

# AUDITED FINANCIAL STATEMENTS OF BRAC IN BANGLADESH

For the year ended December 2014



Building a better  
working world

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...Since 1958

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## **INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF BRAC**

### **Report on the Financial Statemnts**

We have audited the financial statements of BRAC (registered in Bangladesh as a society under the Societies Registration Act, 1860 and operating as a non-government development organisation), which comprise the balance sheet as at 31 December 2014 and the statement of income and expenditure, statement of changes in net assets and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 78 to 112.

#### *Governing body of BRAC's responsibility for the financial statements*

The Governing Body of BRAC is responsible for the preparation of 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. The Governing Body of BRAC is also responsible for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 statemnts are free from material misstatement.

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**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF BRAC (CONTD.)**

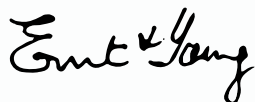
*Auditor's responsibility (Contd.)*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on our judgement, 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 entity's preparation of 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 the entity's internal control. An audit also includes evaluating the appropriateness 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 2014 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.



ERNST & YOUNG  
Chartered Accountants  
Kuala Lumpur, Malaysia



S.F. AHMED & CO  
Chartered Accountants  
Dhaka, Bangladesh

March 16, 2015

**BRAC**  
(Registered in Bangladesh under the Societies Registration Act, 1860)  
**Balance Sheet**  
as at 31 December 2014

	Notes	2014 Taka	2013 Taka
<b>ASSETS</b>			
Cash and bank balances	3	18,663,715,348	16,000,082,561
Advances, deposits and prepayments	4	3,297,318,487	2,759,742,135
Inventories	5	3,477,460,108	3,633,398,684
Grants and accounts receivable	6	1,806,548,216	1,648,357,818
Microfinance loans	7	85,680,765,603	67,013,205,289
Motorcycle loans	8	796,996,894	739,565,719
Investments in securities and others	9	1,291,350,000	237,350,000
Investments in related undertakings	10	12,543,181,846	9,626,307,409
Property, plant and equipment	11	11,504,955,982	10,625,485,462
<b>TOTAL ASSETS</b>		<b>139,062,292,484</b>	<b>112,283,495,077</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES:</b>			
Liabilities for expenses and materials	12	5,599,599,179	5,882,838,350
Bank overdrafts	13	10,992,516,759	3,694,856,519
Term loans	14	19,075,261,360	15,402,000,309
Members' savings deposits	15	34,180,809,446	29,034,851,689
Grants received in advance account	16	6,740,890,268	8,061,468,930
Deferred income	17	235,500,016	272,431,158
Other long term liabilities	18	10,619,583,309	9,879,776,479
Provision for taxation		1,386,941,030	1,046,941,030
<b>TOTAL LIABILITIES</b>		<b>88,831,101,367</b>	<b>73,275,164,464</b>
<b>NET ASSETS</b>			
Unrestricted		49,131,940,934	37,976,777,730
Temporarily restricted		1,099,250,183	1,031,552,883
		50,231,191,117	39,008,330,613
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>139,062,292,484</b>	<b>112,283,495,077</b>

The annexed notes form an integral part of these statements.



Chairperson, Governing Body  
BRAC  
Dhaka, March 16, 2015



Chief 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
<b>Income</b>				
Donor grants	19	48,961,804	16,177,239,062	16,226,200,866
Revenue from:				
- Social Enterprises	20	8,654,361,118	-	8,654,361,118
- Programme Support Enterprises		4,492,976,308	-	4,492,976,308
Service charge on microfinance loans		21,106,797,751	-	21,106,797,751
Interest on bank accounts and fixed deposits	21	1,166,656,767	125,409,190	1,292,065,957
Investment income	22	662,691,206	-	662,691,206
Other income	23	788,117,503	43,951,680	832,069,183
Income from House Property		91,365,205	-	91,365,205
<b>Total income</b>		<b>37,011,927,662</b>	<b>16,346,599,932</b>	<b>53,358,527,594</b>
<b>Expenditure</b>				
Social Enterprises		7,615,422,453	-	7,615,422,453
Program Support Enterprises		4,116,999,760	-	4,116,999,760
House property related expenses		100,942,249	-	100,942,249
Education Programme		170,001,239	4,899,580,451	5,069,581,690
Ultra Poor Programme		-	2,406,137,155	2,406,137,155
Community Empowerment Programme		4,797,944	312,697,043	317,494,987
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
Health Programme		136,474,074	4,685,194,683	4,821,668,757
Water, Sanitation and Hygiene Programme		-	2,419,632,575	2,419,632,575
Gender, Justice and Diversity		11,937,491	286,630,547	298,568,038
Micro Finance Programme		13,365,418,399	-	13,365,418,399
Agriculture and Food Security		-	520,785,414	520,785,414
Other Development Projects		108,990,141	356,769,071	465,759,212
<b>Total expenditure</b>		<b>25,636,742,391</b>	<b>16,278,902,632</b>	<b>41,915,645,023</b>
Surplus of income over expenditure before taxation		11,375,185,271	67,697,300	11,442,882,571
Taxation	24	(340,000,000)	-	(340,000,000)
<b>Net surplus for the year</b>		<b>11,035,185,271</b>	<b>67,697,300</b>	<b>11,102,882,571</b>

The annexed notes form an integral part of these statements.



Chairperson, Governing Body  
BRAC  
Dhaka, March 16, 2015



Chief 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 2013

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2013 Taka
<b>Income</b>				
Donor grants	19	49,177,006	16,679,497,940	16,728,674,946
Revenue from:				
- Social Enterprises	20	8,065,228,858	-	8,065,228,858
- Programme Support Enterprises		4,300,606,387	-	4,300,606,387
Service charge on microfinance loans		17,802,363,604	-	17,802,363,604
Interest on bank accounts and fixed deposits	21	1,032,202,094	137,732,347	1,169,934,441
Investment income	22	419,026,368	-	419,026,368
Other income	23	488,282,627	13,998,545	502,281,172
Income from House Property		100,732,324	-	100,732,324
<b>Total income</b>		<b>32,257,619,268</b>	<b>16,831,228,832</b>	<b>49,088,848,100</b>
<b>Expenditure</b>				
Social Enterprises		7,153,738,687	-	7,153,738,687
Program Support Enterprises		4,013,429,845	-	4,013,429,845
House Property related expenses		74,452,205	-	74,452,205
Education Programme		187,470,309	6,887,804,854	7,075,275,163
Ultra Poor Programme		-	2,391,244,399	2,391,244,399
Community Empowerment Programme		4,544,115	336,463,722	341,007,837
Human Rights and Legal Aids Services		-	195,568,393	195,568,393
Policy Advocacy		-	86,040,129	86,040,129
Health Programme		134,724,016	4,323,868,916	4,458,592,932
Water, Sanitation and Hygiene Programme		-	1,535,677,979	1,535,677,979
Gender, Justice and Diversity		-	209,703,788	209,703,788
Micro Finance Programme		12,815,333,779	-	12,815,333,779
Agriculture and Food Security		-	527,051,524	527,051,524
Other Development Projects		430,840,586	238,666,302	669,506,888
Grants		984,488,882	-	984,488,882
<b>Total expenditure</b>		<b>25,799,022,424</b>	<b>16,732,090,006</b>	<b>42,531,112,430</b>
Surplus of income over expenditure before taxation		6,458,596,844	99,138,826	6,557,735,670
Taxation	24	(206,000,000)	-	(206,000,000)
<b>Net surplus for the year</b>		<b>6,252,596,844</b>	<b>99,138,826</b>	<b>6,351,735,670</b>

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 2014

	Net Assets		Total Net Asset
	Unrestricted	Temporarily Restricted	
	Taka	Taka	Taka
At 1 January 2013	31,200,446,939	932,414,057	32,132,860,996
Net surplus for the year	6,252,596,844	99,138,826	6,351,735,670
Share of non operating changes in net assets in related undertakings	523,733,947	-	523,733,947
At 31 December 2013	<u>37,976,777,730</u>	<u>1,031,552,883</u>	<u>39,008,330,613</u>
At 1 January 2014	37,976,777,730	1,031,552,883	39,008,330,613
Net surplus for the year	11,035,185,271	67,697,300	11,102,882,571
Share of non operating changes in net assets in related undertakings	119,977,933	-	119,977,933
At 31 December 2014	<u>49,131,940,934</u>	<u>1,099,250,183</u>	<u>50,231,191,117</u>

