



**Auditor's Report
and
Audited Financial Statements
of BRAC**

For The Year Ended 30 June 2021

Nurul Faruk Hasan & Co
Chartered Accountants

Independent Auditors' Report To the Governing Body of BRAC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BRAC ("the Entity") which comprise the statement of financial position as at 30 June 2021, the statement of comprehensive income and expenditure, statement of changes in capital fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BRAC as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with the accounting policies as summarized in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note- 2 to the financial statements, which describes the basis of accounting and the significant accounting policies. The financial statements are prepared to assist to meet the requirement of Clause 37 of the Rules and Regulation of BRAC. The financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the entity in accordance with the basis of accounting and accounting policies as summarized in Note-2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the entity as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Dhaka, Bangladesh
Dated: 30 December 2021

For Nurul Faruk Hasan & Co
Chartered Accountants
Registration Ref. No. 1/1/ICAB-2008(1)




Shamsur Rahman, FCA
Partner
Enrollment No. 941
DVC: 2112300941AS170748

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of financial position
As at 30 June 2021

	Notes	30 June 2021	30 June 2020
		Taka	Taka
ASSETS			
Non-current assets			
Property, plant and equipment	3	20,308,604,602	19,323,619,348
Intangible assets	4	172,551,016	150,645,525
Investments in related undertakings	5	34,410,629,577	32,057,891,313
Investments in securities and others-non-current portion	6	808,600,000	1,008,600,000
Total non-current assets		55,700,385,195	52,540,756,186
Current assets			
Inventories	7	7,068,823,893	7,213,337,291
Grants and accounts receivable	8	4,046,786,812	3,755,310,123
Microfinance loans	9	271,869,452,253	274,651,069,982
Advance, deposits and prepayments	10	13,478,943,089	11,899,342,981
Investments in securities and others-current portion	6	30,636,037,664	18,043,701,516
Cash and bank balances	11	17,359,428,467	16,469,683,663
Total current assets		344,459,472,178	332,032,445,555
TOTAL ASSETS		400,159,857,373	384,573,201,742
CAPITAL FUND AND LIABILITIES			
Capital fund			
Unrestricted		152,979,433,674	138,518,114,284
Temporarily restricted		481,581,742	481,581,742
Total capital fund		153,461,015,417	138,999,696,026
Liabilities			
Current liabilities			
Liabilities for expenses and materials	12	22,234,247,207	19,006,169,758
Bank overdrafts	13	168,877,058	31,171,194,721
Term loans-current portion	14	36,009,174,074	51,350,860,149
Members' savings deposits-current portion	15	71,612,997,041	59,052,509,530
Grants received in advance	16	2,359,189,047	2,859,176,014
Loan loss provision	9	21,032,842,277	11,079,110,781
Provision for taxation	17	6,433,358,847	4,582,206,820
Total current liabilities		159,850,685,551	179,101,227,773
Non-current liabilities			
Term loans-non-current portion	14	4,038,055,556	162,340,910
Members' savings deposits-non-current portion	15	63,897,000,426	47,983,286,625
Deferred income	18	1,259,278,266	730,551,715
Other long term liabilities	19	17,653,822,158	17,596,098,692
Total non-current liabilities		86,848,156,405	66,472,277,942
Total liabilities		246,698,841,956	245,573,505,716
TOTAL CAPITAL FUND AND LIABILITIES		400,159,857,373	384,573,201,742

The annexed notes 01 to 34 form an integral part of these financial statements



Chief Financial Officer
BRAC



Executive Director
BRAC



Chairperson, Governing Body
BRAC

Per our annexed report of same date

Dhaka, Bangladesh
Dated: 30 December 2021

For Nurul Faruk Hasan & Co
Chartered Accountants



Shamsur Rahman, FCA
Partner
Enrollment No. 941
DVC: 2112300941AS170748


BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of comprehensive income and expenditure
For the year ended 30 June 2021

Notes	Unrestricted	Restricted	30 June 2021	30 June 2020	
	Taka	Taka	Taka	Taka	
Income					
Donor grants	20	37,954,388	14,453,549,385	14,491,503,774	13,930,887,623
Social enterprises	21	15,242,448,976	-	15,242,448,976	12,449,205,310
Microfinance programme	22	67,679,519,581	-	67,679,519,581	53,662,698,127
Self-financing social development programme	23	1,662,909,443	-	1,662,909,443	870,250,089
Investment income	24	2,436,176,626	-	2,436,176,626	178,011,092
Community contribution	25	158,065,894	452,705,141	610,771,035	790,079,960
House property		110,538,956	-	110,538,956	77,994,837
Total income		87,327,613,865	14,906,254,526	102,233,868,391	81,959,127,038
Expenditure					
Social enterprises		13,626,572,340	-	13,626,572,340	11,729,682,827
Microfinance programme		54,794,547,966	-	54,794,547,966	39,828,807,322
House property		48,911,989	-	48,911,989	46,562,115
Agriculture and food security		-	1,461,027	1,461,027	8,994,303
Community empowerment programme		7,893,368	251,911,832	259,805,200	280,477,273
Education programme		317,976,258	1,583,238,419	1,901,214,677	2,330,836,604
Gender, justice and diversity		-	112,061,410	112,061,410	75,348,846
Health programme		153,542,974	4,892,303,167	5,045,846,141	4,789,803,273
Human rights and legal aids services		2,974,417	289,573,555	292,547,972	312,717,989
Policy advocacy		-	46,278,156	46,278,156	55,957,117
Water, sanitation and hygiene programme		-	353,273,845	353,273,845	231,754,545
Ultra poor programme		-	1,798,150,145	1,798,150,145	1,562,787,457
Forcibly-displaced Myanmar Nationals		-	4,462,200,099	4,462,200,099	4,414,923,435
Disaster management and climate change		-	627,987,074	627,987,074	277,816,629
Skills development programme		3,946,232	619,434,463	623,380,695	697,060,773
Migration programme		-	397,693,494	397,693,494	326,905,992
Social development programme		659,271,606	-	659,271,606	201,457,915
Other development projects		230,295,929	1,333,150,622	1,563,446,551	1,332,239,994
Grants		193,012,379	-	193,012,379	135,383,950
Total expenditure		70,038,945,459	16,768,717,309	86,807,662,768	68,639,518,360
Surplus/(deficit) of income over expenditure		17,288,668,406	(1,862,462,783)	15,426,205,623	13,319,608,678
BRAC contribution to support Donor funded programme	27	(1,862,462,783)	1,862,462,783	-	-
Surplus of income over expenditure before taxation		15,426,205,623	-	15,426,205,623	13,319,608,678
Income tax expense	28	(1,851,152,028)	-	(1,851,152,028)	(493,047,456)
Net surplus for the year		13,575,053,595	-	13,575,053,595	12,826,561,222

The annexed notes 01 to 34 form an integral part of these financial statements


Chief Financial Officer
BRAC



Executive Director
BRAC


Chairperson, Governing Body
BRAC

Per our annexed report of same date

Dhaka, Bangladesh
Dated: 30 December 2021

For Nurul Faruk Hasan & Co
Chartered Accountants


Shamsur Rahman, FCA
Partner
Enrollment No. 941
DVC: 2112300941AS170748

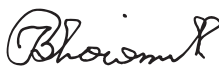
BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of cash flows
For the year ended 30 June 2021

	Notes	30 June 2021	30 June 2020
		Taka	Taka
Cash flows from operating activities:			
Surplus of income over expenditure before taxation		15,426,205,623	13,319,608,678
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Loan loss provision	9	15,075,810,946	3,145,332,509
Depreciation and amortization	3 & 4	1,256,200,696	1,256,304,196
(Gain)/loss on disposal of property, plant and equipment	23	179,682,701	(21,859,886)
Cash dividend received	24	(2,387,875,499)	(88,355,126)
Donor grants - amortization of investment in property, plant and equipment and motorcycle replacement fund	20	(221,659,611)	(263,532,644)
Interest on fixed deposits and bank accounts	26	(1,879,000,684)	(1,688,075,942)
Adjustments for other accounts:			
(Increase)/ decrease in service charge outstanding on microfinance loans		2,161,634,690	(5,979,958,336)
(Increase)/ decrease in inventories		144,513,398	(1,464,071,961)
(Increase)/ decrease in advances, deposits and prepayments		(1,579,600,108)	(1,884,146,644)
(Increase)/ decrease in accounts receivable		619,478,741	4,717,026,420
Increase/ (decrease) in liabilities for expenses and materials		3,228,077,449	4,055,840,740
Increase/ (decrease) in deferred income		750,386,161	197,328,247
Adjustment of advance tax		-	(4,997,401,577)
Net cash provided by operating activities		32,773,854,503	10,304,038,674
Cash flows from investing activities:			
(Increase)/ decrease in microfinance loans		(4,502,096,411)	(36,372,433,567)
(Increase)/ decrease in fixed deposits and short term deposits		(12,718,336,148)	(1,570,049,223)
(Increase)/ decrease in investments in related undertakings		(1,234,524,961)	(354,576,021)
Interest received on fixed deposits and bank accounts	26	1,879,000,684	1,688,075,942
Purchase of property, plant and equipment & intangible assets	3 & 4	(2,552,240,391)	(1,469,855,142)
Proceeds from disposal of property, plant and equipment		149,420,777	30,710,545
Dividends received from related undertakings	24	2,387,875,499	88,355,126
(Investments in)/realization of investment in securities and others		326,000,000	327,000,000
Net cash used in investing activities		(16,264,900,951)	(37,632,772,340)

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of cash flows
For the year ended 30 June 2021

	Notes	30 June 2021	30 June 2020
		Taka	Taka
Cash flows from financing activities:			
Grants received during the year	31	13,304,186,379	15,732,079,587
Grants utilized during the year for:			
-operational expenditure	16	(14,236,644,651)	(13,654,675,350)
-investment in property, plant and equipment	16	(750,386,161)	(192,211,811)
-motorcycle replacement funds	16	-	(5,116,436)
Increase/ (decrease) in term loans		(11,465,971,430)	2,029,310,363
Increase/ (decrease) in members savings deposits		28,474,201,312	36,014,622,611
Increase/ (decrease) in other long term liabilities		57,723,466	2,653,632,316
Net cash provided by financing activities		15,383,108,915	42,577,641,280
Net Increase/ (decrease) in cash and cash equivalents		31,892,062,467	15,248,907,614
Cash and cash equivalents at the beginning of the year		(14,701,511,058)	(29,950,418,672)
Cash and cash equivalents at the end of the year	11.1	17,190,551,409	(14,701,511,058)

The annexed notes 01 to 34 form an integral part of these financial statements



Chief Financial Officer
BRAC



Executive Director
BRAC



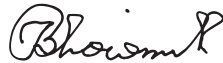
Chairperson, Governing Body
BRAC

Dated: 30 December 2021

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of changes in capital fund
For the year ended 30 June 2021

	Capital fund		
	Unrestricted Taka	Temporarily restricted Taka	Total Taka
As at 1 July 2019	122,675,707,857	1,158,868,343	123,834,576,200
Net surplus for the year	12,826,561,222	-	12,826,561,222
Share of non operating changes in net assets in related undertakings	1,468,486,356	-	1,468,486,356
Investment reserve fund	791,351,934	-	791,351,934
Transferred from closed projects	756,006,915	(677,286,601)	78,720,314
As at 30 June 2020	138,518,114,284	481,581,742	138,999,696,026
As at 1 July 2020	138,518,114,284	481,581,742	138,999,696,026
Net surplus for the year	13,575,053,595	-	13,575,053,595
Share of non operating changes in net assets in related undertakings	226,793,043	-	226,793,043
Investment reserve fund	659,472,753	-	659,472,753
Transferred to closed projects	-	-	-
As at 30 June 2021	152,979,433,674	481,581,742	153,461,015,416

The annexed notes form an integral part of these financial statements



Chief Financial Officer
BRAC



Executive Director
BRAC



Chairperson, Governing Body
BRAC

Dated: 30 December 2021

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Notes to the financial statements
For the year ended 30 June 2021

1 General information:

BRAC was formed as a development organization in 1972 under the Societies Registration Act 1860. Although BRAC was initially set up to resettle refugees in post-war Bangladesh, later it 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 also earns from various income generating projects such as Aarong Rural Craft Centre, BRAC Printing Pack, BRAC Dairy and Food project and various programme support enterprises such as Seed and Agro Enterprises, Fisheries.

Corporate information of BRAC:

1	Year of establishment	: 1972
2	Legal Entity (MRA Registration No.)	: 00488-00186-00065
3	Nature of operations (Program)	: Microfinance, Development Program and Social Enterprises
4	Statutory Audit Conducted up to	: June 30, 2021
5	Name of Statutory auditor for last year	: Nurul Faruk Hasan & Co.
6	Name of Statutory auditor for the current year	: Nurul Faruk Hasan & Co.
7	No. Executive Committee meeting held in 2020-2021	: 11
8	Date of Last AGM held	: 28th June 2021

9 List of BRAC Governing Body Members:

SL No.	Name	Qualification	Profession	Present Address
1	Dr. Hossain Zillur Rahman	Ph D	Economist	"Kotha", House 33, Flat 0/B, Road 15 (New), Dhanmondi R/A, Dhaka 1209.
2	Mr. Adeeb Hossain Khan	Chartered Accountant	Chartered Accountant	House 59, Road 28, Flat A2 (2nd Floor), Gulshan-1, Dhaka 1212.
3	Advocate Syeda Rizwana Hasan	Masters in Law	Chief Executive BELA	House No.57/2, Central Road Dhanmondi, Dhaka.
4	Mr. Shafiqul Hassan	MSc	Business	The Old Coach House, 25 Dunster Gardens, London NW7 7NG, UK.
5	Ms. Melissa Dawn Parke	LLM	Lawyer	10/1 Roydhouse St., Subiaco, WA 6008, Australia.
6	Ms. Fathima Dada	BA	Business	7 Kenmore Road, Tamboerskloo, Cape Town 8001, South Africa.
7	Dr. Fahmida Khatun	Ph D	Executive Director, CPD	Apt# A1, House# 38, Road# 63, Gulshan 2, Dhaka 1212.
8	Mr. Tapan Chowdhury	BSc. Dhaka University, Diploma in Marketing & Management (U.K.)-1977	Industrialist	3 United Nations Road, Baridhara Diplomatic Enclave, Dhaka-1212.
9	Dr. M. A. Sattar Mandal	Ph D	Teacher, Researcher	House # B-6, Arambagh Housing Society (Main Road), Rupnagar, Mirpur-7, Dhaka-1216, Bangladesh.

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) and loans & borrowings which are stated at fair value and amortized cost respectively. BRAC generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items.

Given the nature and diversity in activities, BRAC has not been in a position to fully comply with the International Financial Reporting Standards (IFRSs). However, as leading NGO in both local and international perspective, BRAC has always been in persuasion to present the best possible Financial Statements adhering to the applicable reporting norms including IFRSs as found suitable. Also, there was no specific set of guiding rules or regulations including accounting and financial reporting standards strictly applicable for organization like BRAC. BRAC had to apply policies that are most appropriate and practicable in this circumstances. Over time, all these policies have been acceptable by the stakeholders and users of BRAC's financial statements.

However, according to the circulated gazette (Public Gazette by Financial Reporting Council on dated 16 March 2020), requiring Public Interest Entities (PIE) to comply with IFRS in presenting financial statements, BRAC is contemplating to undertake an initiative to critically workout the gap between existing reporting policies to the applicable IFRSs. Based on the results of this initiative, BRAC would take necessary steps to bridge the gap by implementing additional policies including modification into the existing, in coming years, if found appropriate.

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 project-wise basis under different programmes. 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, the related undertakings set out in Note 5 in which BRAC has equity interests through which it exercises control or significant influence.

In contrast to the ownership of equity interest in related undertakings, BRAC also extends gratuitous grants or provides donor liaison assistance to certain organizations that, in some instances may bear names with resemblance to BRAC, viz BRAC University, Stitching BRAC International, BRAC International Holdings B.V, BRAC Afghanistan, BRAC Myanmar, BRAC Tanzania, BRAC Uganda, BRAC South Sudan, BRAC Liberia, BRAC Sierra Leone, BRAC Philippines, BRAC Nepal and BRAC Rwanda. 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.

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

- Temporarily restricted funds - the segment of the funds are subject to donor-imposed restriction that permit BRAC to use or expand 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 restrictions end or a purpose restriction is fulfilled, any balances of temporarily restricted funds 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 funds - the segment of the funds are not subject to any donor-imposed restrictions or which arise from internally funded activities. This category of funds 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 have been prepared for the period from 1 July 2020 to 30 June 2021.

2.3 Authorization for issue

These financial statements have been authorized for issue by the Finance and Audit Committee (Representing BRAC's Governing Body) of BRAC on 01 December 2021.

2.4 Comparatives and reclassification

Comparative information have been disclosed in respect of the year ended on 30 June 2021 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

2.5 Functional and presentation currency

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

2.6 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Management uses judgment, estimates and assumptions in the areas including depreciation & amortization, loan loss provision, gratuity provision, impairment of assets, taxation etc, as applicable.

2.7 Going concern

During the pandemic situation from COVID-19 outbreak, BRAC responded to support the community with awareness campaign activity, offering food and cash support to the financially affected group in addition to coordinating with Govt. to support medical response with BRAC doctors & volunteers.

