



**AUDITORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
OF BRAC IN BANGLADESH**

For the year ended December 31, 2015

A member firm of Ernst & Young Global Limited
Ernst & Young Global Limited, member firm or member of the independent member firm Ernst & Young Global Limited

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF BRAC

We have audited the accompanying financial statements of BRAC, which comprise the balance sheet as at 31 December 2015 and the statement of income and expenditure, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on page 1 to 37.

Governing body of BRAC's responsibility for financial statements

The Governing Body of BRAC is responsible for the preparation and fair presentation of these financial statements so as to give a true and fair view in accordance with the accounting policies as summarised in Note 2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF BRAC (CONTD.)

Auditors' responsibility (contd.)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the financial statements that give a true and fair view 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 accounting policies used and the reasonableness of accounting estimates made by the Governing Body, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BRAC as at 31 December 2015 and of its financial performance and cash flows for the year ended in accordance with the accounting policies summarised in Note 2 to the financial statements.

Purpose of the report

This report is made solely to the Governing Body of BRAC in accordance with Clause 37 of the Rules and Regulation of BRAC and for no other purpose. We do not assume responsibility to any other person for the content of this report.


A. Qasem & Co.

Chartered Accountants, Member Firm of EY
Dated: March 15, 2016

BRAC


(Registered in Bangladesh under the Societies Registration Act, 1860)

Balance Sheet

as at 31 December 2015

	Notes	2015 Taka	2014 Taka
ASSETS			
Cash and bank balances	3	16,916,766,552	18,663,715,348
Advances, deposits and prepayments	4	4,076,719,030	3,297,318,487
Inventories	5	3,518,982,401	3,477,460,108
Grants and accounts receivable	6	1,795,343,586	1,806,548,216
Microfinance loans	7	108,342,249,742	85,680,765,603
Motorcycle loans	8	807,014,427	796,996,894
Investments in securities and others	9	1,617,150,000	1,291,350,000
Investments in related undertakings	10	13,400,660,055	12,543,181,846
Property, plant and equipment	11	14,089,310,523	11,504,955,982
TOTAL ASSETS		164,564,196,316	139,062,292,484
LIABILITIES AND NET ASSETS			
LIABILITIES			
Liabilities for expenses and materials	12	6,359,703,947	5,599,599,179
Bank overdrafts	13	14,303,182,466	10,992,516,759
Term loans	14	26,516,487,055	19,075,261,360
Members' savings deposits	15	40,228,457,331	34,180,809,446
Grants received in advance	16	971,166,244	6,740,890,268
Deferred income	17	200,469,723	235,500,016
Other long term liabilities	18	11,251,247,075	10,619,583,309
Provision for taxation		1,551,941,030	1,386,941,030
TOTAL LIABILITIES		101,382,654,871	88,831,101,367
NET ASSETS:			
Unrestricted		62,043,960,522	49,131,940,934
Temporarily restricted		1,137,580,923	1,099,250,183
		63,181,541,445	50,231,191,117
TOTAL LIABILITIES AND NET ASSETS		164,564,196,316	139,062,292,484

The annexed notes form an integral part of these statements.



Chairperson, Governing Body
BRAC

Dhaka, March 15, 2016



Cheif Financial Officer
BRAC



Executive Director
BRAC

BRAC

(Registered in Bangladesh under the Societies Registration Act, 1860)

Statement of Income and Expenditure

for the year ended 31 December 2015

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2015 Taka
Income				
Donor grants	19	991,300	13,785,000,917	13,785,992,217
Social Enterprises	20	13,345,427,760	-	13,345,427,760
Microfinance Programme	21	26,682,363,975	-	26,682,363,975
Self-financing Social Development Programmes	22	1,055,881,151	-	1,055,881,151
Investment Income	23	1,739,681,517	-	1,739,681,517
House Property		92,370,223	-	92,370,223
Total income		42,916,715,926	13,785,000,917	56,701,716,843
Expenditure				
Social Enterprises		11,747,263,079	-	11,747,263,079
Micro Finance Programme		15,244,367,848	-	15,244,367,848
House Property		99,443,136	-	99,443,136
Agriculture and Food Security		-	334,185,896	334,185,896
Community Empowerment Programme		12,604,271	352,315,317	364,919,588
Education Programme		483,819,965	5,085,394,082	5,569,214,047
Gender, Justice and Diversity		14,269,674	388,363,870	402,633,544
Health Programme		46,625,417	4,532,330,758	4,578,956,175
Human Rights and Legal Aids Services		-	271,203,344	271,203,344
Policy Advocacy		-	170,883,319	170,883,319
Water, Sanitation and Hygiene Programme		-	1,218,247,312	1,218,247,312
Ultra Poor Programme		-	2,779,602,037	2,779,602,037
Other Development Projects		133,756,644	717,554,776	851,311,420
Total expenditure		27,782,150,034	15,850,080,711	43,632,230,745
Surplus/(deficit) of income over expenditure		15,134,565,892	(2,065,079,794)	13,069,486,098
BRAC Contribution to support Donor Funded Programmes	25	(2,103,410,534)	2,103,410,534	-
Surplus of income over expenditure before taxation		13,031,155,358	38,330,740	13,069,486,098
Taxation	26	(165,000,000)	-	(165,000,000)
Net surplus for the year		12,866,155,358	38,330,740	12,904,486,098

The annexed notes form an integral part of these statements.




Chairperson, Governing Body
BRAC

Dhaka, March 15, 2016



Cheif Financial Officer
BRAC



Executive Director
BRAC

BRAC

(Registered in Bangladesh under the Societies Registration Act, 1860)

Statement of Income and Expenditure

for the year ended 31 December 2014

Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2014 Taka
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Income

Donor grants	19	48,961,804	16,346,599,932	16,395,561,736
Social Enterprises	20	13,199,374,550	-	13,199,374,550
Microfinance Programme	21	21,359,616,040	-	21,359,616,040
Self-financing Social Development Programmes	22	1,649,918,857	-	1,649,918,857
Investment Income	23	662,691,206	-	662,691,206
House Property		91,365,205	-	91,365,205

Total income		37,011,927,662	16,346,599,932	53,358,527,594
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Expenditure

Social Enterprises		11,732,422,213	-	11,732,422,213
Micro Finance Programme		13,365,418,399	-	13,365,418,399
House Property		100,942,249	-	100,942,249
Agriculture and Food Security		-	520,785,414	520,785,414
Community Empowerment Programme		4,797,944	312,697,043	317,494,987
Education Programme		170,001,239	4,899,580,451	5,069,581,690
Gender, Justice and Diversity		11,937,491	286,630,547	298,568,038
Health Programme		136,474,074	4,685,194,683	4,821,668,757
Human Rights and Legal Aids Services		1,791,087	238,654,326	240,445,413
Policy Advocacy		3,967,554	152,821,367	156,788,921
Water, Sanitation and Hygiene Programme		-	2,419,632,575	2,419,632,575
Ultra Poor Programme		-	2,406,137,155	2,406,137,155
Other Development Projects		108,990,141	356,769,071	465,759,212

Total expenditure		25,636,742,391	16,278,902,632	41,915,645,023
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Surplus of income over expenditure before taxation		11,375,185,271	67,697,300	11,442,882,571
Taxation	26	(340,000,000)	-	(340,000,000)

Net surplus for the year		11,035,185,271	67,697,300	11,102,882,571
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The annexed notes form an integral part of these statements.

BRAC

(Registered in Bangladesh under the Societies Registration Act, 1860)

Statement of Changes in Net Assets

for the year ended 31 December 2015

Net Assets		Total Net Assets Taka
Unrestricted Taka	Temporarily Restricted Taka	

At 1 January 2014	37,976,777,730	1,031,552,883	39,008,330,613
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Net surplus for the year	11,035,185,271	67,697,300	11,102,882,571
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Share of non operating changes in net assets in related undertakings	119,977,933	-	119,977,933
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At 31 December 2014	49,131,940,934	1,099,250,183	50,231,191,117
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At 1 January 2015	49,131,940,934	1,099,250,183	50,231,191,117
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Net surplus for the year	12,866,155,358	38,330,740	12,904,486,098
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Share of non operating changes in net assets in related undertakings	45,864,230	-	45,864,230
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At 31 December 2015	62,043,960,522	1,137,580,923	63,181,541,445
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The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
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Cash flows from operating activities:

Surplus of income over expenditure before taxation		13,069,486,098	11,442,882,571
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Loan loss provision	7	1,055,886,221	2,103,377,241
Depreciation	11	704,408,539	665,339,261
Gain on disposal of BRAC Banshkhali Tea Company Ltd	10	(787,320,202)	-
Gain on disposal of property, plant and equipment		(3,026,358)	(47,113,756)
Share of results in related undertakings	23	(793,099,927)	(623,733,398)
Donor grants - amortisation of investment in property, plant and equipment and motorcycle replacement fund	19	(63,516,033)	(101,432,843)
Interest on fixed deposits and bank accounts	24	(1,298,951,999)	(1,292,065,957)
Adjustments for other accounts:			
Increase in service charge outstanding on microfinance loans		(484,755,823)	(494,451,805)
(Increase)/decrease in inventories		(41,522,293)	155,938,576
Increase in advances, deposits and prepayments		(779,400,543)	(537,576,352)
Decrease/(increase) in accounts receivable		134,876,747	(222,016,153)
Increase in motorcycle loans		(10,017,533)	(57,431,175)
Decrease/(increase) in liabilities for expenses and materials		760,104,768	(283,239,171)
Increase in deferred income		28,485,740	64,501,701
Net cash provided by operating activities		11,491,637,402	10,772,978,740

Cash flows from investing activities:

Increase in microfinance loans		(23,232,614,537)	(20,276,485,750)
Decrease/(increase) in fixed deposits pledged with financial institutions		601,984,893	(52,021,245)
Increase in investments in related undertakings		(535,909,621)	(2,427,386,200)
Interest received on fixed deposits and bank accounts		1,298,951,999	1,292,065,957
Purchase of property, plant and equipment		(3,306,546,008)	(1,611,641,415)
Proceeds from Banshkhali Tea Company Ltd	10	602,500,000	-
Proceeds from disposal of property, plant and equipment		20,809,285	113,945,390
Dividends received from related undertakings		702,215,772	254,223,094
Realisation of investment in securities and others		(325,800,000)	(1,054,000,000)
Net cash used in investing activities		(24,174,408,217)	(23,761,300,169)

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
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Cash flows from financing activities:

Grants received during the year		7,801,946,598	14,932,516,817
Grants utilised during the year for:			
- operational expenditure & micro-finance		(13,666,856,999)	(16,124,768,023)
- investment in property, plant and equipment		(23,785,870)	(57,380,571)
- motorcycle replacement funds		(4,699,870)	(7,121,130)
Increase in term loans		7,441,225,695	3,673,261,051
Increase in members savings deposits		6,047,647,885	5,145,957,757
Increase in other long term liabilities		631,663,766	739,806,830
Net cash provided by financing activities		8,227,141,205	8,302,272,731
Net decrease in cash and cash equivalents		(4,455,629,610)	(4,686,048,698)
Cash and cash equivalents, beginning of the year		6,654,320,026	11,340,368,724
Cash and cash equivalents, end of the year	3.4	2,198,690,416	6,654,320,026

The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Notes to Financial Statements
for the year ended 31 December 2015

1 Introduction

BRAC, a development organisation, was formed in 1972 under the Societies Registration Act 1860. Although it was first set up to resettle refugees in post-war Bangladesh, BRAC later redesigned its strategies in accordance with its philosophy of poverty alleviation and empowerment of the poor. At present, BRAC has a large number of development programs that cover the areas of health, education, credit, employment and training for the poor people of Bangladesh. BRAC carries out licensed banking activities through the BRAC Bank Ltd. and also earns from various income generating projects such as Aarong Rural Craft Centre, BRAC Printers and Printing Pack, BRAC Dairy and Food project, BRAC Tea Estates, and various programme support enterprises such as poultry farms, feedmills, seedmills and prawn hatcheries.