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 2014

Notes	2014 Taka	2013 Taka
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**Cash flows from operating activities:**

Surplus of income over expenditure before taxation		11,442,882,571	6,557,735,670
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Loan loss provision	7	2,103,377,241	2,322,988,477
Depreciation	11	665,339,261	632,161,760
Gain on disposal of property, plant and equipment	23	(47,113,756)	(8,279,958)
Grants to BRAC University		-	440,951,132
Share of results in related undertakings	22	(623,733,398)	(428,026,368)
Donor grants - amortisation of investment in property, plant and equipment and motorcycle replacement fund	19	(101,432,843)	(101,839,234)
Interest on fixed deposits and bank accounts	21	(1,292,065,957)	(1,169,934,441)
Adjustments for other accounts:			
Increase in service charge outstanding on microfinance loans		(494,451,805)	(446,162,234)
Decrease/(increase) in inventories		155,938,576	(579,292,726)
Increase in advances, deposits and prepayments		(537,576,352)	(537,611,275)
Increase in accounts receivable, net		(222,016,153)	(353,330,307)
Increase in motorcycle loans		(57,431,175)	(136,902,321)
(Increase)/decrease in liabilities for expenses and materials		(283,239,171)	1,094,003,924
Increase in deferred income		64,501,701	123,374,940
Net cash provided by operating activities		10,772,978,740	7,409,837,039

**Cash flows from investing activities:**

Increase in microfinance loans	(20,276,485,750)	(12,593,026,312)
(Increase)/decrease in fixed deposits pledged with financial institutions	(52,021,245)	2,316,665,292
Increase in investments in related undertakings	(2,427,386,200)	(632,199,038)
Interest received on fixed deposits and bank accounts	1,292,065,957	1,169,934,441
Purchase of property, plant and equipment	(1,611,641,415)	(1,786,706,906)
Proceeds from disposal of property, plant and equipment	113,945,390	13,288,347
Dividends received from related undertakings	254,223,094	56,349,064
Realisation of investment in securities and others	(1,054,000,000)	(5,250,000)
Net cash used in investing activities	(23,761,300,169)	(11,460,945,112)

**BRAC**  
(Registered in Bangladesh under the Societies Registration Act, 1860)  
**Statement of Cash Flows**  
for the year ended 31 December 2014

Notes	2014 Taka	2013 Taka
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**Cash flows from financial activities:**

Grants received during the year	14,932,516,817	16,128,185,099
Grants utilised during the year for:		
- operational expenditure & micro-finance	(16,124,768,023)	(16,626,835,712)
- investment in property, plant and equipment	(57,380,571)	(91,449,273)
- motorcycle replacement funds	(7,121,130)	(31,925,667)
Increase in term loans	3,673,261,051	2,461,254,163
Increase in members savings deposits	5,145,957,757	4,127,570,026
Increase in other long term liabilities	739,806,830	1,663,383,914
Net cash provided by financing activities	8,302,272,731	7,630,182,550
Net (decrease)/increase in cash and cash equivalents	(4,686,048,698)	3,579,074,477
Cash and cash equivalents, beginning of the year	11,340,368,724	7,761,294,247
Cash and cash equivalents, end of the year	6,654,320,026	11,340,368,724

3.4

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 2014

**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 and BRAC Sierra Leone. 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 2014.

### 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 judgements

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

#### *Income generating projects*

Income generating projects comprise Aarong Rural Craft Centre, BRAC Printers and Printing Pack and BRAC Dairy and Food Project.

#### *Programme support enterprises*

Programme support enterprise mainly comprising 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 the 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 Tk. 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:

Item	Annual Depreciation Rate (%)
Buildings	4 - 10
Furniture & Fixtures	10 - 20
Equipment	15 - 33.3
Computer	20 - 33.3
Vehicles	20
Bycles	20
Machinery	20
Deep tube wells and tanks	20
Hatcheries	20
Motorcycles	20
Camp/ Poultry/ Livestock shed	20
Crates/ Mannequines/ 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 microfinance loans to members without collateral, on a service charge basis under various programmes. Loans are 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.

Loan Classification	Days in Arrears	Provision required
Standard	Current (no arrears)	2%
Watchlist	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 of more than 20%. 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 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 2014 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:

	<b>2014 Taka</b>	<b>2013 Taka</b>
United States Dollars	77.85	77.20
Euro	93.71	105.38
Great Britain Pound	118.78	125.18
Australian Dollars	62.46	67.51

BRAC's foreign currency denominated assets and liabilities are disclosed in Note 25.

### 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)

2014 Taka	2013 Taka
4,317,479,423	4,900,517,165
14,346,235,925	11,099,565,396
18,663,715,348	16,000,082,561

#### 3.1 Cash in hand and at banks:

Cash in hand  
Cash at banks

2014 Taka	2013 Taka
444,055,344	469,465,721
3,873,424,079	4,431,051,444
4,317,479,423	4,900,517,165

#### 3.2 Deposits:

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

2014 Taka	2013 Taka
1,016,878,563	964,857,318
9,995,494,725	9,757,719,683
3,333,862,637	376,988,395
14,346,235,925	11,099,565,396

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  
55 Bank Accounts (2013: 51)

2014 Taka	2013 Taka
416,695,416	864,687,532
1,364,861,030	4,054,617,741
3,333,862,637	376,988,395
1,036,887,589	3,418,624,734
250,000,000	-
138,063,292	122,992,290

2. Delta BRAC Housing Finance Corp. Ltd.

Fixed deposits pledged  
Fixed deposits unpledged

#### 3.3 Deposits by programme:

Microfinance Programme  
Donor Financing Development Programmes  
Other Programmes

2014 Taka	2013 Taka
6,686,052,979	4,859,750,000
6,643,334,770	5,857,126,410
1,016,848,176	382,688,986
14,346,235,925	11,099,565,396

#### 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)

2014 Taka	2013 Taka
4,317,479,423	4,900,517,165
9,995,494,725	9,757,719,683
3,333,862,637	376,988,395
(10,992,516,759)	(3,694,856,519)
6,654,320,026	11,340,368,724

#### 4. Advances, deposits and prepayments

##### Advances:

Employees  
Suppliers  
Advance for tax

##### Deposits:

Deposits for facilities and utilities  
Prepayments

2014 Taka	2013 Taka
655,188,678	636,952,299
405,632,676	256,910,857
1,488,974,736	1,178,094,458
2,549,796,090	2,071,957,614
9,232,340	12,404,163
738,290,057	675,380,358
3,297,318,487	2,759,742,135

#### 5. Inventories

Seeds and feed  
Medical supplies and consumables  
Printing and stationery  
Handicraft goods  
Dairy products  
Programme materials

2014 Taka	2013 Taka
630,733,349	594,089,768
144,364,631	124,744,653
61,642,571	170,369,585
2,211,265,082	2,475,664,311
230,024,601	97,131,412
199,429,874	171,398,955
3,477,460,108	3,633,398,684

#### 6. Grants and accounts receivable

Grants receivable (Note 16)  
Interest receivable on fixed deposits and bank accounts  
Other accounts receivable  
  
Provision for doubtful debts

2014 Taka	2013 Taka
52,248,836	116,074,591
765,263,686	522,652,451
1,070,067,531	1,075,552,391
1,887,580,053	1,714,279,433
(81,031,837)	(65,921,615)
1,806,548,216	1,648,357,818

Included in interest receivable on fixed deposits is Taka. 103,932,998 (2013: Taka. 311,141,727) receivable after 12 months.

#### 7. Microfinance loans

	Principal Outstanding Taka	Service charge receivable Taka	Loan loss provision Taka	Total Taka
At 1 January 2014	71,447,876,459	441,698,310	(4,876,369,480)	67,013,205,289
Additions	151,904,858,000	21,054,166,443	(2,103,377,241)	170,855,647,202
Realisation	(131,628,372,250)	(20,559,714,638)	-	(152,188,086,888)
Write-off	(1,188,837,101)	(227,007,955)	1,415,845,056	-
At 31 December 2014	90,535,525,108	709,142,160	(5,563,901,665)	85,680,765,603



## 7. Microfinance loans (contd.)

Loans to members bear annual service charges 18% to 27% (declining balance method). Repayments are made in weekly/monthly instalments.