During the lockdown situation, BRAC has taken several safety measures for its employees and beneficiaries to maintaining social distancing. The upfront financial planning through scenario based forecast, alternate source of finance, implementing digital financial tool at field offices, shifting to virtual online platform for regular official communication etc. helped to continue the stability of the regular operations while maintaining social restriction. The pandemic situation does not have any impact on going concern of the organization.

The management along with Board personnel assessed that COVID-19 will not have any material impact on BRAC's financial strength and future stability. BRAC has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis.

2.8 Consolidation

BRAC, being a society registered under the Societies Registration Act, 1860 was not subject to any requirement on the preparation of consolidated financial statements. However, being a PIE as defined by FRC, BRAC is required to prepare its financial statement in compliance with all applicable International Financial Reporting Standards (IFRS), BRAC, being the parent entity of a number of subsidiaries, it is required to present consolidated financial statements. BRAC is contemplating to prepare consolidated financial statements in the coming years.

Accordingly, BRAC's investments in related undertakings wherein the effective equity interests are more than 50% are accounted for as explained in Note 2.18, together with related undertakings in which BRAC has significant influence where effective equity interests are below 50%.

2.9 Donor grants

Income from donor grants is recognized when conditions on which they depend on 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.

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.

2.10 Revenue recognition

BRAC recognises as revenue the amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services when it transfers control to the customer and excludes amounts collected on behalf of third parties. The entity recognises revenue when it satisfies a performance obligation by transferring control over goods or services to a customer.

BRAC recognises revenue from the following major sources:

- a) service charge on microfinance loan
- b) sale of goods of social enterprises
- c) donor grants
- d) investment income
- e) rental income from house property

Social enterprises projects

Social enterprises comprise Aarong Rural Craft Centre, BRAC Printing Pack, BRAC Dairy and Food Project, Seed and Agro Enterprises, Fisheries, Artificial Insemination Center, Horticulture Nurseries, Chilling Centres, Recycled Hand Made Paper Production and Health Product related activities.

Revenue from sale of goods

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

Service charge on microfinance loans

Service charges on microfinance loans are recognized on an accrual basis as income. The recognition of service charge ceases when a loan is transferred to non-interest bearing loan. 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 recognized on an accrual basis.

House property income

House property income is recognized 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.

Community contributions

Community contributions represent fees charged to participants of selected programmes and activities run by BRAC and is recognized when BRAC's right to receive such income has been reasonably determined.

2.11 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 judgment.

2.12 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if all the following conditions are met:

- i) the asset is available for use
- ii) it is probable that future economic benefits will flow to BRAC
- iii) the cost of the item can be measured reliably and exceeds Tk. 2,000
- iv) it is expected to be used for more than 1 year

(b) Subsequent costs

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, BRAC recognizes such parts as individual assets with specific useful lives and depreciation respectively.

(c) Depreciation

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

<u>Item</u>	<u>Annual Depreciation Rate (%)</u>
Buildings	4-10
Furniture & Fixtures	10-20
Equipment	15-33.33
Computer and IT Equipment	20-33.33
Vehicles	20
Bicycles	20
Machineries	20
Deep tube wells and tanks	20
Hatcheries	20
Motorcycles	20
Camp/Poultry/Livestock sheds	20
Crates/Mannequins/Samples	33.33

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.

(d) Derecognition

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 an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) Capital work in progress

Properties in the course of construction represents construction of items of property, plant and equipment that are not ready for use which are carried at cost, less any recognised impairment loss. Assets under construction included in property, plant and equipment are not depreciated as these assets are not ready for use. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

(f) Capitalisation of borrowing costs

As per the requirements of IAS 23 Borrowing Costs, directly attributable borrowing costs are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Intangible assets

(a) Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. The cost of an intangible asset comprises its purchase price, non-refundable taxes and any directly attributable cost of preparing the asset for its intended use. The cost of an item of intangible assets is recognized as an asset if, and only if all the following conditions are met:

- i) the asset is available for use
- ii) it is probable that future economic benefits will flow to BRAC
- iii) the cost of the item can be measured reliably
- iv) it is expected to be used for more than 1 year

(b) Subsequent costs

Subsequent costs are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognised in profit or loss as incurred.

(c) Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets. The estimated useful lives are as follows:

<u>Item</u>	<u>Annual Amortization Rate (%)</u>
Software	20

(d) Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss.

2.14 Microfinance loans

BRAC micro-finance operations provide loans to members without collateral, on a service charge basis under various projects. Loans encompasses both the principle and service charge outstanding in fair value. Loan loss provision has shown separately under current liabilities.

2.15 Provision for loan losses

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

<u>Loan classification</u>	<u>Days in arrears</u>	<u>Provision required</u>
Standard	Current (no arrears)	1%
Watchlist	1 - 30	5%
Substandard	31 - 180	25%
Doubtful	181 - 365	75%
Loss	Over 365	100%

MRA issued a directive on 22 June 2021 to halt the loan classification in a regular manner and keep balance of Loan Loss Reserve (LLR) as of 31 December 2020 and provide additional 1% LLR for the incremental principal outstanding loan. In this respect, BRAC followed the MRA guidelines. In addition, BRAC Management has taken a conservative approach and provided an additional amount of BDT 694 crores in LLR for the period from 01 July 2020 to 30 June 2021.

2.16 Loans written off

Loans within their maturity period are classified as "Current Loans". Loans which remain outstanding after one year of their maturity period are considered as "Late Loans". Late Loans which remain unpaid for a 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 to 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 realized from loans previously written off are credited to the statement of comprehensive income and expenditure.

2.17 Accruals and provisions

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

Provisions are recognized 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 statement of financial position date and adjusted to reflect the current best estimate.

2.18 Investments in related undertakings

Related undertakings refer to separately-established undertakings in which BRAC has significant influence and/or effective equity interests. Details of these undertakings are disclosed in Note 5.

BRAC's investments in these undertakings 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. Distribution received from the undertakings is recognized in the statement of comprehensive income and expenditure. Unrealized share of profit from undertakings as well as any changes in net assets in the related undertakings other than by the effect of operating results are recognized directly in the statement of changes in capital fund. 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 recognized in the statement of comprehensive income and expenditure. Gain 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 recognized in the statement of comprehensive income and expenditure. Provision is also made for any impairment if the carrying amount of an investment exceeds its recoverable amount. In case the share of losses from related undertakings is equal or more than the cost of investment then those losses were not recognized.

2.19 Investment in securities and others

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

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 comprehensive 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.

2.20 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.

2.21 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.

2.22 Motorcycle replacement fund

Applicable donor funds are utilized for providing motorcycles to project or programme staffs, 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 comprehensive income and expenditure over a period of five years, being the average estimated useful life of the motorcycles.

2.23 Self - insurance fund

BRAC created a self-insurance fund in order to provide coverage for a variety of risks including that of hazard/natural calamity (i.e. cyclone, flood, fire among others) to selected properties. Additionally, risk coverage related to cash loss arising out of regular operation is also under the scope of this fund along with miscellaneous risk coverage not insured by other funds. This self-insurance fund is based on estimates by the Governing Body and, as from 2001, by reference to the best judgment made by management.

2.24 Employee gratuity and redundancy fund

BRAC maintains a Gratuity Scheme which is considered as a defined benefit plan. 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 the basic salary of the last month) and provision for earned leave for an employee maximum up to 60 days. In this respect, Gratuity fund valuation of the retirement benefit liabilities are calculated periodically and with reference to a number of actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates.

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 for 2020.

In addition, the process of formation of a funded gratuity has been taken and administrative formalities have been completed. An actuarial valuation of the gratuity amount has been conducted in this regard. An amount of Taka 100 Crores is transferred to this separate gratuity fund.

2.25 Employee provident fund

BRAC makes contribution to a recognized 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 employees and this is equivalent to the contribution by each eligible employee. Contributions to this fund are recognized as an expenses in the period in which the employee services are performed.

2.26 Employee group insurance

BRAC is maintaining a group insurance policy with Guardian Life Insurance Ltd. for covering the risk of life of the employee and family health, on a monthly fixed premium basis. This policy 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 50 months for natural death, permanent injuries and 100 months for accidental death equivalent of last month basic salary. In case of health coverage, it covers a range of medical facilities in all over the Bangladesh as well as in abroad.

2.27 Foreign currencies

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

The resulting exchange translation gains and losses are recognized in the statement of income and expenditure.

The principal exchange rates used for each respective unit of foreign currency ruling at the statement of financial position date are as follows:

	30 June 2021 Taka	30 June 2020 Taka
United States Dollar (USD)	83.95	83.95
Euro	99.65	94.03
Great Britain Pound (GBP)	116.02	102.98
Canadian Dollar (CAD)	66.76	60.45
Australian Dollar (AUD)	61.85	57.40

BRAC's foreign currency denominated assets and liabilities are disclosed in Note 29.

2.28 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.

2.29 Borrowing costs

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

Borrowing costs are recognized 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 as referred to note no. 2.12(f).

2.30 Impairment of assets

At each statement of financial position 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 recognized as an expense in the statement of comprehensive income and expenditure immediately. Reversal of impairment losses recognized in prior years is recorded in the statement of comprehensive income and expenditure when the impairment losses recognized for the asset no longer exists or have decreased.

2.31 Financial instruments

Financial instruments are recognized in the statement of financial position 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 2.18.

b) Investments in securities and others

Investments in securities and others are stated at cost, subsequently adjusted for fair value or at amortized cost. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.19.

c) Receivables

Receivables are carried at anticipated realizable 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 statement of financial position 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.

e) Interest-bearing borrowings

Interest-bearing bank loans, overdrafts and securitized 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 capitalization 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 comprehensive 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.

2.32 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. Bank overdrafts are repayable on demand and form an integral part of BRAC's cash management.

Cash and cash equivalents for the purposes of the statement of cash flows comprises of cash and bank balances net of bank overdrafts, if any. Cash and bank balances include 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.

2.33 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 recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote .

In respect of a number of earlier years, BRAC has received demands for additional tax from the taxation authority. These are at different stages of appeal. Provisions have been made where considered appropriate.

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

2.34 Events after the balance sheet date

Events after the statement of financial position date that provide additional information about the organization's position at the statement of financial position date are reflected in the financial statements.

The COVID-19 outbreak continues and a significant number of infections observed from March 2021. To mitigate the risk of infections, several measures have been taken at a country level to respond against COVID 19 pandemic. In this regard, we have taken a number of initiatives to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for our people including encouraging for vaccination, maintaining social distancing, introducing work from home and securing the supply of materials that are essential for the safety of our staffs.

BRAC has considered the possible impacts that may result from COVID-19 in the preparation of these financial results including the recoverability of carrying amount of financial and non- financial assets. The assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, BRAC has, at the date of approval of these financial results, used both internal and external sources of information and assessed that the carrying amount of the assets will be recovered.

Since the end of reporting period there has been no material changes affecting the financial position of BRAC.

2.35 Segmental reporting

BRAC is organized 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 32 and 33 respectively.

2.36 Utilization of contribution from MF surplus

MRA approved BDT 308 crores to spend for its development programme activities which include education, health, human rights & legal aids services, water, sanitation, hygiene (WASH) and ultra poor graduation (UPG) programmes for this period.

As a whole, BRAC spent BDT 1,834 crores for its development activities which were funded by local and foreign aid, contribution from MF surplus and other different sources.

3. Property, plant and equipment

Particulars	Cost				Depreciation				Amount in Taka		
	Opening balance 01-07-2020	Additions during the period	Transferred during the period	Disposals during the period	Closing balance 30-06-2021	Opening balance 01-07-2020	Charged during the period	Adjustment/ disposals during the period	Closing Balance 30-06-2021	Written down value 30-06-2021	Written down value 30-06-2020
Freehold land	10,621,556,679	114,567,367	(427,563)	-	10,735,696,483	-	-	-	-	10,735,696,483	10,621,556,679
Buildings	7,745,930,689	458,848,543	81,360,980	(23,207,562)	8,262,932,650	2,746,483,147	12,636,299	12,636,299	2,989,591,958	5,273,340,692	4,999,447,542
Furniture and fixtures	2,223,727,116	96,955,410	(21,520,558)	(169,869,913)	2,129,292,055	1,302,525,239	(80,143,891)	(80,143,891)	1,400,953,396	728,338,659	921,201,877
Equipment	2,946,537,453	708,342,219	(92,657,900)	(323,481,227)	3,238,740,545	1,954,622,559	(175,476,827)	(175,476,827)	2,080,471,172	1,148,269,373	991,914,893
Computer	1,189,049,664	208,315,492	(5,632,077)	(19,409,849)	1,372,323,230	913,353,787	(17,725,569)	(17,725,569)	1,062,609,076	309,714,154	275,695,877
Vehicles	1,540,769,702	83,159,007	(6,522,418)	(19,563,528)	1,597,842,763	1,105,399,391	(16,314,864)	(16,314,864)	1,222,877,968	374,964,795	435,370,311
Bicycles	12,795,436	2,238,135	(101,437)	(3,784,688)	11,147,446	10,092,449	(3,801,143)	(3,801,143)	8,028,815	3,118,631	2,702,987
Machineries	1,638,740,373	325,925,627	86,104,324	(43,433,043)	2,007,337,281	1,078,220,261	(15,579,591)	(15,579,591)	1,163,386,786	843,950,495	560,520,112
Deep tubewell and tanks	62,513,798	1,546,528	(17,014,610)	-	47,045,716	57,595,228	(16,636,015)	(16,636,015)	43,483,902	3,561,814	4,918,570
Hatcheries	18,179,110	298,560	-	-	18,477,670	15,431,347	77,694	-	15,509,041	2,968,629	2,747,763
Motor cycles	29,636,667	1,003,450	(2,885,214)	(1,964,113)	25,790,790	8,085,597	(2,548,687)	(2,548,687)	9,119,194	16,671,596	21,551,070
Construction Work in progress	354,416,451	348,089,127	(205,179,947)	(25,315)	497,300,316	-	-	-	-	497,300,316	354,416,451
Crates/Mannequins/Samples/Antiques	745,612,203	179,457,098	184,476,420	-	1,109,545,721	614,036,986	124,799,771	-	738,836,757	370,708,964	131,575,217
Total 30 June 2021	29,129,465,340	2,528,746,563	-	(604,739,238)	31,053,472,665	9,805,845,992	1,254,612,369	(315,590,287)	10,744,868,063	20,308,604,602	19,323,619,348
Total 30 June 2020	27,887,935,952	1,465,456,949	-	(223,927,561)	29,129,465,340	8,774,298,538	1,254,235,570	(222,668,116)	9,805,845,992	19,323,619,348	

Allocation of depreciation.

- i) included in cost of sales of income generating projects
- ii) depreciation and amortization-property, plant and equipment
- iii) depreciation and amortization-intangible assets

	30 June 2021 Taka	30 June 2020 Taka
	210,716,078	201,862,994
	1,043,896,281	1,052,372,576
	1,588,337	2,088,626
	<u>1,256,200,696</u>	<u>1,256,304,196</u>

An amount of Tk. 221,659,611 (30 June 2020: 263,532,641) 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 Note 18.

An amount of Tk. 152,714,151 (30 June 2020: Tk. 148,315,958) has been reclassified from computer under Property, plant and equipment to Software and Intangible assets in progress under Intangible assets.

4. Intangible assets

Group of intangible assets	Cost						Depreciation			Amount in Taka	
	Opening balance 01-07-2020	Additions during the period	Transferred during the period	Disposals during the period	Closing balance 30-06-2021	Opening balance 01-07-2020	Charged during the period	Adjustment/ disposals during the period	Closing Balance 30-06-2021	Written down value 30-06-2021	Written down value 30-06-2020
	Software	4,398,193	21,326,472	-	-	25,724,665	2,068,626	1,588,337	-	3,656,963	22,067,702
Intangible assets in progress	148,315,958	2,167,356	-	-	150,483,314	-	-	-	-	150,483,314	148,315,958
Total 30 June 2021	152,714,151	23,493,828	-	-	176,207,979	2,068,626	1,588,337	-	3,656,963	172,551,016	150,645,525
Total 30 June 2020	148,315,958	4,398,193	-	-	152,714,151	-	2,068,626	-	2,068,626	150,645,525	

An amount of Tk. 152,714,151 (30 June 2020: 148,315,958) has been reclassified to Software and Intangible assets in progress under Intangible assets from computer under Property, plant and equipment.

