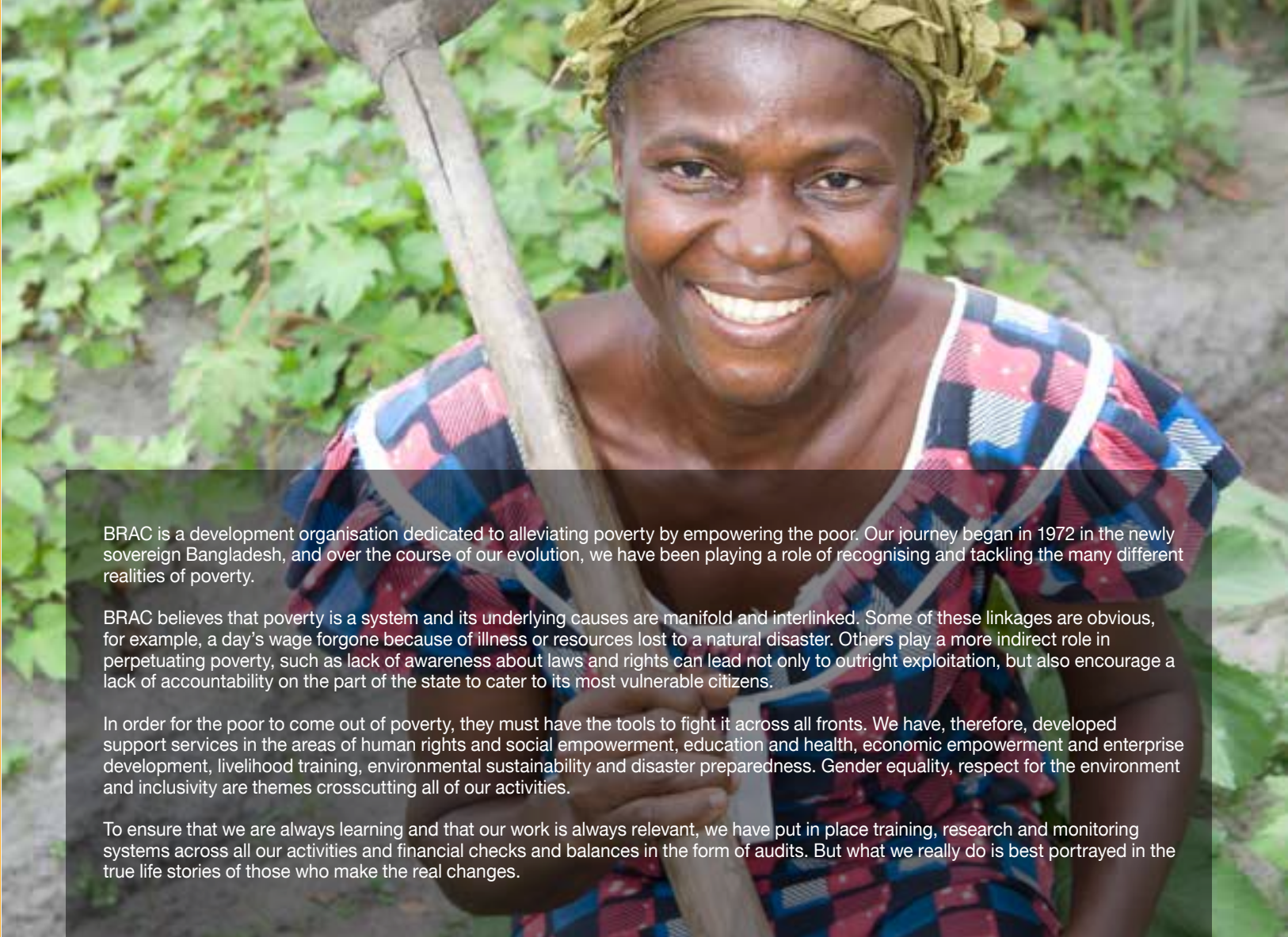




2015

ANNUAL REPORT

LIBERIA



BRAC is a development organisation dedicated to alleviating poverty by empowering the poor. Our journey began in 1972 in the newly sovereign Bangladesh, and over the course of our evolution, we have been playing a role of recognising and tackling the many different realities of poverty.

BRAC believes that poverty is a system and its underlying causes are manifold and interlinked. Some of these linkages are obvious, for example, a day's wage forgone because of illness or resources lost to a natural disaster. Others play a more indirect role in perpetuating poverty, such as lack of awareness about laws and rights can lead not only to outright exploitation, but also encourage a lack of accountability on the part of the state to cater to its most vulnerable citizens.

In order for the poor to come out of poverty, they must have the tools to fight it across all fronts. We have, therefore, developed support services in the areas of human rights and social empowerment, education and health, economic empowerment and enterprise development, livelihood training, environmental sustainability and disaster preparedness. Gender equality, respect for the environment and inclusivity are themes crosscutting all of our activities.

To ensure that we are always learning and that our work is always relevant, we have put in place training, research and monitoring systems across all our activities and financial checks and balances in the form of audits. But what we really do is best portrayed in the true life stories of those who make the real changes.

VISION

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

MISSION

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

VALUES

Integrity
Innovation
Inclusiveness
Effectiveness

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CHAIRPERSON'S STATEMENT

It gives me great pleasure to present the annual report and audited financial statements for the year ended 31 December 2015.

After years of internal conflict, democratic governance is leading Liberia towards development. The economy deteriorated in 2015 due to the outbreak of Ebola Virus Disease and drop in commodity prices however.

BRAC's microfinance, health, agriculture, livestock and poultry, and empowerment and livelihood for adolescents (ELA) programs have strived to serve the people of Liberia since 2008. Our experience to date in adapting our holistic development model to the country context and implementing our integrated package of programs has been positive.

The microfinance program takes financial services to the doorsteps of the poorest, marginalised communities. After the Ebola crisis, BRAC resumed its microfinance activities in March. As of December 2015, BRAC reached out to more than 13,000 clients who, in turn, have contributed to income generation in their communities.

Agriculture forms the backbone of the Liberian economy. Much of it, however, is smallholdings or subsistence farming with very low productivity, further aggravated by substantial post-harvest losses. Liberia thus struggles to produce an adequate supply of food for its population, making it highly food and nutrition insecure. BRAC's agriculture and livestock program aims to address these problems, as well as low productivity and poor crop quality, by increasing the supply of quality agricultural inputs, building the capacity of farmers and promoting the use of modern farming techniques. BRAC has established a poultry hatchery, feed mill and seed farm to ensure a regular supply of quality chicks, feed and seed to the farmers and has also helped to develop the national livestock policy. With the support of the European Union, BRAC has established several slaughter houses which ensure the production and processing of meat in a hygienic environment.

There is a need to provide psychosocial support and also raise

awareness within communities about Ebola survivors to help them reintegrate. BRAC provided counselling to Ebola survivors, those in quarantine and stigmatized families to ease the process of their reintegration into society. When the Government declared that schools could be reopened after the Ebola outbreak, BRAC distributed sensitization materials to 350 schools as part of the preventive measures.

This year, boys were incorporated into our ELA programme to better address gender relations. The ELA clubs provide adolescent girls and boys with a safe space to voice their opinions, and receive mentoring and life skills training.

I would like to take this opportunity to extend my sincere thanks to the Government of Liberia and our development partners for their continued support to our efforts to contribute towards the creation of progress and prosperity in Liberia. I also thank the members of the governing board and advisory committee whose leadership and foresight help to deepen our engagement in the country. Despite challenging working conditions, the dedication of our staff has ensured that BRAC's programs in Liberia continue to grow in both range and scale.



Sir Fazle Hasan Abed, KCMG
Founder and Chairperson

GOVERNANCE AND MANAGEMENT

GOVERNANCE

THE LEGAL STATUS OF BRAC INTERNATIONAL

BRAC International is registered as Stichting BRAC International under the laws of the Netherlands, with its seat in The Hague. All of BRAC International's development entities operate under this umbrella. The programs include health, education, agriculture, livelihoods, targeting the ultra poor, human rights and legal services. BRAC International Holdings BV is a wholly owned subsidiary of Stichting BRAC International and was incorporated in 2010. BRAC International's microfinance programs, social enterprises and investment companies are consolidated under this wing. The social programs currently supporting the enterprises include seed production, feed mills, training centres and tissue culture labs. BRAC International has introduced programs in Afghanistan, Haiti, Pakistan, Uganda, Tanzania, South Sudan, Sierra Leone, Liberia, the Philippines, Myanmar and Nepal. It is legally registered with the relevant authorities in each of these countries.

GOVERNING BODY

BRAC International is governed by a governing body. The governing body is elected from amongst distinguished individuals with a sound reputation in the sector of social development, businesses or professions who have demonstrated their personal commitment to pro-poor causes. These individuals are elected in the governing body to bring their diverse skills, knowledge and experience to the governance of BRAC International. At present, there are 10 members in the governing body. The governing body usually meets four times a year, in accordance with the rules of Stichting BRAC International. The composition of the present governing body of Stichting BRAC International is as follows:

Members of the governing body

Chairperson:

Sir Fazle Hasan Abed, KCMG

Members:

Ahmed Mushtaque Raza Chowdhury
Dr Muhammad Musa
Ms Sylvia Borren
Dr Debapriyo Bhattacharya
Ms Shabana Azmi

Mr Shafiqul Hassan (Quais)
Ms Parveen Mahmud
Ms Irene Zubaida Khan
Dr Fawzia Rasheed

The composition of the present governing body of BRAC International Holdings BV is as follows:

Chairperson:

Sir Fazle Hasan Abed, KCMG

Members:

Ms Sylvia Borren
Dr Muhammad Musa
Ms Parveen Mahmud
Mr Hans Eskes

Details about the roles of the governing body are available in the Deed of Incorporation of Stichting BRAC International and BRAC International Holdings BV.

FINANCE AND AUDIT COMMITTEE

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

1. Ms Parveen Mahmud, Chair
2. Dr Muhammad Musa, Member
3. Ms Sylvia Borren, Member
4. Mr Faruque Ahmed, Member
5. Mr SN Kairy, Secretary of the Committee
6. Mr Hans Eskes

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

- The financial reporting and budgeting processes
- The system of internal controls and risk assessment
- The compliance with legal and regulatory requirements
- The qualifications, independence, and performance of the external auditors
- The qualifications, independence, and performance of the internal audit function

LOCAL BOARDS

Each country's entities have a local board. We have aimed to pursue microfinance and development activities through separate entities in most of our countries. The local board members are appointed by Stichting BRAC International's board. The business of the local entities is managed by these local boards. Further details of the roles of the local boards are available in the respective

incorporation documents of these entities.

ADVISORY COMMITTEE

In 2015, BRAC International decided to source suitable candidates in its countries of operation to form an advisory committee. This was in part driven by the need to strengthen governance, support advocacy at the national level and enhance credibility with donors whose expectations around governance included setting up boards at the country level which comprise largely of members who are preferably nationals.

The committee members provide the country leadership with advice and support on standards and policies, overseeing the development and implementation of programs. They are expected to advise on key external developments and trends nationally, and promote BRAC's mission. That means developing and maintaining effective and strategic working relationships with key stakeholders and civil society partners in the countries through information sharing and relevant advocacy on behalf of BRAC.

ACCOUNTABILITY AND TRANSPARENCY

The internal audit department normally conducts audits at all our cost centres on a sample basis. All departments or units in which irregularities are detected through the course of regular internal audit are then audited. Audits take place at least once a year and twice or more in locations and on programs where a closer watch is warranted.

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

MANAGEMENT

There is a clear-cut policy regarding the authority of each level of staff at all levels of BRAC International's management. Staff members are equipped and empowered to act as effective managers. This is clearly set out in BRAC international's human resources policies and procedures and the Table of Authority. Staff are empowered to take decisions at relevant levels and areas of management, including recruitment, deployment, capacity building, transfer, leave, financial transactions, purchase and procurement. These are described in detail to staff at the area, regional and country office levels.

The Human rights policies and procedures also contain all policies relating to staff salary, benefits, recruitment and promotion procedures, and payments. Every staff member receives orientation on the Human rights policy procedures. The Stichting board appoints officers, namely the executive director, directors, group chief financial officer, chief people officer and finance director to manage affairs from the secretariat in Dhaka. BRAC International's management policies clearly define the authority of each level of staff. Appropriate staff are empowered to take decisions at the area, regional, country levels and the head office. Procedural manuals and policy documents are available to staff. Day-to-day decisions are taken by area managers, regional coordinators and programme heads as appropriate. Larger policy decisions involve country representatives, executive director, senior directors, group chief financial officer, finance director and chief people officer, and in particular cases, the executive director, the chairperson and the governing body.

FINANCIAL MANAGEMENT

Matters relating to finance and accounts from branch offices to the country head offices are supervised and controlled by the country finance and accounts department. The branch offices prepare project-wise monthly cash requisitions, which are sent to the area/regional offices. The area/regional offices check and monitor the accuracy of the requisition and transmit them to the country office. The country office disburses funds as per the requisitions after checking. The area and branch offices send monthly expenditure statements along with bank statements to the country office's finance and accounts department. The country office then consolidates all the expenditure statements, prepares monthly financial statements and reports to BRAC International's head office (herein after secretariat) and donors, as required. A comprehensive accounting manual and statement of standard operating procedures guides the finance and accounts personnel to prepare the financial statements and reports in accordance with the accounting standards. It also guides in running the financial activities in a systematic and efficient way.

In consultation with different levels of stakeholders, the country office prepares project-wise budgets, which are then sent to the secretariat. The secretariat reviews and performs analytical procedures on the project budgets of its country offices, which are recommended by the finance director and finally approved by the group chief financial officer. The secretariat consolidates all BRAC International country financials and produces the BRAC International budget and consolidated audited financials.

The budget and the consolidations are submitted to the BRAC International governing body for approval.

INFORMATION TECHNOLOGY

The country IT department provides data to the country management information system and finance teams by managing financial and programme-related information. This data is used by country and head office personnel to prepare various financial and managerial reports and to monitor project progress. The IT team based in the secretariat also provides support relating to software update, troubleshooting and Enterprise Resource Planning development. The country IT team is reportable to the respective country management and the worldwide operations are centrally administered by the secretariat.

