by obtaining collateral in the form of mortgage, personal guarantees, shareholder guarantees, lien on inventories and/or receivables, and assignment of contracts and/or insurance. Impairment provisions are provided for losses that may have been incurred at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. The entity manages this risk by maintaining sufficient cash, and investing any excess cash over its anticipated requirements.

(c) Currency risk

BRAC Liberia Microfinance Company Limited foreign exchange risks comprise transactions risk which arise from donor grants received in currencies other than the local currency and minimal foreign currency deposits and cash at bank placed with licensed financial institutions.

Foreign exchange exposures in transactional currencies other than the local currency are monitored via periodic cash flow and budget forecasts and are kept to an acceptable level

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NOTES TO THE FINANCIAL STATEMENT (Continued)

	2017 LRD	2016 LRD	2017 USD	2016 USD
5. SERVICE CHARGE ON LOANS				
Group Loans (Microfinance)	193,458,781	106,480,208	1,544,581	1,041,371
Small Enterprise Program	35,620,833	35,637,903	284,398	348,537
	229,079,614	142,118,111	1,828,979	1,389,908
6. MEMBERSHIP FEES AND OTHER CHARGES				
Membership fees	3,042,360	2,089,660	24,291	20,437
Loan appraisal fees	11,163,370	6,790,855	89,129	66,414
Loan application fees	209,575	127,600	1,673	1,248
	14,415,305	9,008,115	115,093	88,099
7. OTHER INCOME				
Other Income	8,310	20,000	66	196
Gain due to early repayment	3,207,655	9,700,758	25,610	94,873
	3,215,965	9,720,758	25,676	95,069
8. GRANT INCOME				
Transfer from grant received in advance (Rockefeller Foundation)	11,368,797	11,387,649	90,768	111,371
Amortisation of fixed assets (Rockefeller Foundation)	108,663	71,958	868	703
	11,477,460	11,459,607	91,636	112,074
9. IMPAIRMENT LOSSES ON LOANS AND ADVANCES				
General provision	8,071,153	8,111,558	64,440	79,331
	8,071,153	8,111,558	64,440	79,331
10. STAFF COSTS				
Salary & benefits	84,840,598	64,992,059	677,370	635,619
Bonus	3,786,031	4,206,128	30,228	41,136
Nasscorp	7,414,985	4,703,084	59,201	45,996
Staff insurance	430,197	134,800	3,435	1,318
	96,471,811	74,036,071	770,234	724,069

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Notes to the Financial Statements (continued)

11. OTHER OPERATING COSTS

Occupancy cost (Note 10.1)	18,263,712	11,406,196	145,818	111,552
Staff training and development costs	1,049,772	1,821,835	8,381	17,817
Travels and transportation	20,672,325	16,292,802	165,049	159,343
Maintenance and general expenses	17,826,232	20,275,399	142,325	198,292
Supplies and stationery	1,711,286	1,430,982	13,663	13,995
Legal and other professional costs	941,838	647,074	7,520	6,328
Audit fees	944,501	715,750	7,541	7,000
Insurance claim	623,000	42,000	4,974	411
Program supplies	143,142	22,055	1,143	216
Research and evaluation	1,746,296	1,055,111	13,942	10,319
Bank charges	639,656	205,751	5,107	2,012
Vehicle expense	303,792	8,275	2,425	81
Interest on bank loan	132,352	-	1,057	-
HO logistic and management expense	10,503,649	8,266,486	83,862	80,846
	75,501,553	62,189,716	602,807	608,212

11.1 OCCUPANCY COST

Rent	10,224,950	8,112,945	81,636	79,344
Utilities	8,038,762	3,293,251	64,182	32,208
	18,263,712	11,406,196	145,818	111,552

12. TAXATION

a) Income tax expenses

Corporation tax – Charged/(Reversed) during the year	(6,255,337)	6,255,337	(49,943)	61,177
Deferred tax	-	859,295	-	8,404
	(6,255,337)	7,114,7632	(49,943)	69,581

b) Deferred Tax Expense/ Asset

The Company is subject to income taxes in its jurisdiction. The Company recognizes liabilities for anticipated tax issue based on estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax asset	2,270,753	2,270,753	18,130	22,208
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Notes to the Financial Statements (continued)