5 Investments in related undertakings

Related undertakings	30 June 2021			
	Cost of investment Taka	Share of reserves Taka	Loans Taka	Total Taka
BRAC Bank Ltd.	5,911,149,577	14,584,898,187	-	20,496,047,764
BRAC Industries Ltd.	24,999,900	12,182,084	-	37,181,984
BRACNet Ltd.	185,915,300	(38,185,605)	-	147,729,695
BRAC IT Services Ltd.	207,839,000	(99,269,514)	-	108,569,486
BRAC Services Ltd.	10,000,000	(363,986,047)	406,410,774	52,424,727
Delta BRAC Housing Finance Corporation Ltd.	40,000,000	1,128,929,248	-	1,168,929,248
BRAC Karmatuli Tea Company Ltd	243,908,025	(102,528,307)	1,403,907,285	1,545,287,003
BRAC Kaiyachara Tea Company Ltd	63,300,695	260,614,681	236,569,456	560,484,832
BRAC Kodala Tea Company Ltd	81,680,954	(121,170,790)	516,100,132	476,610,296
Bangladesh Netting Factory	17,071,429	33,531,299	32,374,571	82,977,299
IPDC Finance Ltd.	1,112,443,508	471,960,164	-	1,584,403,672
Mayalogy Ltd.	18,155,513	(12,049,516)	-	6,105,997
BRAC EPL Investment Ltd.	1,300	-	-	1,300
BRAC Kumon Ltd.	49,980,000	(24,924,213)	51,745,225	76,801,012
edotco Bangladesh Co. Ltd.	7,228,750,000	734,469,495	-	7,963,219,495
BRAC OSIRIS Impact Ventures Ltd.	100,000,000	(5,696,646)	-	94,303,354
Bhumijo Ltd.	3,000,000	4,552,413	-	7,552,413
BD Assistant	2,000,000	-	-	2,000,000
	15,300,195,201	16,463,326,933	2,647,107,443	34,410,629,577

Related undertakings	30 June 2020			
	Cost of investment Taka	Share of reserves Taka	Loans Taka	Total Taka
BRAC Bank Ltd.	4,760,329,616	13,183,741,416	-	17,944,071,032
BRAC Industries Ltd.	24,999,900	11,151,405	-	36,151,305
BRACNet Ltd.	185,915,300	(53,337,041)	-	132,578,259
BRAC IT Services Ltd.	36,134,000	(36,134,000)	-	-
BRAC Services Ltd.	10,000,000	(296,114,440)	367,714,620	81,600,180
Delta BRAC Housing Finance Corporation Ltd.	40,000,000	1,015,419,442	-	1,055,419,442
BRAC Karnatuli Tea Company Ltd	243,908,025	(41,540,904)	1,251,499,061	1,453,866,182
BRAC Kaiyachara Tea Company Ltd	63,300,695	243,970,163	196,526,465	503,797,323
BRAC Kodala Tea Company Ltd	81,680,954	(86,062,879)	481,293,557	476,911,632
Bangladesh Netting Factory	17,071,429	33,151,202	35,355,598	85,578,229
BRAC Environmental Enterprises Ltd.	90,000,000	(71,014,811)	124,890,003	143,875,192
IPDC Finance Ltd.	1,112,443,508	471,762,968	-	1,584,206,476
Mayalogy Ltd.	18,155,513	(9,033,955)	-	9,121,558
BRAC EPL Investment Ltd.	1,300	-	-	1,300
BRAC Kumon Ltd.	49,980,000	(12,646,481)	28,895,443	66,228,962
edotco Bangladesh Co. Ltd.	7,228,750,000	1,156,039,867	-	8,384,789,867
BRAC OSIRIS Impact Ventures Ltd.	100,000,000	(2,603,829)	-	97,396,171
Bhumijo Ltd.	3,000,000	(701,796)	-	2,298,204
	14,065,670,240	15,506,046,327	2,486,174,746	32,057,891,313

30 June 2021 Taka	30 June 2020 Taka
-------------------	-------------------

Transfer to change in net assets/capital fund

886,265,795	2,259,838,290
-------------	---------------

Share of non-operating changes in net assets/capital fund in related undertakings

226,793,043	1,468,486,356
-------------	---------------

Investment in reserve fund (Statutory reserve)

659,472,753	791,351,934
-------------	-------------

Related undertakings (All incorporated in Bangladesh)	30 June 2021 %	30 June 2020 %	Principal activities
BRAC Bank Ltd.	46.17	44.28	Banking business, listed on the Dhaka and Chittagong Stock Exchanges
BRAC Industries Ltd.	99.99	99.99	Cold storage
BRACNet Ltd.	19.99	19.99	Internet service provider
BRAC IT Services Ltd.	87.00	51.00	Software Development
BRAC Services Ltd.	100.00	100.00	Hospitality
Delta BRAC Housing Finance Corporation Ltd.	18.39	18.39	Housing finance, listed on the Dhaka and Chittagong Stock Exchanges
BRAC Karnafuli Tea Company Ltd.	99.94	99.94	Tea Plantation
BRAC Kaiyachara Tea Company Ltd.	99.85	99.85	Tea Plantation
BRAC Kodala Tea Company Ltd.	99.12	99.12	Tea Plantation
Bangladesh Netting Factory	93.94	93.94	Poultry Processing
IPDC Finance Ltd.	25.00	25.00	Finance services, listed on the Dhaka and Chittagong Stock Exchanges
Mayalogy Ltd.	10.28	15.70	Women Empowerment through online in Bangladesh.
BRAC Kurmon Ltd.	99.96	99.96	Establish and operate Educational Institutes.
edotco Bangladesh Co. Ltd.	26.00	26.00	Telecommunications Service Provider.
BRAC OSIRIS Impact Ventures Ltd.	99.99	99.99	Invest in profitable and impact business ventures.
Bhumijo Ltd.	30.00	30.00	To ensure healthy and hygiene Public Toilets in Public places by designing, renovating, maintaining.
BD Assistant Ltd.	-	-	BD Assistant Ltd. is an online marketplace and logistics company which operates mainly in Rangpur Division. Share allotment not yet completed.

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 7%-8% (30 June 2020: 7%-8%) interest per annum. These loans have no fixed repayment terms.

The market value of BRAC Bank Ltd shares at 30 June 2021 was Tk. 49.50 per share (30 June 2020: Tk. 31.90) and Tk. 49.20 per share (30 June 2020: Tk.32.00) on the Dhaka Stock Exchange(DSE) and Chittagong Stock Exchange (CSE) respectively.

The market value of Delta BRAC Housing Finance Corporation Ltd. shares at 30 June 2021 was Tk. 75.00 per share (30 June 2020: Tk.92.60) and Tk. 75.00 per share (30 June 2020: Tk.98.70) on the DSE and CSE respectively.

The market value of IPDC Finance Ltd. shares at 30 June 2021 was Tk. 27.90 per share (30 June 2020: Tk. 22.60) and Tk. 27.80 per share(30 June 2020: Tk. 22.50) on the DSE and CSE respectively.

Significant transactions with related undertakings are as follows:

		30 June 2021 Taka	30 June 2020 Taka
Related Undertakings	Nature		
Dividend:			
BRAC Bank Ltd.	Investment	(1,021,691,524)	-
Delta BRAC Housing Finance Corporation Ltd.	Investment	(91,811,087)	-
IPDC Finance Ltd.	Investment	(111,327,460)	(88,355,126)
edotco Bangladesh Co. Ltd.	Investment	(1,163,045,000)	-
		(2,387,875,071)	(88,355,126)
Transactions:			
BRAC Bank Ltd.	Investment	(170,104,311)	(170,532,224)
BRAC Services Ltd.	Investment	38,696,154	29,526,926
BRAC IT Services Ltd.	Investment	219,995,826	291,775,325
BRACNet Ltd.	Investment	203,843,085	213,516,525
BRAC Karnafuli Tea Company Ltd	Investment	-	-
BRAC Kaiyachara Tea Company Ltd	Investment	-	-
BRAC Kodala Tea Company Ltd	Investment	-	-
Bangladesh Netting Factory	Investment	-	-
Delta BRAC Housing Finance Corporation Ltd	Investment	-	(4,800,000)
Delta BRAC Housing Finance Corporation Ltd	Investment	-	(76,973)
IPDC Finance Ltd.	Investment	(73,215,733)	(36,360,656)
		219,215,021	323,048,923
Receivable/(payables) with related parties:			
BRAC Bank Ltd.	Investment	972,117,691	2,995,853,699
BRAC Bank Ltd.	Investment	6,517,925,666	13,727,912,249
BRAC Industries Ltd.	Investment	-	-
BRAC Bank Ltd.	Investment	(3,800,000,000)	(3,800,000,000)
BRAC Services Ltd.	Investment	406,410,774	367,714,620
BRAC Karnafuli Tea Company Ltd	Investment	1,403,907,285	1,251,499,061
BRAC Kaiyachara Tea Company Ltd	Investment	236,569,456	196,526,465
BRAC Kodala Tea Company Ltd	Investment	516,100,132	481,293,557
Bangladesh Netting Factory	Investment	32,374,571	35,355,598
BRAC Environmental Enterprises Ltd.	Investment	-	124,890,003
BRAC Kumon Ltd.	Investment	51,745,225	28,895,443
		6,337,150,800	15,409,940,695

The BRAC management has assessed the impact of COVID-19 pandemic on BRAC's investments in related undertakings by reviewing their financial statement disclosures and directors' report and holding discussion with the management of the companies. BRAC management have also observed performance of the related undertakings in the 3rd quarter of 2021. No significant uncertainty was found on the recoverability of the investment in related undertakings.

	30 June 2021 Taka	30 June 2020 Taka
DBH 1st Mutual Fund	47,400,000	47,400,000
AB Bank Subordinated Bond	200,000,000	400,000,000
MTB Subordinated Bond	100,000,000	150,000,000
Bangladesh Sanchaypatra (BSP)	-	76,000,000
Fixed deposits	27,470,977,477	14,863,275,525
Short term deposits	3,626,260,187	3,515,625,991
	31,444,637,664	19,052,301,516

6. Investment in securities and others

DBH 1st Mutual Fund
AB Bank Subordinated Bond
MTB Subordinated Bond
Bangladesh Sanchaypatra (BSP)
Fixed deposits
Short term deposits

Current portion	30,636,037,664	18,043,701,516
Non-current portion	808,600,000	1,008,600,000

As of 30 June 2021, number of share holding of DBH 1st Mutual Fund is 6,000,000. Market value of DBH 1st Mutual Fund at 30 June 2021 was Tk. 8.00 per unit (30 June 2020: Tk. 6.90) on the Dhaka Stock Exchange (DSE). The maturity date of the AB Bank Ltd. Subordinated Bond will be on 25 August 2021 with effective interest rate 11% per annum. The maturity date of the Mutual Trust Bank Subordinated Bond will be on 19 October 2022 with effective interest rate 10.5% per annum.

7. Inventories

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

Seeds and feed	852,898,233	853,590,217
Medical supplies and consumables	79,656,203	73,498,937
Printing and stationery	199,843,650	102,834,630
Handicraft goods	5,251,045,581	5,333,867,975
Dairy products	446,571,625	449,804,825
Programmed materials	238,808,601	399,740,707
	7,068,823,893	7,213,337,291

8. Grants and accounts receivable

Grants receivable
Interest receivable on fixed deposits and bank accounts
Other accounts receivable

Grants receivable	2,611,513,506	1,628,273,959
Interest receivable on fixed deposits and bank accounts	1,244,900,647	1,399,679,064
Other accounts receivable	190,372,659	727,357,100
	4,046,786,812	3,755,310,122

9.

Microfinance loans

	Principal outstanding Taka	Service charge receivable Taka	Loan loss provision Taka	Total Taka
As at 1 July 2020	265,798,665,693	8,852,404,289	(11,079,110,781)	263,571,959,201
Additions	431,626,044,313	66,015,971,930	(15,075,810,946)	482,566,205,297
Realization	(427,123,947,902)	(68,177,606,620)	-	(495,301,554,522)
Write-off	(4,150,447,294)	(971,632,156)	5,122,079,450	-
As at 30 June 2021	266,150,314,810	5,719,137,443	(21,032,842,277)	250,836,609,976
As at 1 July 2019	230,431,832,162	3,071,423,749	(9,138,356,104)	224,364,899,807
Additions	360,988,461,863	51,873,040,135	(3,145,332,509)	409,716,169,489
Realization	(324,616,028,296)	(45,893,081,799)	-	(370,509,110,095)
Write-off	(1,005,600,036)	(198,977,796)	1,204,577,832	-
As at 30 June 2020	265,798,665,693	8,852,404,289	(11,079,110,781)	263,571,959,201

Loans to members bear annual service charges 20% to 24% on a declining balance method. Repayments are made in weekly/monthly instalments.

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

Loan Classification	Days in Arrears	Principal Outstanding 30 June 2021		Loan loss Provision 30 June 2021		Principal Outstanding 30 June 2020		Loan loss Provision 30 June 2020	
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Standard	Current (no arrears)	193,410,180,702	1,181,668,441	1,181,668,441	241,166,087,237	241,166,087,237	2,411,660,872	2,411,660,872	
Watchlist	1 - 30	13,592,673,918	415,232,377	415,232,377	14,359,782,407	14,359,782,407	717,989,120	717,989,120	
Substandard	31 - 180	33,093,321,190	5,054,714,947	5,054,714,947	2,691,605,064	2,691,605,064	672,901,266	672,901,266	
Doubtful	181 - 365	10,062,374,585	4,610,818,744	4,610,818,744	1,218,525,853	1,218,525,853	913,894,391	913,894,391	
Loss	Over 365	15,991,764,415	9,770,407,769	9,770,407,769	6,362,665,132	6,362,665,132	6,362,665,132	6,362,665,132	
		266,150,314,810	21,032,842,277	21,032,842,277	265,798,665,693	265,798,665,693	11,079,110,781	11,079,110,781	

Loan Loss Reserve (LLR) for the year reached at 7.90% on total outstanding balance as at 30 June 2021. MRA issued a directive on 22 June 2021 to halt the loan classification in a regular manner and keep balance of 31 December 2020 then provide additional 1% LLR for the incremental principal outstanding loan. In this respect, BRAC followed the MRA guidelines. In addition, BRAC Management has taken a conservative approach by following MRA directive and provided an additional amount of BDT 270 crores in LLR for the period from 01 January to 30 June, 2021 and approximately BDT 424 crores in LLR for the period from 01 July 2020 to 31 December 2020. The total excess of LLR for the period from 01 July 2020 to 30 June 2021 is approximately BDT 694 crores.

	30 June 2021 Taka	30 June 2020 Taka
10. Advances, deposits and prepayments		
Advances:		
Employees	4,238,631,300	5,197,394,673
Suppliers	4,944,858,044	4,133,182,407
Advance for income tax	3,829,750,087	2,433,180,336
Advance VAT	20,862,561	40,501,908
Motor cycle loans (Note 10.1)	27,305,231	69,253,193
	13,061,407,223	11,873,512,517
Deposits:		
Deposits for facilities and utilities	417,535,866	25,830,464
	13,478,943,089	11,899,342,981
10.1 Motor cycle loans		
Opening balance as at 1 July 2020	69,253,193	150,552,912
Additions during the year	-	10,140,175
Loan realization during the year	(41,947,962)	(91,439,894)
Closing balance as at 30 June 2021	27,305,231	69,253,193
11. Cash and bank balances		
Cash in hand	70,576,031	346,346,155
Cash at banks	17,288,852,436	16,123,337,508
	17,359,428,467	16,469,683,663
11.1 Cash and cash equivalents		
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at June 30, 2021:		
Cash in hand and at banks	17,359,428,467	16,469,683,663
Bank overdrafts (Note 13)	(168,877,058)	(31,171,194,721)
	17,190,551,409	(14,701,511,058)
12. Liabilities for expenses and materials		
Liabilities for expenses	9,372,954,148	9,691,911,419
Liabilities for goods	619,316,472	860,826,840
Interest payable on members' savings deposits	10,792,150,254	7,021,733,799
Advances received for training, publications, supplies etc.	1,449,826,333	1,431,697,700
	22,234,247,207	19,006,169,758

30 June 2021	30 June 2020
Taka	Taka

	30 June 2021	30 June 2020
	Taka	Taka
13. Bank overdraft		
Agrani Bank Ltd.	22,198,501	2,090,936,177
Bank Alfalah Ltd.	1,569,543	174,083,350
Bank Asia Ltd.	661,783	1,908,711,128
BRAC Bank Ltd.	430,455	223,489,825
Community Bank of Bangladesh	215,498	-
Dhaka Bank Ltd.	733,346	253,429
Dutch Bangla Bank Ltd.	1,556,056	36,419,765
Eastern Bank Ltd.	1,072,575	46,796,142
Habib Bank Ltd.	4,395,474	171,961,430
HSBC	5,833	702,218
IFIC Bank Ltd.	144,189	3,156,225
Jamuna Bank Ltd.	11,162,490	3,229,923,478
Janata Bank Ltd.	1,171,075	1,144,380,571
Mutual Trust Bank Ltd.	402,204	1,317,098,553
Prime Bank Ltd	4,206,914	2,002,570,317
Pubali Bank Ltd.	110,551,827	7,443,060,255
Rupali Bank Ltd.	404,133	150,043,691
Sonali Bank Ltd.	5,265,059	5,326,678,825
Southeast Bank Ltd.	207,694	57,091,570
Standard Bank Ltd.	-	281,127,861
The City Bank Ltd.	29,407	234,894,410
The Trust Bank Ltd.	326,127	2,446,869,955
United Commercial Bank Ltd.	322,618	100,060,746
Uttara Bank Ltd.	1,844,256	2,780,884,798
	168,877,058	31,171,194,721

The bank overdrafts were obtained for BRAC's micro-finance programme and to finance working capital requirements. The bank overdrafts bear interest at 4% to 9% (30 June 2020: 6.5% to 11%) per annum and are repayable within 12 months.