2 Summary of Significant Accounting Policies

BRAC prepares its financial statements on a going concern basis, under the historical cost convention, except for investments in shares in listed companies classified within investment in securities and others, which are stated at fair value. BRAC generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items.

The significant accounting policies, which have been materially consistent over the years, as applied and followed in the preparation and presentation of these financial statements are summarized below:

2.1 Basis of preparation of financial statements

BRAC maintains its books of account and records on a programme or project-wise basis. The Head Office maintains records of all treasury, investment and management functions. All cash balances, including those held for programmes, are held by the Head Office and transferred to programmes as required. Balances between projects are eliminated upon combination for the purposes of presentation of the financial statements.

These financial statements include the financial statements of BRAC and, on an equity accounted basis, those of the related undertakings set out in Note 10 in which BRAC has equity interests through which it exercises control or significant influence. As stated in Note 2.5, BRAC, being a society under the Societies Registration Act, 1860, is not subject to any requirement to prepare consolidated financial statements.

In contrast to the ownership of equity interest in related undertakings, BRAC also extends gratuitous grants or provides donor liaison assistance to certain organisations that, in some instances, may bear names with resemblance to BRAC, viz BRAC University, BRAC International Holding B.V, Stichting BRAC International, BRAC Afghanistan, BRAC Sri Lanka, BRAC Tanzania, BRAC Uganda, BRAC Southern Sudan, BRAC Pakistan, BRAC Liberia, BRAC Sierra Leone, BRAC Philippines and BRAC Nepal. However, no equity is held in these entities, and BRAC’s financial statements therefore do not include the financial information of these entities.

BRAC’s accounting records and financial statements are maintained and presented in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and internal reporting into funds established according to their nature and purposes based on the existence or absence of donor-imposed restrictions.

2 Summary of Significant Accounting Policies (contd.) :

2.1 Basis of preparation of financial statements (contd.)

In the combined financial statements, funds have been classified within either of two net asset categories - temporarily restricted and unrestricted. Accordingly, the net assets of BRAC and changes therein are classified and reported as follows:

- **Temporarily restricted net assets** - Net assets subject to donor-imposed restrictions that permit BRAC to use or expend the assets as specified. The restrictions are satisfied either by the passage of time and/or by actions of BRAC. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, any balances of temporarily restricted net assets are either returned to donors in accordance with donor agreements or utilized consequent to donor and management agreements on a temporarily restricted or unrestricted basis.

In case where restrictions expire, it is BRAC’s policy to effect the reclassification of assets from temporarily restricted net assets to unrestricted net assets via transfers within the balance sheet.

- **Unrestricted net assets** - Net assets that are not subject to any donor-imposed restrictions or which arise from internally funded activities. This category of net assets include amongst others, amounts designated by BRAC for income generating activities, programme support enterprises, micro-financing activities and self-financing social development activities.

2.2 Reporting period

These financial statements has been prepared for the period from 1 January to 31 December 2015.

2.3 Functional and presentation currency

These financial statement are presented in Bangladesh Taka, which is BRAC’s functional currency. Except as indicated, the figures have been rounded off to the nearest Taka.

2.4 Use of estimates and judgments

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

2.5 Non-consolidation

BRAC, being a society registered under the Societies Registration Act, 1860 is not subject to any requirement on the preparation of consolidated financial statements. Accordingly, BRAC’s investments in related undertakings wherein the effective equity interests are more than 50% are accounted for by the equity method as explained in Note 2.14, together with related undertakings in which BRAC has significant influence and/or where effective equity interests are between 20% and 50%.

2.6 Donor grants

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

2 **Summary of Significant Accounting Policies (contd.) :**

2.6 Donor grants (contd.)

All donor grants received are initially recorded as liabilities in Grants Received in Advance Account. For grants utilized to purchase fixed assets and motorcycles, the donor grants are transferred to deferred income accounts whilst for grants utilized to reimburse programme-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 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 programme-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 programmes, any unutilized amounts are dealt with in accordance with subsequent donor and management agreements.

For ongoing projects and programmes, 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.

2.7 Revenue recognition

Social Enterprise projects
Social enterprise projects comprise Aarong Rural Craft Centre, BRAC Printers and Printing Pack and BRAC Dairy and Food Project, poultry farms, feedmills, seedmills, fish and prawn hatcheries, horticulture nurseries, chilling centres, broiler rearing and meat marketing, salt production and marketing, recycle paper production and health product related activities.

Revenue from sale of goods
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, discount and VAT. Revenue is recognized at the time, when significant risks and rewards of ownership have been transferred to the buyer and recovery of consideration is probable. Transfer of risks and rewards occur, when the goods are delivered to the distributor/customers along with dispatch documents and invoices.

Service charge on microfinance loans
Service charges on microfinance loans are recognized on an accrual basis as income. The recognition of service charge ceases when a loan is transferred to non-interest bearing loan as described in Note 2.12. Service charge is included in income thereafter only when it is realized. Loans are returned to the accrual basis only when the full amount of the outstanding arrears of loans received and future collectability is reasonably assured.

Interest on bank accounts, fixed deposits, bonds
Interest income is recognised on an accrual basis.

House property income
House property income is recognised on an accrual basis whether cash is received or not.

Other income
Other income is recognized when BRAC's right to receive such income has been reasonably determined.

2.8 Expenses

Programme related expenses arise from goods and services being distributed to beneficiaries in accordance with the programme objectives and activities. BRAC's Head Office overhead expenses are allocated to various projects and programmes at a range of 7% to 10% of their costs, based on agreement with donors or management's judgement.

2 **Summary of Significant Accounting Policies (contd.) :**

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if all the following conditions are met:

a) it is probable that future economic benefits will flow to BRAC
b) the cost of the item can be measured reliably and exceeds Taka. 2,000
c) it is expected to be used for more than 3 years

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation respectively.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is provided for on a straight-line basis over the estimated useful lives of the assets at the following annual rates which are consistent with the prior year:

<u>Item</u>	<u>Annual Depreciation Rate (%)</u>
Buildings	4 - 10
Furniture & Fixtures	10 - 20
Equipment	15 - 33.3
Computer	20 - 33.3
Vehicles	20
Bicycles	20
Machinery	20
Deep tube wells and tanks	20
Hatcheries	20
Motorcycles	20
Camp/ Poultry/ Livestock sheds	20
Crates/ Mannequins/ Samples	33.3

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the statement of income and expenditure in the year the asset is derecognized.

2.10 Microfinance loans

BRAC's activities include providing micro-finance loans to members without collateral, on a service charge basis under various programmes. Loans inclusive of service charge and are stated net of provision for loan losses.

2 **Summary of Significant Accounting Policies (contd.) :**

2.11 Provision for loan losses

Management regularly assesses the adequacy of the loan loss provision based on the age of the loan portfolio and calculates the required provision for loan losses based on the loan classification and following the provisioning methodology which is shown below.

<u>Loan Classification</u>	<u>Days in Arrears</u>	<u>Provision Required</u>
Standard	Current (no arrears)	1%
Watch list	1 - 30	5%
Substandard	31 - 180	25%
Doubtful	181 - 350	75%
Loss	Over 350	100%

2.12 Loans written off

Loans within their maturity period are classified as “ Current loans”. Loans which remain outstanding after one month of their maturity period are considered as “Late loans”. Late loans which remain unpaid after one year are classified as “Non-Interest Bearing Loans” (NIBL). The total amount of NIBL, which are considered bad and have no possibility of recovery, is referred to the Governing Body of BRAC for approval of write off, generally within one year from the date when a loan is transferred to NIBL. Generally loans are written off twice a year i.e. July and December. Any collections realised from loans previously written off are credited to the statement of income and expenditure.

2.13 Provision for liabilities

Provisions for liabilities are recognised when BRAC has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.14 Investment in related undertakings

Related undertakings refer to separately-established undertakings in which BRAC has significant influence and/or effective equity interests. Details of these undertakings are disclosed in Note 10.

BRAC’s investments in these undertakings are accounted for by the equity method whereby the investments are initially recorded at cost and subsequently adjusted to reflect BRAC’s share of results for each period added to or deducted from the respective investment costs, from the dates of their acquisition and to the dates of their disposal. On disposal, gains or losses representing the difference between the proceeds on disposal and the carrying value of the undertakings at the date of disposal are recognised in the statement of income and expenditure. Gains or losses on dilution of interest in related undertakings, representing the difference in BRAC’s share of net assets before and after the dilution concerned is also recognised in the statement of income and expenditure. Any changes in the net assets in the related undertakings other than by the effect of operating results are directly accounted for as a separate item in the statement of net assets with corresponding increase/decrease in the investment. Provision is also made for any impairment if the carrying amount of an investment exceeds its recoverable amount.

2.15 Investment in securities and others

All investments other than investment in associated understakings are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments in shares of listed companies are subsequently measured at fair value, with unrealized gains or losses recognized in the statement of income and expenditure. Fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date, adjusted for transaction costs necessary to realize the asset.

2 **Summary of Significant Accounting Policies (contd.) :**

2.15 Investment in securities and others (contd.)

Other long-term investments which are intended to be held to maturity, such as debentures and private debt securities, are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortized cost, apart from the amortization process which is dealt with through the statement of income and expenditure, any gain or loss is recognized in the statement of income and expenditure when the investment is disposed of or suffers a permanent diminution in value.

2.16 Accounts receivable

Accounts receivable arise principally from BRAC’s income generating activities and programme support enterprises, and are stated net of provision for doubtful debts. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date. Bad debts are written off when identified.

2.17 Inventories

Retail inventories are stated at cost based on selling price less average mark-up, and other inventories are stated at cost. Cost is determined using the weighted average basis. The cost of inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Provision is made for obsolete or slow moving items, to reduce their carrying amounts to net realizable value.

2.18 Motorcycle replacement fund

Applicable donor funds are utilized for providing motorcycles to project or programme staff and these funds are held in a replacement fund. The cost of providing motorcycles to staff is recovered through monthly salary deductions. Donor funds received and utilized for the purchase of motorcycles are amortized to the statement of income and expenditure over a period of five years, being the average estimated useful life of the motorcycles.