HUMAN RESOURCE MANAGEMENT

BRAC International's human resources and training department caters to about 7,110 employees across 10 operating countries. The team strengthens BRAC International's human resources capacity, visibility, and practices through strategic interventions and new initiatives. Following are some of the year's highlights:

Key recruitment: Significant changes to the upper management at BRAC International occurred in 2015 with the joining of new regional directors for the Africa and Asia regions, new chief people officer and research director, three new country representatives of Afghanistan, Liberia and Sierra Leone, and for the first time, a resident representative fundraiser in the Netherlands office. BRAC International established an emergency response coordination team with new emergency response coordinators joining in Uganda, Tanzania, Pakistan and South Sudan. More countries will recruit emergency response coordinators in 2016.

In keeping with BRAC's vision towards localization of operations, local heads of department have joined in multiple countries. Some of these include local heads of finance, audit, monitoring, human resource development, research, agriculture and fundraising. The first chief executive officer of BRAC Uganda's microfinance is planning its transformation to a microfinance deposit-taking institution in 2016.

Performance management system:

To promote a high-performance culture, the performance management system has cascaded down to all employees, from country management to field staff. This has clear guidelines provided for more focused performance management, discussing performance-related rewards and developing low performers through a performance improvement process. Employees have become more attuned to key performance indicator-based achievements and rewards are linked to both performance and demonstration of BRAC values in the workplace.

Human resources management capacity:

In 2015, country-level HR departments were strengthened with improved automation of HR processes for better service delivery. The department aims to maximise

job satisfaction, enhance transparency and ensure procedural justice for all employees in accordance with the human resources policies and procedures manual. The manual provides all employees with an understanding of new policies, due benefits and the processes required to fulfil them. The human resources development further ensures employees' commitment to BRAC International's 15 policies under the code of conduct, particularly in regards to child protection and gender equality.

Staff motivation schemes: Full scholarships for higher studies are provided annually to high potential and committed staff to boost local capacity development. In 2015, four female employees were given full scholarships from BRAC to pursue postgraduate studies locally and overseas. In addition, seven female staff received the prestigious BRAC Values Award for their outstanding display of ethics and professionalism, after a rigorous screening of nominations from the entire BRAC workforce.

Organisational development: All representative job roles have been determined and placed within the organisational hierarchy. Roles have been evaluated using the Hay Method and accordingly, employees are being placed on a new salary structure. This year, all Bangladeshi staff on secondment underwent the re-grading process which took place at BRAC's headquarters. In the next phase, new country-specific salary structures, organograms and role-wise grading will come into practice for local employees next year.

Enterprise resource planning: A HR module in the new system has been designed and piloted in-house to streamline HR processes, enhance staff data management and analytic capacity. It will be implemented in phases across BRAC International, starting with BRAC South Sudan in the first quarter of 2016.

Training and development: With the vision of streamlining staff development activities, BRAC International HRD organised BRAC's first ever inclusion and diversity campaign to promote a culture of diversity, inclusion, gender sensitivity and BRAC values among its workforce. In October 2015, 16 employees from 10 operating countries participated in a 20-day training of trainers workshop at BRAC headquarters in Dhaka.

Training received on four modules:

A group of 16 trainers received training on BRAC values, inclusion and diversity, gender awareness and people leadership programme. They will develop a further pool of trainers who will execute this training programme throughout the country in 2016 to promote the 'one BRAC' culture. In addition to classroom-based training, the trainers also visited BRAC's field operations in Bangladesh and met the chairperson and BRAC International's senior management.

World Diversity Day was celebrated for the first time in May 2015, where employees took part together in cultural programmes, sports tournaments, and cooking events. This will continue to be an annual event to promote harmony and inclusiveness within the workplace.

MICROFINANCE



Over the last four decades, **BRAC microfinance** has grown to become one of the world's largest providers of financial services to the marginalised, who have limited access to formal financial institutions. It provides the necessary tools to enable the financial inclusion of millions of people across seven countries. Through its innovative, client-focused and sustainable approach, BRAC continues to show that microfinance can have a powerful impact on the lives of the marginalised. Our small enterprise loans are offered to entrepreneurs who seek to enlarge their businesses. The BRAC microfinance programme is a critical component of our holistic approach to supporting livelihoods.

IMPROVING LIVELIHOOD OF LIBERIANS

Microfinance is a critical component of BRAC's holistic approach in supporting livelihoods and empowering the most disadvantaged. The microfinance program is designed to give economic opportunities to those who are financially excluded. With access to credit, clients can make small investments, be self-employed and withstand financial shocks. This helps to

manage and often augment their household incomes. The program also plays an active role in developing the local capacities of employees and borrowers.

During the Ebola crisis, BRAC suspended microfinance operations for nearly eight months. It re-started regular disbursement and collection from March 2015. Although the crisis has seriously affected the economy, the borrowers showed extraordinary resilience and repayment started at a satisfactory rate. BRAC Liberia monitored the welfare of its clients during this period.

POST-EBOLA RESPONSE

BRAC Liberia carried out Ebola response activities like psychosocial counseling, distribution of infection control and prevention materials, and community sensitization among its borrowers.

PROGRAM HIGHLIGHTS

MICROLOANS

USD 2.52 million was disbursed as microloans through **22** branch offices. By the end of 2015, **13,180** clients were availing microloans. The average microloan size was **USD 182** and the total principal outstanding was **USD 1.39 million**.

SMALL ENTERPRISE LOANS

USD 1.58 million was disbursed as SEP loans. At the end of 2015, **820** clients were receiving loans through **18** branch offices in **five** counties. The average loan

size was **USD 1,883** and the total principal outstanding was **USD 0.98 million**.



2013	11,578 borrowers
2014	12,328 borrowers
2015	14,000 borrowers

CASE STORY

REPEATED REJECTION, NOW I OWN MY OWN HOUSE

I am Kemmah Fambullah, a 45-year-old mother of three. I live with my husband in the Barnersville area. A few years ago, I used to sell dry goods like grocery items and soft drinks on the streets, but the profit I made was not enough to support my family.

There are a few local financial institutions in my community. I applied for small loans many times, but was repeatedly rejected as I failed to show them collateral. I heard about BRAC's microfinance program from a friend who had managed to acquire a loan. I went to the nearest BRAC branch office where a program organizer explained the small loan process to me. I started attending meetings with the local microfinance group and became an active member even before applying for a loan.

I received my first loan of USD 177 (LRD 15,000) from BRAC's Barnersville branch office. I invested in my street peddling business to buy more dry goods. I gradually expanded my business and started making bigger profits. I paid back my first loan, and took a second loan of USD 238 (LRD 20,000) to buy a small piece of land. I leased the land and set up my own business in the Barnersville market.



Over the years, I paid off my second loan. With my current loan of USD 590 (LRD 50,000), I am able to expand and diversify my business. With the profit, I bought my own house and paid my children's school fees. I make a monthly profit of USD 354

(LRD 30,000). I plan to create employment opportunities for women in my community, so they do not have to face the rejections I had to face.

AGRICULTURE AND FOOD SECURITY



Operating in six countries, **BRAC's agriculture** programme builds the capacity of farmers. It promotes the use of efficient farming techniques and proven technologies, and links farmers to markets. BRAC produces and markets quality seeds at fair prices. Research is conducted to develop better varieties and practices. Credit is offered to support poor farmers.

PROMOTING QUALITY SEEDS AND INCREASING PRODUCTIVITY

BRAC Liberia's agriculture program addresses the problem of poor seed quality and low productivity. The program aims to enhance food security through reducing hunger and malnutrition, and build resilience against Ebola by improving the socio-economic condition of people. The

program is designed to increase agricultural output, build people's capacity and create rural employment. It has reached 12,726 farmers to date.

ASSISTING THE COMMUNITY

The program operates through community agriculture promoters who have relevant farming experience. The promoters receive intensive training and then disseminate agricultural knowledge and good practices among farmers. They also receive loans and start-up materials in the form of agro tools, quality seeds, fertilizers and pesticide to sell in their communities and neighboring

farmers. This enables them to generate additional income. The seed multiplication farm produces quality rice and maize seeds, which are distributed to farmers. It also produces cassava enriched with vitamin A.

In June 2015, BRAC Liberia successfully completed the DFID Global Poverty Action Fund (GPAF). The impact study revealed that the agriculture farmers' income had increased by 47 per cent (from USD 342 to USD 502).

PROGRAM HIGHLIGHTS

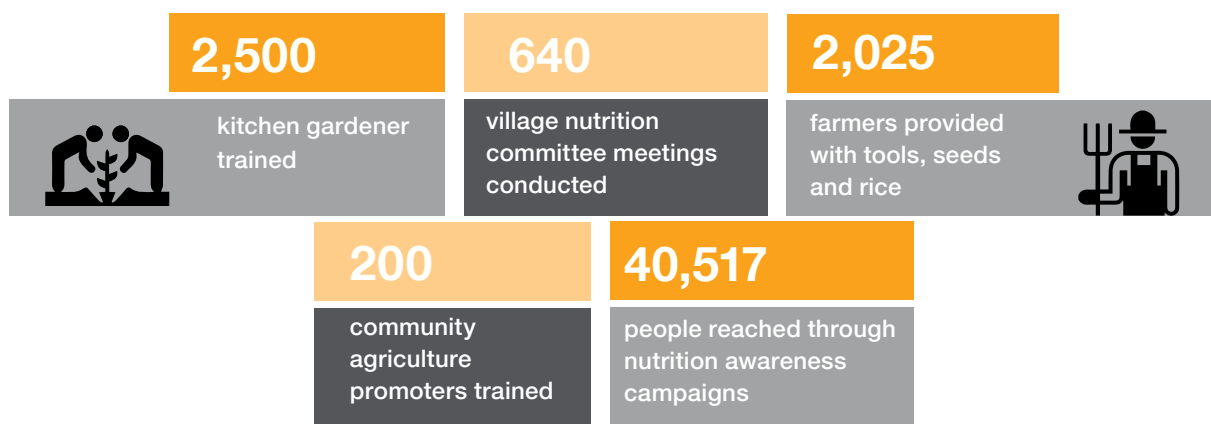
Over the course of the program, **2,500** kitchen gardeners and **200** community agriculture promoters were provided with basic and refresher training under the GPAF project. **40,517** people were reached through nutrition awareness campaigns. **640** village nutrition committee meetings were conducted.

2.5 metric tons of Nerica-L19 rice seed,

1,000 kg corn as cob, and different vegetables were produced in the seed farm. We set up a bio-fortified pro-vitamin A rich yellow cassava trial plot, along with orange-fleshed sweet potato (OFSP) intercrop in collaboration with the Central Agriculture Research Institute (CARI). Iron toxicity tolerance and rice variety screenings were carried out in swampy

lands in collaboration with Africa Rice. An integrated farming system was carried out with rice-fish and dyke vegetables in the seed testing farm.

As part of the post-Ebola response, **2,025** farmers were provided with tools, seeds and rice in association with a Google-supported program.



CASE STORY

A PASSION FOR FARMING

I am Kebbeh Jallaha, a 35-year-old mother of five and survivor of the prolonged Liberian civil war. I live in Kakata, Margibi County. I was taken out of school and married off at an early age. My husband is a farmer who earns USD 75 (LRD 6,750), which is not enough to send my children to school.

I decided to look into farming, as I always had a passion for it. Since I lacked in agricultural knowledge, all my initial efforts were in vain. I started assisting other farmers in my community, struggling to earn while trying to learn as much as I could.

One of the farmers told me about BRAC's agriculture program in my community. I was interested to learn modern farming techniques. After several discussions with the program organizer, I was selected as a kitchen gardener. I received training in basic modern agricultural techniques like nursery



preparation, field layout, transplanting, line sowing, mulching, fertilizer application, irrigation management and disease and pest control methods. I was given inputs in the form of seeds and fertilizer.

I planted different types of vegetables, like okra, bitter ball, cabbage, and collard greens, and I found that I was able to earn a sizeable profit by selling them. I have also been able to increase the yield from the advice I received from the kitchen gardening community. My monthly income is now USD 55 (LRD 4,950).

I can now send my children to school, and provide them with nutritious food and fresh vegetables from my garden. I also increased my area of cultivation, which led to a higher production.

I will use this knowledge to continue vegetable production even when BRAC is no longer in Liberia. I can now purchase agro inputs on my own. I encourage BRAC to continue their development activities in communities where no other NGOs are able to reach.

POULTRY AND LIVESTOCK



BRAC's poultry and livestock program aims to promote improved practices and modern technologies amongst poultry and livestock farmers through boosting livestock productivity, reducing mortality and supplying high quality input. BRAC also produces and markets day-old chicks, poultry feed and bull semen at fair prices to ensure the market of milk and meat where needed. Poor farmers are given credit in the form of loans as support.

HELPING RURAL FARMERS BUILD A BETTER FUTURE

In 2008, BRAC started its poultry and livestock program with an aim to strengthen the livelihoods of rural people through capacity building and distribution of quality inputs. The program carries out community activities through self-employed community livestock and poultry promoters (CLPPs). Experienced farmers are selected as CLPPs, and provided with extensive refresher training on animal husbandry, animal health issues and vaccinations. After training, CLPPs generate income by charging fees for their services. With the help of BRAC, they offer vaccination services, sell veterinary medicine, farm inputs and provide technical assistance to farmers in their communities. CLPPs also help to select and assist model poultry and livestock rearers.

GLOBAL POVERTY ACTION FUND PROJECT

BRAC has successfully implemented the Global Poverty Action Fund (GPAF) project supported by DFID to reduce poverty and hunger in rural areas of Liberia. The project successfully completed its activities in June this year. The impact study revealed that poultry farmers' incomes have increased 303 per cent (from USD 20 to USD 80.70). The program also successfully supported poultry rearers affected by Ebola. The program has reached 13,000 farmers since 2008.

INCREASING FOOD SECURITY AND LIVELIHOODS

BRAC is implementing a European Union funded project to increase food security in rural Liberia through livestock production, processing and marketing. A workshop

was organized in June at the Ministry of Agriculture to validate the livestock policy papers developed by BRAC, and receive expert opinions on policy issues. The project has trained poultry and livestock farmers, set up slaughter houses with proper hygienic conditions for quality meat processing, and established market linkages for rural farmers with these slaughter houses.

POULTRY, HATCHERY AND FEED MILL

BRAC's poultry hatchery and feed mill were set up in Buchanan, Grand Bassa County. This was done with support from the Chevron Foundation and the EU-funded project, for producing quality day-old chicks and feed to be sold to local farmers.