	30 June 2021	30 June 2020
	Taka	Taka
14. Term loans		
Local loans (14.1)	35,799,729,629	51,513,201,059
Foreign loans (14.2)	4,247,500,000	-
	40,047,229,629	51,513,201,059

	30 June 2021 Taka	30 June 2020 Taka
14.1 Local loans		
AB Bank Ltd.	-	249,998,781
Bank Alfalah Ltd	200,000,000	200,000,000
Bank Asia Ltd.	-	1,999,989,250
BASIC Bank Ltd.	31,110,325	247,659,279
BRAC Bank Ltd.	3,800,000,000	3,800,000,000
Citibank N.A.	-	1,420,000,000
Commercial Bank of Ceylon PLC.	1,500,000,000	1,450,000,000
Dutch Bangla Bank Ltd.	750,000,000	3,558,482,325
Eastern Bank Ltd.	3,337,720,586	3,391,744,288
EXIM Bank Ltd.	-	367,013,875
Habib Bank Ltd.	-	200,000,000
HSBC	4,070,000,000	3,160,000,000
IDLC Finance Ltd.	1,500,000,000	-
IFIC Bank Ltd.	-	3,439,984,916
Jamuna Bank Ltd.	-	199,998,975
Meghna Bank Ltd.	-	749,999,440
Midland Bank Limited	-	299,999,194
Modhumoti Bank Ltd.	-	199,949,546
Mutual Trust Bank Ltd.	1,499,994,691	-
NCC Bank Ltd.	999,997,033	3,484,635,813
Prime Bank Ltd	1,000,000,000	1,000,000,000
Pubali Bank Ltd	-	876,591,877
Rupali Bank Ltd.	-	3,000,000,000
SABINCO	-	92,017,015
Shahjalal Islami Bank Ltd.	1,900,000,000	4,300,000,000
Southeast Bank Ltd.	-	951,245,129
Standard Chartered Bank (SCB)	9,253,407,000	7,106,000,000
State Bank of India	1,200,000,000	1,100,000,000
The City Bank Ltd.	4,200,000,000	4,200,000,000
UAE Bangladesh Investment Company Ltd.	-	102,224,694
Woori Bank	557,499,994	365,666,662
	35,799,729,629	51,513,201,059

All repayment obligations in respect of the local term loans were met and no amounts were in arrears as at 30 June 2021. The local term loan were obtained to support various microfinance and development projects undertaken by BRAC and for working capital purposes. The loans are repayable at various intervals, i.e., monthly, quarterly, half-yearly and annually and bear 3.50% to 7.75% (30 June 2020: 6.50% to 9%) interest rates.

	30 June 2021 Taka	30 June 2020 Taka
Foreign loans		
Loan from FMO	4,239,500,000	-
Foreign exchange loss/(gain)	8,000,000	-
	<u>4,247,500,000</u>	<u>-</u>

14.2

Foreign loans

Loan from FMO
Foreign exchange loss/(gain)

FMO is a Dutch development bank structured as a bilateral private-sector international financial institution based in the Hague, the Netherlands. BRAC has borrowed USD 50,000,000 on April 06, 2021 from FMO equivalent to BDT 4,239,500,000 with a tenure of 5 years including 1 year grace period where annual interest rate is 3.72%. As on June 30, 2021, exchange loss/(gain) BDT 8,000,000 has been recognized at the exchange rate 1 USD = 84.95 Taka.

Term Loans are analyzed as follows:

Amount repayable within 12 months

Amount repayable after 12 months:

Repayable after 12 months but less than 24 months

Repayable after 24 months but less than 36 months

Repayable after 36 months but less than 48 months

36,009,174,073	51,350,860,149
1,048,888,889	126,627,592
1,048,888,889	35,713,318
1,940,277,778	-
4,038,055,556	162,340,910
<u>40,047,229,629</u>	<u>51,513,201,059</u>

15.

Members' savings deposits

Opening balance as at 1 July 2020

Deposits during the year

Withdrawals during the year

Closing balance as at 30 June 2021

107,035,796,155	71,021,173,544
79,175,373,358	68,648,175,400
(50,701,172,046)	(32,633,552,789)
<u>135,509,997,467</u>	<u>107,035,796,155</u>

Compulsory savings

Voluntary savings

Term deposits

Closing balance as at 30 June 2021

66,318,467,641	66,272,149,337
15,807,905,031	13,331,872,445
53,383,624,795	27,431,774,373
<u>135,509,997,467</u>	<u>107,035,796,155</u>

63,897,000,426

71,612,997,041

63,897,000,426

135,509,997,467

107,035,796,155

The rate of interest paid in respect of savings deposits by members was 6%-10.41% (30 June 2020: 6%-10%) per annum.

Current portion

Non-current portion

59,052,509,530

47,983,286,625

107,035,796,155

107,035,796,155

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

(a) **Compulsory savings**

- (i) Each member deposits a minimum amount of Tk. 10 in a weekly/monthly meeting. The amount to be deposited weekly/monthly 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 loaned 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. 10,000. The interest rate ranges from 7% for a 3 years period to 10% for a 10 year period.

- (ii) Any member can withdraw his/her savings by giving a seven (7) days written notice.

(c) **Term deposits:**

Each member can save for a period of 1 to 7 years for a fixed time period. The amount of deposit can range from Tk. 10,000 to 1,000,000. Interest rate for the maturity period range from 7% in the first year to 10.41% for 7 years. At the beginning of February 2021, the product tenure was revised to maximum 8 years. However, it has been discontinued from June 10, 2021 .

16.

Grants received in advance account

	30 June 2021 Taka	30 June 2020 Taka
Opening balance as at 1 July 2020	2,859,176,014	3,156,525,935
Grants receivables	<u>(1,628,273,959)</u>	<u>(3,726,979,555)</u>
	1,230,902,055	(570,453,620)
Donations received during the period	13,482,720,433	15,754,704,129
Transferred to deferred income:		
- Investment in fixed assets	(750,386,161)	(192,211,811)
- Motorcycle replacement fund	-	(5,116,436)
Transfer to statement of comprehensive income and expenditure	<u>(14,236,644,651)</u>	<u>(13,654,675,350)</u>
	(273,408,324)	1,332,246,911
Refund/transfer/adjustment for closed projects	21,083,865	(101,344,856)
Grants receivables	<u>2,611,513,506</u>	<u>1,628,273,959</u>
Closing balance as at 30 June 2021	<u><u>2,359,189,047</u></u>	<u><u>2,859,176,014</u></u>

19.1 Employee gratuity and redundancy fund

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 gratuity fund. Employee gratuity and redundancy fund consist of provision for gratuity of BDT 11,145,715,038 and provision for earned leave BDT 3,124,087,277 as at 30 June 2021.

19.2 Self-insurance fund

BRAC created a self-insurance fund in order to provide coverage for a variety of risks including that of hazard/natural calamity (i.e. cyclone, flood, fire among others) to selected properties. Additionally, risk coverage related to cash loss arising out of regular operation is also under the scope of this fund along with miscellaneous risk coverage not insured by other funds. This self-insurance fund is based on estimates by the Governing Body and, as from 2001, by reference to the best judgment made by management.

19.3 Other funds

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.

BRAC created an emergency fund in response to the COVID 19 pandemic situation .

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.

Staff insurance & welfare fund had been created for the welfare of the staff at BRAC which is not covered under the life/health insurance scheme. This is to be used at the discretion of the executive director's approval.

20.

Donor grants

Donor grants recognized in the statement of comprehensive income and expenditure:

Transferred from grants received in advance

Transferred from deferred income:

amortization of investment in fixed assets

- unrestricted

- temporarily restricted

amortization of motorcycle replacement fund

- unrestricted

- temporarily restricted

Total donor grants

Interest on bank accounts and fixed deposits from donor projects

Other income from donor projects

Notes	30 June 2021 Taka	30 June 2020 Taka
16	14,236,644,651	13,654,675,350
18	8,308,149	113,929,386
	208,856,890	145,109,165
	217,165,039	259,038,551
18	-	254,261
	4,494,572	4,239,832
	4,494,572	4,494,093
	14,458,304,262	13,918,207,995
	12,301,330	12,679,628
	20,898,182	-
	<u>14,491,503,774</u>	<u>13,930,887,623</u>

	30 June 2021 Taka	30 June 2020 Taka
21. Social Enterprises		
Revenue from Sales (Note-21.1)	15,211,805,393	12,446,529,023
Other income (Note-21.2)	30,643,584	2,676,287
	15,242,448,976	12,449,205,310
21.1 Disaggregation of revenue from sales		
Aarong Rural Craft Centre	8,200,682,701	5,834,882,844
BRAC Printing Pack	296,981,655	393,206,910
BRAC Dairy and Food Project	4,221,648,358	3,852,713,576
Agro-based program support enterprises	2,476,292,936	2,324,898,870
Non-agro-based program support enterprises	16,199,742	40,826,823
	15,211,805,393	12,446,529,023
21.2 Other Income		
Partial reimbursement on cost of donor funded programme supplies	30,643,584	2,676,287
	30,643,584	2,676,287
22. Microfinance Programme		
Service charge on microfinance loans (Note 22.1)	66,216,124,084	52,124,327,091
Bank interest against deposits (Note 26)	1,463,395,497	1,538,371,036
	67,679,519,581	53,662,698,127
22.1 Service charge on microfinance loans		
Service charge on microfinance loans	66,042,195,946	51,875,245,832
Membership fees	18,247,651	15,507,826
Others	155,680,487	233,573,433
	66,216,124,084	52,124,327,091
23. Self-financing Social Development Projects		
Interest on bank accounts and fixed deposits (Note 26)	403,303,857	137,025,278
Other income (23.1)	1,259,605,586	733,224,811
	1,662,909,443	870,250,089

	30 June 2021 Taka	30 June 2020 Taka
23.1 <u>Other income</u>		
(Loss)/gain on disposal of property, plant and equipment	(179,682,701)	21,859,886
Partial reimbursements on cost of programme supplies	906,463,521	140,427,456
Training income	532,824,766	505,081,779
Sale of wastage materials	-	65,855,690
	1,259,605,586	733,224,811
24. <u>Investment income</u>		
In respect of investments in related undertakings:		
- Cash dividend income	2,387,875,499	88,355,126
In respect of investments in securities and others:		
- Interest on Subordinated bond	38,415,397	66,890,109
- Interest on BSP	9,885,730	17,965,857
- Realized profit on DBH 1st Mutual Fund	-	4,800,000
	2,436,176,626	178,011,092
25. <u>Community contribution</u>		
Education Programme	83,476,875	285,351,501
Health Nutrition and Population Programme	440,152,862	430,117,757
Community Empowerment Programme	15,053,558	24,131,617
Skill Development Programme	41,796,492	42,307,312
BRAC WASH in hard to reach and urban areas	21,832,543	8,018,183
Migration Programme	8,310,766	-
Integrated Development Programme	147,939	153,590
	610,771,035	790,079,960
Community contribution represent fees charged by BRAC to participate of programmes or activities.		
26. <u>Interest on fixed deposits and bank accounts</u>		
Bank interest against deposits	1,463,395,497	1,538,371,036
Donor based development Projects	12,301,330	12,679,628
Self-financing social development programmes	403,303,857	137,025,278
	1,879,000,684	1,688,075,942
27. <u>BRAC Contribution to support Donor Funded Programmes</u>		

BRAC contributed funds to meet the funding shortfall in donor funded programmed expenditure during the year in order to ensure the continued implementation and execution of such programmed. The corresponding figure for the year ended 30 June 2020 was BDT 1,686,563,133.

	30 June 2021 Taka	30 June 2020 Taka
Income tax expense		
Income tax provision for the year	1,851,152,028	493,047,456
Income tax provision:		
Current year	1,660,000,000	493,047,456
Adjustment for previous year- IY 2015-16	191,152,028	-
	1,851,152,028	493,047,456

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-exempted.

The tax charge is in respect of taxable income arising from BRAC's taxable activities in 2020-21, and is subject to agreement with the tax authorities.

29. Foreign currency denominated monetary assets and liabilities

Resident Foreign Currency Deposits (in USD)	933,591,792	792,464,911
Resident Foreign Currency Deposits (in Euro)	19,660,728	17,873,869
Resident Foreign Currency Deposits (in GBP)	18,865,171	17,853,061
Cash at bank (in USD)	954,878	1,983,479
Cash at bank (in Euro)	549,337	2,290,814
Cash at bank (in GBP)	478,662	1,257,529

Foreign exchange (loss)/gain on translation of foreign currency is Taka 1,301,073 (30 June 2020: Taka 7,810,333)

30. 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

Interest rate risk is the risk that arises due to changes in market interest rates. BRAC is not exposed to fluctuations in market interest rates as it has no floating interest rate bearing financial liability as at the reporting date. BRAC has not entered into any agreement involving derivative instrument at the reporting date.

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. In addition, there is translation risk associated with the loan in foreign currency. Primarily, 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/translational 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.

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.

31. Schedule of donation received

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Strategic Partnership Arrangement (SPA)	DFID	1,450,240,000	5,087,170,000
	DFAT	1,238,465,000	1,164,400,000
	Sub-total	2,688,705,000	6,251,570,000
BRAC Vision Bangladesh Phase-II	BRAC USA	1,186,801	8,588,886
	Orbis International	2,863,034	5,274,241
	VISION SPRING	2,260,706	2,831,414
	Sub-total	6,310,541	16,694,541
IED BRACU	Kanton Zuerich	4,002,053	-
	Real Play City Challenge	1,099,281	-
	Sub-total	5,101,334	-
Reducing the Risk of Corona Virus (COVID-19) in Bangladesh-3	BRAC UK	449,704	-
	BRAC USA	7,406,262	-
	British Asian Trust	4,346,000	-
	DGHS - UNFPA	1,320,000	-
	UK Online Giving Foundation.	1,427,642	-
	Various Donor	3,607,523	-
	Edotco	-	2,054,871
	GP	-	150,000,000
	BRAC University	-	3,765,006
	BRAC Staff Contribution	-	38,684,110
	Local Contribution	-	40,683,313
		18,557,131	235,187,300
	Emergency Response to Typhoon/Cyclone Amphan in Bangladesh	BRAC UK	108,095
BRAC USA		24,950,136	21,709
Local Contribution		-	100,000
Sub-total		25,058,231	121,709
Emergency Support for 2020 Flood Affected Households in Bangladesh	BRAC USA _BMGF	24,213,075	-
	Greta Thunberg Foundatio	2,547,119	-
	Sub-total	26,760,194	-

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Right Here Right Now (RH-RN)	Bondhu Social Welfare Society	1,143,896	2,959,415
	UNHCR	-	2,524
	Sub-total	1,143,896	2,961,939
BRAC Boat School	EAC-QATAR	-	1,478,464
Building Young Women's Leadership through Sports	Women Win	-	9,518,750
Bangladesh MYCN-Home Fortification Program	The Global Alliance for Improved Nutrition (GAIN)	-	414,494
Information Communication and Technology (ICT)	DFID	-	5,600,454
BRAC School Meal Piloting	WFP	-	4,722,668
Sustainable Clubfoot Care Bangladesh	The University of Columbia	2,666,079	-
IED BRACU	Zuerich University	-	6,101,280
Neuro Developmental Disability (NDD) Project	Apasen International	1,221,048	1,151,864
Building Blocks of Early Years Learning in Bangladesh	Porticus	-	32,979,345
Innovation for Improving Early Grad Reading Activity	USAID	-	26,960,556
Working with Children at Risk in the Slums of Dhaka	BRAC-UK	-	2,504,700
Ensuring Long Term Medical Services & Post Award Livelihood Support for the Victims of Rana Plaza	BRAC USA	-	33,460,479
Effect of BIO Fortified Leantiles on Iron and Selenium Status	University of Saskatchewan	-	9,495,918
English and Digital for Girls Education	British Council	2,243,400	11,408,306
MNCH-Urban Project (Phase-II)	WORLD RESOURCES INSTITUTE	178,108	403,867
Chitmoloh Livelihood Development Programme Lalmonirhat	SCB	-	2,541,404
Financial Literacy for adolescents in Chittagong	Standard chartered bank	1,272,775	1,321,866
Improvement of the Real Situation of Over Crowding in Prisons	GIZ	5,710,337	15,928,361
Adolescent Sextual and Reproductive Health in Bangladesh	BRAC - USA	-	3,299,214
Unlocking the production Potential of "polder communities" in Coastal Bangladesh through improved Resource use efficiency and diversified cropping systems	IRRI	-	4,151,000
CFPR Phase IV	Pubali Bank Ltd.	5,475,053	-
CFPR Phase IV	Whole Planet Foundation	-	21,498,551
Targeting and Re-Aligning Agriculture to Improved Nutrition (TRAIN)	IFPRI-UK	4,464,470	20,526,447
Capacity Building to promote day-care services and women's employability in the RMG Sector"	MDF- Training & Consultancy (NUFFIC)	-	6,918,619
Support Socio economic development of 910 vulnerable families from bagerhat District(Bangladesh) through Innovative models of small scale aquaculture	AIDA	-	751,453
PRO-poor Growth of Rural Enterprises Through Sustainable Skills-development-PROGRESS	EC	-	116,973,327
Aarong model Urban Schools Program	Aarong	123,761	-
Shishu Niketan: Low cost Schools in Bangladesh	BRAC-UK	-	22,444,798
Bangladesh Districts Eye Care programme-vision Bangladesh	Sightsavers	2,875,591	3,089,430