2.19 Self-insurance fund

BRAC has created a self-insurance fund to cover the risks of cyclone and fire on its properties and motorcycles. This self-insurance fund is based on estimates by the Governing Body, and as from 2001, by reference to external actuarial valuations. It is held as a provision within ‘Other long term liabilities’, as depicted in Note 18, and is not externally funded.

BRAC also sets aside monthly amounts equivalent to 1% of the basic salary of employees, to constitute the group self-insurance fund. This fund is to cover liabilities arising out of death and other permanent injuries suffered by the employees. The terms of employment provide for payment in the event of death or permanent injury, of amounts ranging from 12 months’ equivalent of basic salary in the first year of employment, to 50 months’ equivalent of basic salary in the 10th year of employment onwards. The self-insurance fund for employees is held as a provision, also within ‘Other long term liabilities’ and is not externally funded. It is based on estimates by the Governing Body, and as from 2001, by reference to external actuarial valuations.

The extent of future liabilities requiring current provisions, and the rate of provisions required in the immediate following financial periods have been determined based on actuarial valuations carried out in 2014 in respect of the funds, and are disclosed in Note 18 to the financial statements. It is BRAC’s policy to carry out actuarial reviews at least every three years to assess the adequacy of the provisions in respect of the fund.

2 **Summary of Significant Accounting Policies (contd.) :**

2.20 Employee gratuity and redundancy fund

BRAC makes provisions for an Employee Gratuity and Redundancy fund, on the basis of two months’ basic salary for each completed year’s service for each permanent employee (based on basic salary of the last month). The fund is held as a provision within ‘Other long term liabilities’, as depicted in Note 18, and is not externally funded. Gratuity is to be disbursed upon retirement of employees whilst redundancy disbursements are to be made as a one-time termination benefit in the event of cessation of service from BRAC on grounds of redundancy.

The extent of future liabilities requiring current provisions, and the rate of provisions required in the immediate following financial periods have been determined based on actuarial valuation carried out in 2014, and are disclosed in Note 18 to the financial statements. It is BRAC’s policy to carry out actuarial reviews at least every three years to assess the adequacy of the provision in respect of the fund.

2.21 Employee provident fund

BRAC makes contributions to a recognised contributory provident fund for its eligible employees which is operated by a Board of Trustees. The contribution by BRAC is 10% of the basic salary of each confirmed employee and this is equivalent to the contribution by each eligible employee. Contributions to this fund are recognised as an expense in the period in which the employee services are performed.

2.22 Foreign currencies

Foreign currency transactions are converted into equivalent Taka at the ruling exchange rates on the respective dates of such transactions.

Monetary assets and liabilities denominated in foreign currencies as at 31 December 2015 have been converted into Taka at the exchange rates prevailing at that date.

The resulting exchange translation gains and/ or losses are recognised in the statement of income and expenditure.

The principal exchange rates used for each respective unit of foreign currency ruling at the balance sheet date are as follows

	2015 Taka	2014 Taka
United States Dollars	77.90	77.85
Euro	84.38	93.71
Great Britain Pound	113.45	118.78
Australian Dollars	55.14	62.46

BRAC’s foreign currency denominated assets and liabilities are disclosed in Note 27.

2.23 Taxation

Income tax liabilities for the current period are measured at the amount expected to be paid to the taxation authorities in accordance with the Income Tax Ordinance, 1984 (Amended) for activities by which BRAC generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2 **Summary of Significant Accounting Policies (contd.) :**

2.24 Borrowing costs

Borrowing costs are interest and other costs that BRAC incurs in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case these costs are capitalised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

2.25 Impairment of assets

At each balance sheet date, BRAC reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use.

An impairment loss is recognised as an expense in the statement of income and expenditure immediately. Reversal of impairment losses recognised in prior years is recorded in the statement of income and expenditure when the impairment losses recognised for the asset no longer exists or have decreased.

2.26 Goodwill

Goodwill represents the excess of the cost of acquisition over BRAC’s interest in the fair value of the identifiable assets and liabilities of investments in related undertakings at the date of acquisition.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.25 above except that an impairment loss for goodwill is not reversed unless the specific external events that caused the impairment loss is reversed by a subsequent external event. Goodwill arising on the acquisition of related undertakings is included within the respective carrying amounts of the related undertakings concerned.

2.27 Financial instruments

Financial instruments are recognised in the balance sheet when BRAC has become a party to the contractual provisions of the instrument.

- a) Investments in related undertakings
Investments in related undertakings are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.25.
- b) Investments in securities and others
Investments in securities and others are stated at cost, subsequently adjusted for fair value or at amortised cost. The policy for recognition and measurement of impairment losses is in accordance with Note 2.25.
- c) Receivables
Receivables are carried at anticipated realisable values. Bad debts are written off when identified and an estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.
- d) Payables
Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2 Summary of Significant Accounting Policies (contd.) :

2.27 Financial instruments (contd.)

e) *Interest-bearing borrowings*

Interest-bearing bank loans, overdrafts and securitised financing are recorded at the amount of proceeds received, net of transactions costs. For borrowings made specifically for the purpose of acquiring a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investments of funds drawn down from that borrowing facility.

All borrowing costs are recognized as an expense in the statement of income and expenditure in the period in which they are incurred. The carrying values of these financial instruments approximate their fair values due to their short term maturities

2.28 Cash and cash equivalents

Cash and cash equivalents for the purposes of the statement of cash flows comprises cash and bank balances and unpledged fixed deposits, against bank overdrafts, if any, are deducted. Included in cash and bank balances are donations which are received through donor grants. By virtue of donor agreements, the manner in which such donations are to be applied may be restricted to specific projects and/or assets.

2.29 Contingent liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of BRAC; or any present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognized in the financial statements as this may results in the recognition of income which may never be realized.

2.30 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the organization's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed.

2.31 Segmental Reporting

BRAC is organised into operating segments based on projects and programmes which are independently managed by the respective program managers responsible for the performance within the operating segments.

The programme managers report directly to the management of BRAC who regularly review the segment results in order to assess segment performance. Additional disclosures on each of these segments are shown in notes 28 and 29 respectively. BRAC provides segment information voluntarily.

3. Cash and bank balances

Cash in hand and at banks (Note 3.1)
Deposits (Note 3.2)

3.1 Cash in hand and at banks

Cash in hand
Cash at banks

Fixed deposits pledged with financial institutions (Notes 13 and 14)
Fixed deposits unpledged
Short term deposits unpledged

Included in the above balances are amounts placed with related undertakings as follows:

No.	Name of Related Party	Nature of balances
-----	-----------------------	--------------------

1.	BRAC Bank Ltd.	Fixed deposits pledged Fixed deposits unpledged Short term deposits unpledged 67 Bank Accounts (2014: 55)
2.	Delta BRAC Housing Finance Corp.Ltd.	Fixed deposits pledged Fixed deposits unpledged

3.3 Deposits analysed by programme:

Microfinance Programme
Grant based project
Other Programmes

3.4 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at December 31:

Cash in hand and at banks
Fixed deposits unpledged
Short term deposits unpledged
Bank overdrafts (Note 13)

2015 Taka	2014 Taka
2,530,935,525	4,317,479,423
14,385,831,027	14,346,235,925
16,916,766,552	18,663,715,348

2015 Taka	2014 Taka
390,562,703	444,055,344
2,140,372,822	3,873,424,079
2,530,935,525	4,317,479,423

2015 Taka	2014 Taka
414,893,670	1,016,878,563
9,091,258,086	9,995,494,725
4,879,679,271	3,333,862,637
14,385,831,027	14,346,235,925

2015 Taka	2014 Taka
414,893,670	416,695,416
157,856,330	1,364,861,030
4,775,489,492	3,333,862,637
2,755,932,845	1,036,887,589
-	250,000,000
-	138,063,292

2015 Taka	2014 Taka
12,310,857,416	6,686,052,979
104,189,779	6,643,334,770
1,970,783,832	1,016,848,176
14,385,831,027	14,346,235,925

2015 Taka	2014 Taka
2,530,935,525	4,317,479,423
9,091,258,086	9,995,494,725
4,879,679,271	3,333,862,637
(14,303,182,466)	(10,992,516,759)
2,198,690,416	6,654,320,026

4. Advance, deposits and prepayments

	2015 Taka	2014 Taka
Advances:		
Employees	437,230,657	655,188,678
Suppliers	404,502,296	405,632,676
Advance for tax	2,333,171,524	1,488,974,736
	3,174,904,477	2,549,796,090
Deposits:		
Deposits for facilities and utilities	11,862,430	9,232,340
Prepayments	889,952,123	738,290,057
	4,076,719,030	3,297,318,487

5. Inventories

	2015 Taka	2014 Taka
Seeds and feed	842,297,023	630,733,349
Medical supplies and consumables	100,020,012	144,364,631
Printing and stationery	89,857,978	61,642,571
Handicraft goods	2,140,424,077	2,211,265,082
Dairy products	140,321,050	230,024,601
Programme materials	206,062,261	199,429,874
	3,518,982,401	3,477,460,108

6. Grants and accounts receivable

	2015 Taka	2014 Taka
Grants receivable (Note 16)	175,920,953	52,248,836
Interest receivable on fixed deposits and bank accounts	519,404,544	765,263,686
Other accounts receivable	1,156,112,905	1,070,067,531
	1,851,438,402	1,887,580,053
Provision for doubtful debts	(56,094,816)	(81,031,837)
	1,795,343,586	1,806,548,216

Included in interest receivable on fixed deposits is Tk. 83,927,133 (2014: Tk. 103,932,998) receivable after 12 months.

7. Microfinance loans

	Principal outstanding Taka	Service charge receivable Taka	Loan loss provision Taka	Total Taka
At 1 January 2015	90,535,525,108	709,142,160	(5,563,901,665)	85,680,765,603
Additions	192,982,791,000	25,878,910,925	(1,055,886,221)	217,805,815,704
Realisation	(169,750,176,463)	(25,394,155,102)	-	(195,144,331,565)
Write-off	(1,597,958,454)	(257,638,531)	1,855,596,985	-
At 31 December 2015	112,170,181,191	936,259,452	(4,764,190,901)	108,342,249,742

7. Microfinance loans (contd.)

Loans to members bear annual service charges 18% to 26% (2014: 18% to 27%) on a declining balance method. Repayments are made in weekly/monthly instalments. The loan loss provision rate during the year was revised to 1% (2014: 2%).