	2017 LRD	2016 LRD	2017 USD	2016 USD
c) Advance Tax				
Balance b/f	2,088,896	6,191,665	20,429	60,554
Credit/ (Charge) for the year	6,255,337	(6,255,337)	49,943	(61,177)
Paid during the year	4,799,956	2,152,568	38,323	21,052
Translation difference	2,348,130	-	14,996	-
	15,492,319	2,088,896	123,691	20,429

13. CASH AND BANK

Cash in hand	5,422,312	2,082,250	43,292	20,364
Cash at Bank:				
Access Bank	430,560	-	3,438	
Eco Bank	82,626,985	67,724,022	659,696	662,338
Guranty Trust Bank	19,088,575	-	152,404	36,273
International Bank	23,610,596	3,708,912	188,508	
Liberia Bank for Development & Investment	31,995	-	255	-
	125,788,711	71,432,934	1,004,301	698,611
	131,211,023	73,515,184	1,047,593	718,975

14. LOAN AND ADVANCES TO CUSTOMERS

Group loan (Microfinance)	373,430,378	216,274,601	2,981,479	2,115,155
Small enterprise program	134,501,543	109,694,271	1,073,865	1,072,804
Loan written off	(6,776,329)	(6,134,454)	(54,102)	(59,995)
Interest receivable	6,403,698	4,561,431	51,127	44,611
Interest receivable written off	(760,075)	(1,573,305)	(6,068)	(15,387)
Impairment loss on loans advances	(13,852,959)	(13,318,210)	(110,602)	(130,251)
	492,946,256	309,504,334	3,935,699	3,026,937

Advances to customers are carried at amortized cost. It is estimated that the fair values of advances to customers are approximately the same as the carrying values. All advances to customers are unsecured.

Interest receivable is the amount of interest outstanding on loans that have passed due.
Loan write off: All loans in the category of Non-Interest Bearing Loans (NIBL) are referred to the Board for approval to write off. Other Loans can also be written off subject to the Board's approval where the Board is convinced that the loans are not realizable due to death, dislocation of the borrower or any other natural or humanitarian disaster that affects the livelihood of the borrower.

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Notes to the Financial Statement (continued)

	2017	2016	2017	2016
	<u>LRD</u>	<u>LRD</u>	<u>USD</u>	<u>USD</u>
14.1 THE MOVEMENT ON LOAN ACCOUNT IS ANALYZED AS SHOWN BELOW				
At 1 January	319,834,418	208,909,362	3,127,965	2,373,970
Loan disbursed	1,116,437,000	679,145,500	8,913,669	6,642,010
Less: Loan repayment	(928,339,497)	(562,085,990)	(7,411,892)	(5,497,173)
Translation difference	-	-	(574,397)	(330,847)
Gross advances to customer	507,931,921	325,968,872	4,055,345	3,187,960
Less: Loans written off	(6,776,329)	(6,134,454)	(54,102)	(59,995)
	501,155,592	319,834,418	4,001,243	3,127,965
Interest receivable	6,403,698	4,561,431	51,127	44,611
Interest receivable written off	(760,075)	(1,573,305)	(6,068)	(15,387)
Impairment loss on loan advance (Note14. 3)	(13,852,959)	(13,318,210)	(110,603)	(130,251)
Net advance to customer	492,946,256	309,504,334	3,935,699	3,026,938

14.2 The movement on the impairment on loans account is shown below:

At 1 January	13,318,210	12,914,411	130,251	146,755
Charge for the year	8,071,153	8,111,558	64,440	79,331
Loan written off	(6,776,329)	(6,134,454)	(54,102)	(59,995)
Interest receivable written off	(760,075)	(1,573,305)	(6,068)	(15,387)
Translation difference	-	-	(23,918)	(20,453)
At 31 December	13,852,959	13,318,210	110,603	130,251

14.3 Analysis of impairment of loans

	Principal outstanding	Provision Rate	Provision Required
For general provision			
No past due	494,398,446	2%	9,887,969
For specific provision			
1-30 days	2,674,109	5%	133,705
31-180 days	144,916	20%	28,984
181 – 350 days	543,279	75%	407,459
351 days and above	3,394,842	100%	3,394,842
	501,155,592		13,852,959

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Notes to the Financial Statement (continued)

Credit risk analysis:		
Portfolio at risk (PAR) 30 days	2017	2016
Total loans in arrear of 30 days	4,083,037	11,947,493
Total loans outstanding	<u>501,155,592</u>	<u>208,909,362</u>
Portfolio at risk (PAR) 30 days	<u>0.81%</u>	<u>5.72%</u>

The PAR 30 figure denotes the amount of loans outstanding greater than 30 days and may not be fully recoverable. Provisions have been taken against these loans in the financial statements based on Company policy. The Management of BRAC Liberia Microfinance Company is constantly reviewing the PAR>30 numbers and trying to reduce it.