PROGRAM HIGHLIGHTS

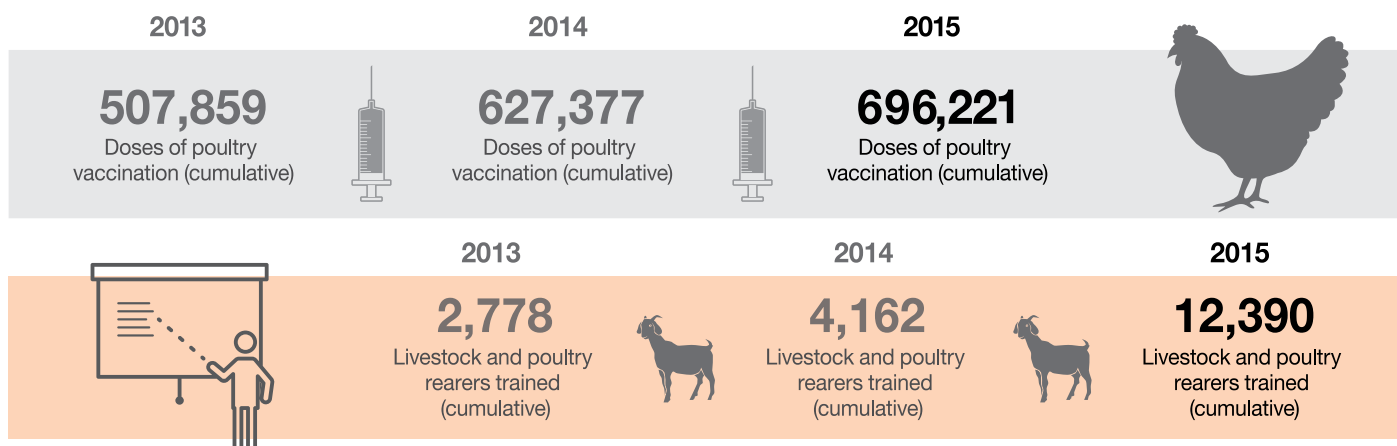
40,517 people were informed on nutrition to reduce hunger in rural communities. This was done through campaigns conducted under the GPAF project.

640 village nutritional committee meetings were conducted, and members carried out community nutritional campaigns to raise awareness. **240** backyard poultry rearers were trained.

Under the EU-funded project, **500** community poultry and livestock promoters in **six** counties vaccinated **696,221** poultry birds. **10,500** general farmers (poultry, pig, goat and cattle), **900** model poultry rearers, **600** model pig rearers, and **150** cattle rearers were trained. For poultry and livestock marketing, **25** agro vets were provided with refresher training and **25** leaders from community-based organizations were trained to improve their

capacity. Three slaughter houses were also set up.

16,202 day-old chicks produced **193,514** eggs and **249** cumulative metric tons of feed were produced in poultry hatchery and feed mill, and sold to local farmers.



CASE STORY

FROM A SMALL FARMER TO A BUSY ENTREPRENEUR

I am Joyline Varnnie. I am 45 years old and I live with my husband and four children in Soul Clinic Community. I am a smallholder pig farmer in Paynesville North area. I used to earn a small profit by selling piglets.

Since I spent most of my income to support my family, farming became financially precarious. I barely made enough profit to buy more pigs.

Sometimes my piglets would die and I had no idea about the cause of their deaths. I was still determined to remain a pig farmer though. I joined BRAC as a client of the livestock development program. I received five days of training on feeding, breeding, and proper medication doses for pigs. After the training, I was given a pair of piglets and a boar from a breeding farmer supported by BRAC in Kakata. I was better informed about various diseases like hog cholera, brucellosis, etc, and about the ways to prevent them, and I began to

understand why my piglets did not survive.

I designed and built a low-cost piggery, and fed the piglets three times every day. I received regular technical guidance from community livestock promoters on shed preparation, feed formulation and learned about disease prevention techniques. I now earn USD 400 (LRD 3,960) by selling four pairs of piglets.

My two pigs have given birth to 15 healthy piglets. I want to sell these piglets in the market at a good price. I want to continue breeding pigs and sell to farmers who buy them for rearing and fattening purposes. This will provide me with a significant income to provide extra support to my family, and pay school fees for my children.



HEALTH



BRAC's health program combines preventive, promotive, curative and rehabilitative services. We aim to improve reproductive, maternal, adolescent, neonatal, and child healthcare. We work to raise the nutritional status of children and mothers, reduce vulnerability to communicable diseases, and combat non communicable diseases. Through our low-cost essential healthcare services, we serve the disadvantaged, socially-excluded and hard-to-reach populations. BRAC's approach utilizes trained frontline community health promoters, creating an effective bridge between underserved communities and formal healthcare systems. We ensure community empowerment and mobilization to bring cost-effective basic healthcare services to the doorsteps of clients. We work in collaboration with the government, NGOs, donors, private sectors, academic institutions and local governance to bring the most needed healthcare services to communities.

IMPROVING QUALITY OF HEALTH FACILITIES

BRAC Liberia's health program aims to improve reproductive, maternal, neonatal and child health and nutritional status. It works to reduce vulnerability to communicable diseases, combat non-communicable diseases and enhance quality of life. By combining preventive, promotion and curative health services, it serves disadvantaged, socially- excluded and hard-to-reach populations. BRAC's integrated service delivery model utilizes frontline community health promoters (CHPs), creating an effective bridge between underserved communities and formal healthcare systems. These systems include BRAC's health facilities, which are improving access, coverage and quality of health services in communities across the country.

CHPs identify and refer individuals with serious complications to local, public and private health facilities.

The health program takes a multi-pronged approach to reduce health risks in poor communities in Liberia. It focuses on the prevention and control of malaria, tuberculosis, HIV/AIDS and other diseases, and the reduction of infant and under-five mortality. The program takes healthcare to the doorsteps of people in the communities it works within.

ESSENTIAL HEALTHCARE PROGRAM

The essential healthcare (EHC) program is a scalable model of community healthcare. Its goal is to provide basic healthcare services in communities, increasing reproductive healthcare services, bringing positive behavioral change and ensuring better access to services through community participation.

REPRODUCTIVE, MATERNAL, NEWBORN AND CHILD HEALTH PROGRAM

The reproductive, maternal, newborn and child health (RMNCH) program was launched in 2013. It aims to strengthen community health networks and improve reproductive, maternal, newborn and child health for women, adolescent girls and children under five.

PSYCHOSOCIAL AND SURVIVORS SUPPORT

BRAC implemented the psychosocial and survivors support project to improve well-being, alleviate distress, enhance coping skills and build the resilience of Ebola survivors. The project also aimed to improve attitudes towards survivors and family members.

PROGRAM HIGHLIGHTS

26,258 contraceptives were distributed by **533** community health promoters, under the RMNCH program, in **seven** counties, under the DFID-funded Global Poverty Action Fund project.

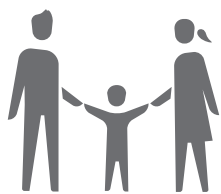
In collaboration with the Ministry of Health, **2,330** women had their deliveries at health facilities. **3,665** received ANC and PNC services. **1,455** were referred to

family planning services. **5,174** received female condoms and **9,942** received female injectables for birth control.

BRAC Liberia, in collaboration with the psychosocial department at the Ministry of Health, provided training of trainers to **20** government social workers and mental health clinicians, and **10** BRAC health coordinators, on psychosocial first aid.

This training reached **300** Ebola survivors, **300** social work assistants, **584** promoters and **40** program assistants.

129 promoters were trained on community TB directly observed treatment, short-course (DOTS), in close collaboration with the Ministry of Health and the National Leprosy and Tuberculosis Control Program.



26,258

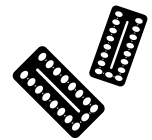
contraceptives distributed

5,174

women received female condoms

9,942

women received female injectables for birth control



2013

16,724

Antenatal care provided (cumulative)



2014

24,999

Antenatal care provided (cumulative)



2015

28,664

Antenatal care provided (cumulative)



CASE STORY

PLANNING AHEAD WITH THE RIGHT INFORMATION

I am Cecelia Victor and I live in Bassa County. I am 20 years old and have a two-year-old daughter. I was married off young, and conceived almost immediately. I had no idea of what pregnancy or childbirth would entail, as we did not talk openly about such topics. In the early months of my pregnancy, I was often ill and would lie in bed for most of the day. A neighbor saw me in this condition and told me about BRAC's community health promoters who provide door-to-door healthcare at no cost.

I received a lot of support from BRAC. Hannah Tokpa, a health promoter who looked after me, was an extremely helpful and compassionate woman. She advised me on how to overcome my dreadful morning sickness. I would feel better after following her advice. Hannah would visit me often to ask about my health, and answer all my questions. She also convinced me to go to the hospital for



regular check-ups to monitor both the baby's health and mine. She convinced me to have my baby in a safe medical facility.

After every check-up at the hospital, Hannah visited me at my home, and we would go through all the information together. She ensured that I always understood all the information provided.

As my due date approached, BRAC gave me USD 11 (LRD 1,000) as a transport subsidy. I also received other essentials such as diapers, powder, bath soap, washing soap and socks. Hannah also provided me with family planning information, which was good to know since I don't have plans to have a second child soon.

EMPOWERMENT AND LIVELIHOOD FOR ADOLESCENTS



BRAC's empowerment and livelihood for adolescents (ELA) program is designed to empower adolescent girls to improve their livelihood and life skills. ELA clubs provide safe spaces for them to socialise with peers, and provide mentoring and life skills training. Networks of clubs are active in five countries. We combine this approach with livelihood and financial literacy training, and customised microloans, which socially and financially empower the girls. In addition, the clubs provide recreational activities such as reading, staging drama, singing, dancing and indoor and outdoor games.

PROVIDING SAFE SPACES FOR THE YOUTH

The civil war in Liberia devastated much of the country's infrastructure. Demographic and health surveys reveal that 43.8 per cent of the female population (aged between 10-14 years) have no formal education. The adolescent fertility rate is 177/1000. Use of any method of contraception is 23.9 per cent among adolescents.

BRAC started the empowerment and

livelihood for adolescent (ELA) program in 2014 with an aim to empower adolescents, enabling them to raise their voice and improve their decision-making capacity. The program starts with 'safe spaces' close to home where teens can discuss problems with their peers in small groups and build social networks, away from the pressures of family and society.

Health, education, confidence-building and other life skills are incorporated in the program design. A total of 450 adolescent girls between the years of 10 and 19 are empowered through 15 clubs in two counties: Montserrado and Margibi. Microcredit is accessible for older

adolescents after they receive training on financial literacy.

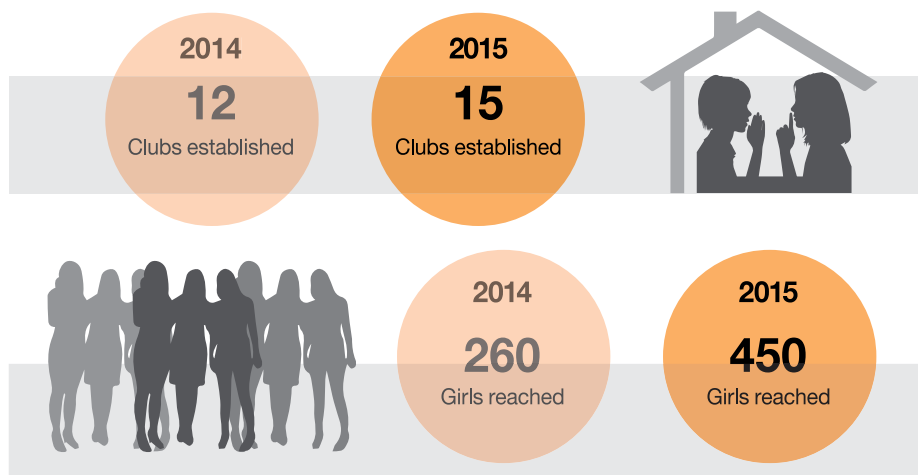
In 2015, with funding from UNFPA, the program included adolescent boys to widen its impact.

PROGRAM HIGHLIGHTS

With the inclusion of boys through **six** male mentors, the clubs now have a total of **631** adolescents (**481** girls and **150** boys). **100** girls were provided with baking training and **15** girls groups were provided with inputs.

Four microcredit groups were formed with **60** members. A total of **USD 2,906** (LD 264,500) was disbursed to **33** borrowers.

50 ELA girls who were previously not been in school, had enrolled into school. **10** clubs engaged in group savings schemes. **587** girls received training on life skills while **423** girls participated in financial literacy training.



CASE STORY

WHEN IDEAS MATTER MORE THAN CAPITAL

My name is Beatrice Fofuna. I am a 15-year-old girl from the New Kakata community in Liberia. I am the oldest of six children. My siblings and I have lived with our mother ever since our dad abandoned our family. My mother struggled to support us and we all had to drop out of school.

Before the onset of Ebola, my father was in Monrovia and would still send us money. Once the disease broke out, he could not support us due to restrictions on movement. He remarried during this time and stopped supporting us.

I was often upset about this situation. I wished to go back to school again and have fun with my friends. I missed playing and learning with my friends. School was the only place where I felt relaxed and safe. My mother noticed my sadness and tried her best to be my friend.

When my mother came to know about BRAC's ELA clubs from her friend's daughter, she thought it would be a good idea for me to join. I immediately joined the ELA club in New Kakata.



The club provided me with a space where I could share my problems. I enjoyed playing indoor games, taking part in discussions with other girls, and I absolutely loved singing and dancing. Two of the most important things I learned there were financial and business skills. I learned that a person's idea for a business matters more than the amount of capital one has. I also learned about earning, saving and spending money, and developed a feasible business plan.

This new knowledge inspired me. It was the perfect opportunity, so I went to my mother with my business plan. I discussed how she could help me support the family. I decided to start a mobile street food business. I already had resources like food packages,

a coal pot, and my skills as a cook. I earned a profit of USD 2.5 (LRD 200) from my first sale. I saved USD 0.35 (LRD 30), and gave USD 0.83 (LRD 70) to my mother. I used the remaining money to purchase capital. The second time, I made a profit of 3 USD (LRD 250). I have set a saving target of USD 0.35 (LRD 30) per day for six days a week. It has now been three weeks since I started my business and I save USD 6.40 (LRD 540) on a daily basis.

I plan to rejoin school next year. I believe I can pay for my school fees with the profits I earn. I applied to learn baking as part of the livelihood training in the club to widen my skills. I am now very confident that one day I will become a very successful entrepreneur.