The loan principal outstanding and loan loss provision are analysed as follows:

Loan Classification	Days in Arrears	Loan Outstanding 2015 Taka	Loan loss Provision 2015 Taka	Loan Principal 2014 Taka	Loan loss Provision 2014 Taka
Standard	Current (no arrears)	106,953,997,598	1,069,539,976	85,242,874,796	1,704,857,496
Watchlist	1 - 30	967,900,310	48,395,015	721,663,654	36,083,183
Substandard	31 - 180	717,650,763	179,412,691	936,139,421	234,034,855
Doubtful	181 - 350	255,157,204	191,367,903	183,684,423	137,763,317
Loss	Over 350	3,275,475,316	3,275,475,316	3,451,162,814	3,451,162,814
		112,170,181,191	4,764,190,901	90,535,525,108	5,563,901,665

8. Motorcycle loans

	2015 Taka	2014 Taka
At 1 January 2015	796,996,894	739,565,719
Additions during the year	45,070,000	116,658,900
Loan realisation during the year	(35,052,467)	(59,227,725)
At 31 December 2015	807,014,427	796,996,894

9. Investments in securities and others

	2015 Taka	2014 Taka
DBH 1st Mutual Fund	29,400,000	27,600,000
AB Bank Ltd. Subordinated Bond	1,000,000,000	1,000,000,000
MTB Subordinated Bond	250,000,000	-
Bangladesh Sanchay Patra (BSP)	337,750,000	263,750,000
	1,617,150,000	1,291,350,000

Market value of DBH 1st Mutual Fund at 31 December 2015 was Taka. 4.90 per unit (2014: Taka. 4.60) and Taka. 4.90 per unit (2014: Taka. 4.50) on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively.

The AB Bank Ltd. Subordinated Bond maturity date will be on 25 August 2021 with effective interest rate ranging from 11% to 13% (2014: 11% to 13%) per annum.

Mutual Trust Bank Ltd. Subordinated Bond was purchased on 20 October 2015, the maturity date of the bond will be on 19 October 2022 with effective interest rate ranging from 10.5% to 13.5% per annum.

The Bangladesh Sanchay Patra (BSP) earned interest at 10.5% to 13.45% (2014: 10.5% to 13.45%) per annum respectively during the year.

10. Investments in related undertakings

Related undertakings	2015				
	Cost of Investment Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in value Taka	Total Taka
BRAC Bank Ltd.	4,760,329,616	5,070,759,128	-	-	9,831,088,744
BRAC Industries Ltd.	24,999,900	5,116,961	-	-	30,116,861
BRAC BD Mail Network Ltd.	186,161,000	(84,301,811)	-	-	101,859,189
BRAC IT Services Ltd.	34,300,000	(57,716,253)	88,757,762	-	65,341,509
BRAC Services Ltd.	10,000,000	(118,944,075)	161,920,937	(18,211,239)	34,765,623
Delta BRAC Housing Finance Corp. Ltd.	40,000,000	468,678,277	-	-	508,678,277
BRAC Karnafuli Tea Company Ltd.	243,908,025	(203,079,016)	1,036,934,458	-	1,077,763,467
BRAC Kaiyachara Tea Company Ltd.	63,300,695	47,581,843	227,656,313	-	338,538,851
BRAC Kodala Tea Company Ltd.	81,680,954	(22,447,706)	331,425,381	-	390,658,629
Bangladesh Netting Factory Ltd.	17,071,429	33,813,846	33,064,297	-	83,949,572
BRAC Assets Management Company Ltd.	13,000,000	2,909,688	-	-	15,909,688
BRAC Impact Ventures Ltd.	10,200,000	(9,112,585)	-	-	1,087,415
BRAC Environmental Enterprises Ltd.	90,000,000	(70,787,715)	124,570,412	-	143,782,697
Industrial Promotion and Development Company of Bangladesh Ltd.	759,023,000	18,096,533	-	-	777,119,533
	6,333,974,619	5,080,567,115	2,004,329,560	(18,211,239)	13,400,660,055

Related undertakings	2014				
	Cost of Investment Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in value Taka	Total Taka
BRAC Bank Ltd.	4,760,329,616	4,786,312,504	-	-	9,546,642,120
BRAC Industries Ltd.	24,999,900	6,655,317	-	-	31,655,217
BRAC BD Mail Network Ltd.	186,161,000	(90,609,255)	-	-	95,551,745
BRAC IT Services Ltd.	34,300,000	(23,277,996)	36,249,000	-	47,271,004
BRAC Services Ltd.	10,000,000	(111,030,260)	168,584,133	(18,211,239)	49,342,634
Delta BRAC Housing Finance Corp. Ltd.	40,000,000	399,138,670	-	-	439,138,670
BRAC Karnafuli Tea Company Ltd.	243,908,025	(137,091,913)	911,000,948	-	1,017,817,060
BRAC Kaiyachara Tea Company Ltd.	63,300,695	42,297,271	213,727,366	-	319,325,332
BRAC Banshkhali Tea Company Ltd.	27,719,870	(127,721,957)	471,759,830	-	371,757,743
BRAC Kodala Tea Company Ltd.	81,680,954	3,144,642	287,814,152	-	372,639,748
Bangladesh Netting Factory Ltd.	17,071,429	34,109,593	26,216,073	-	77,397,095
BRAC Assets Management Company Ltd.	13,000,000	2,400,624	-	-	15,400,624
BRAC Impact Ventures Ltd.	10,200,000	(4,048,491)	-	-	6,151,509
BRAC Environmental Enterprises Ltd.	90,000,000	(49,000,092)	112,091,437	-	153,091,345
	5,602,671,489	4,731,278,657	2,227,442,939	(18,211,239)	12,543,181,846

	2015 Taka	2014 Taka
Represented by:		
Share of net tangible assets	11,186,724,541	10,134,250,460
Goodwill on acquisition	209,605,954	181,488,447
Loans	2,004,329,560	2,227,442,939
	13,400,660,055	12,543,181,846

10. Investments in related undertakings (contd)

Related undertakings (All Incorporated in Bangladesh)	2015	2014	Principal activities
BRAC Bank Ltd.	44.64	44.64	Banking business, listed on the Dhaka and Chittagong Stock Exchanges
BRAC Industries Ltd.	99.99	99.99	Cold storage
BRAC BD Mail Network Ltd.	19.99	19.99	Internet service provider
BRAC IT Services Ltd.	48.67	48.67	Software development
BRAC Services Ltd.	100.00	100.00	Hospitality
Delta BRAC Housing Finance Corp. Ltd.	18.39	18.39	Housing finance, listed on the Dhaka and Chittagong Stock Exchanges
BRAC Karnafuli Tea Company Ltd.	99.94	99.94	Tea plantation
BRAC Kaiyachara Tea Company Ltd.	99.85	99.85	Tea plantation
BRAC Kodala Tea Company Ltd.	99.12	99.12	Tea plantation
Bangladesh Netting Factory Ltd.	93.94	93.94	Poultry processing
BRAC Assets Management Company Ltd.	26.00	26.00	Management of assets and portfolio investment
BRAC Impact Ventures Ltd.	51.00	51.00	“Sustainable, conscious, green and ethical investment”
BRAC Environmental Enterprises Ltd.	90.00	90.00	Waste management services
Industrial Promotion and Development Company of Bangladesh Ltd.	25.00	-	Financial services
BRAC Banshkhali Tea Company Ltd.	-	99.92	Tea plantation

BRAC's investments in the related undertakings are represented by its share in the respective net tangible assets, goodwill and loans extended.

Loans represent finance provided for working capital and earn 12% (2014: 12%) interest per annum. These loans are unsecured and have no fixed repayment terms.

On 10 September 2015, BRAC acquired 31,562,618 ordinary shares of face value Taka. 10, representing 25% of total shares in Industrial Promotion and Development Company (“IPDC”) of Bangladesh Ltd with a cash consideration of Taka. 759,023,000. The principal activities of IPDC is providing financial services.

On 3 November 2015, BRAC disposed BRAC Banshkhali Tea Company Ltd. for cash consideration of Taka. 602,500,000. This resulted in a gain on disposal of Taka. 787,320,202.

The market value of BRAC Bank Ltd. shares at 31 December 2015 was Taka. 48.40 per share (2014: Taka. 37.20) and Taka. 47.70 per share (2014: Taka. 37.30) on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively.

The market value of Delta BRAC Housing Finance Corporation Ltd. shares at 31 December 2015 was Taka.114.00 per share (2014: Taka. 71.60) and Taka.110.10 per share (2014: Taka. 71.00) on the DSE and CSE respectively.

Significant transactions with related undertakings are as follows:

Related undertakings	Nature of transaction	2015 Taka	2014 Taka
BRAC Bank Ltd.	Interest on fixed deposits and bank balance	26,202,844	211,965,922
Delta BRAC Housing Finance Corp. Ltd.	Interest on fixed deposits	37,373	84,967,650
BRAC Services Ltd.	Service facilities	33,290,623	25,795,308

11. Property, plant and equipment

Group of fixed assets	Cost					Depreciation		Amount in Taka	
	Opening balance 01-01-2015	Additions during the year	Transferred during the year	Disposals during the year	Closing balance 31-12-2015	Opening balance 01-01-2015	Charged during the year	Closing Balance 31-12-2015	Written down value 31-12-2015 Written down value 31-12-2014
Freehold land	6,228,649,677	1,662,215,615	-	-	7,890,865,292	1,737,298,596	-	-	7,890,865,292
Buildings	4,447,239,665	-	444,671,557	-	4,891,911,222	1,737,298,596	195,531,444	1,932,830,040	2,959,081,182
Furniture & fixtures	1,278,229,323	151,360,805	-	(48,140,799)	1,381,449,329	721,773,175	114,777,078	791,922,416	589,526,913
Equipment	1,556,045,835	237,496,721	-	(102,016,058)	1,691,526,498	1,171,452,497	123,977,104	1,200,950,301	490,576,197
Computer	582,696,022	111,747,087	-	(53,168,962)	641,474,147	435,349,691	61,716,729	448,288,957	193,185,190
Vehicles	838,379,047	128,291,891	-	(46,212,441)	920,458,497	575,077,256	96,363,780	625,228,595	295,229,902
Bicycles	15,320,926	1,946,150	-	(1,463,717)	15,803,359	11,459,311	1,943,906	11,955,911	3,847,448
Machineries	1,014,232,963	64,673,903	-	(9,398,142)	1,069,508,724	783,563,293	63,947,603	840,438,052	229,070,672
Deep tube wells and tanks	29,134,721	1,066,299	-	-	30,201,020	20,103,724	1,674,511	21,778,235	8,422,785
Hatcheries	14,799,274	1,054,785	-	-	15,854,059	13,891,366	1,162,838	15,054,204	799,855
Camp/Poultry/Livestock sheds	286,661,738	1,411,608	-	-	288,073,346	179,067,932	19,864,495	198,932,427	89,140,919
Motorcycles	2,443,036	-	-	-	2,443,036	2,036,351	406,685	2,443,036	-
Construction work-in-progress	826,053,097	875,811,274	(444,671,557)	-	1,257,192,814	-	-	-	1,257,192,814
Crates/Mannequins/Samples/Antiques	304,277,691	69,469,870	-	-	373,747,561	268,333,841	23,042,366	291,376,207	82,371,354
Total 2015	17,424,363,015	3,306,546,008	-	(260,400,119)	20,470,508,904	5,919,407,033	704,408,539	6,381,198,381	14,089,310,523
Total 2014	16,089,849,881	1,611,641,415	-	(277,128,281)	17,424,363,015	5,464,364,419	665,339,261	5,919,407,033	11,504,955,982

Allocation of depreciation:

- i) included in cost of sales of commercial projects
- ii) included in programme related expenses

An amount of Taka. 53,946,525 (2014: Taka. 90,166,624) has been transferred to the statement of income and expenditure from deferred income - investment in fixed assets to cover the depreciation charge for donor funded fixed assets as disclosed in Notes 17 & 19.