	2017 LRD	2016 LRD	2017 USD	2016 USD
15. OTHER ASSETS				
Advance to 3rd party	4,211,345	8,071,533	33,624	78,939
Current account in transit	4,876,041	6,850,614	38,930	66,999
Account receivable from NMF	-	11,262,878	-	110,150
Inventory – passbook	1,236,500	249,660	9,872	2,442
	10,323,886	26,434,685	82,426	258,530

Notes to the Financial Statement (continued)

16. PROPERTY, PLANT AND EQUIPMENT	Furniture LRD	Equipment LRD	Motor Vehicles LRD	Total LRD	Total USD
Costs					
At 1 January 2016	3,286,463	6,295,953	1,285,275	10,867,691	123,496
Additions	58,279	651,894	4,056,375	4,766,548	46,617
Translation difference	-	-	-	-	(17,211)
At 31 December 2016	<u>3,344,742</u>	<u>6,947,847</u>	<u>5,341,650</u>	<u>15,634,239</u>	<u>152,902</u>
Additions	-	2,346,243	-	2,346,243	18,732
Translation difference	-	-	-	-	(28,078)
At 31 December 2017	<u>3,344,742</u>	<u>9,294,090</u>	<u>5,341,650</u>	<u>17,980,482</u>	<u>143,556</u>
Accumulated depreciation					
At 1 January 2016	2,169,477	4,615,990	1,177,864	7,963,331	90,492
Charge for the year	286,865	533,654	421,298	1,241,817	12,145
Translation difference	-	-	-	-	(12,611)
At 31 December 2016	<u>2,456,342</u>	<u>5,149,644</u>	<u>1,599,162</u>	<u>9,205,148</u>	<u>90,026</u>
Charge for the year	287,951	702,795	832,811	1,823,557	14,559
Translation difference	-	-	-	-	(16,532)
At 31 December 2017	<u>2,744,293</u>	<u>5,852,439</u>	<u>2,431,973</u>	<u>11,028,705</u>	<u>88,053</u>
Net book value:					
At 31 December 2016	<u>888,400</u>	<u>1,798,203</u>	<u>3,742,488</u>	<u>6,429,092</u>	<u>62,876</u>
At 31 December 2017	<u>600,449</u>	<u>3,441,651</u>	<u>2,909,677</u>	<u>6,951,777</u>	<u>55,503</u>

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Notes to the Financial Statement (continued)

	2017 LRD	2016 LRD	2017 USD	2016 USD
17. Intangible Assets:				
Accounting Software	8,361,530	-	66,759	-
Amortised for the year @ 25%	(696,794)	-	(5,564)	-
	<u>7,664,736</u>	<u>-</u>	<u>61,195</u>	<u>-</u>

The company has procured an Enterprise Resource System (ERP) from BRAC IT Service limited through its parent. The initial cost of implementation and set up has been capitalized.

18. LOAN SECURITY FUND

Opening balance	71,093,751	50,873,230	695,293	578,105
Received during the year	53,194,443	111,307,975	424,706	1,088,587
Paid off/adjustment	(17,281,561)	(91,087,455)	(137,977)	(890,831)
Translation difference	-	-	(127,678)	(80,567)
Closing balance	<u>107,006,633</u>	<u>71,093,750</u>	<u>854,344</u>	<u>695,293</u>

The Loan security fund acts as collateral for the customers' loan obligation to BRAC Microfinance Liberia Limited. This is computed as 10% of the customers' approved loan. In the event of any default, the clients forfeit all or part of the loan security fund to the extent of the amount at risk.

19. RELATED PARTY PAYABLES

Payable to BRAC Bangladesh	41,532,652	29,856,713	331,598	291,997
Payable to Stichting BRAC international	10,702,771	10,702,771	85,451	104,673
BRAC International Holding B.V	13,849,946	8,266,487	110,578	80,846
Payable to BRAC IT Services Ltd (bits)	6,928,110	-	55,314	-
Payable to BRAC Liberia	2,588,160	-	20,664	-
	<u>75,601,639</u>	<u>48,825,971</u>	<u>603,606</u>	<u>477,516</u>

The related party payables are against expenses incurred by BRAC Bangladesh in favour of the company and against Overhead payable to Stichting BRAC International for management support up to 31 December 2015.
Since January 1 2016 all charges relating to management support fees are payable to BRAC International Holding B.V the parent company of BLMCL.