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

Loan Classification	Days in Arrears	Rate of Provision for 2014	Loan Outstanding 2014 Taka	Loan Loss Provision 2014 Taka	Loan Principal 2013 Taka	Loan loss Provision 2013 Taka
Standard	Current (no arrears)	2%	85,242,874,796	1,704,857,496	65,924,495,817	1,318,489,916
Watch list	1 - 30	5%	721,663,654	36,083,183	1,149,938,885	57,496,944
Substandard	31-180	25%	936,139,421	234,034,855	1,117,973,604	279,493,401
Doubtful	181 - 350	75%	183,684,423	137,763,317	138,315,737	103,736,803
Loss	Over 350	100%	3,451,162,814	3,451,162,814	3,117,152,416	3,117,152,416
			<u>90,535,525,108</u>	<u>5,563,901,665</u>	<u>71,447,876,459</u>	<u>4,876,369,480</u>

## 8. Motorcycle loans

At 1 January 2014  
Additions during the year  
Loan realisation during the year  
At 31 December 2014

2014 Taka	2013 Taka
739,565,719	602,663,398
116,658,900	206,360,000
(59,227,725)	(69,457,679)
<u>796,996,894</u>	<u>739,565,719</u>

## 9. Investments in securities and others

DBH 1st Mutual Fund  
AB Bank Ltd. Subordinated Bond  
Bangladesh Sanchay Patra (BSP)

2014 Taka	2013 Taka
27,600,000	33,600,000
1,000,000,000	-
263,750,000	203,750,000
<u>1,291,350,000</u>	<u>237,350,000</u>

Market value of DBH 1st Mutual Fund at 31 December 2014 was Taka. 4.60 per unit (2013: Taka. 5.60) and Taka. 4.50 per unit (2013: Taka. 5.70) on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively.

AB Bank Ltd. Subordinated Bond was purchased during the year, the maturity date of the bond will be on 25 August 2021 with effective interest rate ranging from 11% to 13% per annum.

The Bangladesh Sanchay Patra (BSP) earned interest at 10.50% to 13.45% (2013: 10.5% to 13.45%) per annum respectively during the year.

# 10. Investments in related undertakings

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 Banskhali 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

Related undertakings	2013				
	Cost of Investment Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in value Taka	Total Taka
BRAC Bank Ltd.	2,781,589,296	4,161,436,922	-	-	6,943,026,218
BRAC Industries Ltd.	24,999,900	5,561,786	-	-	30,561,686
BRAC BD Mail Network Ltd.	186,161,000	(96,098,443)	-	-	90,062,557
BRAC IT Services Ltd.	34,300,000	(28,741,899)	36,249,000	-	41,807,101
BRAC Services Ltd.	10,000,000	(103,999,882)	163,806,364	(18,211,239)	51,595,243
Delta BRAC Housing Finance Corp. Ltd.	40,000,000	333,255,787	-	-	373,255,787
BRAC Karnafuli Tea Company Ltd.	243,908,025	(18,281,858)	629,850,788	-	855,476,955
BRAC Kaiyachara Tea Company Ltd.	63,300,695	46,952,259	182,305,455	-	292,558,409
BRAC Banskhali Tea Company Ltd.	27,719,870	(95,887,769)	410,024,821	-	341,856,922
BRAC Kodala Tea Company Ltd.	81,680,954	30,047,496	231,053,270	-	342,781,720
Bangladesh Netting Factory Ltd.	17,071,429	34,364,081	25,563,225	-	76,998,735
BRAC Assets Management Company Ltd.	13,000,000	1,840,924	-	-	14,840,924
BRAC Impact Ventures Ltd.	10,200,000	(3,232,534)	-	-	6,967,466
BRAC Environmental Enterprises Ltd.	90,000,000	(25,426,450)	99,944,136	-	164,517,686
	3,623,931,169	4,241,790,420	1,778,797,059	(18,211,239)	9,626,307,409

Represented by:

Share of net tangible assets

Goodwill on acquisition

Loans

2014 Taka	2013 Taka
10,134,250,460	7,666,021,903
181,488,447	181,488,447
2,227,442,939	1,778,797,059
12,543,181,846	9,626,307,409

# 10. Investments in related undertakings (contd.)

Related undertakings (All Incorporated in Bangladesh)	2014	2013	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 Banshkhali Tea Company Ltd.	99.92	99.92	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

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% (2013: 12%) interest per annum. These loans are unsecured and have no fixed repayment terms.

On 10 February 2014, BRAC Bank Ltd. allotted 98,937,016 ordinary shares of Taka. 10.00 each at an issue price of Taka. 20.00 each, including a premium of Taka.10.00 per share and offered on the ratio of 1:2 (one rights share for two existing shares) held on a right shares exercise.

On 10 April 2014, BRAC Bank Ltd. allotted 19,787,403 ordinary shares of Taka. 10 each at ten bonus shares to every hundred shares held to BRAC through a bonus issue exercise.

The market value of BRAC Bank Ltd. shares at 31 December 2014 was Taka. 37.20 per share (2013: Taka. 32.60) and Taka. 37.30 per share (2013: Taka. 32.10) 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 2014 was Taka. 71.60 per share (2013: Taka. 55.00) and Taka. 71.00 per share (2013: Taka. 54.20) on the DSE and CSE respectively.

Significant transactions with related undertakings are as follows:

Related undertakings	Nature of transaction	2014 Taka	2013 Taka
BRAC Bank Ltd.	Interest on fixed deposits and bank balance	211,965,922	123,365,582
Delta BRAC Housing Finance Corp. Ltd.	Interest on fixed deposits	84,967,650	58,163,463
BRAC Services Ltd.	Service facilities	25,795,308	20,457,019

11. Property, plant and equipment

Group of fixed assets	Cost				Depreciation			Written down value 31-12-2014	Written down value 31-12-2013		
	Opening balance 01-01-2014	Additions during the year	Transferred during the year	Disposals during the year	Closing balance 31-12-2014	Opening balance 01-01-2014	Charged during the year			Adjustment/ disposals during the year	Closing balance 31-12-2014
Freehold land	6,013,499,130	224,217,076	-	(9,066,529)	6,228,649,677	-	-	-	-	6,228,649,677	6,013,499,130
Buildings	4,262,170,420	-	233,709,580	(48,640,335)	4,447,239,665	1,600,884,631	138,708,965	(2,295,000)	1,737,298,596	2,709,941,069	2,661,285,789
Furniture & fixtures	1,035,426,265	266,578,931	-	(23,775,873)	1,278,229,323	651,794,112	91,779,190	(21,800,127)	721,773,175	556,456,148	383,632,153
Equipment	1,607,590,559	16,267,114	-	(67,801,838)	1,556,045,835	1,145,021,027	93,015,376	(66,583,906)	1,171,452,497	384,593,338	462,559,532
Computer	485,073,687	111,725,090	-	(13,902,755)	582,896,022	364,723,458	83,378,473	(12,752,240)	435,349,691	147,546,331	120,350,229
Vehicles	789,726,383	80,475,284	-	(31,822,620)	838,379,047	512,263,710	94,371,566	(31,558,020)	575,077,256	263,301,791	277,462,673
Bicycles	17,699,180	291,144	-	(2,669,398)	15,320,926	12,151,377	1,969,263	(2,661,329)	11,459,311	3,861,615	5,547,803
Machineries	989,891,839	103,790,057	-	(79,448,933)	1,014,232,963	760,938,055	95,271,263	(72,646,025)	783,563,293	230,669,670	228,953,784
Deep tube wells and tanks	21,950,787	7,183,934	-	-	29,134,721	17,619,355	2,484,369	-	20,103,724	9,030,997	4,331,432
Hatcheries	14,027,640	771,634	-	-	14,799,274	13,201,549	689,817	-	13,891,366	907,908	826,091
Camp/Poultry/Livestock sheds	286,186,259	475,479	-	-	286,661,738	159,035,063	20,032,869	-	179,067,932	107,593,806	127,151,196
Motorcycles	2,019,468	423,568	-	-	2,443,036	1,547,744	488,607	-	2,036,351	406,685	471,724
Construction work-in-progress	294,537,612	765,225,065	(233,709,580)	-	826,053,097	-	-	-	-	826,053,097	294,537,612
Crates/Mannequins/Samples/Antiques	270,090,652	94,217,039	-	-	304,277,691	225,184,338	43,149,503	-	268,333,841	35,943,850	44,876,314
Total 2014	16,089,849,881	1,611,641,415	-	(277,128,281)	17,424,363,015	5,464,364,419	665,339,261	(210,236,647)	5,919,407,033	11,504,955,982	10,625,485,462
Total 2013	14,853,527,155	1,786,706,906	-	(550,384,180)	16,089,849,881	4,936,627,318	632,161,760	(104,424,659)	5,464,364,419	10,625,485,462	

Allocation of depreciation:

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

An amount of Taka. 90,166,624 (2013: Taka. 86,762,241) 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.