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Improving Health and Nutrition Status of Urban Extreme poor in Bangladesh	Concern Worldwide	-	59,711,594
Strengthening and Cultivating Opportunities in Production for Empowerment (SCOPE)	Echotex Ltd	-	10,283,058
Construction of Lower Secondary School in Bangladesh	Dubai Cares	7,455,797	8,473,475
Empowering Women for Building Social Cohesion project	UN Women	-	1,923,567
Empowering the readymade garment workers living in slum of Dhaka	Stiftung Auxikiam	68,109,400	-
Income Support Programme for the poorest (ISPP) JAWTNO Project	World Bank	108,405,251	-
Sustainable reintegration and Improved Migration Governance in Bangladesh	IOM	-	233,293,354
Implementation of Comprehensive STH Control (Deworming)	BRAC USA	2,975,827	7,934,839
Emergency Response and Recovery for Flash Floods and Cyclone Mora to Support the Reduction of ongoing Suffering of the most Affected Communities and Assist	BRAC USA	-	32,165,298
Shujog	Google Asia Pacific Ltd.	-	6,622,755
Effects of play based early stimulation in children on self-regulation and executive functioning skills from rural low income households – a randomized control	Grand Challenge Canada	-	4,029,175
WASH in Make Shift Settlement in Balukhali, Ukhia	IOM	-	40,588,945
BRAC's humanitarian programme for forcibly-displaced Myanmar nationals	BRAC-USA	-	358,378,757
Community Mobilization Volunteers(CMV)Network for life Saving Message on health nutrition, Sanitation and Protection in humanitarian crisis in coxs Bazar	UNICEF	-	141,395,103
Phased Elimination of Malaria from Bangladesh-GFATM	THE GLOBAL FUND	208,208,630	427,892,867
TB care and prevention with a Focus on case Finding Activities in Bangladesh	THE GLOBAL FUND	2,284,634,970	1,990,873,807
Phase-1 Descriptive Framing Research	Porticus	-	935,014
Supporting Adolescent Empower for Changing Harmful Social Norms and Emergencies	UNICEF	-	30,568,209
Socio-economic reintegration of returnee migrant workers	Embassy of Denmark	-	17,278,077
Increasing Access to improved Water sanitation Hygiene service in School	Charity Water	-	167,508,389
Ensuring protective environment for children and adolescents of Rakhine state of Myanmar in Cox's Bazar District	UNICEF	-	57,532,648
Multi sectoral emergency assistance for Rohingya in Coxbazar Districts	UNHCR	-	1,928,781,033
Bridge School Programme	Education Above All (EAO)	111,458,124	154,197,368
Mobile Biometrics for MNCH Care in Bangladesh	Grand Challenge Canada	17,826,632	21,361,713
Improved Wash service for the Rohingya Refugee and Host Communities in Coxs Bazar	UNICEF	-	127,821,500
Alternative Learning Programme for Out of School Adolescent	UNICEF	45,762,495	63,819,683
Scale Up of Early learning and informal basic education for forcibly Displaced Myanmar Nations	UNICEF	-	186,263,914
Scale up of Early learning and informal basic education for FDMN	UNICEF	44,870,745	-
Scaling up Mother@Work programme at Ready-Made Garment Factories	UNICEF	7,251,766	18,270,322
The Effects of Community Based Psycho-social Intervention in Reducing Postpartum Depression and Improving Infant's Development in the Refugee Community from Rakhine State of Myanmar in Bangladesh	Grand Challenge Canada	2,423,254	3,815,922
Provision of Sustainable WASH Services for Rohingya and Host communities	EKN	-	80,000,000

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Reading Glasses for Improved livelihoods Project Phase-II	VISION SPRING	29,797,728	40,390,983
Enhancing Disaster Resilience (Access & Site Improvement)	WFP		68,273,142
Development, Production and Distribution of Teaching & Learning Materials for Learning Competency Framework and Approach (LCFA)	UNICEF	21,270,928	61,817,078
BRAC Humanitarian Programme for Forcibly-Displaced Myanmar Nationals: WASH Support	Big Heart Foundation	16,293,470	-
Sustainable WASH for Rohingya Crisis (Host Community)	EKN	19,999,029	25,861,751
WASH Support to The displaced Rohingya population in Ukhiya and Teknaf Upazilla, Cox's Bazar District	IOM	36,879,287	37,223,927
Sustainable Reintegration of Bangladesh Returnees	IRARA Service Ltd	24,393,573	21,259,556
Empowering Early Childhood in Emergency Setting-Rohingya refugees project	Sesame workshop, USA	-	321,850,843
Amplifying Early Childhood in Emergency Setting-Host community	Sesame Workshop	-	31,843,187
Increasing Access to Improved Water, Sanitation and Hygiene Services in School Project	Charity Water	47,114,653	-
Digitization Implementation Monitoring & public Procurement Project	BIGD BU	9,219,705	3,880,078
School Nutrition for Adolescent Project (SNAP)	Nutrition International	1,185,742	12,939,375
Integrated joint protection and education services for vulnerable Rohingya adolescent, children, women, men and communities including host community in Ukhiya and Teknaf of Cox's Bazar district	UNICEF	324,948,163	39,758,609
Research and Evaluation of BRAC's Holistics	BRAC USA	-	16,800,000
Promotion of Gender Justice Strengthening Engage Men and Boys Network for Reducing Violence Against Women and Children in Bangladesh	AMPLIFYCHANGE	4,404,781	23,926,901
Socio-Economic Reintegration of returnee Migrant worker's of Bangladesh Project (SDO)	Embassy of Switzerland	17,000,000	25,784,548
IYCF Focused Emergency Nutrition Response to Forcibly Displaces Rohingya Nationals on Cox's Bazar	UNICEF	1,783,605	15,700,318
SOK-Enhancing the resilience and well-being of Rohingya	Save the Children	-	11,171,344
Regarding the Implementation of a WFP Assistance Programme –Self Reliance	WFP	2,368,177	49,599,671
Deliver an integrated assistance package in Cox's Bazar -WFP-PA & TA to Scale-up School Feeding	WFP	-	127,373,996
Changing The Perception of Youth in Bangladesh about Skill Development	ROYAL DENISH EMBASSY	40,401,325	-
Positive social relationships created between Rohingya Refugees and host community women through economic and social support and networking	Un Women	-	25,330,849
Enhancing Disaster Resilience Project	WFP	16,832,692	-
Implementation of Nutrition Intervention Under Integrated Assistance Package in Cox's bazar Comprehensive 5th Control Deworming	WFP	-	46,002,253
Humanitarian Leadership Academy-Bangladesh	HLA	4,225,802	-
Humanitarian Leadership Academy-Bangladesh	Save the Children	-	2,545,472
Women's Empowerment and Social Cohesion Building	Safer World	-	4,346,998
Integrated and Equitable SRH Services	UNFPA	22,216,548	5,403,053
Livelihood Support and Women's Empowerment in Cox's Bazar	GAC	215,443,526	
Improved WASH Service to the Rohingya Refugees Population in Ukhiya Cox's Bazar	UNICEF	41,126,138	
Responsible Recruitment of Bangladeshi worker Project	BRAC-USA	-	7,253,158
Integrated Comprehensive Essential Primary Health Care for Rohingya Refugees in Cox's Bazar	BRAC UK	1,692,881	6,792,347

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Comprehensive Integrated Health Services for the Displaced Rohingya in Cox's Bazar	DFATD GAC	-	62,904,958
BRAC Chevron Enterprise Development Project (JIBIKA) Phase -II	BRAC USA	38,294,737	-
Amplifying Early Childhood in Emergency Setting-Rohingya refugees Phase -II	Sesame Workshop	-	49,242,443
Participatory Implementation of IFC to improve Maternal and Newborn Health in Bangladesh	Enfants du Monde(EdM)	48,304,372	11,517,992
SEIP-BRAC	SEIP	43,573,628	26,805,372
Non-Formal Primary Education-AGFUND	Arab Gulf Programme for Developme	7,706,826	9,842,560
BRAC Humanitarian Program for Host community (Wash Support)	Big Heart Foundation	1,465,230	-
Achieving Peace and tolerance through CIVIC engagement in Rohingya refugee camps and host communities (CBLP)	MSI	-	18,946,079
Solid waste management in Host Communities and camps in teknaf Ukhaia Upazila under Cox's Bazar district (Package-A-Teknaf and Package-B-Ukhaia)	UNDP	41,602,872	25,872,318
Strengthening Inclusive Development in Chittagong Hill Tracts	UNDP	12,130,092	1,818,708
Better Business for Children	UNICEF	1,509,177	-
Better Business for Children	UNICEF	-	1,509,177
Collective Healing and Support for Rohingya Adolescents	BRAC UK	9,162,360	-
Emergency support for 2019 flood affected house holds in Bangladesh	BRAC USA	-	24,140,129
Learning Quality Improvement of forcibly displaced Myanmar Nation (FDMN) Children in Cox's Bazar	BRAC UK	6,336,963	11,301,412
Engaging communication through religious leaders network	UNICEF	6,061,950	16,520,650
Women's Empowerment by contributing in Aquaculture and Nutrition	World Fish	3,829,194	4,212,538
For Second Chance Education Pilot Program (CoChort)-Out Of Children (PEDP4)	BNFE	125,744,450	16,959,218
Advancing inclusive and resilient Urban development targeted at the Urban Poor-output 1: Country Studies Project	IIED	5,112,120	3,829,344
Regarding the Implementation of a WFP Food Assistance programme in Cox's Bazar	WFP	81,149,916	27,191,178
Decent Employment for Marginalised Youth in Retail	BRAC-UK	-	25,356,962
BRAC's Humanitarian Assistance for Myanmar Refugees in Bangladesh	BRAC USA	-	20,690,801
Humanitarian Support to cyclone Bulbul Affected people in satkhira Municipality	German Embassy	-	2,193,500
Livelihood Support to Host Communities in Teknaf Sub District	Deutsche Gesellschaft Fuer	22,594,767	15,408,214
Play and Learning Support to Pre-primary education for host community in cox's bazar districts of Bangladesh	Dubai Cares	-	82,873,509
Advocacy for Play & early Learning in Bangladesh	Stiftung Auxikiam	107,759,376	-
Promoting women and Girls empowerment through enhancing protection and economic resilience and access to market of Rohingya women and adolescent girls in camps	UN Women	35,317,479	22,881,664
Learning through Play: Creating Implementing sustaining a Model of playful pedagogy in Government Primary school in Bangladesh	Lego Foundation	-	89,941,277
Clean Water for all (P 4 G) Project	WORLD RESOURCES INSTITUTE	4,848,771	933,176

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Development, Review, Adaption and compilation of teaching and learning Materials for learning competency Framework and Approach (LCFA) Level (i - iv)	UNICEF	32,787,137	-
Quality Education service for Rohingya Children in Cox's Bazar districts of Bangladesh	Nippon Foundation	63,060,495	59,889,750
Quality Education service for Host Community in Cox's Bazar districts of BD	Nippon Foundation	13,299,255	-
Early Learning and development through play in Emergency setting for Rohingya Community	Sesame Workshop	-	178,135,193
Early Learning and development through play in Emergency setting for Host Community	Sesame Workshop	12,984,802	-
Improving well-being of Vulnerable communities in Cox's Bazar through decent employment opportunities, Protection services and humanitarian Assistance	The Embassy of Denmark	90,000,000	-
Provision of life-Saving and Transitional WASH Services to affected Rohingya Population and Host Communities in Cox's Bazar	IOM	45,660,174	11,601,065
Disrupting cross Border Trafficking Networks in Jeshore, Bangladesh	BRAC UK	44,067,881	25,483,471
Increasing Access to Improved water, sanitation & Hygiene service in School Project.	Charity Global	100,625,414	13,813,505
GFA and Nutrition Implementation in Cox's Bazar Bangladesh	WFP	337,785,343	-
"Non-Communicable Disease (NCD) Prevention and Control Project in Bangladesh	BRAC USA	14,845,403	7,645,500
Reducing prevalence of forced Labour in informal RMG factories in Bangladesh by promoting sustainable livelihood opportunities to people through alternative learning pathways	End Modern Slavery Initiative Found	28,755,291	-
Socio-economic reintegration of returnee migrant workers of Bangladesh Phase-II	Royal Danish Embassy	-	133,231,823
Community-based Management of Acute Severe Malnutrition (CMAM) in Cox's Bazar Bangladesh	ACF	-	970,326
Reducing the Risk of Corona Virus (COVID-19) in Bangladesh	UNOPS	-	112,961,063
Multi-Sector Emergency assistance for Rohingya-SMS in Cox's Bazar Bangladesh	UNHCR	168,513,320	-
Multi-Sector Emergency assistance for Rohingya-CMS in Cox's Bazar Bangladesh	UNHCR	56,059,812	-
Multi-Sector Emergency assistance for Rohingya-MHPSS in Cox's Bazar Bangladesh	UNHCR	10,000,000	-
Multi-Sector Emergency assistance for Rohingya-HCSP in Cox's Bazar Bangladesh	UNHCR	10,000,000	-
Multi-Sector Emergency assistance for Rohingya-Wash sanitation in Cox's Bazar Bangladesh	UNHCR	238,171,053	-
Multi-Sector Emergency assistance for Rohingya-Shelter in Cox's Bazar Bangladesh	UNHCR	430,000,000	-
Reducing the Risk of Corona Virus (COVID-19) in Bangladesh-2	DFAT	-	140,850,000
Gender Responsive Education and Skills programme in Chittagong Hill Tracts	GAC	124,551,577	-
Multi-sector emergency assistance for Rohingya -Community Health Workers (CHWs) in Cox Bazar Bangladesh	UNHCR	58,896,992	-
Provision of life saving WASH services to the Rohingya Refugees in camps (14, 15 & 8W)" in Cox's Bazar	UNICEF	95,122,698	-
Integrated Rehabilitation Program for Upliftment of Ultra-Poor slum dwellers in Mohammadpur and Mirpur in Dhaka City and Saidpur in Nilphamari district for Integrated WASH Services.	ISLAMIC DEVELOPMENT BANK	59,322,542	-
Integrated Rehabilitation Program for Upliftment of Ultra-Poor slum dwellers in Mohammadpur and Mirpur in Dhaka City and Saidpur in Nilphamari district for Integrated Health Services	ISLAMIC DEVELOPMENT BANK	84,748,475	-
LIVELIHOODS AND SOCIAL COHESION IN COX'S BAZAR	IOM	29,425,977	-
Livelihoods and Social Cohesion in Cox's Bazar	IOM	-	2,197,650

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Humanitarian Assistance for Rohingya and Host Communities Cox's Bazar in Bangladesh.	DFAT	184,100,000	287,500,000
Immediate Food Support to 3,700 Households to COVID-19 for 4 Weeks in Bangladesh	BRAC USA	-	12,727,500
Immediate Cash Support to the COVID-19 Affected in Bangladesh	BRAC USA	-	7,212,250
SDC BRAC Social Cohesion Fund for Cox's Bazar District (COVID-19 Response) : May 2020 - August 2020	Embassy of Switzerland	6,995,534	34,495,000
Provision of Critical WASH and Protection Services to Rohingyas and Affected Host Community, 2020	GAC	94,646,912	-
Scale-Up of Early Learning and in-formal basic education for Rohingya Refugee children 4-14 years from Myanmar in Bangladesh.	UNICEF	219,901,990	-
Justice and Prison Reform for Promoting Human Rights and Preventing Corruption in Bangladesh	GIZ	3,608,498	12,000,000
HBCC (Hygiene and Behaviour Change actions for reducing the risk of COVID-19 in Bangladesh)	Unilever Bangladesh	386,475,053	-
Play based ECD in Humanitarian Settings for Rohingya Refugees	Sesame Workshop	165,111,264	-
Play based ECD in Humanitarian Settings for Host Community	Sesame Workshop	55,037,116	-
Remote Learning through Play COVID19 Response Program	BRAC USA	42,573,993	-
Bangladesh Digital Ecosystem Activity for COVID-19 Rapid Response Project	USAID	32,782,270	-
Sustain and expand basic life-savings in WASH with Focus on COVID-19 for Forcibly Displaced Myanmar Nationals (FDMNs)	CERF	41,503,716	-
Population in Cox's Bazar District.	BRAC UK	6,138,760	-
Inclusive Covid-19 Response in Bangladesh (Disability Inclusive Development Task Order 35)	IDRC	10,376,613	-
Managing Impact of COVID-19 in Rohingya Refugee Camps and Host Communities with Culturally Appropriate Technological Solutions in Cox's Bazar district.	BRAC USA	4,237,500	-
BRAC-CDC community surveillance and response project	WFP	185,571,161	-
WFP Food security for households most affected by the COVID-19 crisis in low-income urban areas of Dhaka	UNDP	4,423,465	-
Enhancing adaptive capacities of coastal communities, especially women, to cope with climate change induced salinity, Bangladesh	BRAC USA	35,934,000	-
Medicare Support and Economic & Social Recovery for Vulnerable Survivors of Rana Plaza	UNOPS (DFID)	254,779,272	54,065,927
Humanitarian Response to restore Safety, Dignity and Resilience (HRSR) of flood-affected people in Bangladesh	GPGSPH- BU	358,629	-
ARISE	IOM	16,923,165	-
Provision of Comprehensive WASH services for the Rohingya refugees and the host communities living in Cox's Bazar, Bangladesh	JPGSPH BRAC University	159,600	-
Cool Roof Project	Bill & Melinda Gates Foundation	55,066,652	-
Community Support Team Model to Address COVID in Bangladesh	Climate Bridge Fund	5,387,375	-
Strengthening Resilience of Climate-Induced Migrants in Vulnerable Urban Communities in Khulna and Rajshahi Project	FCDO (DFID)	452,000,000	-
COVID-19 response through community mobilization and strengthening of community clinic	SEIP	987,000	-
BRTC-SEIP TOT Project	Stiftung Auxilium	6,312,693	-
Pashe Achhi: A Telecommunication Model for Children and Caregivers-Rohingya Community	Stiftung Auxilium	4,484,584	-
Pashe Achhi: A Telecommunication Model for Children and Caregivers-Host Community			