12. Liabilities for expenses and materials

Liabilities for expenses	
Liabilities for goods	
Advances received for training, publications, supplies etc.	
Provision for stock loss	

13. Bank overdrafts

AB Bank Ltd	
Agrani Bank Ltd.	
Bank Alfalah	
Bank Asia Ltd.	
Dhaka Bank Ltd.	
Dutch Bangla Bank Ltd.	
Eastern Bank Ltd.	
Habib Bank Ltd	
HSBC	
IFIC Bank Ltd.	
Jamuna Bank Ltd.	
Janata Bank Ltd.	
Mutual trust Bank Ltd.	
Prime Bank Ltd.	
*Pubali Bank Ltd.	
Rupali Bank Ltd.	
Sonali Bank Ltd.	
Southeast Bank Ltd.	
Standard Bank Ltd.	
The Trust Bank Ltd.	
United Commercial Bank Ltd.	
Uttara Bank Ltd.	

*The bank overdraft is secured by fixed deposits amounting to Taka. 414,710,523 (2014: Taka. 916,695,416).

The bank overdrafts were obtained for BRAC's micro-finance programme and to finance working capital requirements. The bank overdrafts bear interest at 5.50% to 12.5% (2014: 8.5% to 16%) per annum, and are repayable within 12 months.

2015 Taka	2014 Taka
3,796,975,972	3,256,790,497
606,770,565	630,938,469
2,048,071,341	1,797,457,125
6,451,817,878	5,685,186,091
(92,113,931)	(85,586,912)
6,359,703,947	5,599,599,179

2015 Taka	2014 Taka
-	674,622
89,456,983	49,362,218
188,801,780	165,511,027
26,930,418	587,765,672
1,645,002,580	573,015,995
13,537,798	-
5,070,474	1,112,222
389,220,376	-
469,883	456,130
8,136,356	1,609,092
38,413,625	941,753,627
32,783,210	15,268,942
3,800,862	926,051,556
1,909,025,395	1,291,196,814
5,700,915,019	3,945,132,979
44,992,182	10,026,345
1,815,183,170	39,559,087
1,371,456	286,275
3,309,789	7,569,058
48,280,117	993,656,336
1,343,306	365,665
2,337,137,687	1,442,143,097
14,303,182,466	10,992,516,759

14. Term loans

	2015 Taka	2014 Taka
Bangladesh Bank	5,566,390,000	4,066,390,000
Bank Alfalah	200,000,000	-
BASIC Bank Ltd.	1,160,705,020	898,595,401
BRAC Bank Ltd.	2,896,786,692	2,594,829,057
Citibank, N.A.	500,000,000	-
Commercial Bank of Ceylon PLC	1,000,000,000	900,000,000
Dhaka Bank Ltd.	-	419,431,780
Eastern Bank Ltd.	2,106,316,967	2,177,574,277
HSBC	-	1,229,750,000
IFIC Bank Ltd	1,599,822,222	1,178,609,337
Jamuna Bank Ltd.	1,000,000,000	-
Prime Bank Ltd.	1,999,532,109	-
Pubali Bank Ltd	85,061,980	-
*Rajshahi Krishi Unnayan Bank (RAKUB)	365,000,000	495,000,000
SABINCO	462,965,620	-
Shahjalal Islami Bank Ltd.	1,533,916,647	1,101,081,508
Standard Chartered Bank (SCB)	4,340,000,000	4,014,000,000
The Premier Bank Ltd	1,699,989,798	-
	26,516,487,055	19,075,261,360

Term Loans are analysed as follows:

Amount repayable within 12 months

24,109,055,273 15,778,874,461

Amount repayable after 12 months:

- Repayable after 12 months and within 24 months
- Repayable after 24 months and within 36 months

1,959,893,143	2,358,924,871
447,538,639	937,462,028
2,407,431,782	3,296,386,899
26,516,487,055	19,075,261,360

* Secured by fixed deposits amounting to Taka. 183,147 (2014: Taka. 100,183,147).

All repayment obligations in respect of the term loans were met and no amounts were in arrears as at 31 December 2015.

The term loan were obtained to support various micro finance and development projects undertaken by BRAC and for working capital purposes. The loans are repayable at various intervals, i.e. monthly, quarterly, half-yearly, bi-annually and annually and bear 5% to 11.5% (2014: 5% to 13%) interest rates.

15. Members' savings deposits

	2015 Taka	2014 Taka
At 1 January 2015	34,180,809,446	29,034,851,689
Deposits during the year	30,521,109,555	34,859,947,590
Withdrawals during the year	(24,473,461,670)	(29,713,989,833)
At 31 December 2015	40,228,457,331	34,180,809,446
Compulsory savings	32,170,932,001	25,730,530,696
Voluntary savings	4,863,588,623	4,095,609,911
Term deposits	3,193,936,707	4,354,668,839
At 31 December 2015	40,228,457,331	34,180,809,446

15. Members' savings deposits (contd.)

The rate of interest paid in respect of savings deposits by members was 6% - 10% (2014: 6% - 10%) per annum.

BRAC has three types of savings initiatives, namely (a) Compulsory savings (b) Voluntary savings and (c) Term deposits, with a view to facilitating and encouraging savings by members in rural areas.

(a) Compulsory saving

- (i) Each member deposits a minimum amount of Taka. 10 in a weekly meeting. The amount to be deposited weekly is fixed by the member at the inaugural meeting of the year. The interest rate is 6% per annum.
- (ii) A member can withdraw the entire amount of savings after the loan outstanding balance including service charges thereon has been fully repaid.
- (iii) BRAC is allowed to offset the amount of loan balance with the equivalent savings balance of the loanee in the event of default.

(b) Voluntary savings

- (i) Each member can save for periods ranging from 3 years to 10 years on a monthly basis. The voluntary savings range from Taka. 100 to Taka. 1,000. The interest rate ranges from 7% for a 3 years period to 10% for a 10 year period.
- (ii) Any member can withdraw his/her savings by giving a seven (7) days written notice.

c) Term deposits

Each member can save for a period 1 to 10 years for a fixed time period. The amount of deposit can range from Taka. 10,000 to 100,000. Interest rate for the maturity period range from 7% in the first year to 10% for 10 years.

16. Grants received in advance account

Note	2015 Taka	2014 Taka
At 1 January 2015	6,740,890,268	8,061,468,930
Receivables as at 1 January 2015	(52,248,836)	(116,074,591)
	6,688,641,432	7,945,394,339
Donations received during the year	29	7,801,946,598
Transferred to deferred income:		
- Investment in property, plant and equipment	17	(23,785,870)
- Motorcycle replacement fund	17	(4,699,870)
Transfer to Statement of Income and Expenditure for expenditure during the year	19	(13,666,856,999)
		795,245,291
Grants receivable	6	175,920,953
At 31 December 2015		971,166,244

17. Deferred income

Notes	Investment in Fixed Assets Taka	Motorcycle Replacement Fund Taka	Total Taka
At 1 January 2015	204,236,746	31,263,270	235,500,016
Transferred from Grants received in advance	23,785,870	4,699,870	28,485,740
Amortization to Statement of Income and Expenditure	(53,946,526)	(9,569,507)	(63,516,033)
At 31 December 2015	174,076,090	26,393,633	200,469,723

18. Other long term liabilities

	2015 Taka	2014 Taka
Employee gratuity and redundancy fund	9,456,164,710	8,680,440,167
Self-insurance fund		
- Employees	422,641,872	395,519,327
- BRAC properties and motorcycles	733,694,168	678,082,772
	1,156,336,040	1,073,602,099
Other funds		
- Special fund for scholarship	5,765,565	5,543,031
- Relief and rehabilitation fund	583,877,320	762,958,604
- Staff welfare fund	49,103,440	97,039,408
	638,746,325	865,541,043
	11,251,247,075	10,619,583,309

An actuarial valuation of the employee gratuity and redundancy fund as at 31 December 2014 was performed by an independent professional actuary. Based on the valuation, there was an excess provision of Taka. 423,900,000. The principal assumptions applied in the actuarial valuation, were similar to those applied in the previous years.

An actuarial valuation of the self-insurance fund for employees as at 31 December 2014 was performed by an independent professional actuary. Based on the valuation, there was an excess provision of Taka. 216,000,000. The principal assumptions applied in the actuarial valuation, were consistent with those applied in previous years.

The indicative excess provisions in respect of the above funds, have not been written back, but will be considered in determining future provisions for the respective funds. Such determination would include further consideration given to the probability of unforeseen adverse events which may cause strain on the funds concerned.

BRAC also commissioned an investigation report by an independent professional actuary on the properties and motorcycles self-insurance fund as at 31 December 2014. The investigation report addressed BRAC's properties and motor cycles within and outside the Dhaka City Corporation areas. The investigation report set out a recommendation that to attain a satisfactory financial position required for the self-insurance fund, an additional provision of Taka. 10,000,000 would be required, which was made by BRAC in 2014.

The Special fund for scholarship represents the Catherine H. Lovel memorial fund which will subsequently be utilized for a scholarship programme for poor girls. It is represented by specific fixed deposits, from which interest is added to the fund.

18. Other long term liabilities (contd.)

The Relief and Rehabilitation fund for disaster and climate change represents recoveries from prior disbursements of grants for rehabilitation, as well as additional amounts accreted by BRAC as deemed appropriate and is held as a liability. This fund is utilized to meet outgoing during natural disasters and climate change and is substantially represented by separate bank balances from which interest is added to the fund.

The staff welfare fund represents deductions from the staff salary which are utilised to defray medical expenses incurred by staff and, under certain instances, their families. The fund is managed by a staff committee who decide upon the quantum to be disbursed as well as the eligibility of staff family members for benefits.