Landed properties with an aggregate net book value of Taka. 484,641,423 (2013: Taka. 467,275,953) have been pledged to secure term loans and overdraft facilities as disclosed in Note 13 to the financial statements.

## 12. Liabilities for expenses and materials

	2014 Taka	2013 Taka
Liabilities for expenses	3,256,790,497	3,931,948,798
Liabilities for goods	545,351,557	504,507,426
Advances received for training, publications, supplies etc.	1,797,457,125	1,446,382,126
	<u>5,599,599,179</u>	<u>5,882,838,350</u>

## 13. Bank overdrafts

	2014 Taka	2013 Taka
AB Bank Ltd.	674,622	89,703
Agrani Bank Ltd.	49,362,218	52,369,113
Bangladesh Krishi Bank (BKB)	-	147,199
Bank Alfalah	165,511,027	117,044,375
Bank Asia Ltd.	587,765,672	273,347,095
Dhaka Bank Ltd.	573,015,995	21,867,869
Dutch Bangla Bank Ltd.	-	1,586,294
Eastern Bank Ltd.	1,112,222	27,791,203
HSBC	456,130	259,954
IFIC Bank Ltd.	1,609,092	100,129,550
Jamuna Bank Ltd.	941,753,627	-
Janata Bank Ltd.	15,268,942	54,038,847
Mutual trust Bank Ltd.	926,051,556	
Prime Bank Ltd.	1,291,196,814	696,517,809
Pubali Bank Ltd. *	3,945,132,979	1,715,736,607
Rupali Bank Ltd.	10,026,345	25,082,047
Sonali Bank Ltd.	39,559,087	3,657,549
Southeast Bank Ltd.	286,275	399,772
Standard Bank Ltd.	7,569,058	2,063,246
The Trust Bank Ltd.	993,656,336	584,882,772
United Commercial Bank Ltd.	365,665	35,963
Uttara Bank Ltd.	1,442,143,097	17,809,552
	<u>10,992,516,759</u>	<u>3,694,856,519</u>

\* The bank overdraft is secured by fixed deposits amounting to Taka. 916,695,416 (2013: Taka. 737,614,778) and properties amounting in aggregate to Taka. 484,641,423 (2013: Taka. 467,275,983).

The bank overdrafts were obtained for BRAC's micro-finance programme and to finance working capital requirements. The bank overdrafts bear interest at 8.50% to 16% (2013: 13% to 17%) per annum, and are repayable within 12 months.

#### 14. Term loans

	2014 Taka	2013 Taka
Bangladesh Bank	4,066,390,000	4,066,384,000
Bank Alfalah	-	62,500,000
Bank Asia Ltd.	-	839,057,469
BASIC Bank Ltd.	898,595,401	659,220,067
BRAC Bank Ltd.	2,594,829,057	580,000,000
Commercial Bank of Cylone	900,000,000	165,000,000
Dhaka Bank Ltd.	419,431,780	-
Dutch Bangla Bank Ltd.	-	219,422,052
Eastern Bank Ltd.	2,177,574,277	862,621,968
Entrepreneurial Development Bank (FMO), Netherlands	-	244,535,714
HSBC	1,229,750,000	-
IFIC Bank Ltd.	1,178,609,337	510,526,083
Jamuna Bank Ltd.	-	341,075,464
Norfund, Norwegian	-	97,814,286
Prime Bank Ltd.	-	837,372,258
Rajshahi Krishi Unnayan Bank (RAKUB) *	495,000,000	510,000,000
Shahjalal Islami Bank Ltd.	1,101,081,508	-
Southeast Bank Ltd.	-	275,112,215
Standard Chartered Bank (SCB) *	4,014,000,000	4,209,628,570
The City Bank Ltd.	-	671,899,129
United Commercial Bank Ltd.	-	249,831,034
	<b>19,075,261,360</b>	<b>15,402,000,309</b>
Term Loans are analysed as follows:		
Amount repayable within 12 months	15,778,874,461	12,420,084,490
Amount repayable after 12 months:		
- Repayable after 12 months and within 24 months	2,358,924,871	2,130,118,710
- Repayable after 24 months and within 36 months	937,462,028	851,797,109
	<b>3,296,386,899</b>	<b>2,981,915,819</b>
	<b>19,075,261,360</b>	<b>15,402,000,309</b>

\* Secured by fixed deposits amounting to Taka. 100,183,147 (2013: Taka. 227,242,540).

All repayment obligations in respect of the term loans were met and no amounts were in arrears as at 31 December 2014.

The term loans 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 13% (2013: 5% to 16%) interest rates.

#### 15. Members' savings deposits

	2014 Taka	2013 Taka
At 1 January 2014	29,034,851,689	24,907,281,663
Deposits during the year	34,859,947,590	30,482,795,457
Withdrawals during the year	(29,713,989,833)	(26,355,225,431)
At 31 December 2014	<b>34,180,809,446</b>	<b>29,034,851,689</b>
Compulsory savings	25,730,530,696	20,813,676,300
Voluntary savings	4,095,609,911	3,444,003,906
Term deposits	4,354,668,839	4,777,171,483
	<b>34,180,809,446</b>	<b>29,034,851,689</b>

## 15. Members' savings deposits (contd.)

The rate of interest paid in respect of savings deposits by members was 6% - 10% (2013: 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 Tk. 100 to Tk. 1,000. The interest rate ranges from 7% for a 3 year 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

	Notes	2014 Taka	2013 Taka
At 1 January 2014		8,061,468,930	8,697,918,904
Receivables as at 1 January 2014		(116,074,591)	(130,499,012)
		<u>7,945,394,339</u>	<u>8,567,419,892</u>
Donations received during the year	27	14,932,516,817	16,128,185,099
Transferred to deferred income:			
- Investment in property, plant and equipment	17	(57,380,571)	(91,449,273)
- Motorcycle replacement fund	17	(7,121,130)	(31,925,667)
Transfer to Statement of Income and Expenditure for expenditure during the year	19	(16,124,768,023)	(16,626,835,712)
		<u>6,688,641,432</u>	<u>7,945,394,339</u>
Receivables as at 31 December 2014	6	52,248,836	116,074,591
At 31 December 2014		<u><u>6,740,890,268</u></u>	<u><u>8,061,468,930</u></u>

## 17. Deferred income

	Notes	Investment in Fixed Assets Taka	Motorcycle Replacement fund Taka	Total Taka
At 1 January 2014		237,022,799	35,408,359	272,431,158
Transferred from Grants received in advance	16	57,380,571	7,121,130	64,501,701
Amortization to Statement of Income and Expenditure	19	(90,166,624)	(11,266,219)	(101,432,843)
At 31 December 2014		204,236,746	31,263,270	235,500,016

## 18. Other long term liabilities

	2014 Taka	2013 Taka
Employee gratuity and redundancy fund	8,680,440,167	8,032,302,606
Self-insurance fund		
- Employees	395,519,327	384,232,467
- BRAC properties and motorcycles	678,082,772	612,471,376
	1,073,602,099	996,703,843
Other funds		
- Special fund for scholarship	5,543,031	5,265,549
- Relief and rehabilitation fund	762,958,604	746,495,959
- Staff welfare fund	97,039,408	99,008,522
	865,541,043	850,770,030
	10,619,583,309	9,879,776,479

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 has been made by BRAC as at 31 December 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 recognised in the Statement of Income and Expenditure:

	Notes	2014 Taka	2013 Taka
Transferred from grants received in advance	16	16,124,768,023	16,626,835,712
Transferred from deferred income:			
Amortisation of investment in property, plant and equipment			
- unrestricted		48,609,068	48,597,849
- temporarily restricted		41,557,556	38,164,392
	17	90,166,624	86,762,241
Amortisation of motorcycle replacement fund			
- temporarily restricted			
	17	11,266,219	15,076,993
		<u>16,226,200,866</u>	<u>16,728,674,946</u>