SUPPORT PROGRAMMES

FINANCE AND ACCOUNTS UNIT

This unit monitors and controls the funding of all BRAC's donor-assisted projects and programs in Liberia. It ensures that financial reporting for all programs are carried out in accordance with internationally-acceptable frameworks.

The unit contributes to the improvement of program efficiency, enhances management decision-making, and promotes transparency and accountability. Financial data from all transactions carried out at different cost centers are collected and consolidated at the unit and shared with stakeholders.

INTERNAL AUDIT DEPARTMENT

This department is an independent support program designed for objective assurance and consulting services to add value and improve BRAC International's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of control and governance. Internal audit is a catalyst for improving the effectiveness and efficiency of programs by providing insights and recommendations based on data analysis. With a commitment to integrity and accountability, the internal audit department provides value to governing bodies and executive management as an objective source of independent opinion. The department also assists management by providing risk-based audit reports for accelerating efficiency and effectiveness based on the internal audit charter, the terms of reference for the audit review committee, and the internal audit manual approved by the finance and audit committee.

In 2015, the external quality assurance review was conducted as per requirement of the institute of internal auditors' standards. The internal audit department of BRAC Liberia achieved 86 percent, covering 182 cost centers against the plan this year. 2016 will be the year of implementing a full-fledged risk-based audit and system audit. An information systems

(IS) audit is also going to be initiated, incorporating information systems audit and control association guidelines and best practices.

COMPLIANCE SERVICES

Compliance services is committed to help the organization achieve specific goals by ensuring individuals' job responsibilities and assessing all programs' standing with the organizational goals. In 2015, the coverage of the internal compliance questionnaire (ICQ) was expanded to all areas and regional levels of country program management. This was only for branch level of management and was reported quarterly in the previous year. The ICQ 'quick review' mechanism was initiated to strengthen the compliance culture by ensuring accountability and transparency. Compliance related to regulatory and donor affairs was reviewed and reported bi-annually for each BI countries. To further strengthen the established compliance environment, plans have been made for more review of the self compliance activities (e.g. ICQ audit) in the coming year.

MONITORING DEPARTMENT

BRAC Liberia's monitoring department is an internal mechanism to understand what is happening in the program, who it reaches and how it is implemented. The monitoring team analyzes information collected about program activities and performance to strengthen and sustain the program.

The monitoring department performs several essential management functions. This includes monitoring and reporting on inputs and outputs achieved, carrying out internal assessments and supporting research. The monitoring department collaborates strongly with the research and evaluation department to assess the progress and performance of programs.

The unit prepares quarterly progress reports, monthly MIS reports and facilitates the preparation of the annual report.

Seven staff are currently working in the monitoring department.

RESEARCH AND EVALUATION UNIT

We established a vibrant research and evaluation unit (REU) this year. The REU is currently comprised of four contractual staff, a research associate, a staff researcher, a junior staff researcher and a field manager.

During 2015, four research outputs were delivered. They include the impact assessment of food security intervention through kitchen gardening and poultry rearing in Liberia (GPAF-Agriculture), midline assessment of the project on increasing food security in rural Liberia, funded by the European Commission (EC-livestock), midline assessment of reproductive, maternal, and newborn health (RMNCH) program in Liberia, and the assessment of psychosocial and survivors support project.

In 2016, the unit is expected to engage in five research activities; end-line impact assessment of the ELA program (report due at the end of February), RMNCH end-line survey, EC-Livestock end line survey, ELA curriculum pre-test and ELA curriculum pilot (baseline).

HUMAN RESOURCES AND TRAINING DEPARTMENT

BRAC Liberia's human resources and training department continues to support all program operations since BRAC started its operations in 2008. The HRD supports 437 local and expatriate employees working across seven counties, of which 61 per cent are female staff. The department is responsible for strategic HR planning, budgeting, recruitment and selection, performance management, reward and benefit management, learning and development, talent management, grievance and discipline handling, HR compliance and risks mitigation and staff separation. All practices are conducted in compliance with Liberia's labour laws and BRAC Liberia's human resources policy and procedures (HRPP) manual. HRD ensures employees' commitment to BRAC International's 15 policies under the code of conduct, particularly in regards to child protection and gender equality.

The support of highly skilled, efficient and dedicated human resources is vital to the success of program implementation. The management aspires to attract, retain and motivate all levels of staff, with regard to experience, qualifications, responsibilities and impact on the organization. At the same time, it seeks to avoid unlawful and unfair discrimination on grounds of gender, race, disability, religion and age.

The performance management system has cascaded down to all employees, from country management to field staff, to ensure a culture of high performance. It has clear guidelines provided for a more focused performance management, discussing performance-related rewards and developing low performers through a new improvement process. Employees have become more attuned to KPI-based achievements and rewards are linked to both performance and demonstration of BRAC values in the workplace.

With the vision of streamlining staff development activities, BRAC International HRD organized BRAC's first-ever inclusion and diversity campaign to promote a

culture of diversity, inclusion, gender sensitivity and BRAC values among its workforce. In October 2015, 16 employees from 10 operating countries participated in a 20-day training of trainers workshop at BRAC headquarters in Dhaka. Among the participants, two staff from BRAC Liberia received training on four modules: BRAC values, inclusion and diversity, gender awareness and people leadership program. They will develop a further pool of trainers who will execute this mandatory training throughout the country in 2016 to promote the 'One BRAC' culture. In addition to classroom-based training, the trainers also visited BRAC's field operations in Bangladesh and met the chairperson and senior management of BRAC International.

To boost local capacity development, one female employee has been given a full scholarship to pursue her postgraduate studies at BRAC University's institute of governance studies (IGS) in Bangladesh. Scholarships for higher studies are provided annually to highly potential and committed staff as an effort to invest in the country's human capital development.

In 2015, one female employee received the prestigious BRAC values award for her outstanding display of ethics and professionalism, after a rigorous screening of nominations from the entire BRAC workforce.

RISK MANAGEMENT SERVICES

Risk management is at the core of the operating structure for BRAC International and its country operations. This unit limits adverse variations in program activities and outcomes by managing risk exposures within agreed levels of risk appetite. Risk management processes in BRAC International continued to prove effective throughout 2015, with developing a group risk register. Executive management remained closely involved in important risk management initiatives, which focused on ensuring appropriate levels of funds, and effectively managing the risk portfolios. Responsibility and accountability for risk management resides at all levels within the country; from the board to the country

management team, to each program manager and risk focal. Risks are controlled at both individual and aggregate levels of exposures across all programs and risk types.

On a country level, the bi-annual assessment of overall risk management was completed and the summary was discussed in the executive risk management committee meetings on 22 April and 4 November 2015, chaired by the executive director of BRAC International.

INFORMATION TECHNOLOGY

The information technology department ensures smooth business operations through the use of software, and produces global reports of microfinance for programs in Liberia. The department provides effective and efficient IT support for various internal departments. Currently, all BRAC Liberia branches and areas have IT facilities.

PROCUREMENT DEPARTMENT

The procurement department ensures the purchase and distribution of goods and program inputs, according to demands from the country office, to different area offices. The department follows the existing BRAC procurement policy. The process of procurement starts from the identification of needs and planning the process, and continues until goods and related services are delivered satisfactorily. Through this department, BRAC has procured and delivered inputs for the health, agriculture, poultry and livestock, and ELA programs in Liberia.

LOAN REVIEW UNIT

The loan review unit in Liberia provides an assessment of the overall quality of loan portfolios by selecting accurate borrowers. This ensures that the microfinance program is able to maximize returns from the invested money. This unit is led by a sector specialist and assisted by nine officers.

GOVERNANCE

BRAC LIBERIA

LOCAL BOARD MEMBERS

Dr A M R Chowdhury
Mr Faruque Ahmed
Mr Shib Narayan Kairiy

BRAC LIBERIA MICROFINANCE COMPANY LTD

Mr Faruque Ahmed
Mr Shameran Abed
Mr Saif Imran Siddiqui
Ms Lamia Rashid
Mr Neal Delaurentis
Mr Arjuna Costa

Ex officio
Mr Tapan Kumar Karmakar

COUNTRY ADVISORY COMMITTEE MEMBERS

Ruth G Caesar
Roland Chris Y Massaquoi
S Tornorlah Varpilah

MANAGEMENT

Mohammed Abdus Salam • Served as Country Representative from 2008 - 2016, BRAC Liberia

Mainuddin Ahmed • Present Country Representative, BRAC
Tapan K Karmakar • Managing Director, Micro finance Ltd., Liberia
Saiful Islam K Nahid • PCM
Francis Gbatima Kobie • Lead Training and HR
Aisha Nansamba • Research Associates

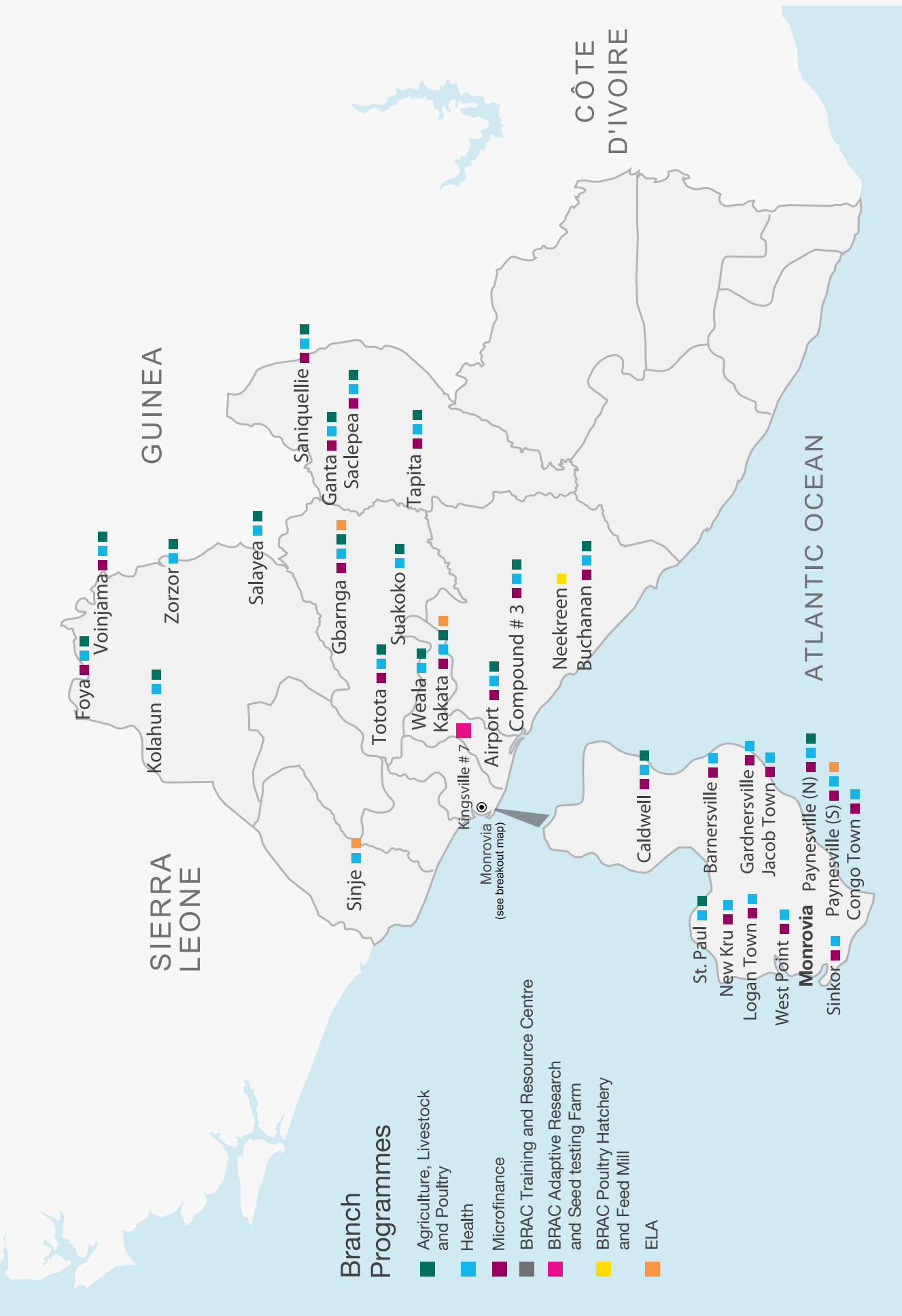
Sanjoy Nandi • Program Manager Agriculture
Jafar Eqbal • PM-Poultry & Livestock (EU)
Nurul Amin Howlader • Head of Internal Audit
Siaka O Toure • Head of Finance/Accounts
Anita Anzoyo • Program Manager, ELA
Sheikh Muzam • Program Manager, Microfinance
Mozibur Rahman • Regional Coordinator Health