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Boosting Agriculture Risk Mitigation Through Weather Index Insurance for Smallholder Farmers in Bangladesh project (P-968)			
Nakshi-Skill Development on handicraft for covid-19 and flood recovery	HSBC TRUSTEE (Hong Kong) Ltd.	2,821,426	-
Integrated Tuberculosis Care and Prevention for Enhancing Case Findings Health System Strengthening and Sustainability	THE GLOBAL FUND	6,780,000	-
Strengthening community resilience to climate induced vector borne diseases in City Corporations of Bangladesh	Climate Bridge Fund	657,794,279	-
Phased Elimination of Malaria from Bangladesh	THE GLOBAL FUND	4,141,508	-
Innovation Fund for Futureproofing the RMG Sector of Bangladesh	H & M Foundation	181,173,749	-
Universal Mask for the ultra-poor	BRAC USA	-	-
Enhancing Early Learning through Play in Humanitarian setting for Rohingya Community	Sesame Workshop	3,919,688	-
Enhancing Early Learning through Play in Humanitarian setting for Host Community	Sesame Workshop	69,940,870	-
Rehabilitation of Livelihood and Vulnerability Eradication (RELIVE) for flood affected population in Bangladesh	BRAC UK to Cartier Philanthropy	23,313,623	-
Delivering essential healthcare during COVID-19 in Cox's Bazar	BRAC USA-Hilton	7,611,122	-
Advocacy and communication campaign on Covid-19	International Labour Office	39,635,965	-
Pilot on Improving the Wellbeing of Waste-Workers in Dhaka city	COCA- COLA Foundation	11,477,297	-
Provision of Comprehensive WASH Services to the Rohingya Refugees Living in the Camps in Cox's Bazar, Bangladesh	IOM	12,708,771	-
Farmers Capacity Development Interventions Project	Bayer Crop Science Ltd.	33,723,076	-
Multi-sectoral emergency assistance for Rohingya refugees in Cox's Bazar, Bangladesh	UNHCR	31,567,507	-
Multi-sectoral emergency assistance for Rohingya -SMS in Cox Bazar Bangladesh	UNHCR	10,677,221	-
Multi-sectoral emergency assistance for Rohingya -SMS in Cox Bazar Bangladesh	UNHCR	100,000,000	-
Multi-sectoral emergency assistance for Rohingya -MHPSS in Cox Bazar Bangladesh	UNHCR	100,000,000	-
Multi-sectoral emergency assistance for Rohingya -Self Reliance in Cox Bazar Bangladesh	UNHCR	60,000,000	-
Multi-sectoral emergency assistance for Rohingya -UPG in Cox Bazar Bangladesh	UNHCR	40,000,000	-
Multi-sectoral emergency assistance for Rohingya -Community Health Workers (CHWs) in Cox Bazar Bangladesh	UNHCR	20,000,000	-
Multi-sectoral emergency assistance for Rohingya -Education in Cox Bazar Bangladesh	UNHCR	20,000,000	-
Multi-sectoral emergency assistance for Rohingya -Wash sanitation & Hygiene in Cox Bazar Bangladesh	UNHCR	50,000,000	-
Multi-sectoral emergency assistance for Rohingya -Wash Water in Cox Bazar Bangladesh	UNHCR	50,000,000	-
Multi-sectoral emergency assistance for Rohingya -SHELTER in Cox Bazar Bangladesh	UNHCR	50,000,000	-
Multi-sectoral emergency assistance for Rohingya -SGBV in Cox Bazar Bangladesh	UNHCR	50,000,000	-
ARISE Responsive Fund	JPGSPH BRAC University	2,265,914	-
General Food Assistance Programme in Cox Bazar Bangladesh	WFP	32,019,232	-
Self-Reliance for Rohingyas in Cox's Bazar	WFP	14,640,153	-
HNPP's SPA Supported Project (Rural, Urban & CMC)	JPGSPH BRAC University	231,876	-

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Aquaculture: increasing income, diversifying diets, and empowering women in Bangladesh and Nigeria*	WorldFish	4,364,592	-
Integrated primary healthcare and community-based health services for Rohingya refugees in Cox's Bazar, Bangladesh.	GAC	101,152,482	-
Initiative for Data-Driven COVID-19 Response	BRAC USA	7,261,253	-
Improving case management and enhanced social mobilisation at union level in frames of Health and Gender Support Project	UNFPA	586,500	-
Total Donation Received		13,482,720,433	15,754,704,129
Refunded to Donors:			
Unit for Body Rights Program (UBR-2)	UBR	(1,271,968)	-
Strengthening and Cultivating Opportunities in Production for Empowerment (SCOPE)	Ecotex Ltd	(924,308)	-
Multi sectoral Emergency Assistance for Myanmar - Wash Sanitation	UNCHR	(56,362,847)	(3,316,000)
Humanitarian Support to cyclone Bulbul Affected people in Satkhira Municipality	German Embassy	(222,840)	-
Humanitarian Response to restore Safety, Dignity and Resilience (HRSR) of flood-affected people in Bangladesh	UNOPS (DFID)	(2,383,616)	-
Improved WASH Service to the Rohingya Refugees Population in Ukhiya Cox's Bazar	UNICEF	(107,185)	-
Engaging communication through religious leaders network	UNICEF	(342,487)	-
Skills for Employment investment Programme (SEIP) Project- Tranch-1	Ministry of Finance (ADB)	(3,041,131)	-
Alternative Learning Programme for Out of School Adolescent	UNICEF	(7,343,896)	-
Scaling up Mother@Work programme at Ready-Made Garment Factories	UNICEF	(241,700)	-
Sustainable Reintegration of Bangladesh Returnees	IRAPA Service Ltd	-	-
Community Mobilization Volunteers(CMV)Network for life Saving Message on health nutrition, Sanitation and Protection in humanitarian crisis in coxs Bazar	UNICEF	-	(1,633,176)
Integrated and Equitable SRH Services	UNFPA	-	(1,404,342)
SCK-Enhancing the resilience and well-being of Rohingya	Save the Children	-	(30,610)
Solid waste management in Host Communities and camps in teknat Ukhiya Upazila under Cox's Bazar district (Package-A-Teknaf and Package-B-Ukhiya)	UNDP	-	(15,248,738)
Shojag	Nari Pakkha	-	(3,254)
Effects of play based early stimulation in children on self-regulation and executive functioning skills from rural low income households – a randomized control	Grand Challenge Canada	-	(988,420)
Sub-Total Refunded to Donors		(72,241,978)	(22,624,542)
Transfer/adjustment for closed projects:			
Financial Literacy for Adolescent in Chittagong	SCB	(265,632)	-

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Development, Production and Distribution of Teaching & Learning Materials for Learning Competency Framework and Approach (LCFA) Levels I-IV	UNICEF	(970,761)	-
Provision of Sustainable WASH Service for Host Communities	EKN	(466,226)	-
WASH Support to The displaced Rohingya population in Ukhiya and Teknaf Upazilla, Cox's Bazar District	IOM	(1,751,168)	-
Integrated joint protection and education services for vulnerable Rohingya adolescent, children, women, men and communities including host community in Ukhiya and Teknaf of Cox's Bazar district	UNICEF	(8,534,148)	-
IYCF Focused Emergency Nutrition Response to Forcibly Displaces Rohingya Nationals on Cox's Bazar	UNICEF	(1,072,076)	-
Regarding the Implementation of a WFP Assistance Programme –Self Reliance	WFP	(188,832)	-
Provision of life-Saving and Transitional WASH Services to affected Rohingya Population and Host Communities in Cox's Bazar	IOM	(318,281)	-
Multi-Sectoral Emergency assistance for Rohingya-Shelter in Cox's Bazar Bangladesh	UNHCR	(8,653,523)	-
Multi-sectoral emergency assistance for Rohingya -Community Health Workers (CHWs) in Cox Bazar Bangladesh	UNHCR	(11,891,707)	-
SDC BRAC Social Cohesion Fund for Cox's Bazar District (COVID-19 Response) : May 2020 - August 2020	Embassy of Switzerland	(2,279)	-
Ensuring Long Term Medical Services & Post Award Livelihood Support for the Victims of Rana Plaza	BRAC-USA	(10,970,155)	-
Refugee Programme	Local Contbn/Other Donor/BRAC	318,281	-
Addressing childhood development Needs and Non formal Basic Education of Vulnerable	Hilton Foundation	(5,970,024)	-
Improved Wash service for the Rohingya Refugee and Host Communities in Cox's Bazar	Unicef	21,435,957	-
Provision of Sustainable WASH Services for Rohingya Communities	EKN	(2,189,991)	-
BRAC's humanitarian response in Cox's Bazar	BRAC-USA	(238,414)	-
BRAC Humanitarian Response in Cox Bazar (Host)	BRAC USA	(4,480,841)	-
Community Mobilization Volunteers(CMV)Network for life Saving Message on health hygiene ,nutrition, Sanitation and Protection in humanitarian crisis in Cox's Bazar	UNICEF	(14,013,893)	-
SCK-Enhancing the resilience and well-being of Rohingya	Save the Children	(340,680)	-
Deliver an integrated assistance package in Cox's Bazar -WFP-PA & TA to Scale-up School Feeding - 1	WFP	(13,108,322)	-
Deliver an integrated assistance package in Cox's Bazar -WFP-PA & TA to Scale-up School Feeding - 2	WFP	3,463,033	-
Positive social relationships created between Rohingya Refugees and host community women through economic and social support and networking	UN Women	(245,466)	-
Implementation of Nutrition Intervention Under Integrated Assistance Package in Cox's sbazar Comprehensive 5th Control Deworming	WFP	(6,178,725)	-
Addressing Non Formal Basic Education needs of vulnerable Displaced Children in Cox's Bazar Rohingya Communication	Hilton	(272,034)	-
Addressing Non Formal Basic Education needs of vulnerable Displaced Children (Host) in Cox's Bazar	Hilton	(1,111,436)	-
Comprehensive Integrated Health Services for the Displaced Rohingya in Cox's Bazar	DFATD GAC	(583,823)	-
Participatory Implementation of IFC to improve Maternal and Newborn Health in Bangladesh	Enfants Du Monde (EDN)	(8,475,000)	-
BRAC Humanitarian Program for Host community (Wash Support)	Big Heart	149,061	-

Name of the projects	Donor	30 June 2021 Taka	30 June 2020 Taka
Emergency support for 2019 flood affected house holds in Bangladesh	BRAC-USA	(635,471)	-
Brac's Humanitarian Assistance for Myanmar Refugees in Bangladesh	BRAC-USA	(35,023,471)	-
"Non-Communicable Disease (NCD) Prevention and Control Project in Bangladesh	BRAC USA (Medtronics Foundation)	8,475,000	-
Multi-Sector Emergency assistance for Rohingya-Legal in Cox's Bazar Bangladesh	UNHCR	(1,315,626)	-
Multi-Sector Emergency assistance for Rohingya-MHPSS in Cox's Bazar Bangladesh	UNHCR	(25,563,162)	-
Multi-Sector Emergency assistance for Rohingya-UPG in Cox's Bazar Bangladesh	UNHCR	7,637,205	-
Multi-Sector Emergency assistance for Rohingya-Self reliance in Cox's Bazar Bangladesh	UNHCR	6,453,282	-
Multi-Sector Emergency assistance for Rohingya-HCSP in Cox's Bazar Bangladesh	UNHCR	747,005	-
Multi-Sector Emergency assistance for Rohingya-Education in Cox's Bazar Bangladesh	UNHCR	(20,870,535)	-
Multi-Sector Emergency assistance for Rohingya-Protection Monitoring in Cox's Bazar Bangladesh	UNHCR	(3,881,141)	-
Multi-Sector Emergency assistance for Rohingya-SGBV in Cox's Bazar Bangladesh	UNHCR	(7,634,242)	-
Multi-Sector Emergency assistance for Rohingya-Wash Water in Cox's Bazar Bangladesh	UNHCR	(3,073,405)	-
Medicare Support and Economic & Social Recovery for Vulnerable Survivors of Rana Plaza	USA	10,970,155	-
Essential Primary Healthcare Support for Rohingya Communities & Disaster Risk Management in Cox's Bazar Host Communities in Bangladesh.	BRAC-USA	34,349,435	-
Sub-Total Transfer/adjustment for closed projects		(106,292,076)	-
Grand Total		13,304,186,379	15,732,079,587

32. Segmental financial information

	Unrestricted										Temporarily restricted		Total as at June 30, 2021
	Unrestricted					Unrestricted					Development Projects		
	Taka	BRAC Printing Pack	BRAC Dairy and Food Project	Agro based Support Enterprise	Non-agro based Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Taka	Taka		
ASSETS													
Non-current assets													
Property, plant and equipment	2,674,263,998	43,725,470	1,357,405,980	544,281,128	6,110,597	4,994,913,392	9,513,528,094	58,470,843	19,192,699,501	1,115,905,101	150,483,314	20,308,604,602	
Intangible assets	-	-	19,944,774	2,122,928	-	-	34,410,629,577	-	22,067,702	-	-	172,551,016	
Investments in related undertakings	-	-	-	-	-	-	-	-	34,410,629,577	-	-	34,410,629,577	
Investments in securities and others-non-current portion	-	-	-	-	-	-	-	-	808,600,000	-	-	808,600,000	
Total non-current assets	2,674,263,998	43,725,470	1,377,350,754	546,404,056	6,110,597	5,142,313,392	44,565,357,671	58,470,843	54,433,996,780	1,266,388,415	-	55,700,385,195	
Current assets													
Inventories	5,251,045,581	76,081,844	448,571,625	1,046,935,134	1,570,486	143,269,736	92,560,309	-	7,058,034,716	10,789,177	-	7,068,823,893	
Grants and accounts receivable	248,138,374	50,418,722	87,321,038	187,590,461	1,954,271	1,005,404,881	(155,522,266)	5,577	1,425,311,059	2,621,475,754	-	4,046,786,812	
Microfinance loans	-	-	-	-	-	271,869,452,253	-	-	271,869,452,253	-	-	271,869,452,253	
Advance, deposits and prepayments	383,349,200	259,474,474	555,897,976	114,938,526	465,234	5,126,604,649	4,642,977,905	28,184,286	11,121,893,250	2,357,049,839	-	13,478,943,089	
Inter-programme current account	588,455,202	(13,242,545)	233,450,359	(116,628,982)	(797,662)	22,845,018	(650,970,951)	-	43,110,438	(43,110,438)	-	-	
Investments in securities and others-current portion	-	-	-	-	-	27,773,149,347	2,862,888,317	-	30,636,037,664	-	-	30,636,037,664	
Cash and bank balances	77,421,239	2,938,445	20,956,287	1,634,437,648	10,344,922	9,075,859,842	4,935,489,740	2,450,927,127	18,208,375,250	(848,946,783)	-	17,359,428,467	
Total current assets	6,538,409,596	375,670,940	1,344,137,286	2,867,273,787	13,537,251	31,516,585,726	11,727,423,055	2,479,116,800	340,362,214,630	4,087,257,548	-	344,459,472,178	
TOTAL ASSETS	9,212,673,594	419,396,410	2,721,548,040	3,413,677,843	19,647,848	320,158,899,118	56,312,780,725	2,537,587,633	394,796,211,409	5,383,645,963	-	400,159,857,379	
CAPITAL FUND AND LIABILITIES													
Capital fund	6,332,703,981	283,288,322	1,866,008,894	2,450,520,428	7,613,711	109,806,127,813	29,675,648,876	2,537,521,640	152,979,433,675	481,581,742	-	153,461,015,417	
Liabilities													
Current liabilities													
Liabilities for expenses and materials	911,808,521	24,330,250	563,391,550	428,231,976	4,821,521	13,596,860,046	5,362,014,355	66,193	20,891,624,411	1,342,622,796	-	22,234,247,207	
Bank overdrafts	-	3,035,172	-	-	-	165,841,886	-	-	168,877,058	-	-	168,877,058	
Term loans-current portion	-	-	-	-	-	36,009,174,074	-	-	36,009,174,074	-	-	36,009,174,074	
Members' savings deposits-current portion	-	-	-	-	-	71,612,997,041	-	-	71,612,997,041	-	-	71,612,997,041	
Grants received in advance account	-	-	-	-	-	-	-	-	-	-	-	-	
Loan loss provision	-	-	-	-	-	-	-	-	-	-	-	-	
Provision for taxation	1,655,529,444	70,655,728	251,085,882	534,925,439	7,112,617	-	3,914,048,737	-	21,032,842,277	2,359,189,047	-	2,359,189,047	
Total current liabilities	2,567,337,965	98,021,150	814,477,431	963,157,415	12,034,137	142,417,715,324	9,276,064,092	66,193	156,148,873,708	3,701,811,643	-	159,850,685,551	
Non-current liabilities													
Term loans-non-current portion	-	-	-	-	-	4,038,055,556	-	-	4,038,055,556	-	-	4,038,055,556	
Members' savings deposits-non-current portion	-	-	-	-	-	63,897,000,426	-	-	63,897,000,426	-	-	63,897,000,426	
Deferred income	-	-	21,061,714	-	-	-	57,964,173	-	79,025,887	1,180,252,379	-	1,259,278,266	
Other long term liabilities	312,631,637	38,086,937	-	-	-	67,935,055,982	17,303,033,584	-	17,653,822,158	-	-	17,653,822,158	
Total non-current liabilities	312,631,637	38,086,937	21,061,714	-	-	67,935,055,982	17,303,033,584	-	85,967,904,027	1,180,252,379	-	86,848,156,405	
Total liabilities	2,879,969,602	136,108,087	835,539,145	963,157,415	12,034,137	210,352,771,306	26,637,131,649	66,193	241,816,777,735	4,882,064,221	-	246,698,841,956	
TOTAL CAPITAL FUND AND LIABILITIES	9,212,673,594	419,396,410	2,721,548,040	3,413,677,843	19,647,848	320,158,899,118	56,312,780,725	2,537,587,633	394,796,211,409	5,383,645,963	-	400,159,857,379	