## 20. Revenue from social enterprises

	2014 Taka	2013 Taka
Aarong Rural Craft Centre	5,344,243,106	4,748,618,174
BRAC Printers	77,484,834	211,020,140
BRAC Printing Pack	291,877,416	392,542,282
BRAC Dairy and Food Project	2,940,755,762	2,713,048,262
	<u>8,654,361,118</u>	<u>8,065,228,858</u>

## 21. Interest on bank accounts and fixed deposits

	2014 Taka	2013 Taka
Microfinance Programme	581,148,480	510,524,895
Donor Financing Development Programmes	125,409,190	137,732,347
Other Programmes	585,508,287	521,677,199
	<u>1,292,065,957</u>	<u>1,169,934,441</u>

**22. Investment income**

Share of profits less losses from investments in related undertakings  
Interest on AB Bank Ltd. Subordinated Bond  
Impairment loss on investment in quoted securities

2014 Taka	2013 Taka
623,733,398	428,026,368
44,957,808	-
(6,000,000)	(9,000,000)
662,691,206	419,026,368

**23. Other income**

Gain on disposal of property, plant and equipment  
Partial reimbursements on cost of programme supplies  
Training income  
Sale of waste materials  
Interest received on other loans and advances  
Foreign exchange (loss)/gain

2014 Taka	2013 Taka
47,113,756	8,279,958
169,222,510	71,090,853
391,976,931	259,090,604
87,537,734	90,030,993
126,406,360	87,927,923
9,811,892	(14,139,159)
832,069,183	502,281,172

**24. Taxation**

Income tax provision for the year

2014 Taka	2013 Taka
340,000,000	206,000,000

Under the Income Tax Ordinance, 1984 (Amended), in addition to its commercial activities, BRAC is also subject to taxation on income derived from other non-commercial activities unless they are tax exempt. Income from microfinance and social development activities are tax-exempt.

The tax charge is in respect of taxable income arising from BRAC's taxable activities in 2014, and is subject to agreement with the tax authorities.

For years of assessment 1991-92 to 2011-12, BRAC has been issued directives requesting payment of taxes cumulatively amounting to approximately Taka. 5.5 billion. BRAC has disagreed with the basis of taxation, successfully obtaining stays of execution on the said directives, and has referred the matter to the High Court Division of the Supreme Court of Bangladesh. Similar directives for year of assessment 2012-13 amounting to Taka. 0.51 billion has been issued by the Deputy Commissioner of Taxation (DCT) for which appeal is in progress as at the date of the financial statements.

BRAC continues to be of the view that the basis of taxation contained in the abovementioned directives are inappropriate, and therefore BRAC would not be liable to taxation. Accordingly, the amounts referred to above have not been provided for in the financial statements as at 31 December 2014.

## 25. Foreign currency denominated monetary assets and liabilities

	2014 Taka	2013 Taka
Resident Foreign Currency Deposits (in US\$)	659,905,760	622,994,762
Resident Foreign Currency Deposits (Euro)	17,791,444	20,000,000
Resident Foreign Currency Deposits (in GBP)	18,859,242	19,828,825
Cash at bank and in hand (in US\$)	27,288,847	36,895,361
Cash at bank and in hand (in Euro)	2,423,220	2,454,608
Cash at bank and in hand (in GBP)	1,029,079	823,511

## 26. 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.

## 27. Schedule of donation received

Name of the projects	Donor	2014 Taka	2013 Taka
BRAC Education Program (BEP-II)	EKN	-	95,993,600
	CIDA	-	334,886,435
	BRAC-USA	233,998,596	3,860,000
	Sub total	233,998,596	434,740,035
Improving Maternal Neonatal & Child Survival Program (MNCS-Rural)	EKN	-	61,274,159
Vision Bangladesh Project	Sight Saver-UK	-	38,623,175
	BRAC-UK	694,487	-
	Sub Total	694,487	38,623,175
Strategic Partnership Arrangement (SPA)	DFID	6,946,250,000	7,866,150,000
	AusAID	3,623,697,700	3,399,871,550
	Sub Total	10,569,947,700	11,266,021,550
Coordination and Change Enabling Project	World Fish	15,564,210	6,584,564
	CSISA-BD	-	1,189,445
	Sub Total	15,564,210	7,774,009
Assistant and Support to the Victims of Rana Plaza	BRAC-USA	1,021,798	1,802,349
	Bencom S.r.l.	23,502,566	7,760,000
	Sub Total	24,524,364	9,562,349
IED BRACU	International Inst. Of Social Studies	3,687,825	-
	Porticus	900,370	-
	EKN	28,000,000	-
	The What to Expect Foundation	384,112	-
	Sub Total	32,972,307	-
Skill Training for Rana Plaza Victims	ILO	1,528,287	509,000
BRAC University Institute of Education Development	EKN	22,922,747	104,014,683
BRAC New Initiative of HRLS	GIZ	(351,428)	3,565,974
Char Development and Settlement Program	Euroconsult Mott Mac Donald	21,537,191	21,463,402
Improving Incomes, Nutrition and Health in Bangladesh through Potato, Sweetpotato and Vegetables	AVRDC (The World Vegetable Centre)	55,682,762	6,798,529
BRAC Water, Sanitation and Hygiene Program (WASH-II)	EKN	686,460,168	821,070,923
TB Control Program	The Global Fund	1,324,900,970	1,292,989,200
TB Care-II	University Research Corporation LLC.	38,774,716	70,246,216
TB CARE II Wave 3	University Research Corporation LLC.	45,041,637	-
Early Childhood Development Support Program	AKF	181,429	(33,601)
Malaria Control Program	The Global Fund	323,366,404	302,062,227
BRAC Non-formal Primary Education Program	EC	-	19,524,680
Early Learning for Child Development Project (ELCDP)	UNICEF	152,784,080	242,168,875
BRAC Boat School	EACI-QATAR	112,915,025	80,333,492
BRAC Urban Slum School	EACI-QATAR	118,856,298	64,349,824
Community Safety Initiatives	Safer World	6,484,085	2,266,313
VCT Services BRAC TB Centre	Family Health International	2,045,765	4,137,000
Innovation in Sustainable Sanitation in Bangladesh	BRAC-USA	206,737,204	225,673,341
Alive and Thrive Project	FHI Solutions	39,175,726	267,465,187
Social and Financial Empowerment of Adolescents (SoFEA)	BRAC-USA	-	95,282,236
Bangladesh Sprinkles Program	The Global Alliance for Improved Nutrition (GAIN)	-	21,276,735
Bangladesh MYCN-Home Fortification Program	The Global Alliance for Improved Nutrition (GAIN)	45,012,744	12,575,701
BRAC Emergency Preparedness Project	BRAC-USA	11,874,507	25,306,523
BRAC HRLS Property Rights Program	BRAC-USA	-	73,354,868
National Food Security Nutritional Surveillance Project	EC	88,449,525	71,251,510
Support to Agriculture Research for Climate Change	IRRI	-	312,200
Joint Program on Gender based Violence	UNDP	-	4,110,992
Spreading awareness to prevent, promote and protect domestic workers and female migrant workers at work place from violence	International Labour Office (ILO)	-	511,000
Community Based Digital Fat Testing Project	Care-Bangladesh	-	23,059,064
Gendered Impact of Ultra Poor Program	International Food Policy Research Institute	-	2,334,857
BRAC Project Laser Beam (PLB)	Unilever-UK	21,655,757	62,840,000
Enjoyment of the Socio Economic Rights of Bangladeshi women fish farmers through their economic and social empowerment	AIDA-Spain	-	3,416,805
Changing Social Norms and Supporting Adolescent Empowerment	UNICEF	6,370,955	24,718,729
Vocational Skill Training for Urban Working Children	UNICEF	3,980,995	29,250,330
BRAC Education Watch	Campaign for Popular Education	-	2,086,393
Productive, profitable and resilient agriculture and aquaculture systems	IRRI	1,048,778	1,139,197
Monitoring and Evaluation of the School Nutrition	The Global Alliance for Improved Nutrition (GAIN)	6,462,105	7,457,984