DEVELOPMENT PARTNERS

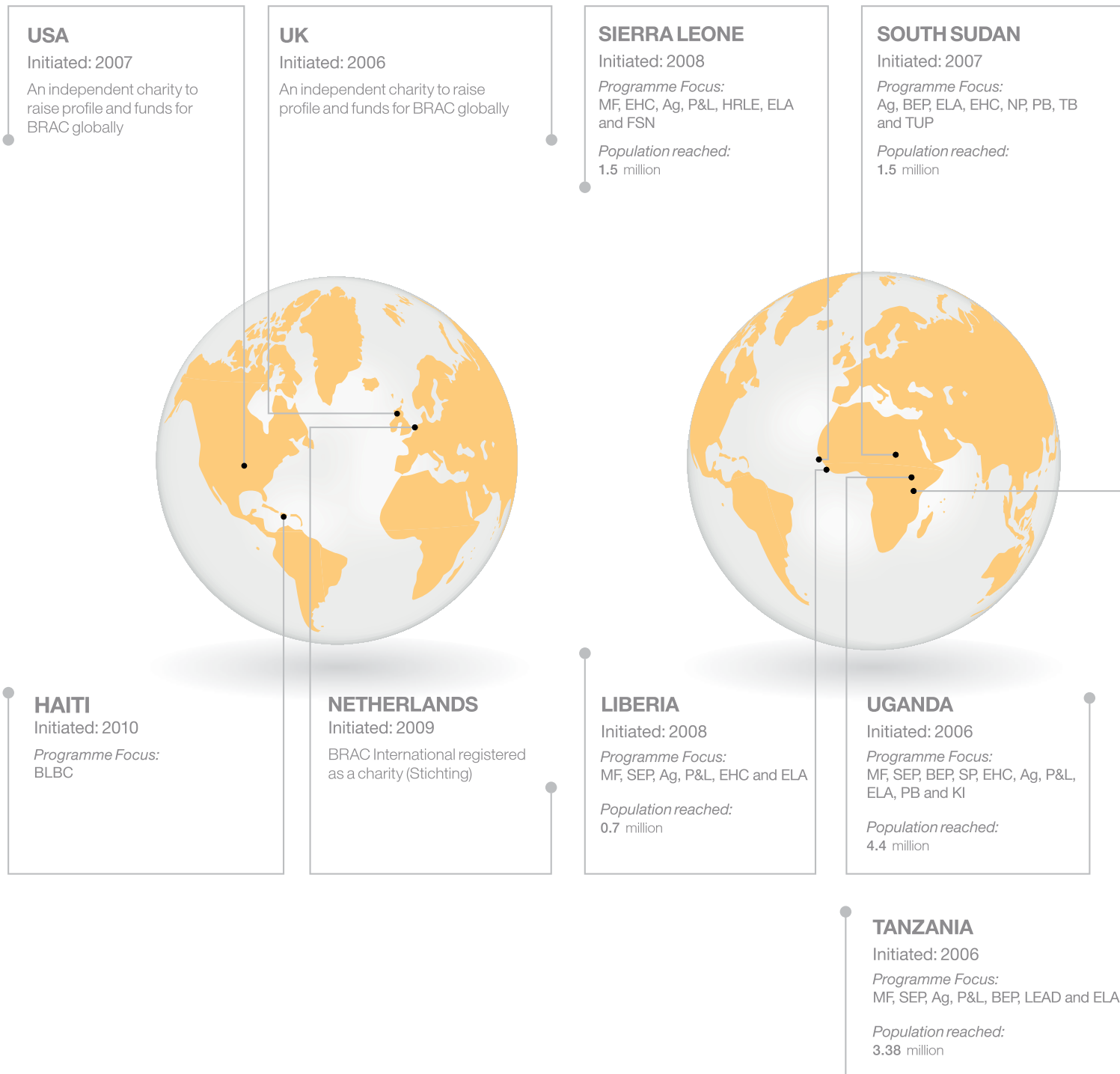
We are grateful to our development partners for their continued support for our work:



BRAC IN LIBERIA



BRAC ACROSS THE WORLD



AFSP - Agriculture and Food Security Programme Ag - Agriculture Programme ARCs - Adolescent Reading Centres
DECC - Disaster, Environment and Climate Change EHC - Essential Health Care ELA - Empowerment and Livelihood for Adolescents FSN - Food Security and Nutrition
HRLS - Human Rights and Legal Aid Services IDP - Integrated Development Programme KI - Karamoja Initiative LEAD - Livelihood Enhancement through Agriculture Development
PB - Peace Building P&L - Poultry and Livestock RS - Road Safety SEP - Small Enterprise Programme SP - Scholarship Programme

AFGHANISTAN

Initiated: 2002

Programme Focus:
MF, SEP, BEP, ARCs, EHC, CDP,
NSP and TUP

Population reached:
4.65 million

PAKISTAN

Initiated: 2007

Programme Focus:
MF, SEP, BEP, TUP, EHC, and
Ag

Population reached:
0.7 million

NEPAL

Initiated : 2015

Programme Focus:
Rehabilitation Programme

Population reached
32,630 persons



MYANMAR

Initiated: 2013

Programme Focus:
MF

Population reached:
0.0326 million

PHILIPPINES

Initiated: 2012

Programme Focus:
BEP

Population reached:
0.06 million



BANGLADESH

Initiated: 1972

Programme Focus:
MF, BEP, HNPP, TUP, IDP, WASH, HRLS, CEP, AFSP, DECC, GJD, RS, MGP
and Enterprises

Population reached:
120 million

BEP - BRAC Education Programme **BLBC** - BRAC Limb and Brace Centre **CDP** - Capacity Development Programme **CEP** - Community Empowerment Programme
GJD - Gender Justice and Diversity **HNPP** - Health, Nutrition and Population Programme **HRLE** - Human Rights and Legal Empowerment
MF - Microfinance **MGP** - Migration Programme **MLP** - Malaria Programme **NP** - Nutrition Programme **NSP** - National Solidarity Programme
TB - Tuberculosis Control **TUP** - Targeting the Ultra Poor **WASH** - Water, Sanitation and Hygiene

FINANCIALS - NGO

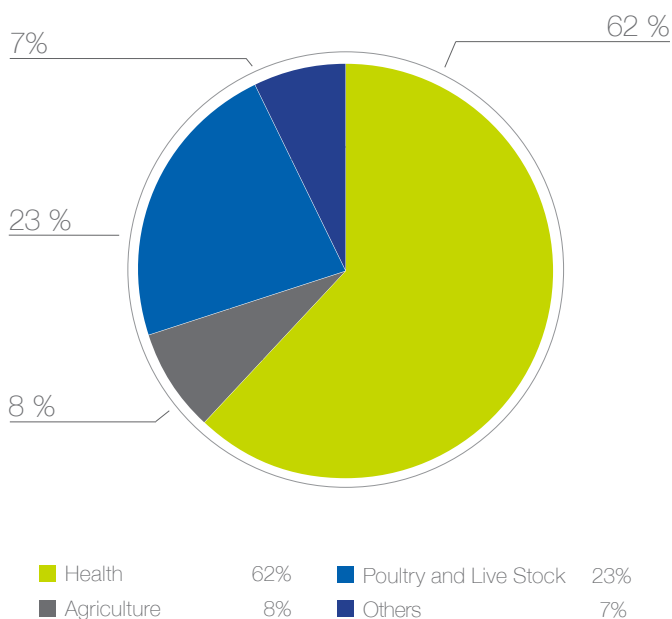
BRAC Liberia received USD 3,836,182 as grants compared to USD 1,809,385 in 2014. Total Project expenses for the year were increased by 83% to USD 4,530,028. Out of the total expenses, Health supported by DFID, USAID and Google hold the majority of the portion. About 89 % of total expenditure has been used for program services.

Total Equity as at 31 December 2014 stands at USD 162,666 compared to USD 526,133 in 2014.

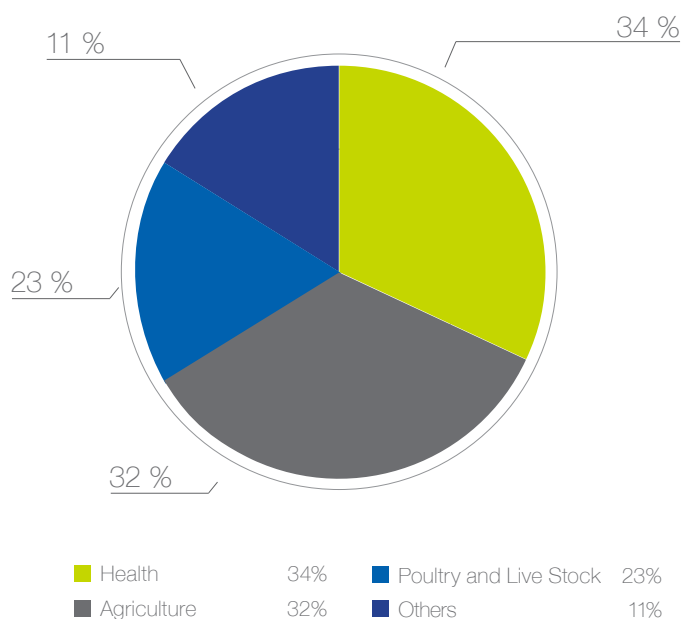
Programme Cost by Nature of Programme

Programme	Year 2015		Year 2014	
	USD	%	USD	%
Health	2,795,059	62%	844,809	34%
Agriculture	365,454	8%	567,000	23%
Poultry and livestock	1,041,243	23%	801,661	32%
Others	328,272	7%	265,794	11%
Total	4,530,028	100%	2,479,264	100%

Year 2015



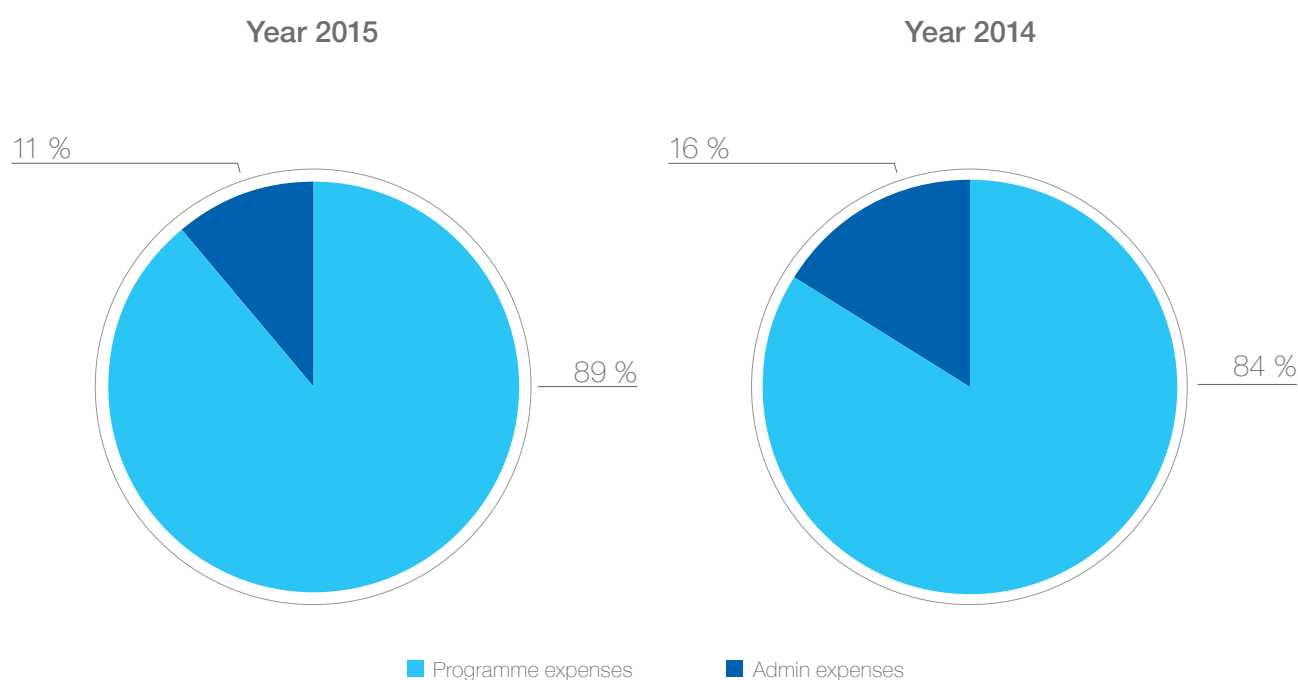
Year 2014



FINANCIALS - NGO

Programme Cost by Nature of Expenses

Expenses	Year 2015		Year 2014	
	USD	%	USD	%
Programme expenses	4,051,693	89%	2,087,476	84%
Admin expenses	478,335	11%	391,788	16%
Total	4,530,028	100%	2,479,264	100%



Performance Review

Income Statement	Year 2015	Year 2014	Year 2011	Year 2010	Year 2009
	USD	USD	USD	USD	USD
Grant income	3,802,382	1,868,008	1,668,847	1,308,392	1,010,477
Other income	451,859	475,106	94,293	135,757	75,569
Programme expenses	4,051,693	2,087,476	1,575,571	1,278,089	958,481
Admin expenses	478,335	391,788	351,482	186,897	127,565

FINANCIALS - NGO

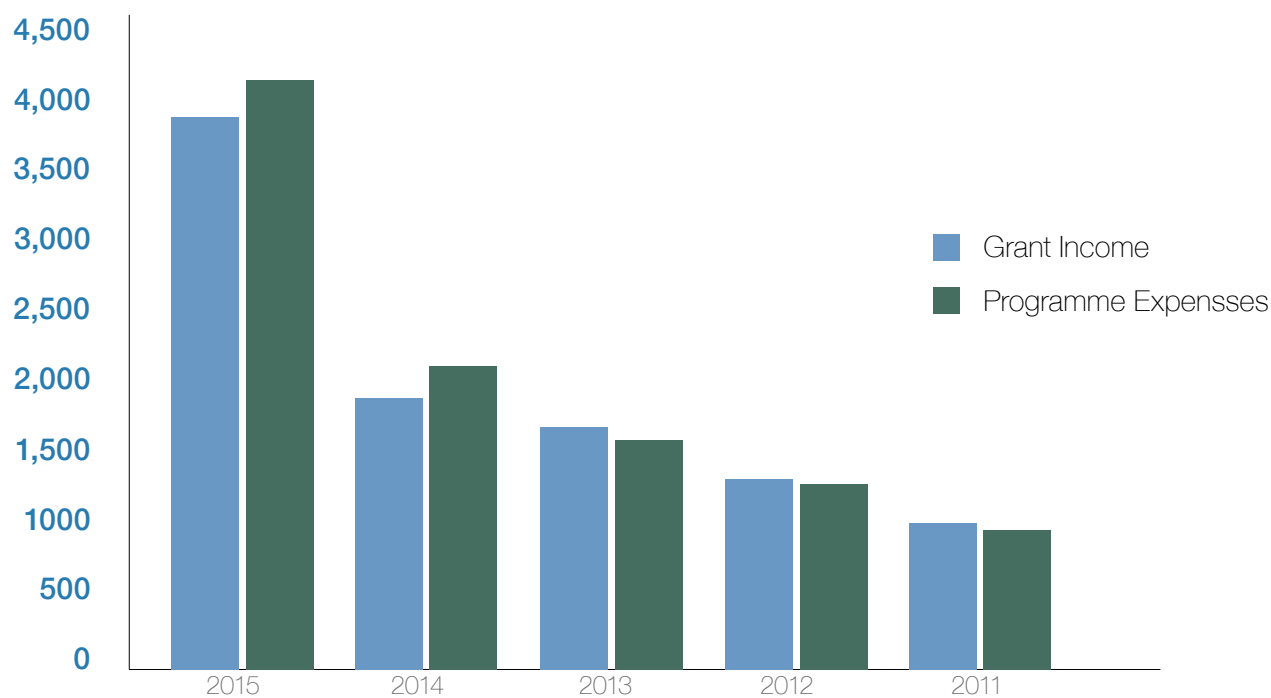
Performance Review

Financial Position	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
	USD	USD	USD	USD	USD
Net equity	162,666	526,133	639,262	1,648,990	1,172,350
Cash at bank	290,186	924,729	982,519	1,796,385	1,243,394

Operational Statistics	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
No. of Projects	16	12	13	12	10

Annual Income and Expenses

in Thousand USD



Last five years Grant used as income vs. Program expenses (in'000 USD)

FINANCIALS - Microfinance

Net income

In 2015 loss before tax was USD 229,407 as against USD 451,835 (2014) registering improvements of nearly 50%. Interest income increased by 44% in the year under review.