19. Donor grants

Donor grants

Note	2015 Taka	2014 Taka	
Donor grants recognised in the Statement of Income and Expenditure:			
Transferred from grants received in advance	16	13,666,856,999	16,124,768,023
Transferred from deferred income:			
Amortisation of investment in property, plant and equipment			
- unrestricted		683,274	48,609,068
- temporarily restricted		53,263,252	41,557,556
	17	53,946,526	90,166,624
Amortisation of motorcycle replacement fund			
- unrestricted		308,026	352,736
- temporarily restricted		9,261,481	10,913,483
	17	9,569,507	11,266,219
Total donor grants		13,730,373,032	16,226,200,866
Interest on bank accounts and fixed deposits in respect of donor funds	24	27,057,988	125,409,190
Other income - Partial reimbursements on cost of donor funded programme supplies			
		28,561,197	43,951,680
		13,785,992,217	16,395,561,736

20. Social enterprises

Revenue from sales (Note 20.1)	13,288,877,264	13,147,337,426
Other income (Note 20.2)	56,550,496	52,037,124
	13,345,427,760	13,199,374,550

20.1 Revenue from Sales

Aarong Rural Craft Centre	5,631,368,906	5,344,243,106
BRAC Printers	-	77,484,834
BRAC Printing Pack	295,158,054	291,877,416
BRAC Dairy and Food Project	2,976,347,522	2,940,755,762
Agro-based Programme Support Enterprises	4,115,676,523	4,266,912,804
Non-agrobased Programme Support Enterprises	270,326,259	226,063,504
	13,288,877,264	13,147,337,426

20.2 Other Income

Gain/(loss) on disposal of property, plant and equipment	10,174,037	(3,311,009)
Partial reimbursements on cost of donor funded programme supplies	9,036,589	17,963,670
Sale of waste materials	42,503,569	47,370,973
Foreign exchange gain	15,709	5,805,755
Less: Inter-programme interest charged during the year	(5,179,408)	(15,792,265)
	56,550,496	52,037,124

28. Financial Instruments

(a) Financial Risk Management Objectives and Policies

BRAC's financial risk management policy seeks to identify, appraise and monitor the risks facing BRAC whilst taking specific measures to manage its interest rate, foreign exchange, liquidity and credit risks. BRAC does not, however, engage in speculative transactions or take speculative positions, and where affected by adverse movements, BRAC has sought the assistance of donors.

(b) Interest Rate Risk

BRAC's financial risk management policy seeks to identify, appraise and monitor the risks facing BRAC whilst taking specific measures to manage its interest rate, foreign exchange, liquidity and credit risks. BRAC does not, however, engage in speculative transactions or take speculative positions, and where affected by adverse movements, BRAC has sought the assistance of donors.

(c) Foreign Exchange Risk

BRAC's foreign exchange risks comprise transaction 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. BRAC is exposed to foreign currency fluctuations, mainly in respect of donor grants denominated in United States Dollars, Great Britain Pound and the Euro.

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

(d) Liquidity Risk

BRAC manages its debt maturity profile, operating cash flows and the availability of funding so as to meet all refinancing, repayment and funding needs. As part of its overall liquidity management, BRAC maintains sufficient levels of cash or fixed deposits to meet its working capital requirements. In addition, BRAC maintains banking facilities of a reasonable level.

(e) Credit Risk

The credit policy of BRAC requires all credit exposures to be measured, monitored and managed proactively. Exposure to credit risk is monitored on an ongoing basis by the commercial ventures' respective management teams. BRAC does not have any significant exposure to any individual customer or counterparty.

29. Schedule of donation received

Name of the projects	Donor	2015 Taka	2014 Taka
BRAC Education Program (BEP-II)	CIDA/DFATD BRAC-USA Sub total	59,789,781 - 59,789,781	- 233,998,596 233,998,596
Vision Bangladesh Project	Orbis International BRAC-UK Sub Total	482,669 70,665 553,334	- 694,487 694,487
Strategic Partnership Arrangement (SPA)	DFID DFAT Sub Total	3,008,070,416 1,756,125,832 4,764,196,248	6,946,250,000 3,623,697,700 10,569,947,700
Assistant and Support to the Victims of Rana Plaza	BRAC-USA Bencom S.r.l. Sub Total	- 7,935,053 7,935,053	1,021,798 23,502,566 24,524,364
IED BRACU	International Inst. Of Social Studies ODI PORTICUS EKN Adam Smith International Royal Tropical Institute UNESCO The What to Expect Foundation Sub Total	- 817,406 - 21,074,222 5,862,276 1,066,448 190,741 - 29,011,093	3,687,825 - 900,370 28,000,000 - - - 384,112 32,972,307
Skill Training for Rana Plaza Victims BRAC University Institute of Education Development BRAC New Initiative of HRLS Char Development and Settlement Program Improving Incomes, Nutrition and Health in Bangladesh through Potato, - Sweet potato and Vegetables	ILO EKN GIZ Euroconsult Mott Mac Donald	- - 24,324,233 20,504,303	1,528,287 22,922,747 (351,428) 21,537,191
BRAC Water, Sanitation and Hygiene Program (WASH-II) TB Control Program TB Care-II TB CARE II Wave 3 Early Childhood Development Support Program Malaria Control Program Early Learning for Child Development Project (ELCDP) BRAC Boat School BRAC Urban Slum School Community Safety Initiatives Coordination and Change Enabling Project VCT Services BRAC TB Centre Innovation in Sustainable Sanitation in Bangladesh Alive and Thrive Project Bangladesh MYCN-Home Fortification Program	AVRDC (The World Vegetable Centre) EKN The Global Fund University Research Company LLC. University Research Company LLC. AKF The Global Fund UNICEF EACI-QATAR EACI-QATAR Safer World World Fish Family Health International BRAC-USA FHI Solutions The Global Alliance for Improved Nutrition BRAC-USA BRAC-USA EC Unilever-UK UNICEF UNICEF IRRI The Global Alliance for Improved Nutrition Novib	33,518,658 123,712,564 1,022,178,767 - 25,386,236 - 263,878,601 - 25,418,728 61,249,544 4,794,935 3,362,727 - - 19,523,213 147,543,869 7,537,360 80,568,087 24,809,403 - 22,584,299 - - - 489,680 - 29,509,400 7,117,244 6,136,686 772,576 56,822,675 751,928 10,548,496 17,115,834 1,396,027 - 386,781	55,682,762 686,460,168 1,324,900,970 38,774,716 45,041,637 181,429 323,366,404 152,784,080 112,915,025 118,856,298 6,484,085 15,564,210 2,045,765 206,737,204 39,175,726 45,012,744 11,874,507 - 88,449,525 21,655,757 6,370,955 3,980,995 1,048,778 6,462,105 8,935,723 53,826,784 - - 1,964,725 45,648,374 1,116,480 8,185,159 - - 12,487,420 2,086,415

Name of the projects	Donor	2015	2014
Reaching out of School Children Project-II (ROSC)	World Bank	-	5,947,520
Improving Maternal & Child Nutrition (MCN)	WFP	5,264,137	4,095,908
Aquatic Agricultural System (AAS)	World Fish	534,182	1,029,334
Measuring Health System Costs of TB Treatment in Bangladesh	London School of Hygiene & Tropical Medicine	-	579,000
Pilot project of distributing reading glasses	Vision Spring	14,952,968	18,806,116
Shikha Project	Family Health International	115,638,624	145,794,000
Wash and Clean in the Labour Ward-A Situation Analysis Study	The Burnland Trust	-	3,352,464
BRAC School Meal Piloting	WFP	18,574,802	11,442,298
Safe Migration for Bangladesh Workers	World Bank	65,951,114	12,369,057
Impact Assessment of Credit Program for the Tenant Farmers	Global Development Network Inc.	11,771,538	5,779,433
Early Recovery Facility of UNDP Bangladesh	UNDP	475,505	3,328,529
Bangladesh:2013 Global Disaster Pre-Positioning Initiative	Americares Foundation	-	1,038,726
BRAC Innovation fund for Digital Financial Services	Bill and Melinda Gates Foundation	117,628,856	85,652,707
Developing Interactive Multimedia Digital Version of Primary Education Contents	Government of Bangladesh	26,497,370	6,643,069
English & ICT for Adolescent Phase-2	British Council	3,341,663	1,462,082
Ensure Sufficient Food & Nutrition Through Maize Cultivation for marginalise group of people in Bangladesh	CIMMYT-India	936,992	1,938,454
Holistic Support package for Rana Plaza Survivors	BRAC-UK	-	14,218,421
Livelihood Skills Training for Out of School Working Children	UNICEF	4,013,878	63,952,434
Pop culture within a purpose Edu's_VAW	Novib	3,211,476	8,479,633
Pro-Poor Slum Integration Project(PPSIP)	BRAC University	600,000	1,717,870
Road Safety Awareness campaign Project	Chevron Bangladesh	2,632,000	2,518,808
Sustainable Clubfoot Care Bangladesh	The University of British Columbia("UBC")	-	55,005,469
Targeting The Ultra poor Nutrition	WFP	13,628,850	12,893,355
Teaching & Learning Materials Research of Refinement Program	CfBT Education Trust	4,991,355	11,175,179
BRAC Health Security Program	Rockefeller Foundation	7,763,602	7,728,609
BRAC USI RTK Project	The Global Alliance for Improved Nutrition	4,174,834	3,867,214
English through Mobile for Adolescent girl	GSMA Mobile for Dev. Foundation	6,561,564	3,495,970
Graduation as Resilience	BRAC-UK	-	5,609,219
National Database on Violence Against Women	UNDP	-	3,113,175
Safe Migration Program Study	BRAC-USA	-	6,050,489
TB REACH WAVE 3	ICDDR&B	835,188	1,670,376
Increase Access to Improved Water Sanitation and Hygiene Service	Charity Water	48,167,433	45,216,605
Improving Educational Outcome of Female Disadvantaged School Student	MONASH University	2,205,421	2,670,330
Agri-Business for Trade Competitiveness Project	KATAYLYST	1,000,000	500,000
Improving Demand and Referral Linkage for Injectable Long acting and permanent methods of contraceptives	Engender Health	19,133,935	4,920,696
Technology Adoption and Food Security in Rural Bangladesh	Monash University	3,916,978	2,157,413
Neuro Developmental Disability (NDD) Project	Apasen International	594,105	598,749
Establish Reintegration & Referral Service for Returnee migrant Workers	UN Women	3,389,148	3,422,096
Prevent and Respond to Sexual and Gender Based Violence	UNDP	10,530,724	6,424,834
BRAC Splash Wash in School	Splash International	14,565,307	-
Building Blocks of Early Years Learning in Bangladesh	PORTICUS	46,974,750	-
Community Based Digital Fat Testing Project	Care-Bangladesh	23,155,634	-
Community Based Intervention for the Empowerment of Women	ILO	5,368,194	-
Community Water Management for Improved food Security nutrition and livelihoods in the polders of	IRRI	3,088,000	-
Holistic Enhancement of Early Childhood Development in Rural Bangladesh	BRAC-USA	-	4,258,533
National Early Childhood Development Support Program	UNICEF	123,039,350	-
Promoting Maize Cultivation in Southern part of Bangladesh	EDGE Consulting Ltd.	2,352,522	-
School Feeding Program at Gaibandha	WFP	3,047,624	-
Training Program on Non Communicable Disease Control	GOB	16,042,151	-
Working with Children at Risk in the Slums of Dhaka	BRAC-UK	11,673,015	-
Fistula Care Plus Project	Engender Health	2,695,028	-
Strengthening Strategic Communication for Development Support to Education Priorities	UNICEF	6,813,946	-
Health Protection through Alternative Financing(HPAF)	BRAC-UK	-	-
Community Road Safety Programme	GOB	1,697,257	-
Skills Development and Self-Employment Program	ILO	1,700,000	-
Ensuring Long Term Medical Services & Post Award Livelihood Support for the Victims of Rana Plaza	BRAC USA	46,997,513	-
Building capacity to address issues of SRHR, Gender and Emotional wellbeing in technical, vocational, higher and general education	MDF Training & Consultancy	7,772,697	-
SUSTAIN	The International Potato Center (CIP)	-	-
Delivering maternal health care through mobile biometrics in Dhaka Urban Slums	SimPrints	1,279,259	-
Technology Adoption and diffusion the system of Rice Intensification and Food Security in Rural Bangladesh	Monash University	2,200,624	-
Improving mother and child nutrition in Bangladesh (SHIMA)	CIFF	54,878,589	-
TOTAL		7,801,946,598	14,932,516,817