**27. Schedule of donation received (contd.)**

Name of the projects	Donor	2014 Taka	2013 Taka
Sexual and Reproductive Health Rights Education Program in Bangladesh	Novib	8,935,723	2,706,991
Sustainable Human Development and Empowerment of Vulnerable Women affected Climate Change	UN Women	53,826,784	36,630,400
Urban School Nutrition Programme	The Global Alliance for Improved Nutrition (GAIN)	-	13,779,432
Bangladesh Youth Parliament Project	British Council	-	1,000,000
Engaging Communities for Behaviour Social Change in Cox's Bazar District	UNICEF	-	18,452,831
COMDIS-HSD	University of Leeds	1,964,725	3,045,844
Marketing Innovation for Health (MIH) Program	Social Marketing Company (SMC)	45,648,374	36,295,011
Technology (ex-ante) assessment and farm Household Segmentation for Inclusive Poverty Reduction and Sustainable Growth in Agriculture	Center for Development Research	1,116,480	3,193,200
Value Chain Scoping Assessment	AVRDC (The World Vegetable Centre)	-	392,036
Mental Health and Psychosocial Support (MHPSS)	The Asian Disaster Preparedness Centre Foundation	-	555,014
Building Young Women's Leadership through Sports	Women Win	8,185,159	10,920,300
Economic Empowerment for Poor and Vulnerable Women in Bangladesh	EC	-	16,320,482
Guiding Pro-Poor Investments in the Nexus among Domestic Water Quality and Quantity	University of Bonn	-	1,128,357
Iron/Folic Acid	ICDDRDB	12,487,420	7,492,452
USAID-Horticulture Project	International Potato Centre (CIP)	-	18,028,145
Women's Affairs Ministerial Meeting Partners Forum (10 WPF)	Commonwealth Foundation	-	5,359,562
Root and Tuber Crops Research and Dev. Prog. For Food Security Asia and Pacific Region	AVRDC (The World Vegetable Centre)	2,086,415	925,053
Collaborative for Scaling Innovation	Rockefeller Foundation	-	38,823,602
Reaching out of School Children Project-II (ROSC)	World Bank	5,947,520	8,921,280
Improving Maternal & Child Nutrition (MCN)	WFP	4,095,908	2,406,994
Aquatic Agricultural System (AAS)	World Fish	1,029,334	389,840
Leadership & Student Council Training Project	British Council	-	10,277,025
Measuring Health System Costs of TB Treatment in Bangladesh	London School of Hygiene & Tropical Medicine	579,000	579,000
Pilot project of distributing reading glasses	Vision Spring	18,806,116	10,961,300
Shikha Project	Family Health International	145,794,000	30,280,000
Wash and Clean in the Labour Ward-A Situation Analysis Study	The Burnland Trust	3,352,464	859,020
BRAC School Meal Piloting	WFP	11,442,298	1,072,566
Safe Migration for Bangladesh Workers	World Bank	12,369,057	19,867,243
Impact Assessment of Credit Program for the Tenant Farmers	Global Development Network Inc. (GDN)	5,779,433	19,485,445
Early Recovery Facility of UNDP Bangladesh	UNDP	3,328,529	951,008
Bangladesh:2013 Global Disaster Pre-Positioning Initiative	Americares Foundation	1,038,726	-
BRAC Innovation fund for Digital Financial Services	Bill and Melinda Gates Foundation	85,652,707	-
Developing Interactive Multimedia Digital Version of Primary Education Contents	Government of Bangladesh	6,643,069	-
English & ICT for Adolescent Phase-2	British Council	1,462,082	-
Ensure Sufficient Food & Nutrition Through Maize Cultivation for Marginalised group	CIIMYT-India	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	63,952,434	-
Popculture within a purpose Edu's_VAW	Novib	8,479,633	-
Pro-Poor Slum Integration Project(PPSIP)	BRAC University	1,717,870	-
Road Safety Awareness campaign Project	Chevron Bangladesh	2,518,808	-
Sustainable Clubfoot Care Bangladesh	The University of British Columbia (UBC)	55,005,469	-
Targeting The Ultra poor Nutrition	WFP	12,893,355	-
Teaching & Learning Materials Research of Refinement Program	CfBT Education Trust	11,175,179	-
BRAC Health Security Program	Rockefeller Foundation	7,728,609	-
BRAC USI RTK Project	The Global Alliance for Improved Nutrition (GAIN)	3,867,214	-
English through Mobile for Adolescent girl	GSMA Mobile for Dev. Foundation	3,495,970	-
Graduation as Resilience	Economic & Social Research Council (ESRC)	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	ICDDRDB	1,670,376	-
Agri-Business for Trade Competativeness Project	KATALYST	500,000	-
Improving Demand and Referral Linkage for Injectable Long acting and permanent methods of contraceptives	Engender Health	4,920,696	-
Improving Educational Outcomes of Female Disadvantaged School Student	Monash University	2,670,330	-
Technology Adoption and Food Security in Rural Bangladesh	Monash University	2,157,413	-
Increasing Access to Improved Water, Sanitation and Hygiene Service	Charity Water	45,216,605	-
Neuro Developmental Disability (NDD) Project	Apasen International	598,749	-
Establish Reintegration & Referral Service for Returnee migrant Workers	UN Women	3,422,096	-
Prevent and Respond to Sexual and Gender Based Violence	UNDP	6,424,834	-
<b>TOTAL</b>		<b>14,932,516,817</b>	<b>16,128,185,099</b>

## 28. Segmental financial information

	Unrestricted								Temporarily restricted		
	Aarong Rural Craft Centre Taka	BRAC Printers & Printing Pack Taka	BRAC Dairy and Food Project Taka	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
Balance Sheet as at December 31, 2014											
Assets:											
Cash and bank balances	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	7,863,653,541	18,663,715,348
Advance, deposits and prepayments	139,351,339	178,608,346	42,765,791	111,411,685	3,363,640	326,132,846	2,258,936,003	26,610,865	3,087,180,515	210,137,972	3,297,318,487
Inventories	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
Grants and accounts receivable	94,798,663	33,980,193	64,522,339	487,556,150	18,291,926	485,009,964	570,159,824	-	1,754,299,062	52,249,154	1,806,548,216
Inter-programme current account	711,514,502	(104,862,342)	398,415,748	47,915,025	378,545	1,257,963	(1,061,429,793)	-	(6,910,342)	6,910,342	-
Microfinance loans	-	-	-	-	-	85,680,766,603	-	-	85,680,766,603	-	85,680,766,603
Motorcycle loans	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
Investments in securities and others	-	-	-	-	-	-	1,291,350,000	-	1,291,350,000	-	1,291,350,000
Investments in related undertakings	-	-	-	-	-	-	12,543,181,846	-	12,543,181,846	-	12,543,181,846
Property, plant and equipment	498,691,526	29,516,958	553,853,545	794,205,378	4,615,828	3,512,100,461	5,698,513,473	156,550,350	11,218,047,519	286,908,463	11,504,955,982
Total Assets	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	239,552,767	11,768,214	144,958,905	352,749,240	37,823,268	3,098,316,340	1,212,280,489	200,000	5,097,649,223	501,949,956	5,599,599,179
Bank overdrafts	-	-	-	-	-	10,991,537,078	979,681	-	10,992,516,759	-	10,992,516,759
Term loans	-	-	-	200,000,000	-	18,875,261,360	-	-	19,075,261,360	-	19,075,261,360
Members savings deposits	-	-	-	-	-	34,180,809,446	-	-	34,180,809,446	-	34,180,809,446
Grants received in advance account	-	-	-	-	-	-	-	-	-	6,740,890,268	6,740,890,268
Deferred income	-	-	-	-	-	508,011	6,352,419	-	6,860,430	228,639,586	235,500,016
Other long term liabilities	294,077,713	13,560,994	-	-	-	392,395,515	9,919,549,087	-	10,619,583,309	-	10,619,583,309
Provision for taxation	-	-	-	15,076,037	-	-	1,371,864,993	-	1,386,941,030	-	1,386,941,030
Total Liabilities	533,630,480	25,329,208	144,958,905	567,825,277	37,823,268	67,538,827,750	12,511,026,669	200,000	81,359,621,557	7,471,479,810	88,831,101,367
Net assets - Capital fund	3,280,533,551	182,969,164	1,202,357,455	1,975,470,364	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	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