Operating expenses

Total operating expenses for the year was USD 1,212,684 as compared to USD 1,201,777 in 2014 showing a slight increase of 1%.

Provisions for impairment losses

This year amount charged for impairment on loans was USD 101,556 as against USD 32,152 in 2014, showing an increase of 216 %. This is mainly due to write off incurred during Ebola outbreak. Total reserve for impairment was USD 146,755 in 2015 compared to USD 116,249 in 2014, representing 6.18% of Gross portfolio. Portfolio at Risk (PAR>30) is 5.72% as to 9.43% in 2014.

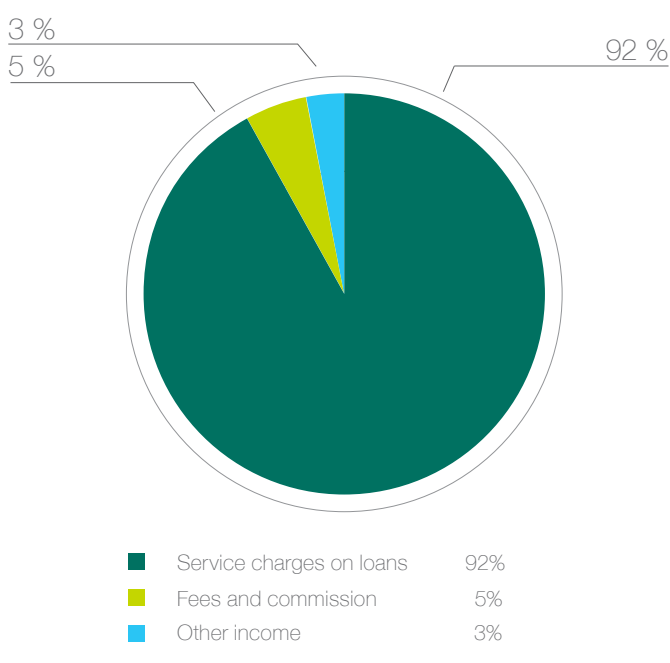
Financial position

In 2015, BRAC Liberia Microfinance company Limited's total assets decreased by 6.64% to USD 3,406,524.

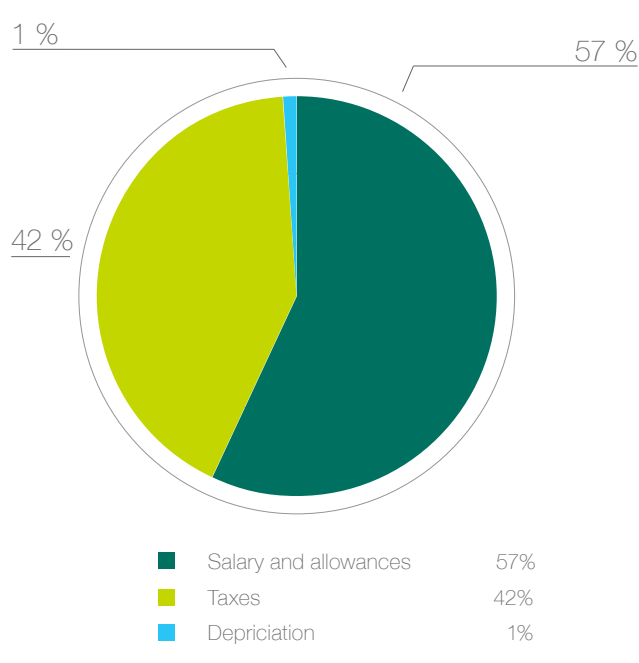
Value added statements

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

Value added 2015



Value distributed 2015



FINANCIALS - Microfinance

Value Added Statements

Value added:	Year 2015		Year 2014	
	USD	%	USD	%
Services charges on loans	1,002,995	207%	696,823	292%
Fees and commission income	58,127	12%	38,179	16%
Other income	35,635	7%	54,674	23%
Operating exp.	(511,113)	(106%)	(519,010)	(218%)
Loan prov. (doubtful losses)	(101,556)	(21%)	(32,152)	(13%)
Total	484,088	100%	238,514	100%

Value distributed:	Year 2015		Year 2014	
	USD	%	USD	%

Employees

Salary and allowances	688,484	65%	668,623	280%
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Local Authorities

Taxes	511,113	48%	11,701	5%
Depreciation	13,087	1%	14,144	6%

Growth

Retained Income	(145,961)	(14%)	(455,952)	(191%)
Total	1,066,723	1	238,516	100%

FINANCIALS - Microfinance

Performance Review

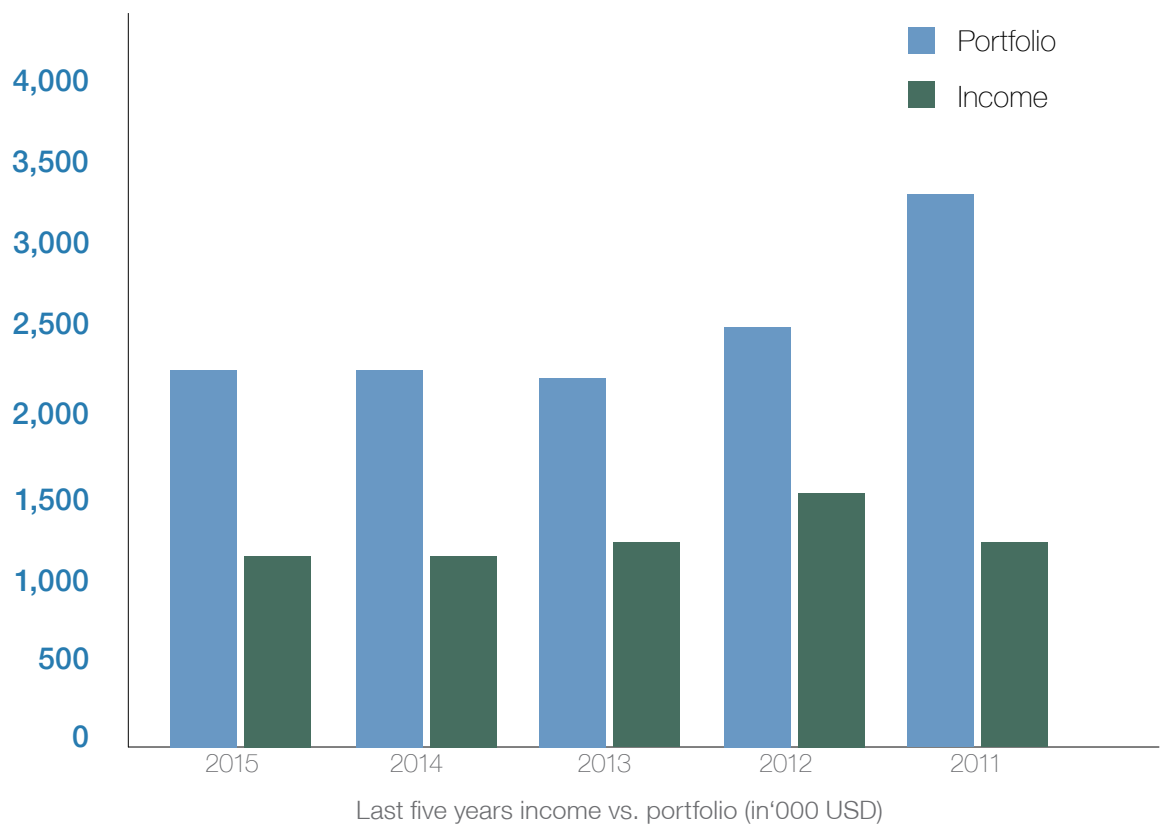
Income Statement	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
	USD	USD	USD	USD	USD
Operating income	1,096,757	789,678	1,175,807	1,693,014	1,526,478
Net (loss) before tax	(229,407)	(451,835)	(430,416)	(570,502)	(320,619)

Financial Position	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
	USD	USD	USD	USD	USD
Total asset	3,406,524	3,648,615	3,775,068	4,775,068	5,064,052
Net equity	2,080,155	2,353,134	2,575,528	3,426,465	3,996,968
Loans to customers (net)	2,253,397	2,091,486	2,066,933	2,368,684	3,385,626
Cash at bank	850,894	1,016,783	1,325,105	2,016,105	1,318,485

Returns and Ratio	Year 2015	Year 2014	Year 2011	Year 2010	Year 2009
	USD	USD	USD	USD	USD
Return on asset	(7%)	(12%)	(11%)	(12%)	(6%)
Cost to income	113%	158%	137%	134%	121%

Operational Statistics	Year 2015	Year 2014	Year 2011	Year 2010	Year 2009
Total borrowers	14,033	12,328	11,578	18,925	25,814
PAR>30	5.72%	9.43%	5.85%	17.22%	11.98%

Annual Income and Portfolio
in Thousand USD



BRAC Liberia

Independent Auditors' Report and Financial Statement
for the year ended 31 December 2015

BRAC Liberia
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

GENERAL INFORMATION

Board of Directors	:	Dr. A M R Chowdhury Mr. Faruque Ahmed Mr. Shib Narayan Kairy	
Management Team	:	Mr. Mohammed Abdus Salam Mr. Siaka Toure	Country Representative Country Head of Accounts
Registered Office	:	Congo Town Monrovia	
Country Representation	:	Mr. Mohammed Abdus Salam	
Bankers	:	Eco Bank Limited Liberia Randall and Ashman Street International Bank (Liberia) Limited Broad Street Monrovia	
Auditors	:	Baker Tilly Liberia Limited (Certified Public Accountants) King Plaza, 2-3rd Floor 80 Broad Street Monrovia	
Legal Counsel	:	Henries Law Firm 31 Benson Street Monrovia, Liberia	

BRAC Liberia
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

Management report

The Organisation's Management presents their reports and the audited financial statements of BRAC Liberia for the period ended 31st December 2015.

Management's Responsibility Statement


Management is responsible for the preparation and fair presentation of the financial statements comprising, the Statement of financial position as at 31st December, 2015, the statements of receipts and expenditure the cash flow statement for the period then ended, and the notes to the financial statements. The notes to the financial statements include a summary of significant accounting policies and other explanatory notes, in accordance with International Public Sector Accounting Standard (IPSAS) and in the manner required by the provisions of the grant agreement.

The Management's responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.


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

Approval of the financial statements

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



Director



Director



Signature and date



Signature and date



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2nd - 4th Floors
Broad Street
P.O. Box 10-0011
1000 Monrovia 10
Liberia
T: +231 (0) 886 514 965
F: +1 905 469 0986

info@bakertillyliberia.com
www.bakertillyliberia.com

AUDITORS' REPORT

**To: The Board of Directors
BRAC Liberia**

We have audited the accompanying Financial Statements of BRAC Liberia, which comprise the Statement of Financial Position as at December 31, 2015, the related statements of receipts and expenditure and the cash flow statements for the period then ended. These financial statements are prepared in accordance with the accounting policies and other explanatory notes as set out on pages 8 to 20.

Managements' Responsibility

The Organization's managements are responsible for the preparation and the fair presentation of these Financial Statements in accordance with International Public Sector Accounting Standard (IPSAS) and the manner required by the Project Grant Agreement. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRAC Liberia as at December 31, 2015, and the results of its operations and its cash flows for the year ended December 31, 2015 in accordance with International Public Sector Accounting Standard (IPSAS)

(Certified Public Accountants)

31st March 2016

Monrovia


Partners: G. Fonderson (Executive Chairman), T. Joseph (Managing Partner)
An independent member of Baker Tilly International

BRAC Liberia
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015


Statement of Financial Position
As at 31 December 2015

	Notes	2015 LRD	2014 LRD	2015 USD	2014 USD
Assets					
Non-current assets					
Property and equipment	10	<u>48,779,152</u>	<u>54,094,023</u>	<u>554,309</u>	<u>649,778</u>
Current assets					
Cash and Bank	11	25,536,362	76,983,748	290,186	924,729
Other receivables	12	<u>26,427,706</u>	<u>43,617,019</u>	<u>300,315</u>	<u>523,928</u>
Total Current assets		<u>51,964,068</u>	<u>120,600,767</u>	<u>590,501</u>	<u>1,448,657</u>
Total assets		<u>100,743,219</u>	<u>174,694,790</u>	<u>1,144,809</u>	<u>2,098,435</u>
Liabilities and Capital Fund					
Liabilities					
Other payables	13	59,921,188	85,844,955	680,923	1,031,170
Related party payables	14	<u>26,507,392</u>	<u>45,049,264</u>	<u>301,220</u>	<u>541,132</u>
Total Liabilities		<u>86,428,580</u>	<u>130,894,219</u>	<u>982,143</u>	<u>1,572,302</u>
Capital Fund					
Donor funds	15	48,007,513	54,280,512	545,540	652,018
Accumulated Fund		<u>(33,692,874)</u>	<u>(10,479,941)</u>	<u>(382,874)</u>	<u>(125,885)</u>
Total capital fund		<u>14,314,639</u>	<u>43,800,571</u>	<u>162,666</u>	<u>526,133</u>
Total Liabilities and Capital fund		<u>100,743,219</u>	<u>174,694,790</u>	<u>1,144,809</u>	<u>2,098,435</u>

These financial statements were approved by the Board of Directors on^{Mar 31}.....2016



 Director



 Director

The notes on the financial statements are an integral part of these financial statements.