Capital fund of microfinance includes statutory reserve fund of Tk. 11,960,730,471

32. Segmental financial information (cont'd)

	Unrestricted										Temporarily restricted		Total as at June 30, 2020
	Unrestricted										Temporarily restricted		
	Aarong Rural Craft Centre Taka	BRAC 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 Projects Taka	House Property (Building) Taka	Total Unrestricted Taka	Development Projects Taka	Taka		
2,371,736,141	47,872,348	1,254,428,339	554,573,696	7,295,790	4,593,564,238	9,710,176,181	120,418,513	18,650,067,246	673,552,102	19,323,619,348			
-	-	1,826,387	503,190	-	-	32,057,893,313	-	32,057,891,313	148,315,958	150,645,525			
-	-	-	-	-	661,200,000	347,400,000	-	1,008,600,000	-	32,057,891,313			
-	-	-	-	-	-	-	-	1,008,600,000	-	1,008,600,000			
2,371,736,141	47,872,348	1,256,254,726	555,076,876	7,295,790	5,244,764,238	42,115,569,494	120,418,513	51,716,868,126	821,868,060	52,540,736,186			
5,333,867,975	90,002,893	451,705,255	1,031,896,628	1,420,052	206,328,898	85,715,941	-	7,200,737,442	12,599,849	7,213,337,291			
167,641,827	70,607,123	128,640,849	242,655,919	1,540,737	863,452,230	611,884,771	-	2,086,423,456	1,668,896,667	3,755,310,123			
-	-	-	-	-	274,651,069,982	4,018,125,990	27,855,100	274,651,069,982	-	274,651,069,982			
520,000,219	251,660,463	813,794,773	103,065,875	709,006	4,446,845,986	275,841,837	-	10,182,057,412	1,717,285,569	11,899,342,981			
2,568,763	(98,793,335)	(45,582,036)	12,796,827	1,700,213	10,485,053	2,536,079,623	-	15,827,322	(158,827,322)	-			
206,022,600	7,519,319	36,304,088	978,818,466	3,076,902	15,507,621,893	2,536,079,623	-	18,043,701,516	932,859,320	18,043,701,516			
6,229,801,384	320,996,263	1,394,862,929	2,369,037,715	8,446,910	306,895,664,112	8,292,059,999	2,355,676,160	327,659,641,472	4,172,804,033	332,032,445,555			
8,601,637,525	368,868,611	2,641,117,655	2,924,110,592	15,742,700	312,143,428,350	50,407,529,493	2,476,094,673	379,576,529,598	4,994,672,143	384,573,201,742			
5,801,543,607	258,621,632	1,762,972,169	2,283,720,245	5,030,299	100,001,156,197	25,929,175,482	2,475,894,673	138,518,114,284	481,581,742	138,999,696,026			
1,025,189,377	25,796,608	640,557,234	230,243,750	3,826,532	11,170,728,805	4,890,704,244	200,000	17,987,246,549	1,018,923,208	19,006,169,758			
-	-	-	-	-	31,171,194,721	-	-	31,171,194,721	-	31,171,194,721			
-	-	-	-	-	51,350,860,149	-	-	51,350,860,149	-	51,350,860,149			
-	-	-	-	-	59,052,509,530	-	-	59,052,509,530	-	59,052,509,530			
-	-	-	-	-	-	53,119,415	-	53,119,415	2,806,056,599	2,859,176,014			
-	-	-	-	-	11,079,110,781	-	-	11,079,110,781	-	11,079,110,781			
1,466,865,937	49,681,850	206,880,910	410,146,597	6,865,869	-	2,439,725,657	-	4,582,206,820	-	4,582,206,820			
2,492,075,314	75,478,458	849,438,144	640,390,347	10,712,401	163,824,403,896	7,383,549,316	200,000	175,276,247,965	3,824,979,808	179,101,227,773			
-	-	-	-	-	162,340,910	-	-	162,340,910	-	162,340,910			
-	-	-	-	-	47,983,286,625	-	-	47,983,286,625	-	47,983,286,625			
-	-	28,707,342	-	-	508,011	13,225,769	-	42,441,122	688,110,593	730,551,715			
308,016,604	34,768,521	28,707,342	-	-	171,732,621	17,081,578,946	-	17,596,098,692	-	17,596,098,692			
2,800,093,918	110,246,979	878,145,486	640,390,347	10,712,401	212,142,272,153	24,478,354,031	200,000	241,060,415,314	4,513,090,401	245,573,505,716			
8,601,637,525	368,868,611	2,641,117,655	2,924,110,592	15,742,700	312,143,428,350	50,407,529,493	2,476,094,673	379,576,529,598	4,994,672,143	384,573,201,742			

Capital fund of microfinance includes statutory reserve fund of Tk. 10,672,233,310

32. Segmental financial information (Cont'd)

Statement of comprehensive income and expenditure

for the year ended June 30, 2021

	Unrestricted										Temporarily restricted		Total for the year ended June 30, 2021 Taka
	Aarong Rural Craft Centre Taka	BRAC 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 Projects Taka	House Property (Building) Taka	Total Unrestricted		Development Projects Taka		
									Taka				
Income	8,200,682,701	296,981,655	4,229,293,986	2,506,936,520	16,199,742	67,679,519,581	4,287,460,723	110,538,956	87,327,613,865	14,906,254,526	102,233,868,391		
Donor grants	-	-	7,645,628	-	-	-	30,308,760	-	37,954,388	14,420,349,873	14,458,304,262		
Social enterprises	8,200,682,701	296,981,655	4,221,648,358	2,476,232,936	16,199,742	66,216,124,084	-	-	15,211,805,393	-	15,211,805,393		
Microfinance programme	-	-	-	-	-	1,463,395,497	-	-	66,216,124,084	-	66,216,124,084		
Self-financing social development programme	-	-	-	-	-	403,303,857	-	-	1,866,689,354	12,301,330	1,879,000,684		
Investment income	-	-	-	-	-	-	2,436,176,626	-	2,436,176,626	-	2,436,176,626		
Other income - internal	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	30,643,564	-	-	1,259,005,586	-	1,290,249,169	20,898,182	1,311,147,352		
Community contribution	-	-	-	-	-	-	158,065,894	-	158,065,894	452,705,141	610,771,035		
House property	-	-	-	-	-	-	-	110,538,956	110,538,956	-	110,538,956		
Total income	8,200,682,701	296,981,655	4,229,293,986	2,506,936,520	16,199,742	67,679,519,581	4,287,460,723	110,538,956	87,327,613,865	14,906,254,526	102,233,868,391		
Expenditure	7,440,105,876	232,446,655	3,966,456,738	1,974,173,487	13,389,583	54,794,547,966	-	-	13,626,572,340	-	13,626,572,340		
Social enterprises	-	-	-	-	-	-	-	-	54,794,547,966	-	54,794,547,966		
Microfinance programme	-	-	-	-	-	-	-	-	48,911,989	-	48,911,989		
House property	-	-	-	-	-	-	-	-	-	1,461,027	1,461,027		
Agriculture and food security	-	-	-	-	-	-	-	-	7,893,368	-	7,893,368		
Community empowerment programme	-	-	-	-	-	-	-	-	317,976,258	-	317,976,258		
Education programme	-	-	-	-	-	-	-	-	-	-	-		
Gender, justice and diversity	-	-	-	-	-	-	-	-	-	-	-		
Health programme	-	-	-	-	-	-	-	-	153,542,974	-	153,542,974		
Human rights and legal aids services	-	-	-	-	-	-	-	-	2,974,417	-	2,974,417		
Policy advocacy	-	-	-	-	-	-	-	-	-	-	-		
Water, sanitation and hygiene programme	-	-	-	-	-	-	-	-	-	-	-		
Ultra poor programme	-	-	-	-	-	-	-	-	-	-	-		
Forcibly-displaced Myanmar Nationals	-	-	-	-	-	-	-	-	-	-	-		
Disaster management and climate change	-	-	-	-	-	-	-	-	-	-	-		
Skills development programme	-	-	-	-	-	-	-	-	3,946,232	-	3,946,232		
Migration programme	-	-	-	-	-	-	-	-	-	-	-		
Social development programme	-	-	-	-	-	-	-	-	659,271,606	-	659,271,606		
Other development projects	-	-	-	-	-	-	-	-	230,295,929	-	230,295,929		
Grants	-	-	-	-	-	-	-	-	193,012,379	-	193,012,379		
Total expenses	7,440,105,876	232,446,655	3,966,456,738	1,974,173,487	13,389,583	54,794,547,966	-	-	70,038,945,459	16,788,717,309	86,807,662,768		
Net surplus stated in statement of income & expenditure before inter-program allocation	760,576,825	64,535,000	262,837,248	532,763,033	2,810,159	12,884,971,615	2,718,547,559	61,626,967	17,288,688,406	(1,862,462,783)	15,426,205,623		
Inter-program allocations	-	(18,894,433)	(97,595,550)	(236,637,571)	-	-	(353,127,354)	-	-	-	-		
Net surplus stated in statement of income & expenditure after inter-program allocation	760,576,825	45,640,567	165,241,698	296,125,462	2,810,159	12,884,971,615	3,071,675,113	61,626,967	17,288,688,406	(1,862,462,783)	15,426,205,623		
BRAC Contribution to support Donor Funded Programmes	-	-	-	-	-	-	(1,862,462,783)	-	(1,862,462,783)	1,862,462,783	-		
Surplus/(deficit) of income over expenditure before taxation	760,576,825	45,640,567	165,241,698	296,125,462	2,810,159	12,884,971,615	1,209,212,330	61,626,967	15,426,205,623	-	15,426,205,623		
Income tax expense	(229,416,440)	(20,973,677)	(42,204,573)	(129,325,279)	(226,747)	-	(1,429,004,712)	-	(1,651,132,029)	-	(1,651,132,029)		
Net surplus for the year	531,160,384	24,666,890	123,037,125	166,800,183	2,583,412	12,884,971,615	(219,792,382)	61,626,967	13,575,053,595	-	13,575,053,595		

32. Segmental financial information (Cont'd)

	Unrestricted										Temporarily restricted		Total for the year ended June 30, 2020 Taka	
	Unrestricted					Unrestricted					Total Unrestricted	Development Projects		
	Aarong Rural Craft Centre	BRAC Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)						
Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		
Statement of comprehensive income and expenditure for the year ended June 30, 2020														
Income														
Donor grants	-	-	6,010,614	-	-	-	-	130,911,234	-	-	136,921,848	-	13,781,286,147	13,918,207,995
Social enterprises	5,834,882,844	383,206,910	3,852,713,576	2,324,898,870	40,826,823	52,124,327,091	-	-	-	12,446,529,023	-	-	12,446,529,023	
Microfinance programme	-	-	-	-	-	1,538,371,036	-	-	-	52,124,327,091	-	-	52,124,327,091	
Self-financing social development programme	-	-	-	-	-	-	-	137,025,278	-	-	1,675,396,314	-	12,679,628	1,688,075,942
Investment income	-	-	-	-	-	-	-	178,011,092	-	-	178,011,092	-	-	178,011,092
Other income -internal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	2,676,287	-	-	-	733,224,811	-	-	735,901,098	-	-	735,901,098
Community contribution	-	-	-	-	-	-	-	328,302,016	-	-	328,302,016	-	461,777,944	790,079,960
House property	-	-	-	-	-	-	-	-	-	77,994,837	-	-	77,994,837	
Total income	5,834,882,844	383,206,910	3,858,724,190	2,327,575,157	40,826,823	53,662,698,127	1,507,474,431	1,507,474,431	77,994,837	67,703,383,319	14,255,743,719	81,959,127,038	81,959,127,038	
Expenditure														
Social enterprises	5,647,405,436	354,260,142	3,686,321,063	2,007,302,955	32,393,210	39,828,807,322	-	-	-	11,729,682,827	-	-	11,729,682,827	
Microfinance programme	-	-	-	-	-	-	-	-	-	39,828,807,322	-	-	39,828,807,322	
House property	-	-	-	-	-	-	-	-	46,562,115	-	-	-	46,562,115	
Agriculture and food security	-	-	-	-	-	-	-	-	-	-	-	8,994,303	8,994,303	
Community empowerment programme	-	-	-	-	-	-	-	5,513,049	-	274,964,224	5,513,049	-	280,477,273	
Education programme	-	-	-	-	-	-	-	421,994,506	-	421,994,506	-	-	2,330,836,604	
Gender, justice and diversity	-	-	-	-	-	-	-	-	-	-	-	75,348,846	75,348,846	
Health programme	-	-	-	-	-	-	-	129,283,834	-	129,283,834	-	-	4,789,803,273	
Human rights and legal aids services	-	-	-	-	-	-	-	6,122,567	-	6,122,567	-	-	312,717,989	
Policy advocacy	-	-	-	-	-	-	-	-	-	-	-	55,957,117	55,957,117	
Water, sanitation and hygiene programme	-	-	-	-	-	-	-	-	-	-	-	231,754,545	231,754,545	
Ultra poor programme	-	-	-	-	-	-	-	2,632,257	-	2,632,257	-	-	1,562,787,457	
Forcibly-displaced Myanmar Nationals	-	-	-	-	-	-	-	-	-	-	-	1,560,155,200	1,560,155,200	
Disaster management and climate change	-	-	-	-	-	-	-	11,751,639	-	11,751,639	-	-	4,414,923,435	
Skills development programme	-	-	-	-	-	-	-	1,395,395	-	1,395,395	-	-	286,064,990	
Migration programme	-	-	-	-	-	-	-	1,040,385	-	1,040,385	-	-	695,665,378	
Social development programme	-	-	-	-	-	-	-	201,457,915	-	201,457,915	-	-	325,865,607	
Other development projects	-	-	-	-	-	-	-	31,335,510	-	31,335,510	-	-	201,457,915	
Grants	-	-	-	-	-	-	-	135,383,950	-	135,383,950	-	-	1,332,239,994	
Total expenses	5,647,405,436	354,260,142	3,688,321,063	2,007,302,955	32,393,210	39,828,807,322	947,911,007	947,911,007	46,562,115	52,552,963,271	16,086,555,089	68,639,518,359	68,639,518,359	
Net surplus stated in statement of income & expenditure before inter-program allocation	187,477,408	38,946,768	170,403,107	320,272,202	8,433,613	13,833,890,805	559,563,424	559,563,424	31,432,722	15,150,420,048	(1,830,811,370)	-	13,319,608,678	
Inter-program allocations	(621,672,986)	(8,126,532)	(67,469,443)	(141,652,081)	(632,933)	(632,933)	(729,553,975)	(729,553,975)	-	-	-	-	-	
Net surplus stated in statement of income & expenditure after inter-program allocation	(434,195,578)	30,820,236	112,933,664	178,620,121	7,800,680	13,833,890,805	1,289,117,399	1,289,117,399	31,432,722	15,150,420,048	(1,830,811,370)	-	13,319,608,678	
BRAC Contribution to support Donor Funded Programmes	-	-	-	-	-	-	(1,686,563,133)	(1,686,563,133)	-	(1,686,563,133)	-	-	-	
Surplus of income over expenditure before taxation	(334,195,578)	30,820,236	112,933,664	178,620,121	7,800,680	13,833,890,805	(897,445,734)	(897,445,734)	31,432,722	13,463,856,915	(144,246,237)	-	13,319,608,678	
Income tax expense	(60,930,157)	(12,657,700)	(27,238,017)	(68,588,720)	(2,339,049)	(632,933)	(821,293,813)	(821,293,813)	-	(493,047,456)	-	-	(493,047,456)	
Net surplus for the year	(395,125,735)	18,162,536	85,695,647	110,031,401	5,461,631	13,833,890,805	(718,739,547)	(718,739,547)	31,432,722	12,970,809,459	(144,246,237)	12,826,563,222	12,826,563,222	