28. 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	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing social Development Project	House Property (Building)	Total Unrestricted	Development Projects	Total 2013	Taka
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Assets:</b>												
Cash in hand and at banks	141,288,224	31,077,842	60,520,888	243,882,295	63,451,906	218,126,792	3,845,999,363	759,503,755	7,326,992,199	8,673,090,362	16,000,082,561	
Advances, deposits and prepayments	135,241,996	202,002,963	42,428,670	135,557,171	586,809	312,452,386	1,685,748,797	27,430,012	2,541,458,804	218,283,331	2,759,742,135	
Inventories	2,475,664,311	161,436,691	98,237,727	725,589,260	16,859,983	83,868,343	65,283,557	-	3,626,939,872	6,458,812	3,633,398,684	
Grants and accounts receivable	101,521,200	160,544,117	45,856,943	512,921,966	18,333,279	419,799,697	269,434,118	2,955,117	1,531,366,437	116,991,381	1,648,357,818	
Inter-programme current account	(11,009,137)	(314,008,303)	241,026,442	11,804,141	(1,290,918)	32,595,416	48,616,438	-	7,734,079	(7,734,079)	-	
Microfinance loans	-	-	-	-	-	67,013,205,289	-	-	67,013,205,289	-	67,013,205,289	
Motorcycle loans	288,769	-	4,075,211	7,452,980	33,832	359,698,720	51,018,469	-	422,567,981	316,997,738	739,565,719	
Investments in securities and others	-	-	-	-	-	-	237,350,000	-	237,350,000	-	237,350,000	
Investments in related undertakings	-	-	-	-	-	-	9,626,307,409	-	9,626,307,409	-	9,626,307,409	
Property, plant and equipment	500,877,174	35,369,160	567,468,873	806,536,837	4,728,344	3,329,432,217	4,963,180,657	145,883,458	10,353,476,720	272,008,742	10,625,485,462	
<b>Total Assets</b>	<b>3,343,872,537</b>	<b>276,422,470</b>	<b>1,059,614,754</b>	<b>2,443,754,650</b>	<b>102,703,235</b>	<b>73,732,319,994</b>	<b>20,792,938,808</b>	<b>935,772,342</b>	<b>102,687,398,790</b>	<b>9,596,096,287</b>	<b>112,283,495,077</b>	
<b>Liabilities and Net Assets</b>												
<b>Liabilities:</b>												
Liabilities for expenses and materials	181,977,167	13,344,618	126,798,277	359,868,653	15,265,373	3,170,328,213	1,726,266,641	200,000	5,594,048,942	288,789,408	5,882,838,350	
Bank overdrafts	46,975,668	-	-	-	-	2,847,355,993	800,524,858	-	3,694,856,519	-	3,694,856,519	
Term loans	-	-	-	200,000,000	-	15,202,000,309	-	-	15,402,000,309	-	15,402,000,309	
Members savings deposits	-	-	-	-	-	29,034,851,689	-	-	29,034,851,689	-	29,034,851,689	
Grants received in advance account	-	-	-	-	-	-	3,074,293	-	3,074,293	8,058,394,637	8,061,468,930	
Deferred income	-	-	-	-	-	593,405	54,478,394	-	55,071,799	217,359,359	272,431,158	
Other long term liabilities	274,130,767	46,437,573	-	-	-	392,395,515	9,166,812,624	-	9,879,776,479	-	9,879,776,479	
Provision for taxation	-	-	-	11,734,157	-	-	1,035,206,873	-	1,046,941,030	-	1,046,941,030	
<b>Total Liabilities</b>	<b>503,083,602</b>	<b>59,782,191</b>	<b>126,798,277</b>	<b>571,602,810</b>	<b>15,265,373</b>	<b>50,647,525,124</b>	<b>12,786,363,683</b>	<b>200,000</b>	<b>64,710,621,060</b>	<b>8,564,543,404</b>	<b>73,275,164,464</b>	
Net assets - Capital fund	2,840,788,935	216,640,279	932,816,477	1,872,151,840	87,437,862	23,084,794,870	8,006,575,125	935,572,342	37,976,777,730	1,031,552,883	39,008,330,613	
<b>Total Liabilities and Net Assets</b>	<b>3,343,872,537</b>	<b>276,422,470</b>	<b>1,059,614,754</b>	<b>2,443,754,650</b>	<b>102,703,235</b>	<b>73,732,319,994</b>	<b>20,792,938,808</b>	<b>935,772,342</b>	<b>102,687,398,790</b>	<b>9,596,096,287</b>	<b>112,283,495,077</b>	

28. 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	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing social Development Project	House Property (Building)	Total Unrestricted	Development Projects	Total 2014	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Income												
Donor grants	-	-	-	-	-	85,394	48,876,410	-	48,961,804	16,177,239,062	16,226,200,866	
Revenue from:												
- Social Enterprises	5,344,243,106	369,362,250	2,940,755,762	-	-	-	-	-	8,654,361,118	-	8,654,361,118	
- Programme Support Enterprises	-	-	-	4,266,912,804	226,063,504	-	-	-	4,492,976,308	-	4,492,976,308	
- Service charge on microfinance loans	-	-	-	-	-	21,106,797,751	-	-	21,106,797,751	-	21,106,797,751	
- Interest on bank accounts & fixed deposits	-	-	-	-	-	581,148,480	585,508,287	-	1,166,656,767	125,409,190	1,292,065,957	
- Investment income	-	-	-	-	-	-	662,691,206	-	662,691,206	-	662,691,206	
- Other income - internal	-	(15,792,265)	-	-	-	(328,330,191)	344,122,456	-	-	-	-	
- Other income	25,638,268	7,402,861	34,361,399	426,861	-	-	720,288,114	-	788,117,503	43,951,680	832,069,183	
- Income from house property	-	-	-	-	-	-	-	91,365,205	91,365,205	-	91,365,205	
Total income	5,369,881,374	360,972,846	2,975,117,161	4,267,339,665	226,063,504	21,359,701,434	2,361,486,473	91,365,205	37,011,927,662	16,346,599,932	53,358,527,594	
Expenditure												
Social Enterprises	4,523,712,194	386,134,076	2,705,576,183	-	-	-	-	-	7,615,422,453	-	7,615,422,453	
Program Support Enterprises	-	-	-	3,915,464,263	201,535,497	-	-	-	4,116,999,760	-	4,116,999,760	
House property related expenses	-	-	-	-	-	-	-	100,942,249	100,942,249	-	100,942,249	
Education Programme	-	-	-	-	-	-	170,001,239	-	170,001,239	4,899,580,451	5,069,581,690	
Ultra Poor Programme	-	-	-	-	-	-	-	-	-	2,406,137,155	2,406,137,155	
Community Empowerment Programme	-	-	-	-	-	-	4,797,944	-	4,797,944	312,697,043	317,494,987	
Human Rights and Legal Aids Services	-	-	-	-	-	-	1,791,087	-	1,791,087	238,654,326	240,445,413	
Policy Advocacy	-	-	-	-	-	-	3,967,554	-	3,967,554	152,821,367	156,788,921	
Health Programme	-	-	-	-	-	-	136,474,074	-	136,474,074	4,685,194,683	4,821,668,757	
Water, Sanitation and Hygiene Programme	-	-	-	-	-	-	-	-	-	2,419,632,575	2,419,632,575	
Gender, Justice and Diversity	-	-	-	-	-	-	11,937,491	-	11,937,491	286,630,547	298,568,038	
Micro Finance Programme	-	-	-	-	-	13,365,418,399	-	-	13,365,418,399	-	13,365,418,399	
Agriculture and Food Security	-	-	-	-	-	-	-	-	-	520,785,414	520,785,414	
Other Development Projects	-	-	-	-	-	-	108,990,141	-	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	437,959,530	100,942,249	25,636,742,391	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	1,923,526,943	(9,577,044)	11,375,185,271	67,697,300	11,442,882,571	
Taxation	-	-	-	(3,341,880)	-	-	(336,658,120)	-	(340,000,000)	-	(340,000,000)	
Net surplus stated in statement of income & expenditure before inter-programme allocations	846,169,180	(25,161,230)	269,540,978	348,533,522	24,528,007	7,994,283,035	1,586,868,823	(9,577,044)	11,035,185,271	67,697,300	11,102,882,571	
Inter-programme allocations	(406,424,564)	(8,509,885)	-	(245,214,998)	(11,995,151)	-	672,144,598	-	-	-	-	
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	2,259,013,421	(9,577,044)	11,035,185,271	67,697,300	11,102,882,571	