BRAC Liberia
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

Statement of Income and Expenditures

For the year ended 31 December 2015

	Notes	2015 LRD	2014 LRD	2015 USD	2014 USD
Income					
Grant income	4	334,609,602	155,511,669	3,802,382	1,868,008
Other income	5	39,763,568	36,076,664	451,859	433,355
Total Income		374,373,170	191,588,333	4,254,241	2,301,363
Expenditures					
Staff costs and other benefits	6	70,300,923	61,314,592	798,874	736,511
Training, workshops & seminars	7	48,486,494	29,366,846	550,983	352,755
Occupancy expenses	8	24,893,518	15,363,574	282,881	184,547
Other general & administrative expenses	9	247,514,376	94,770,569	2,812,663	1,138,386
Depreciation	10	7,447,164	5,583,149	84,627	67,065
Total Expenditures		398,642,475	206,398,730	4,530,028	2,479,264
Operating Deficit		(24,269,305)	(14,810,397)	(275,788)	(177,901)
Other comprehensive income		1,056,372	3,475,790	12,004	41,751
Surplus/ (Deficit)		(23,212,933)	(11,334,607)	(263,783)	(136,150)

These financial statements were approved by the Board of Directors on May 31 2016



Director



Director

BRAC Liberia
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

Statement of Cash Flows

For the year ended 31 December 2015

	Notes	2015 LRD	2014 LRD	2015 USD	2014 USD
Net cash provided by/(used in) Operating Activities	16	(43,042,095)	7,398,844	(489,115)	88,875
Cash flow from Investing Activities					
Acquisition of fixed assets		(8,377,650)	(13,868,997)	(95,201)	(166,595)
Net cash provided by/(used in) Investing Activities		(8,377,650)	(13,868,997)	(95,201)	(166,595)
Cash flow from Financing Activities					
Increase/(decrease) in deferred income		(27,642)	8,285,848	(314)	99,530
Increase/(decrease) in grants received in advance		-	(5,889,765)	-	(70,748)
Net cash provided by/(used in) Financing Activities		(27,642)	2,396,083	(314)	28,742
Net (decrease)/increase in cash and cash equivalents		(51,447,387)	(4,074,070)	(584,629)	(48,938)
Cash in hand and at banks at beginning of the year		76,983,748	81,057,818	874,815	982,519
Translation difference		-	-	-	(8,852)
Cash and cash equivalents at end of the year	11	25,536,361	76,983,748	290,186	924,729

BRAC Liberia
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

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

2. Basis of preparation

(a) Basis of presentation of the financial statement

BRAC Liberia prepares its financial statements on a going concern basis, under the historical cost convention, which are in accordance with generally accepted accounting principles. BRAC Liberia generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items, as disclosed in the Summary of Significant Accounting Policies. The financial statements are expressed in Liberian Dollars with United States Dollars equivalent translation.

(c) Functional and reporting currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (Liberian Dollars). Major activities were measured in Liberian dollars and translated in USD. BRAC Liberia uses an exchange rate of 88.00 for 2015 and exchange rate of 83.25 for the year 2014.

(d) Use of estimates and judgments

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

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

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the entity at exchange rates at the dates of the transactions; BRAC Liberia uses an exchange rate of 88.00 for the year 2015 and exchange rate of 83.25 for the year 2014. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

(b) Donor grant

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

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

BRAC Liberia
Independent Auditors' Report and Financial Statement
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NOTES TO THE FINANCIAL STATEMENTS (continued)

Significant accounting policies (continued)

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

(c) Expenses

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

(d) Property, plant & equipment

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

(e) Depreciation

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

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

	Rates	Useful lives
Motor vehicles/Cycles	20%	5 Years
Computer equipment	20%	5 Years
Furniture and fittings	10%	10 Years
Equipment	15%	6.67 yrs

Benefits

Pension obligations

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

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

End of service benefit

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

Self Insurance Fund

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

BRAC Liberia
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For the year ended December 31, 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. GRANT INCOME	2015 LRD	2014 LRD	2015 USD	2014 USD
Income from grant received in advance account	329,366,363	149,420,875	3,742,800	1,794,845
Stichting BRAC International	-	507,645	-	6,098
Deferred income	5,243,239	5,583,149	59,582	67,065
	334,609,602	155,511,669	3,802,382	1,868,008

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

5. OTHER INCOME

Income from Laboratory(Reg. fee)	124,900	181,135	1,419	2,176
Income from diagnosis test	495,765	480,920	5,634	5,777
Income from sale of medicine	374,137	811,160	4,252	9,744
Income from sale of seed	126,000	331,858	1,432	3,986
Income from sale of by-product	225,625	105,157	2,564	1,263
Income from Sale of DOC	2,532,352	-	28,777	-
Income from sale of Feed	18,838,479	7,514,644	214,074	90,266
Income from sale of Cull Egg	1,227,764	507,617	13,952	6,098
BRAC contribution	13,086,862	22,450,905	148,714	269,681
Other income (Training Centre)	2,673,034	3,693,268	30,375	44,364
Income from registration fees (ELA)	57,150	-	649	-
Other income (feed Mill)	1,500	-	17	-
	39,763,568	36,076,664	451,859	433,355

6. STAFF COSTS AND OTHER BENEFITS

Salary and benefits	66,123,376	61,194,690	751,402	735,071
Bonus Provision	1,345,603	-	15,291	-
Provision for NASSCORP	2,777,890	-	31,567	-
Staff Insurance	54,054	119,902	614	1,440
Total	70,300,923	61,314,592	798,874	736,511

BRAC Liberia
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7. TRAINING, WORKSHOP AND SEMINARS	2015 LRD	2014 LRD	2015 USD	2014 USD
External member trainings	48,486,494	29,366,846	550,983	352,755
Staff training	-	-	-	-
	<u>48,486,494</u>	<u>29,366,846</u>	<u>550,983</u>	<u>352,755</u>
8. OCCUPANCY EXPENSES				
Rent and utilities	24,893,518	15,363,574	282,881	184,547
Total	<u>24,893,518</u>	<u>15,363,574</u>	<u>282,881</u>	<u>184,547</u>
9. OTHER GENERAL & ADMINISTRATIVE EXPENSES				
Audit & other legal fees	836,000	1,428,613	9,500	17,161
Stationery and supplies	2,092,106	1,506,898	23,774	18,101
Maintenance and general expenses	38,817,528	20,515,117	441,108	246,428
Program supplies	166,295,561	35,029,204	1,889,722	420,771
Travel and transportation	24,058,249	17,336,069	273,389	208,241
Monitoring and evaluation	1,977,533	5,227,615	22,472	62,794
HO logistic expenses	13,437,399	13,727,053	152,698	164,890
Total	<u>247,514,376</u>	<u>94,770,569</u>	<u>2,812,663</u>	<u>1,138,386</u>

BRAC Liberia
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For the year ended December 31, 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. PROPERTY AND EQUIPMENT							
	Furniture LRD	Building LRD	Land LRD	Equipments LRD	Motor Vehicles LRD	Total LRD	Total USD
Costs:							
At 1 January 2014	4,405,928	25,970,766	1,197,000	7,605,277	14,643,090	53,822,061	652,389
Additions during the year	447,374	4,658,394	-	8,763,229	-	13,868,997	166,595
Translation difference	-	-	-	-	-	-	(5,878)
At 31 December 2014	4,853,302	30,629,160	1,197,000	16,368,506	14,643,090	67,691,058	813,106
Addition during the year	675,855	391,385	-	4,068,642	3,241,768	8,377,650	95,201
Transferred/ Adjustment	(603,225)	(6,361,193)	575,092	(68,950)	-	(6,458,276)	-
Translation difference	-	-	-	-	-	-	(117,279)
At 31 December 2015	4,925,932	24,659,352	1,772,092	20,368,198	17,884,858	69,610,432	791,028
Accumulated depreciation							
At 1 January 2014	1,112,560	1,149,398	-	2,587,093	3,164,835	8,013,886	97,138
Charge for the year	408,746	610,269	43,091	1,877,868	2,643,175	5,583,149	67,065
Adjustment for disposal/ transfer	-	-	-	-	-	-	(875)
At 31 December 2014	1,521,306	1,759,667	43,091	4,464,961	5,808,010	13,597,035	163,328
Charge for the year	464,381	979,991	43,091	2,954,280	3,005,421	7,447,164	84,627
Transferred/Adjustment	(225,598)	72,234	107,127	247,459	(414,141)	(212,919)	-
Adjustment for disposal/transfer	-	-	-	-	-	-	(11,236)
At 31 December 2015	1,760,089	2,811,892	193,309	7,666,700	8,399,290	20,831,280	236,719
Written down value							
At 31 December 2014	3,331,996	28,869,493	1,153,909	11,903,545	8,835,080	54,094,023	649,778
At 31 December 2015	3,165,843	21,847,460	1,578,783	12,701,498	9,485,568	48,779,152	554,309

BRAC Liberia
Independent Auditors' Report and Financial Statement
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NOTES TO THE FINANCIAL STATEMENTS (continued)

11. CASH AND BANK	2015 LRD	2014 LRD	2015 USD	2014 USD
Cash in hand	623,189	805,235	7,082	9,672
Cash at Bank	24,913,173	76,178,513	283,104	915,057
TOTAL	25,536,362	76,983,748	290,186	924,729
12. OTHER RECEIVABLES				
Advance to 3rd party	5,701,244	3,682,098	64,787	44,229
Receivable from BRAC	-	16,632,239	-	199,787
Receivable from donor	20,114,302	22,690,522	228,572	272,559
Stock and consumables (medicine & Reagents)	612,160	612,160	6,956	7,353
Total	26,427,706	43,617,019	300,315	523,928
13. OTHER PAYABLES:				
Bonus provision	1,400,341	1,479,357	15,913	17,770
Gratuity Provision	1,383,851	747,864	15,726	8,983
Self-Insurance fund	373,034	253,031	4,239	3,039
Provision for NASSCORP	3,299,944	1,564,780	37,499	18,796
Withholding tax payable	1,888,758	4,395,553	21,463	52,799
Provision for audit fees	836,000	1,040,625	9,500	12,500
Account Payable to MF	1,762,376	27,704,184	20,027	332,784
Salary provision	6,632,542	6,973,356	75,370	83,764
Provision for hatchery & feed mil machine	-	5,460,660	-	65,594
Revolving funds (Health, Agri, Livestock)	11,684,988	9,449,988	132,784	113,513
Current account in transit	30,659,354	26,775,557	348,402	321,628
Total	59,921,188	85,844,955	680,923	1,031,170
14. RELATED PARTY PAYABLES				
Payable to BRAC Bangladesh	21,766,744	28,461,032	247,349	341,874
Payable to Stitching BRAC International	4,740,648	16,588,232	53,871	199,258
Total	26,507,392	45,049,264	301,220	541,132
15. DONOR FUNDS				
Donor funds received in advance (Note -15.1)	-	-	-	-
Donor funds investment in fixed assets (Note -15.2)	48,007,513	54,280,512	545,540	652,018
Total	48,007,513	54,280,512	545,540	652,018

BRAC Liberia
Independent Auditors' Report and Financial Statement
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NOTES TO THE FINANCIAL STATEMENTS (continued)

15.1a Donation received during the year

SBI-Ebola	-	9,471,064	-	113,767
UNFPA (Health+ ELA)	16,428,977	172,035	186,693	2,066
CHEVRON (P&L)	-	-	-	-
EUROPEAN UNION	41,588,112	62,733,310	472,592	753,553
DFID (GPAF- RMNCH)	50,797,676	41,598,703	577,246	499,684
DFID (GPAF-Agri, P & L)	23,828,990	22,910,517	270,784	275,201
BRAC USA –ELA	8,575,000	8,348,998	97,443	100,288
BRAC USA (SOROS-Ebola)	104,655,916	-	1,189,272	-
USAID-PSS	90,306,883	-	1,026,215	-
AGRA	131,880	-	1,499	-
GFATM –TB CONTROL	1,270,584	5,396,646	14,438	64,825
TOTAL	337,584,018	150,631,273	3,836,182	1,809,385

15.2 Donations - Investment in fixed assets

Opening balance	54,280,512	45,994,664	616,824	557,511
Transferred from donor funds received in advance	5,641,435	13,868,997	64,107	166,595
Transferred/Adjustment	(6,458,276)	-	(73,390)	-
Depreciation charged during the year	(5,243,239)	(5,583,149)	(59,582)	(67,065)
Transferred/Adjustment	(212,919)	-	(2,420)	-
Translation difference	-	-	-	(5,023)
Closing balance	48,007,513	54,280,512	545,540	652,018

16. CASHFLOW FROM OPERATING ACTIVITIES

Excess of income over expenditure	(23,212,933)	(11,334,607)	(263,783)	(136,151)
Depreciation	7,447,164	5,583,149	84,627	67,065
Cash flow before changes in working capital	(15,765,769)	(5,751,458)	(179,156)	(67,086)
Changes in working capital				
Changes in other receivables	17,189,313	(22,067,563)	195,333	(265,076)
Changes in related party payables	(18,541,872)	14,382,783	(210,703)	172,766
Changes in other payables	(25,923,767)	(20,835,082)	294,588	250,271
Net cash from operations	(43,042,095)	7,398,844	(489,115)	88,875

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For the year ended December 31, 2015

Note – 17 Project wise income & expenses (Part I)

	Laboratory	Research & Evaluation	Seed Testing Farm	Country Office	Total	Training Center	UNFPA FPP	GPAF	RMNCH
	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD
Grant income	-	-	-	-	-	-	12,775,748	27,962,786	37,652,513
Other income	994,802	-	126,000	-	1,120,802	2,673,034	-	-	-
BRAC Contribution	-	-	-	-	-	-	-	3,327,326	17,146,960
Exchange gains/losses	-	-	-	-	-	-	-	-	-
TOTAL INCOME	994,802	-	126,000	-	1,120,802	2,673,034	12,775,748	31,290,112	54,799,473
EXPENDITURE									
Staff costs and other benefits	-	-	-	5,011,168	5,011,168	354,836	89,833	12,658,222	17,474,925
Staff insurance	-	-	-	-	-	1,539	-	13,330	-
Training, workshops and seminars	-	-	-	-	-	-	2,518,719	5,168,424	14,107,202
Occupancy expenses	-	-	-	4,720,583	4,720,583	-	1,574,165	1,317,008	3,280,975
Travelling and transportation	-	-	-	875,725	875,725	252,850	-	3,076,846	5,160,986
Audit & other legal fees	-	-	-	836,000	836,000	-	-	-	-
Stationery & Supplies	-	-	-	783,593	783,593	-	-	-	80,170
Other general & administrative expenses	-	280,105	350,752	8,594,445	9,225,302	1,048,627	7,526,486	2,052,727	5,769,554
Program supplies	-	-	58,975	-	58,975	-	-	4,944,070	4,570,809
Monitoring & evaluation	-	-	-	-	-	-	-	1,977,533	-
HO logistic expenses	-	-	100,308	(7,297,857)	(7,197,549)	-	979,259	-	4,354,852
Depreciation	259,387	-	359,808	536,985	1,156,180	885,093	87,286	81,952	-
TOTAL EXPENSES	259,387	280,105	869,843	14,060,642	15,469,977	2,542,945	12,775,748	31,290,112	54,799,473
Surplus/ Reserve	735,415	(280,105)	(743,843)	(14,060,642)	(14,349,175)	130,089	-	-	-
Exchange (loss)/gain	-	-	-	1,056,372	1,056,372	-	-	-	-
- unrealized	-	-	-	-	-	-	-	-	-
NET SURPLUS FOR THE YEAR	735,415	(280,105)	(743,843)	(13,004,270)	(13,292,803)	130,089	-	-	-