33. Statement of functional expenses (Cont'd)

Expenditure statement for the year ended June 30, 2020	Unrestricted										Temporarily restricted		Total for the year ended June 30, 2020 Taka								
	Aarong Rural Craft Centre		BRAC Printing Pack		BRAC Dairy and Food Project		Agro based Programme Support Enterprise		Non-agro based Programme Support Enterprise		Micro Finance Programme			Self-financing Social Development Projects		House Property (Building)		Total Unrestricted		Development Projects	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Salaries and benefits	987,132,496	19,616,157	356,356,534	312,454,859	10,352,690	18,007,870,958	43,225,662	-	-	-	19,717,010,356	6,513,546,438	26,230,556,794								
Travelling and transportation	79,698,508	2,480,757	136,138,286	39,422,479	2,638,059	1,620,214,629	69,207,799	-	-	-	1,949,801,516	807,648,818	2,557,450,334								
Teachers' salaries	-	-	-	-	-	-	113,729,863	-	-	-	113,729,863	565,124,768	678,854,631								
Teachers' training	-	-	-	-	-	-	7,281,334	-	-	-	7,281,334	43,718,067	50,989,401								
School rent and maintenance	-	-	-	-	-	-	21,594,268	-	-	-	21,594,268	77,324,335	98,918,603								
Stationery, rent and utilities	424,425,476	1,153,275	29,580,185	27,506,697	1,580,800	1,219,187,761	30,882,788	-	-	-	1,749,488,550	657,586,405	2,407,074,956								
Maintenance and general expenses	270,395,682	5,787,933	46,425,313	67,117,288	1,347,223	722,133,711	54,274,513	-	-	-	1,174,036,612	396,718,192	1,570,754,804								
Members' training	-	-	-	-	-	39,357	-	-	-	-	39,357	156,338,324	156,377,681								
Staff training and development	5,024,358	19,536	10,566,720	11,451,686	7,667	173,108,730	18,161,850	-	-	-	218,340,547	438,555,951	656,896,498								
Programme supplies	-	-	-	-	-	173,075,605	74,368,593	-	-	-	247,444,199	6,914,914,664	6,914,914,664								
Interest on members' savings deposits	-	-	-	-	-	6,914,914,664	-	-	-	-	6,914,914,664	-	-								
Interest on long term loans	-	-	-	-	-	4,786,270,497	-	-	-	-	4,786,270,497	-	-								
Bank overdraft interest and charges	-	10,743,531	-	-	-	2,782,045,217	80,967,091	-	-	-	2,873,755,839	4,059,165	2,877,815,004								
Cost of goods sold of social enterprises	3,405,459,484	312,935,703	3,023,431,418	1,357,280,880	14,621,520	14,621,520	-	-	-	-	8,113,729,005	-	8,113,729,005								
Publicity, advertisement and sales commissions	254,215,439	-	65,306,861	133,821,321	12,210	-	79,978,471	-	-	-	538,824,302	22,801,203	558,625,505								
Loan loss provision for microfinance loans	-	-	-	-	-	3,145,332,509	-	-	-	-	3,145,332,509	-	3,145,332,509								
Depreciation and amortization	234,338,863	1,523,251	10,538,018	47,435,514	1,644,575	188,858,460	198,858,460	-	-	-	803,488,173	250,953,029	1,054,441,202								
Provision for bad and doubtful debts	6,714,920	-	10,187,749	10,712,231	187,465	284,613,684	-	-	-	-	27,802,365	-	27,802,365								
Allocation to self- insurance fund	-	-	-	-	-	-	27,805,698	-	-	-	27,805,698	-	27,805,698								
Allocation to relief and rehabilitation fund	-	-	-	-	-	-	-	-	-	-	-	-	-								
Grants	-	-	-	-	-	-	135,383,950	-	-	-	135,383,950	-	135,383,950								
Foreign exchange loss/(gain)	-	-	-	-	-	-	(7,810,333)	-	-	-	(7,810,333)	-	(7,810,333)								
	5,647,405,436	354,280,142	3,688,321,083	2,007,302,955	32,893,210	39,828,807,322	947,911,007	46,562,115	52,552,963,270	16,086,555,089	68,639,518,389										

Included in cost of goods sold of BRAC Dairy and Printing Pack is depreciation of property, plant and equipment amounting to Tk. 201,862,994

34. Events after the balance sheet date

BRAC has introduced ZCB (Zero Coupon Bond) as an alternate source of finance for its Microfinance operation as a part of long-term financing strategy. The subscription has been started on 9th November 2021.

Annexure-A/2

Auditors' Compliance Certification on BRAC Microfinance Programme

We have audited the financial statements of BRAC for the year ended 30 June 2021. On the basis of our audit, we certify below the compliance of BRAC with the eligibility criteria as developed based on the requirement of the Governing Body of BRAC:

Eligibility criteria		Audited figures or compliance		
(a)	Minimum loan recovery rates, computed quarterly, based on the following:		2020-2021	2019-2020
(i)	Cumulative loan collection ratio on total dues:			
	$\frac{\text{Actual cumulative collections}}{\text{Cumulative collectibles}}$	$\frac{2,786,749,016,734}{2,791,321,491,634} =$	99.84%	99.89%
(ii)	Loan collection ratio on current dues (on running 12- months basis):			
	$\frac{\text{Actual collections during the past 12 months on current dues}}{\text{Collectible on current dues}}$	$\frac{427,123,947}{433,310,992} =$	98.57%	99.34%
(b)	Liquidity ratio		27.30%	25.58%
(c)	Current ratio		2.44:1	1.87:1
(d)	Capital adequacy ratio		35.30%	33.23%
(e)	Debt service cover ratio		1.86:1	1.95:1
(f)	Rate of return on capital		12.28%	14.48%
(G)	Debt capital ratio 9:1		0.37:1	0.83:1

Dhaka, Bangladesh
Dated: 30 December 2021

For Nurul Faruk Hasan & Co.
Chartered Accountants



Shamsur Rahman, FCA
Partner
Enrollment No. 941
DVC: 2112300941AS170748

BRAC
Microfinance Programme
Portfolio report for the year ended June 30, 2021
Review of loan classification and provisions

(i) Classification of loan and loan loss provision

Actual provision made by BRAC:

Sl. No.	Particulars	No of days outstanding	Outstanding loan	Required provision
			Amount (Taka)	Amount (Taka)
1	Total loan outstanding		266,150,314,810	
2	Total overdue	<i>More than 1 installment missed</i>	59,147,460,190	
3	Regular	Loans with no overdue installments	193,410,180,702	1,181,668,441
4	Watchful	Loan default duration between 1 and 30 days	13,592,673,918	415,232,377
5	Sub-standard	Loan default duration between 31 and 180 days	33,093,321,190	5,054,714,947
6	Doubtful	Loan default duration between 181 and 365 days	10,062,374,585	4,610,818,744
7	Bad loan	Loan default duration above 365 days	15,991,764,415	9,770,407,769
		Total	266,150,314,810	21,032,842,277

Required provision as per MRA Policy:

Sl. No.	Particulars	No of days outstanding	Outstanding Loan	Required provision
			Amount (Taka)	Amount (Taka)
1	Total loan outstanding		266,150,314,810	
2	Total overdue	<i>More than 1 installment missed</i>	59,147,460,190	
3	Regular	Loans with no overdue installments	193,410,180,702	4,979,287,782
4	Watchful	Loan default duration between 1 and 30 days	13,592,673,918	813,217,770
5	Sub-standard	Loan default duration between 31 and 180 days	33,093,321,190	910,109,670
6	Doubtful	Loan default duration between 181 and 365 days	10,062,374,585	936,114,091
7	Bad loan	Loan default duration above 365 days	15,991,764,415	6,452,601,951
		Total	266,150,314,810	14,091,331,264

(ii) Loan Loss Provision LLR status of the MFI

Particulars	Amount in (Taka)
Actual Provision made by BRAC:	21,032,842,277
Required provision as per MRA Policy:	14,091,331,264
Excess provision	<u>6,941,511,013</u>
Disclosure on written off Loan:	
Loan written off balance 01 July 2020	19,800,497,482
Loan written off during the year 2020-2021	5,122,079,450
Written off Loan recovered during the year 2020-2021	(118,790,618)
Loan written off balance 30 June 2021	<u><u>24,803,786,314</u></u>

Portfolio report for the year ended June 30, 2021 (Contd.)

(ii) Loan Loss Provision (LLP) status of the PO

Particulars	Taka
Actual provision made by BRAC	21,032,842,277
Required provision as per MRA Policy	14,091,331,264
Excess/shortfall of provision	6,941,511,013

Disclosure on written off loan:

Loan written off balance 01 July 2020	19,800,497,482
Loan written off during the year 2020-2021	5,122,079,450
Written off loan recovered during the year 2020-2021	(118,790,618)
Loan written off balance 30 June 2021	24,803,786,314

Portfolio report for the year ended June 30, 2021 (Contd.)

(iii) Loan Operational Report

SI No.	Particulars	2020-2021			2019-2020		
1	Financial service product:						
	Loan product:						
	PKSF funded loan						
	Loan from commercial bank		40,047,229,629			51,513,201,059	
	Other loan short term (Bank Overdraft)		165,841,886			31,171,194,721	
	Savings product:						
	Compulsory savings		66,318,467,641			66,272,149,337	
	Voluntary savings		15,807,905,031			13,331,872,445	
	Term deposit		53,383,624,795			27,431,774,373	
2	Number of branches		2,280			2,276	
			2020-2021			2019-2020	
		Male	Female	Total	Male	Female	Total
3	Number of samities	21,107	264,182	285,289	19,796	265,460	285,256
4	Number of members	1,370,240	7,103,215	8,473,455	1,158,529	6,282,010	7,440,539
5	Number of borrowers	647,673	6,005,795	6,653,468	898,655	5,390,581	6,289,236
6	Number of staff	15,603	8,461	24,064	15,860	8,264	24,124
7	Amount (Taka) of loan outstanding with samiti members			266,150,314,810			265,798,665,693
8	Member: borrower			1.27:1			1.18:1
9	Average loan size			75,551			71,485

Dhaka, Bangladesh
Dated: 30 December 2021

For Nurul Faruk Hasan & Co
Chartered Accountants



Shamsur Rahman, FCA
Partner
Enrollment No. 941
DVC: 2112300941AS170748

BRAC
Microfinance Programme
Budget Variance Report

Financial year : 2020-2021

Name of Organization : BRAC

License No. 00488-00186-00065

Description	2020-2021		Variance
	Projected	Actual	%
1. New area coverage			
District	-	-	
Upazilla	-	-	
Union	-	-	
Village	-	-	
2. Branch opening	30	4	-87%
3. Group/Samity formation	200	33	-84%
4. Add new member	1,800,000	2,058,332	14%
5. Add new borrower	500,000	1,969,760	294%
6. Staff recruitment	2,500	942	-62%
7. Deposits collection	72,080,584,170	79,175,373,358	10%
8. Refund deposit	37,528,585,707	50,701,172,046	35%
9. Loan recovery	360,479,194,000	431,274,395,196	20%
10. Loan disbursement	437,398,407,001	431,626,044,313	-1%
11. Loan borrowing	52,675,558,458	48,030,907,005	-9%
12. Loan returns	36,597,938,534	90,502,231,270	147%
13. Total income	68,587,905,258	67,679,519,581	-1%
14. Total expenditure	49,460,922,541	54,794,547,966	11%

Description	Position as on 30th June 2021
1. Area coverage	
District	64
Upazilla	532
Union	5,215
Village	69,421
2. Number of branch	2,280
3. Number of group	285,289
4. Number of member	8,473,455
5. Number of borrower	6,653,468
6. Manpower	33,344
7. Deposit balance	135,509,997,467
8. Principal loan outstanding	266,150,314,810
9. Loan outstanding	271,869,452,253
10. Cumulative surplus	109,806,127,813

BRAC
Microfinance Programme
Budget Variance Report
Financial Year : 2020-2021

Sl. No.	Particulars	2020-2021			Note
		Projected	Actual	Variance	
1	Microfinance loan recovery				1
	RMC	53,694,366,914	70,337,100,526	31%	
	UMC	16,677,603,656	18,356,475,398	10%	
	ME	128,274,089,753	189,352,970,461	48%	
	Seasonal	3,754,413,076	1,251,560,263	-67%	
	Livestock	32,784,519,073	78,170,701,334	138%	
	Agriculture	102,282,330,026	19,466,448,411	-81%	
	Others	23,011,871,502	54,339,138,803	136%	
	Total	360,479,194,000	431,274,395,196	20%	
2	Fund collection				2
	Savings collection				
	Force savings	65,054,473,669	38,469,159,662	-41%	
	Voluntary savings	4,668,675,393	7,450,636,884	60%	
	Fixed deposit	2,357,435,108	33,255,576,812	1311%	
	Total	72,080,584,170	79,175,373,358	10%	
	Loan receive				
2. Bank loan	52,675,558,458	48,030,907,005	-9%	3	
3	Utilization of fund				4
	Loan disbursement				
	RMC disbursement	65,151,696,000	78,384,235,989	20%	
	UMC disbursement	20,236,278,000	17,602,291,217	-13%	
	ME disbursement	155,645,272,000	173,044,897,702	11%	
	Seasonal disbursement	4,555,531,000	468,822,000	-90%	
	Livestock disbursement	39,780,095,000	48,101,751,232	21%	
	Agriculture disbursement	124,107,380,000	24,465,990,942	-80%	
	Others disbursement	27,922,155,000	89,558,055,231	221%	
	Total:	437,398,407,001	431,626,044,313	-1%	
	Savings returns				
	Force savings	30,278,940,252	38,433,381,424	27%	
	Voluntary savings	4,128,458,429	4,973,684,297	20%	
	Fixed deposit	3,121,187,026	7,294,106,325	134%	
	Total:	37,528,585,707	50,701,172,046	35%	
Loan repayment					
Bank loan	36,597,938,534	90,502,231,270	147%	6	
Total	36,597,938,534	90,502,231,270	147%		
4	Fixed assets addition				7
	Land development	221,662,400	1,839,627	-99%	
	Building construction	277,078,000	488,821,246	76%	
	Furniture and fixtures	498,740,400	33,780,699	-93%	
	Office equipment	55,415,600	167,949,987	203%	
	Computer and accessories	55,415,600	137,278,328	148%	
	Vehicles	-	-		
Total	1,108,312,000	829,669,887	-25%		

5	Income				
	1. Service charge	67,152,899,082	66,042,195,946	-2%	8
	2. Interest on investment	1,188,315,352	1,463,395,497	23%	
	3. Entry fees	15,511,715	18,247,651	18%	
	4. Recovery of right off loan	142,700,414	118,790,618	-17%	
	Other income	88,478,696	36,889,869	-58%	
Total	68,587,905,258	67,679,519,581	-1%		
6	Expenditure :				
	Financial expenditure:				
	5. Savings interest	6,806,577,996	9,834,740,608	44%	9
	6. Interest on bank loan	10,782,106,932	5,158,501,515	-52%	
	Total financial expenditure	17,588,684,928	14,993,242,123	-15%	
	General and administrative expenses:				
	7. Salary and allowances				
	Basic pay	9,336,470,516	9,370,251,410	0%	10
	House rent allowance	5,601,882,310	5,622,150,846	0%	
	Medical allowance	1,867,294,103	1,874,050,282	0%	
	Conveyance allowance	1,867,294,103	1,874,050,282	0%	
	Total:	18,672,941,032	18,740,502,820	0%	
	8. Office rent	507,771,222	465,407,007	-8%	
	9. Printing and stationeries	450,336,519	367,195,308	-18%	
	10. Travel expenses				
	Domestic	1,251,587,026	1,640,385,559	31%	
	11. Repairs and maintenance				
	Office building	914,719,984	1,026,404,861	12%	
	12. Fuel expenses				
	Gas, Electric and water bill	417,132,609	441,738,756	6%	
	13. Entertainment and general expenses	324,795,509	1,228,787,050	278%	
	14. Training expense				
	Local training	363,165,336	32,273,985	-91%	
	Total	4,229,508,205	5,202,192,526	23%	
	15. Others operational expense				
	Member death benefits	-	5,000		
	Data processing expenses	635,806,169	508,738,818	-20%	
16. Audit Fees	2,415,000	2,300,000	-5%		
17. Depreciation	342,020,973	271,755,733	-21%		
Total operational expenses		23,882,691,379	24,725,494,897	4%	
18. Loan loss provision	7,989,546,235	15,075,810,946	89%	11	
19. Net surplus	19,126,982,716	12,884,971,615	-33%		
20. Transfer to various fund	2,465,695,458	3,080,000,000	25%		
Reserve fund	1,912,698,272	1,288,497,162	-33%		
Total	4,378,393,730	4,368,497,162	0%		

- 1 Extensive supervision and collection through digital financial service resulted in higher loan recovery than the budget during this unrest pandemic period.
- 2 The high response on the savings campaign and introduction of alternate collection tool has driven the savings collection higher than the budget.
- 3 During the COVID-19 pandemic, slow disbursement resulted in limited bank loan utilization.
- 4 Due to the economic downturn, loan disbursement was slightly decreased than the budget.
- 5 Savings return was higher than the budget due to the COVID-19 pandemic.

- 6 Repayment of overdraft balance, the high response on savings campaign and lower loan disbursement made the bank loan dependency lower and bank loan repayment higher than the budget.
- 7 The economic downturn, limited expansion of branches resulted lower investment in fixed assets than the budget whereas replacement and new purchase of office equipment, computer and accessories surpass the budget in few segment.
- 8 Slow disbursement during the pandemic resulted in lower service charge/total income than the budget.
- 9 Financial expenditure decreased, mostly due to decreased Bank Loan /overdraft position and revised interest rate. On the other hand, interest on savings increased due to the increase of term deposit.
- 10 Total operational expenditure is slightly increased than the budgeted amount driven by the charge related to the initiation of digital financial service.
- 11 The upsurge COVID-19 made the Loan Loss Provision higher than the budget.