30. Segmental financial information

Balance Sheet as at December 31, 2015

	Aarong Rural Craft Centre	BRAC Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Project	House Property (Building)	Unrestricted		Temporarily restricted	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Total Unrestricted	Taka	Development Projects	Total 2015 Taka
Assets:												
Cash and bank balances	66,913,026	9,100,559	39,101,705	197,173,403	122,644,413	13,512,133,115	(119,072,036)	731,690,565	14,558,684,750	2,357,081,802	-	16,916,766,552
Advance, deposits and prepayments	203,633,378	193,022,855	108,614,935	137,972,925	575,604	302,968,911	2,951,448,256	27,461,387	3,925,698,251	151,020,779	-	4,076,719,030
Inventories	2,140,424,077	72,580,059	141,357,364	1,007,497,953	21,838,438	64,973,065	52,150,581	-	3,500,821,537	18,160,864	-	3,518,982,401
Grants and accounts receivable	93,754,355	26,603,235	71,297,655	445,188,070	20,024,997	217,659,183	737,678,488	-	1,612,205,983	183,137,603	-	1,795,343,586
Inter-programme current account	1,368,159,599	(101,722,462)	487,065,477	5,065,277	-	8,544,720	(1,780,345,986)	-	6,766,625	(6,766,625)	-	-
Microfinance loans	-	-	-	-	-	108,342,249,742	-	108,342,249,742	-	-	-	108,342,249,742
Motor cycle loans	882,708	-	5,643,982	8,971,936	10,973	380,076,696	43,224,643	-	438,810,938	368,203,489	-	807,014,427
Investments in securities and others	-	-	-	-	-	-	1,617,150,000	-	1,617,150,000	-	-	1,617,150,000
Investments in related undertakings	-	-	-	-	-	-	13,400,660,055	-	13,400,660,055	-	-	13,400,660,055
Property, plant and equipment	592,190,179	30,240,788	604,031,877	845,376,815	4,210,592	3,684,340,977	7,903,731,225	159,970,433	13,824,092,886	265,217,637	-	14,089,310,523
Total Assets	4,465,957,322	229,825,034	1,457,112,995	2,647,246,379	169,305,017	126,512,946,409	24,826,625,226	919,122,385	161,228,140,767	3,336,055,549	3,336,055,549	164,564,196,316
Liabilities and Net Assets												
Liabilities:												
Liabilities for expenses and materials	419,304,666	13,013,379	141,746,977	278,873,833	48,063,418	3,060,334,979	1,365,458,906	200,000	5,326,996,158	1,032,707,789	-	6,359,703,947
Bank overdrafts	-	-	-	-	-	14,303,182,466	-	-	14,303,182,466	-	-	14,303,182,466
Term loans	85,061,900	-	-	200,000,000	-	26,231,425,155	-	-	26,516,487,055	-	-	26,516,487,055
Members savings deposits	-	-	-	-	-	40,228,457,331	-	-	40,228,457,331	-	-	40,228,457,331
Grants received in advance account	-	-	-	-	-	508,011	-	-	-	971,166,244	-	971,166,244
Deferred income	-	-	-	-	-	508,011	-	-	-	200,469,723	-	200,469,723
Other long term liabilities	253,094,393	16,983,243	-	-	-	171,732,621	10,809,436,818	-	11,251,247,075	194,600,593	-	11,251,247,075
Provision for taxation	-	-	-	-	-	-	1,545,709,592	-	1,551,941,030	-	-	1,551,941,030
Total Liabilities	757,460,959	29,996,622	141,746,977	485,105,271	48,063,418	83,995,640,563	13,725,966,435	200,000	99,184,180,245	2,198,474,626	-	101,382,654,871
Net assets - Capital fund	3,708,496,363	199,828,412	1,315,366,018	2,162,141,108	121,241,599	42,517,305,846	11,100,658,791	918,922,365	62,043,960,522	1,137,580,923	-	63,181,541,445
Total Liabilities and Net Assets	4,465,957,322	229,825,034	1,457,112,995	2,647,246,379	169,305,017	126,512,946,409	24,826,625,226	919,122,385	161,228,140,767	3,336,055,549	3,336,055,549	164,564,196,316

30. Segmental financial information (contd.)

Unrestricted										Temporarily restricted	
Aarong Rural Craft Centre	BRAC Printers & Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Project Taka	House Property (Building) Taka	Total Unrestricted Taka		Development Projects Taka	Total 2014 Taka
Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		Taka	Taka
157,376,177	17,429,446	52,108,522	250,893,499	91,756,136	8,179,786,988	1,507,676,956	743,034,083	11,000,061,807		7,863,853,541	18,663,715,348
139,351,339	178,608,346	42,765,791	111,411,685	3,363,640	329,132,846	2,258,936,003	26,610,865	3,087,180,515		210,137,972	3,297,318,487
2,211,265,082	53,615,768	230,699,941	842,856,458	19,394,905	47,100,519	61,758,889	-	3,466,691,562		10,768,546	3,477,460,108
94,798,663	33,990,196	64,522,339	487,556,150	18,261,926	485,009,964	570,159,824	-	1,754,299,062		52,249,154	1,806,548,216
711,514,502	(104,862,342)	398,415,748	47,815,025	378,545	1,257,963	(1,061,429,783)	-	(6,910,342)		6,910,342	-
-	-	-	-	-	85,680,765,603	-	-	85,680,765,603		-	85,680,765,603
1,166,742	-	4,950,474	8,557,446	23,006	385,836,705	56,360,546	-	456,894,919		340,101,975	796,996,894
-	-	-	-	-	-	1,291,350,000	-	1,291,350,000		-	1,291,350,000
-	-	-	-	-	-	12,543,181,846	-	12,543,181,846		-	12,543,181,846
495,691,526	29,516,958	553,853,545	794,205,378	4,615,828	3,512,100,461	5,668,513,473	156,550,350	11,218,047,519		286,908,463	11,504,955,982
3,814,164,031	208,298,372	1,347,316,360	2,543,295,641	137,793,986	98,617,991,049	22,896,507,754	926,195,298	130,491,562,491		8,570,729,993	139,062,292,484

Liabilities and Net Assets

Liabilities:											
Liabilities for expenses and materials											
Bank overdrafts	239,552,767	11,768,214	144,958,905	37,823,268	3,098,316,340	1,212,280,489	200,000	5,097,649,223		501,949,956	5,599,599,179
Term loans	-	-	-	-	10,991,537,078	979,681	-	10,992,516,759		-	10,992,516,759
Members savings deposits	-	-	-	-	18,875,261,360	-	-	19,075,261,360		-	19,075,261,360
Grants received in advance account	-	-	-	-	34,180,809,446	-	-	34,180,809,446		-	34,180,809,446
Deferred income	-	-	-	-	-	-	-	-		6,740,890,268	6,740,890,268
Other long term liabilities	294,077,713	13,560,994	-	-	508,011	6,352,419	-	6,860,430		228,639,586	235,500,016
Provision for taxation	-	-	-	-	392,395,515	9,919,549,087	-	10,619,583,309		-	10,619,583,309
Total Liabilities	533,630,480	25,329,208	144,958,905	567,825,277	15,076,037	1,371,864,983	-	1,386,941,030		-	1,386,941,030
Net assets - Capital fund	3,280,533,551	182,969,164	1,202,357,455	99,970,718	31,079,163,299	10,385,481,085	925,995,298	49,131,940,934		1,099,250,183	50,231,191,117
Total Liabilities and Net Assets	3,814,164,031	208,298,372	1,347,316,360	137,793,986	98,617,991,049	22,896,507,754	926,195,298	130,491,562,491		8,570,729,993	139,062,292,484

30. Segmental financial information (cont'd.)

Unrestricted										Temporarily restricted	
Aarong Rural Craft Centre	BRAC Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Projects Taka	House Property (Building) Taka	Total Unrestricted Taka		Development Projects Taka	Total 2015 Taka
Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		Taka	Taka
-	-	-	-	-	-	991,300	-	991,300		13,785,000,917	13,785,992,217
5,661,622,475	296,081,078	3,001,018,041	4,116,379,907	270,326,259	-	-	-	13,345,427,760		-	13,345,427,760
-	-	-	-	-	26,682,363,975	-	-	26,682,363,975		-	26,682,363,975
-	-	-	-	-	-	1,055,881,151	-	1,055,881,151		-	1,055,881,151
-	-	-	-	-	-	1,739,681,517	-	1,739,681,517		-	1,739,681,517
-	-	-	-	-	-	-	92,370,223	92,370,223		-	92,370,223
Total income	296,081,078	3,001,018,041	4,116,379,907	270,326,259	26,682,363,975	2,796,553,988	92,370,223	42,916,715,926		13,785,000,917	56,701,716,843
Expenditure											
Social Enterprises	4,805,696,851	262,362,580	2,775,000,915	3,671,618,519	-	-	-	11,747,263,079		-	11,747,263,079
Micro Finance Programme	-	-	-	-	15,244,367,848	-	-	15,244,367,848		-	15,244,367,848
House Property	-	-	-	-	-	-	99,443,136	99,443,136		-	99,443,136
Agriculture and Food Security	-	-	-	-	-	-	-	-		334,185,896	334,185,896
Community Empowerment Programme	-	-	-	-	-	-	-	-		352,315,317	364,919,588
Education Programme	-	-	-	-	-	12,604,271	-	12,604,271		5,085,394,082	5,569,214,047
Gender, Justice and Diversity	-	-	-	-	-	483,819,965	-	483,819,965		388,363,870	402,633,544
Health Programme	-	-	-	-	-	14,269,674	-	14,269,674		4,532,330,758	4,578,956,175
Human Rights and Legal Aids Services	-	-	-	-	-	46,625,417	-	46,625,417		271,203,344	271,203,344
Policy Advocacy	-	-	-	-	-	-	-	-		170,883,319	170,883,319
Water, Sanitation and Hygiene Programme	-	-	-	-	-	-	-	-		1,218,247,312	1,218,247,312
Ultra Poor Programme	-	-	-	-	-	-	-	-		2,779,602,037	2,779,602,037
Other Development Projects	-	-	-	-	-	133,756,644	-	133,756,644		717,554,776	851,311,420
Total Expenses	4,805,696,851	262,362,580	2,775,000,915	232,584,214	15,244,367,848	691,075,971	99,443,136	27,782,150,034		15,850,080,711	43,632,230,745
Surplus/(deficit) of income over expenditure before inter-programme allocations											
855,925,624	33,718,498	226,017,126	444,761,388	37,742,045	11,437,996,127	2,105,477,997	(7,072,913)	15,134,565,892		(2,065,079,794)	13,069,486,098
(427,962,812)	(16,859,250)	(113,008,563)	(258,090,644)	(17,429,062)	-	833,350,331	-	-		-	-
Net surplus for the year after inter-programme allocations	427,962,812	16,859,248	113,008,563	20,312,983	11,437,996,127	2,938,828,328	(7,072,913)	15,134,565,892		(2,065,079,794)	13,069,486,098
BRAC Contribution to support Donor Funded Programmes											
-	-	-	-	-	-	(2,103,410,534)	-	(2,103,410,534)		2,103,410,534	-
427,962,812	16,859,248	113,008,563	186,670,744	20,312,983	11,437,996,127	835,417,794	(7,072,913)	13,031,155,358		38,330,740	13,069,486,098
Surplus of income over expenditure before taxation											
-	-	-	-	-	-	(165,000,000)	-	(165,000,000)		-	(165,000,000)
427,962,812	16,859,248	113,008,563	186,670,744	20,312,983	11,437,996,127	670,417,794	(7,072,913)	12,866,155,358		38,330,740	12,904,486,098
Net surplus for the year											