Payable to bits is in relation to the procurement of its new ERP software.

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Notes to the Financial Statement (continued)

	2017 LRD	2016 LRD	2017 USD	2016 USD
20. BORROWINGS				
KIVA (20.01)	31,684,273	23,152,834	252,968	226,434
Central bank of Liberia (20.02)	40,838,569	-	326,057	-
	<u>72,522,842</u>	<u>23,152,834</u>	<u>579,025</u>	<u>226,434</u>
20.01 Loan from KIVA @ 0%				
Opening balance	23,152,834	24,238,611	184,853	237,052
Received during the year	6,212,074	-	49,597	-
Interest payable	-	-	-	-
Paid during the year	(4,615,267)	(9,125,000)	(36,848)	(89,242)
FX Adjustment	6,934,633	8,039,223	55,366	78,623
	<u>31,684,274</u>	<u>23,152,834</u>	<u>252,968</u>	<u>226,434</u>
20.02 Loan form Central Bank of Liberia @ 2%				
Opening balance	-	-	-	-
Received during the year	38,161,500	-	304,683	-
Interest payable	132,351	-	1,057	-
Paid during the year	-	-	-	-
FX Adjustment	2,544,718	-	20,317	-
	<u>40,838,569</u>	<u>-</u>	<u>326,056</u>	<u>-</u>
21 OTHER LIABILITIES				
Provision for audit fees	613,725	715,750	4,900	7,000
Self-insurance fund	1,037,646	656,311	8,285	6,419
Bonus provision	1,201,685	7,000,357	9,594	68,463
NASSCORP provision	3,384,876	1,087,167	27,025	10,632
Gratuity payable	9,594,459	-	76,602	-
Tax withholdings	874,107	526,918	6,979	5,153
Salary provision	1,427,491	4,651,216	11,397	45,489
Other provision	2,999,579	3,123,088	23,949	30,544
	<u>21,133,567</u>	<u>17,760,809</u>	<u>168,731</u>	<u>173,700</u>
22. DONOR FUNDS				
Donor funds received in advance (Note 22.1)	-	11,292,370	-	110,439
Donor funds investment in fixed asset (Note 22.2)	-	504,073	-	4,930
Donor funds investment in loans to group members (ELA)	2,620,230	918,500	20,920	8,983
Donor funds investment in loans to group members(Rockefeller)	14,323,000	8,381,000	114,355	81,965
Transfer to donated equity	(14,323,000)	-	(114,355)	-
	<u>2,620,230</u>	<u>21,095,943</u>	<u>20,920</u>	<u>206,317</u>

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Notes to the Financial Statement (continued)

	2017 LRD	2016 LRD	2017 USD	2016 USD
22.1 Donor funds received in advance				
Opening balance	11,292,370	-	110,439	-
Donation received during the year (Note -22.1.1)	8,528,350	32,555,550	68,091	318,392
Transferred to deferred income- investment in fixed asset(Rockefeller)	(808,193)	(576,031)	(6,453)	(5,633)
Transferred to Donor Funds investment in loans to group members (ELA)	(1,701,730)	(918,500)	(13,587)	(8,983)
Transferred to Donor Funds investment in loans to group members (Rockefeller)	(5,942,000)	(8,381,000)	(47,441)	(81,966)
Foreign exchange adjustment	-	-	(20,280)	-
Transferred to statement of income and expenses	(11,368,797)	(11,387,649)	(90,769)	(111,371)
	<u>-</u>	<u>11,292,370</u>	<u>-</u>	<u>110,439</u>
2.1.1 Donations received during the year				
BRAC USA (Rockefeller Foundation)	7,306,870	31,156,800	58,338	304,712
BRAC USA (ELA)	1,221,480	1,398,750	9,752	13,680
	<u>8,528,350</u>	<u>32,555,550</u>	<u>68,091</u>	<u>318,392</u>
22.2 DEFERRED INCOME –FIXED ASSETS				
Opening balance	504,073	-	4,025	-
Transferred from donor funds received in advance	808,193	576,031	6,453	5,633
Depreciation charge during the year	(108,663)	(71,958)	(868)	(703)
Transfer to donated equity	(1,203,603)	-	(9,610)	-
	<u>-</u>	<u>504,073</u>	<u>-</u>	<u>4,930</u>
23. DONATED EQUITY				
Opening balance	137,523,299	92,875,000	1,097,990	1,115,616
Received during the year	-	44,648,299	-	473,722
Transfer from Rockefeller	15,526,603	-	123,965	-
Total	<u>153,049,902</u>	<u>137,523,299</u>	<u>1,221,955</u>	<u>1,589,338</u>
24. SHARE CAPITAL				
Name	% of holding			
BRAC International Holdings	100%/75.5%	339,339,071	256,200,999	4,076,145
BV SEDF	0%/24.5%	-	83,138,072	-
		<u>339,339,071</u>	<u>339,339,071</u>	<u>4,076,145</u>