28. Segmental financial information (contd.)

	Unrestricted								Temporarily restricted			
	Aarong Rural Craft Centre Taka	BRAC Printers & Printing Pack Taka	BRAC Dairy and Food Project Taka	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 2013 Taka	
<b>Income</b>												
Donor grants	-	-	-	-	-	85,394	49,091,612	-	49,177,006	16,679,497,940	16,728,674,946	
Revenue from:												
- Social Enterprises	4,748,618,174	603,562,422	2,713,048,262	-	-	-	-	-	8,065,228,858	-	8,065,228,858	
- Programme Support Enterprises	-	-	-	4,114,973,500	185,632,887	-	-	-	4,300,606,387	-	4,300,606,387	
Service charge on microfinance loans	-	-	-	-	-	17,802,363,604	-	-	17,802,363,604	-	17,802,363,604	
Interest on bank accounts & fixed deposits	-	-	-	-	-	510,524,895	521,677,199	-	1,032,202,094	137,732,347	1,169,934,441	
Investment income	-	-	-	-	-	-	419,026,368	-	419,026,368	-	419,026,368	
Other income - Internal	-	(34,825,079)	-	-	-	(688,010,356)	722,835,435	-	-	-	-	
Other income	26,165,774	9,993,833	11,838,153	182,370	-	-	440,102,497	-	488,282,627	13,998,545	502,281,172	
Income from house property	-	-	-	-	-	-	-	100,732,324	100,732,324	-	100,732,324	
<b>Total income</b>	<b>4,774,783,948</b>	<b>578,731,176</b>	<b>2,724,886,415</b>	<b>4,115,155,870</b>	<b>185,632,887</b>	<b>17,624,963,537</b>	<b>2,152,733,111</b>	<b>100,732,324</b>	<b>32,257,619,268</b>	<b>16,831,228,832</b>	<b>49,088,848,100</b>	
<b>Expenditure</b>												
Social Enterprises	4,000,498,506	614,215,762	2,539,024,419	-	-	-	-	-	7,153,738,687	-	7,153,738,687	
-Program Support Enterprises	-	-	-	3,850,169,171	163,260,674	-	-	-	4,013,429,845	-	4,013,429,845	
-House property related expenses	-	-	-	-	-	-	-	74,452,205	74,452,205	-	74,452,205	
- Education Programme	-	-	-	-	-	-	187,470,309	-	187,470,309	6,887,804,854	7,075,275,163	
- Ultra Poor Programme	-	-	-	-	-	-	-	-	-	2,391,244,399	2,391,244,399	
- Community Empowerment Programme	-	-	-	-	-	-	4,544,115	-	4,544,115	336,463,722	341,007,837	
- Human Rights and Legal Aids Services	-	-	-	-	-	-	-	-	-	195,568,393	195,568,393	
- Policy Advocacy	-	-	-	-	-	-	-	-	-	86,040,129	86,040,129	
-Health Programme	-	-	-	-	-	-	134,724,016	-	134,724,016	4,323,868,916	4,458,592,932	
- Water, Sanitation and Hygiene Programme	-	-	-	-	-	-	-	-	-	1,535,677,979	1,535,677,979	
- Gender, Justice and Diversity	-	-	-	-	-	-	-	-	-	209,703,788	209,703,788	
- Micro Finance Programme	-	-	-	-	-	12,815,333,779	-	12,815,333,779	-	12,815,333,779	12,815,333,779	
- Agriculture and Food Security	-	-	-	-	-	-	-	-	-	527,051,524	527,051,524	
- Other Development Projects	-	-	-	-	-	-	430,840,586	-	430,840,586	238,666,302	669,506,888	
- Grants	-	-	-	-	-	-	984,488,882	-	984,488,882	-	984,488,882	
<b>Total Expenses</b>	<b>4,000,498,506</b>	<b>614,215,762</b>	<b>2,539,024,419</b>	<b>3,850,169,171</b>	<b>163,260,674</b>	<b>12,815,333,779</b>	<b>1,742,067,908</b>	<b>74,452,205</b>	<b>25,799,022,424</b>	<b>16,732,090,006</b>	<b>42,531,112,430</b>	
<b>Surplus of income over expenditure before taxation</b>												
774,285,442	(35,484,586)	185,861,996	264,986,699	22,372,213	410,665,203	26,280,119	6,458,596,844	99,138,826	6,557,735,670	(206,000,000)		
-	-	-	(5,764,912)	-	(200,235,068)	-	-	-	-	-		
<b>Net surplus stated in statement of income &amp; expenditure before inter-programme allocations</b>												
774,285,442	(35,484,586)	185,861,996	259,221,787	22,372,213	210,430,115	26,280,119	6,252,596,844	99,138,826	6,351,735,670	-		
(387,142,721)	35,884,846	(92,930,998)	(148,035,455)	-	592,224,328	-	-	-	-	-		
<b>Net surplus for the year after inter-programme allocations</b>												
387,142,721	400,260	92,930,998	111,186,332	22,372,213	802,654,443	26,280,119	6,252,596,844	99,138,826	6,351,735,670			

29. Statement of Functional Expenses

	Unrestricted								Temporarily restricted		
	Aarong Rural Craft Centre	BRAC Printers & 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)	Total Unrestricted	Development Projects	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
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	-	-	-	-	-	6,112,040,461	-	6,112,040,461
Cost of goods sold of program support enterprises	-	-	-	3,393,180,002	178,863,003	-	-	-	3,572,043,005	-	3,572,043,005
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	3,915,464,284	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, Printers and Printing Pack is depreciation of property, plant and equipment amounting to Taka. 78,812,474.

## 29. Statement of Functional Expenses (contd.)

	Unrestricted								Temporarily restricted		
	Aarong Rural Craft Centre Taka	BRAC Printers & Printing Pack Taka	BRAC Dairy and Food Project Taka	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 2013 Taka
Expenditure Statement for the year ended December 31, 2013	592,213,947	23,921,776	128,934,717	237,292,852	7,480,314	4,981,970,569	214,188,761	-	6,186,002,936	6,162,217,237	12,348,220,173
	40,663,178	5,432,573	76,969,455	54,217,754	522,812	457,798,961	12,509,243	-	648,113,976	664,657,676	1,312,771,652
	-	-	-	-	-	-	-	-	-	917,095,817	917,095,817
	-	-	-	-	-	-	-	-	-	245,675,015	245,675,015
	-	-	-	-	-	-	-	-	-	213,529,589	213,529,589
	131,047,957	3,641,732	12,074,464	12,951,387	1,254,617	234,703,464	29,206,995	16,498,403	441,379,019	414,233,702	855,612,721
	88,900,443	7,675,119	43,448,929	34,611,194	834,589	223,037,308	39,605,338	1,993,985	440,106,905	139,696,420	579,803,325
	-	-	-	-	-	250,565	10,074,500	-	10,325,065	586,293,836	596,618,901
	1,388,977	-	3,650,065	10,540,742	-	60,870,665	14,280,804	-	90,731,253	560,745,649	651,476,902
	-	-	-	15,074,762	72,063	259,610,753	8,744,509	-	283,502,087	6,767,507,121	7,051,009,208
	-	-	-	-	-	2,064,694,342	-	-	2,064,694,342	-	2,064,694,342
	-	-	-	-	-	1,531,769,615	-	-	1,531,769,615	-	1,531,769,615
	34,822,342	35,128,336	-	5,760,260	-	590,087,245	187,521,869	-	853,320,052	-	853,320,052
	2,952,158,825	529,821,170	2,210,446,572	-	-	-	-	-	5,692,426,567	-	5,692,426,567
	-	-	-	3,290,498,586	150,543,300	-	-	-	3,441,041,886	-	3,441,041,886
	43,676,597	-	59,088,505	88,377,491	1,975,172	-	6,849,420	-	199,967,185	9,968,045	209,935,230
	-	-	-	-	-	2,322,988,477	-	-	2,322,988,477	-	2,322,988,477
	115,626,240	1,729,286	1,960,952	90,114,138	434,200	87,551,815	184,597,587	22,075,493	504,089,711	50,469,899	554,559,610
	-	6,865,770	2,450,760	10,730,005	143,607	-	-	-	20,190,142	-	20,190,142
-	-	-	-	-	-	-	-	33,884,324	-	33,884,324	
-	-	-	-	-	-	-	50,000,000	-	50,000,000	-	50,000,000
-	-	-	-	-	-	-	984,488,882	-	984,488,882	-	984,488,882
4,000,498,506	614,215,762	2,539,024,419	3,850,169,171	163,260,674	12,815,333,779	1,742,067,908	74,452,205	25,799,022,424	16,732,090,006	42,531,112,430	

Included in cost of goods sold of BRAC dairy, Printers and Printing Pack is depreciation of property, plant and equipment amounting to Taka. 77,602,150.