30. Segmental financial information (cont'd.)

Statement of Income and Expenditure
for the year ended December 31, 2014

Income	Donor grants	-	-	-	85,394	48,876,410	-	48,961,804	16,346,599,932	16,395,561,736
	Social Enterprises	5,369,881,374	360,972,846	2,975,117,161	-	-	-	13,199,374,550	-	13,199,374,550
	Microfinance Programme	-	-	-	21,359,616,040	-	-	21,359,616,040	-	21,359,616,040
	Self-financing Social Development Programmes	-	-	-	-	1,649,918,857	-	1,649,918,857	-	1,649,918,857
	Investment Income	-	-	-	-	662,691,206	-	662,691,206	-	662,691,206
	House Property	-	-	-	-	-	-	91,365,205	-	91,365,205
	Total Income	5,369,881,374	360,972,846	2,975,117,161	4,267,339,665	21,359,701,434	2,361,486,473	91,365,205	37,011,927,662	53,358,527,575
	Expenditure									
	Social Enterprises	4,523,712,194	386,134,076	2,705,576,183	3,915,464,263	201,535,497	-	-	11,732,422,213	11,732,422,213
	Micro Finance Programme	-	-	-	-	-	-	-	13,365,418,399	13,365,418,399
Net surplus for the year after inter-programme allocations	House Property	-	-	-	-	-	-	100,942,249	-	100,942,249
	Agriculture and Food Security	-	-	-	-	-	-	-	520,785,414	520,785,414
	Community Empowerment Programme	-	-	-	-	-	-	-	312,697,043	312,697,043
	Education Programme	-	-	-	-	-	-	170,001,239	4,899,580,451	5,069,581,690
	Gender, Justice and Diversity	-	-	-	-	-	-	11,937,491	286,630,547	298,568,038
	Health Programme	-	-	-	-	-	-	136,474,074	4,685,194,683	4,821,668,757
	Human Rights and Legal Aids Services	-	-	-	-	-	-	1,791,087	238,654,326	240,445,413
	Policy Advocacy	-	-	-	-	-	-	3,967,554	152,821,367	156,788,921
	Water, Sanitation and Hygiene Programme	-	-	-	-	-	-	-	2,419,632,575	2,419,632,575
	Ultra Poor Programme	-	-	-	-	-	-	-	2,406,137,155	2,406,137,155
Net surplus for the year after inter-programme allocations	Other Development Projects	-	-	-	-	-	-	108,990,141	356,769,071	465,759,212
	Total Expenses	4,523,712,194	386,134,076	2,705,576,183	3,915,464,263	201,535,497	13,365,418,399	100,942,249	16,278,902,632	41,915,645,023
	Surplus of income over expenditure before taxation	846,169,180	(25,161,230)	269,540,978	351,875,402	24,528,007	7,994,283,035	(9,577,044)	67,697,300	11,442,882,571
	Taxation	-	-	-	(3,341,880)	-	-	-	-	(340,000,000)
	Net surplus stated in statement of income									
	Surplus of income over expenditure before inter-programme allocations	846,169,180	(25,161,230)	269,540,978	348,533,522	24,528,007	7,994,283,035	(9,577,044)	67,697,300	11,102,882,571
	Inter-programme allocations	(406,424,564)	(8,509,885)	-	(245,214,998)	(11,995,151)	-	-	-	-
	Net surplus for the year after inter-programme allocations	439,744,616	(33,671,115)	269,540,978	103,318,524	12,532,856	7,994,283,035	(9,577,044)	67,697,300	11,102,882,571

31. Statement of Functional Expenses

Unrestricted										Temporarily restricted	
Aarong Rural Craft Centre	BRAC Printers & Support Printing Pack	BRAC Dairy and Food	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Development Projects	Total 2015	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka			Taka
589,030,138	15,513,516	163,967,098	265,633,319	9,567,226	6,849,708,494	15,936,377	-	7,909,356,168	7,278,557,304	15,187,913,472	
43,522,676	1,286,516	91,139,699	54,742,792	808,100	530,636,362	19,249,829	-	741,385,974	624,066,160	1,365,452,134	
-	-	-	-	-	-	-	-	-	993,927,410	993,927,410	
-	-	-	-	-	-	-	-	-	294,456,179	294,456,179	
-	-	-	-	-	-	-	-	-	200,360,323	200,360,323	
206,071,624	513,347	25,099,868	10,038,397	1,306,463	351,155,253	25,049,176	17,596,553	636,830,681	435,427,733	1,072,258,414	
90,723,456	3,087,805	48,034,728	40,808,262	13,266,644	345,192,334	21,945,694	3,596,270	566,655,193	178,879,308	745,534,501	
4,715,068	-	-	-	-	-	-	-	-	569,649,718	569,649,718	
-	-	9,425,307	3,952,434	9,537	109,088,381	23,263,811	-	150,454,538	540,810,113	691,264,651	
-	-	-	3,380,987	137,359	327,805,095	276,592,047	-	607,915,188	5,266,780,221	5,266,780,221	
-	-	-	-	-	2,454,440,843	-	-	2,454,440,843	2,208,477,508	2,454,440,843	
-	-	-	-	-	2,208,477,508	-	-	2,208,477,508	-	2,208,477,508	
27,255,355	6,087,108	2,347,025,582	13,077,396	206,009,537	883,274,390	28,925,762	-	958,620,011	-	958,620,011	
367,957,125	231,089,122	84,374,660	3,083,873,805	771,337	-	-	-	9,547,635,171	-	9,547,635,171	
73,107,628	-	-	97,677,861	-	1,055,886,221	6,780,842	-	262,712,328	9,109,119	271,821,447	
-	-	-	-	-	-	-	-	1,055,886,221	-	1,055,886,221	
91,613,781	526,098	2,221,823	87,979,125	490,896	128,702,967	223,332,433	22,638,917	557,506,040	65,972,311	623,478,351	
-	4,279,068	3,712,150	10,454,441	217,115	-	-	-	18,662,774	-	18,662,774	
-	-	-	-	-	-	-	55,611,396	-	-	55,611,396	
-	-	-	-	-	-	50,000,000	-	50,000,000	-	50,000,000	
1,805,696,851	262,362,580	2,775,000,915	3,671,618,519	232,584,214	15,244,367,848	691,075,971	99,443,136	27,782,150,034	15,850,080,711	43,632,230,745	

Included in cost of goods sold of BRAC Dairy, BRAC Printers and Printing Pack is depreciation of property, plant and equipment amounting to Taka. 80,930,188.

31. Statement of Functional Expenses

	Unrestricted								Temporarily restricted	Total 2014	
	Aarong Rural Craft Centre Taka	BRAC Printers & Printing Pack Taka	BRAC Dairy and Food Taka	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Projects Taka	House Property (Building) Taka			
											Total Unrestricted Taka
Expenditure Statement for the year ended December 31, 2014											
Salaries and benefits	599,448,942	18,287,038	139,820,298	235,325,270	8,378,980	4,953,310,685	23,002,121	-	5,977,573,334	6,954,580,493	12,932,153,827
Travelling and transportation	38,025,346	2,360,755	80,253,065	53,263,498	618,715	531,945,564	14,066,164	-	720,533,107	749,267,867	1,469,800,974
Teachers' salaries	-	-	-	-	-	-	-	-	-	876,872,461	876,872,461
Teachers' training	-	-	-	-	-	-	-	-	-	274,794,087	274,794,087
School rent and maintenance	-	-	-	-	-	-	-	-	-	137,376,241	137,376,241
Stationery, rent and utilities	158,212,113	2,095,480	13,901,458	11,765,877	1,390,543	286,944,198	28,904,680	2,961,109	506,175,458	388,443,095	894,618,553
Maintenance and general expenses	83,747,826	23,728,716	54,285,799	41,965,533	8,853,213	363,848,911	16,412,829	3,552,914	596,395,741	159,035,560	755,431,301
Members' training	-	-	-	-	-	-	-	-	-	638,617,276	638,617,276
Staff training and development	1,539,061	-	2,408,809	1,166,591	3,123	87,445,349	21,070,234	-	113,633,167	479,108,286	592,741,453
Programme supplies	-	-	-	8,903,459	138,750	267,041,057	11,602,433	-	287,685,699	5,557,011,948	5,844,697,647
Interest on members' savings deposits	-	-	-	-	-	2,339,233,613	-	-	2,339,233,613	-	2,339,233,613
Interest on long term loans	-	-	-	-	-	1,477,339,472	-	-	1,477,339,472	-	1,477,339,472
Bank overdraft interest and charges	37,265,263	17,524,592	-	11,096,272	-	851,583,802	57,664,372	-	975,134,301	-	975,134,301
Cost of goods sold of Social Enterprises	3,446,934,667	316,432,936	2,348,672,858	3,393,180,002	178,863,003	-	-	-	9,684,083,466	-	9,684,083,466
Publicity, advertisement and sales commissions	44,537,441	-	57,335,755	62,741,164	2,493,110	-	13,422,188	-	180,529,658	10,225,586	190,755,244
Loan loss provision for microfinance loans	-	-	-	-	-	2,103,377,241	-	-	2,103,377,241	-	2,103,377,241
Depreciation of property, plant and equipment	110,758,722	886,923	1,911,840	84,871,813	547,911	103,348,508	201,814,509	28,816,830	532,957,056	53,569,731	586,526,787
Provision for bad and doubtful debts	3,242,813	4,817,636	6,986,301	11,184,785	248,148	-	-	-	26,479,683	-	26,479,683
Allocation to self-insurance fund	-	-	-	-	-	-	-	65,611,396	65,611,396	-	65,611,396
Allocation to Relief and Rehabilitation fund	-	-	-	-	-	-	50,000,000	-	50,000,000	-	50,000,000
	4,523,712,194	386,134,076	2,705,576,183	3,915,464,264	201,535,496	13,365,418,400	437,959,530	100,942,249	25,636,742,392	16,278,902,631	41,915,645,023

Included in cost of goods sold of BRAC Dairy, BRAC Printers and Printing Pack is depreciation of property, plant and equipment amounting to Taka. 78,812,474.