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On 31 October 2017, Soros Economic Development Fund, owner of 24.5% shares in BRAC Liberia Microfinance Ltd transferred its shares to BRAC USA Inc. There after BRAC USA Inc. transferred the same to Stichting BRAC International, Stichting BRAC International transferred its shares unto BRAC International Holdings B.V.

25. SHARE PREMIUM

	2017 LRD	2016 LRD	2017 USD	2016 USD
BRAC International Holdings BV	59,529,493	-	500,000	-
	<u>59,529,493</u>	<u>-</u>	<u>500,000</u>	<u>-</u>

During 2017, the board of BRAC International holdings B.V. approved additional investment against Share premium for the BRAC Liberia Micro Finance company operation.

26. User of estimates and judgments

The preparation of financial statement in conformity with Financial Reporting Standard requires management to make judgments, estimates and assumption that affect the application of the policies and reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period the reported period.

The estimates and underlying assumptions are reviewed on ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The estimates and associated assumption are based on historical experiences, the results of which form the basis of making the judgments about the carrying value and liabilities that are not readily apparent from other sources. Actual results ultimately may differ from these estimates.

BRAC makes estimates and assumptions that affect the reported amounts of asset and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management identifies all significant accounting policies and those that involve high judgment and in particular the significant areas of estimate and un-certainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:

i) Impairment

The company regularly reviews it loan portfolio and other assets and makes judgments in determining whether an impairment loss should be recognized in respect of observable data that may impact on future estimated cash flows. The methodology and assumptions used for estimating both the amount and the timing of future cash flows are reviewed regularly to reduce any differences between loss estimated and actual loss experience. Amount and timing of future cash flows are reviewed regularly to reduce any difference between loss estimates and actual loss experience.

ii) Provision and contingencies

A provision is recognized if as a result of past events. The company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an out flow of economic benefits will be required to settle the obligation.

BRAC LIBERIA MIROFINANCE COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
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Notes to the Financial Statement (continued)

27. CASH FLOW FROM OPERATING ACTIVITIES

	2017 LRD	2016 LRD	2017 USD	2016 USD
Excess of income over expenditure	74,606,106	27,683,443	595,658	270,743
Depreciation	2,520,351	1,240,401	20,123	12,131
Loan loss provision	8,071,153	7,887,692	64,440	77,141
Cash flow before changes in working capital	85,197,611	36,811,537	680,220	360,015
Increase/(decrease) in provision for taxation	(8,603,467)	3,216,940	(68,690)	31,462
Changes in working capital				
Decrease/ (increase) of receivable and other current accounts	16,110,799	(12,064,258)	128,629	(117,988)
Decrease/(increase) of deferred tax asset	-	-	-	-
Decrease/(increase) of interest receivable	(2,655,497)	(684,120)	(21,202)	(6,691)
Increase/ (decrease) of related party	26,775,668	18,492,184	213,778	180,853
Increase/ (decrease) of current liabilities	3,372,758	6,485,953	26,928	63,432
Advance taxes paid	(4,799,956)	(2,152,568)	(38,323)	(21,052)
Net cash from operations	<u>115,397,916</u>	<u>45,196,148</u>	<u>921,340</u>	<u>442,016</u>

28. Contingent Liabilities

There were no contingent liabilities as at year end (2016: Nil).

29. Capital expenditure commitments

There were no material capital expenditure commitments either authorized or contracted as at December 31, 2017(2016 Nil).

30. Subsequent Events

Events subsequent to the balance sheet date are reflected only to the extent that they are material. No such events came to our attention as at the date the financial statements were signed.

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BRAC/ Heston Matthew Jackson II