BRAC Liberia
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Note – 17 Project wise income & expenses (Part II)

	TB	Ebola		EU	PSS	Ebola-Soros	UNFPA	Poultry	Feed	Total
		ELA	Phase II							
	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	LRD	
Grant income	1,461,188	8,176,281	2,076,588	72,961,794	94,697,015	79,895,791	3,963,188	-	-	341,430,551
Other income	-	57,150	-	-	-	-	-	3,985,741	18,839,979	26,676,706
BRAC Contribution	-	-	-	-	-	-	-	-	-	20,474,286
Exchange gains/losses	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME	1,461,188	8,233,431	2,076,588	72,961,794	94,697,015	79,895,791	3,963,188	3,985,741	18,839,979	388,581,543
EXPENDITURE										
Staff costs and other benefits	593,400	2,148,880	-	16,310,475	5,867,644	7,873,070	-	895,270	969,146	70,246,869
Staff insurance	-	-	-	25,906	-	13,279	-	-	-	54,054
Training, workshops and seminars	397,148	2,016,773	-	3,623,119	12,780,747	6,540,311	1,334,051	-	-	48,486,494
Occupancy expenses	309,600	892,184	-	9,858,483	466,745	294,810	769,230	743,900	665,835	24,893,518
Travelling and transportation	-	498,331	-	4,514,690	2,924,839	6,238,681	-	347,296	168,005	24,058,249
Audit & other legal fees	-	-	-	N/A	N/A	-	-	-	-	836,000
Stationery & Supplies	77,400	-	-	279,905	-	842,228	28,810	-	-	2,092,106
Other general & administrative expenses	33,540	274,539	-	-	773,300	767,250	-	3,148,467	8,197,736	38,817,528
Program supplies	-	679,737	2,076,588	35,866,594	67,266,716	49,429,533	1,402,539	-	-	166,295,561
Monitoring & evaluation	-	-	-	-	-	-	-	-	-	1,977,533
HO logistic expenses	-	1,713,138	-	-	4,617,024	7,646,302	412,718	348,951	1,562,704	13,437,399
Depreciation	50,100	9,849	-	2,482,622	-	250,327	15,840	1,939,754	680,502	7,447,164
TOTAL EXPENSES	1,461,188	8,233,431	2,076,588	72,961,794	94,697,015	79,895,791	3,963,188	7,423,638	11,243,928	398,642,475
Surplus/ Reserve	-	-	-	-	-	-	-	(3,437,897)	7,596,051	(10,060,932)
Exchange (loss)/gain - unrealized	-	-	-	-	-	-	-	-	-	1,056,372
NET SURPLUS FOR THE YEAR	-	-	-	-	-	-	-	(3,437,897)	7,596,051	(9,004,560)

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Note – 17 Project wise income & expenses (Part I)

	Laboratory	Research & Evaluation	Seed Testing Farm	Country Office	Total	Training Center	UNFPA FPP	GPAF	RMNCH
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Grant income	-	-	-	-	-	-	145,179	317,759	427,869
Other income	11,305	-	1,432	-	12,736	30,375	-	-	-
BRAC Contribution	-	-	-	-	-	-	-	37,811	194,852
Exchange gains/losses	-	-	-	-	-	-	-	-	-
TOTAL INCOME	11,305	-	1,432	-	12,736	30,375	145,179	355,569	622,721
EXPENDITURE									
Staff costs and other benefits	-	-	-	56,945	56,945	4,032	1,021	143,843	198,579
Staff insurance	-	-	-	-	-	17	-	151	-
Training, workshops and seminars	-	-	-	-	-	-	28,622	58,732	160,309
Occupancy expenses	-	-	-	53,643	53,643	-	17,888	14,966	37,284
Travelling and transportation	-	-	-	9,951	9,951	2,873	-	34,964	58,648
Audit & other legal fees	-	-	-	9,500	9,500	-	-	-	-
Stationery & Supplies	-	-	-	8,904	8,904	-	-	-	911
Other general & administrative expenses	-	3,183	3,986	97,664	104,833	11,916	85,528	23,326	65,563
Program supplies	-	-	670	-	670	-	-	56,183	51,941
Monitoring & evaluation	-	-	-	-	-	-	-	22,472	-
HO logistic expenses	-	-	1,140	(82,930)	(81,790)	-	11,128	-	49,487
Depreciation	2,948	-	4,089	6,102	13,138	10,058	992	931	-
TOTAL EXPENSES	2,948	3,183	9,885	159,780	175,795	28,897	145,179	355,569	622,721
Surplus/ Reserve	8,357	(3,183)	(8,453)	(159,780)	(163,059)	1,478	-	-	-
Exchange (loss)/gain	-	-	-	12,004	12,004	-	-	-	-
- unrealized	-	-	-	-	-	-	-	-	-
NET SURPLUS FOR THE YEAR	8,357	(3,183)	(8,453)	(147,776)	(151,055)	1,478	-	-	-

BRAC Liberia
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Note – 17 Project wise income & expenses (Part II)

	TB	ELA	Ebola Phase II	EU Project	PSS	Ebola- Soros	UNFPA ELA	Poultry Farm	Feed mill	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	
Grant income	16,604	92,912	23,598	829,111	1,076,102	907,907	45,036	-	-	3,879,893
Other income	-	649	-	-	-	-	-	45,293	214,091	303,144
BRAC Contribution	-	-	-	-	-	-	-	-	-	232,662
Exchange gains/losses	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME	16,604	93,562	23,598	829,111	1,076,102	907,907	45,036	45,293	214,091	4,415,699
EXPENDITURE										
Staff costs and other benefits	6,743	24,419	-	185,346	66,678	89,467	-	10,174	11,013	798,260
Staff insurance	-	-	-	294	-	151	-	-	-	614
Training, workshops and seminars	4,513	22,918	-	41,172	145,236	74,322	15,160	-	-	550,983
Occupancy expenses	3,518	10,138	-	112,028	5,304	3,350	8,741	8,453	7,566	282,881
Travelling and transportation	-	5,663	-	51,303	33,237	70,894	-	3,947	1,909	273,389
Audit & other legal fees	-	-	-	-	-	-	-	-	-	9,500
Stationery & Supplies	880	-	-	3,181	-	9,571	327	-	-	23,774
Other general & administrative expenses	381	3,120	-	-	8,788	8,719	-	35,778	93,156	441,108
Program supplies	-	7,724	23,598	407,575	764,395	561,699	15,938	-	-	1,889,722
Monitoring & evaluation	-	-	-	-	-	-	-	-	-	22,472
HO logistic expenses	-	19,467	-	-	52,466	86,890	4,690	3,965	6,394	152,698
Depreciation	569	112	-	28,212	-	2,845	180	22,043	7,733	84,627
TOTAL EXPENSES	16,604	93,562	23,598	829,111	1,076,102	907,907	45,036	84,360	127,772	4,530,028
Surplus/ Reserve	-	-	-	-	-	-	-	(39,067)	86,319	(114,329)
Exchange (loss)/gain - unrealized	-	-	-	-	-	-	-	-	-	12,004
NET SURPLUS FOR THE YEAR	-	-	-	-	-	-	-	(39,067)	86,319	(102,325)

BRAC Liberia Micro-Finance Company Limited

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For the year ended 31 December 2015

BRAC Liberia Microfinance Company Limited
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CORPORATE INFORMATION

Board of Directors : Mr. Faruque Ahmed - Chair
Mr. Shameran Bahar Abed - Director
Mr. Tapan Kumar Karmaker - Director
Mr. Neal Delaurentis - Director
Mr. Arjuna Costa - Director

MANAGING DIRECTOR : Mr. Tapan Kumar Karmakar

REGISTERED OFFICE : Congo Town
Monrovia

COUNTRY REPRESENTATION : Mr. Mohammed Abdus Salam

BANKERS : EcoBank Limited Liberia
Randall and Ashman Street

International Bank (Liberia) Limited
Broad Street
Monrovia

AUDITORS : **Baker Tilly Liberia**
(Certified Public Accountants)
King Plaza, 2nd-4th Floor
80 Broad Street
Monrovia

LEGAL COUNSEL : Henries Law Firm
31 Benson Street
Monrovia, Liberia

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
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Report of the Board of Directors

The Board of Directors presents their report and audited financial statements for the year ended December 31, 2015.

The Board of Directors' Responsibility Statement

The entity's Board of Directors are responsible for the preparation and fair presentation of the financial statements, comprising the balance sheet as at December 31, 2015, the statements of income and expenses, the statement of changes in equity and statements of cash flows for the period then ended, and the notes to the financial statements. The notes to the financial statements include a summary of significant accounting policies and other explanatory notes, and the report of the Board of Directors in accordance with International Financial Reporting Standards (IFRS), the Disclosure Guidelines for Financial Reporting by Microfinance Institution which guidelines are voluntary norms recommended by a consultative group in international donors including the Consultative Group to Assist the Poor (CGAP) and the member of the Small Enterprise Education and Promotion Network (SEP), the Prudential Regulations for Micro-finance Institutions issued by the Central Bank of Liberia and in the manner required by the provisions of the Articles of Incorporation.

The Boards' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

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

Principal Activities

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

Results

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

Approval of the financial statements

The financial statements were approved by the Board of Directors on Mar 31 2016

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015



Report of the Board of Directors (continued)

Going concern

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

The Board members

The following members served during the period:

Ms. Susan Davis (Resigned on October 3, 2015)
Mr. Faruque Ahmed
Mr. Tanwir Rahman (Resigned on November 1, 2015)
Mr. Shameran Bahar Abed
Mr. Tapan Kumar Karmakar
Mr. Neal Dealurentis
Mr. Arjuna Costa

Managing Director

Mr. Tapan Kumar Karmakar was appointed as the new managing director of the company from February 2016 replacing Mr. Sadhan Chandra Dey.

Auditors

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

By order of the Board of Directors

A handwritten signature in blue ink, appearing to be "F. Ahmed", written over a horizontal line.

Director

A handwritten signature in blue ink, appearing to be "T. Karmakar", written over a horizontal line.

Director



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LIBERIA**

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INDEPENDENT AUDITOR'S REPORT

**To: *The Board of Directors*
*BRAC Liberia Microfinance Company Limited***

We have audited the financial statements of BRAC Liberia Microfinance Company Limited which comprise the statement of financial position as at December 31, 2015, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and the summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Financial Statements

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

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Boards, as well as evaluating the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BRAC Liberia Microfinance Company Limited as at December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Disclosure Guidelines for Financial Reporting by Microfinance Institution which guidelines are voluntary norms recommended by a consultative group in international donors including the Consultative Group to Assist the Poor (CGAP) and the member of the Small Enterprise Education and Promotion Network (SEP), the Prudential Regulations for Micro-finance Institutions issued by the Central Bank of Liberia and in the manner required by the Association's Law Title 5 of the Liberian Code of Laws Revised.

(Certified Public Accountants)

31st March 2016
Monrovia

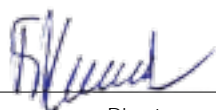
BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

Statement of Financial Position

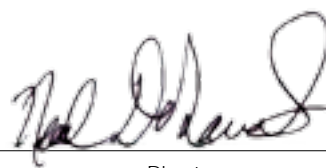
As at 31 December 2015

	Notes	2015 LRD	2014 LRD	2015 USD	2014 USD
Assets					
Cash and bank	12	74,878,636	84,647,130	850,894	1,016,783
Loans and advances to customers	13	198,298,957	174,116,122	2,253,397	2,091,486
Other assets	14	14,370,427	39,715,853	163,300	477,068
Deferred tax asset	11(b)	3,130,048	1,801,864	35,569	21,644
Advance tax payment	11 (c)	6,191,665	-	70,360	-
Property and equipment	15	2,904,360	3,466,048	33,004	41,634
Total assets		299,774,093	303,747,017	3,406,524	3,648,615
Liabilities and Capital Fund					
Liabilities					
Loan security fund	16	50,873,230	44,461,078	578,105	534,067
Related party payables	17	30,333,787	29,752,322	344,702	357,385
Borrowings	18	24,238,611	24,238,611	275,439	291,154
Other liabilities	19	11,274,856	9,396,871	128,123	112,875
Total liabilities		116,720,484	107,848,882	1,326,369	1,295,481
Capital Fund					
Donation equity		92,875,000	92,875,000	1,115,616	1,115,616
Retained earnings		(201,265,830)	(188,421,304)	(2,287,112)	(2,263,319)
Share capital	21	339,339,071	339,339,071	4,076,145	4,076,145
Translation difference		(47,894,632)	(47,894,632)	(824,494)	(575,308)
Total capital fund		183,053,609	195,898,135	2,080,155	2,353,134
Total liabilities and capital fund		299,774,093	303,747,017	3,406,524	3,648,615

These financial statements were approved by the Board of Directors on Mar 31 2016



Director



Director

The notes on the financial statements are an integral part of these financial statements.

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

Statement of Comprehensive Income

For the year ended 31 December 2015

	Notes	2015 LRD	2014 LRD	2015 USD	2014 USD
Service charge on loans	5	88,263,580	58,010,561	1,002,995	696,823
Membership fees and other charges	6	5,115,150	3,178,450	58,127	38,179
Other income	7	2,086,548	900,915	23,711	10,822
Grant Income	20.1& 20.2	-	3,019,500	-	36,270
		7,201,698	7,098,865	81,838	85,271
Total operating income		95,465,278	65,109,426	1,084,833	782,094
Expenditures:					
Impairment losses on loan and advances to customers	8	8,936,929	2,676,673	101,556	32,152
Operating income after impairment charges		86,528,349	62,432,753	983,277	749,942
Staff costs	9	60,586,614	55,662,836	688,484	668,623
Other operating expenses	10	44,977,933	43,207,632	511,113	519,010
Depreciation expense	15	1,151,627	1,177,483	13,087	14,144
Total operating expenses		106,716,174	100,047,951	1,212,684	1,201,777
(Loss) before tax		(20,187,825)	(37,615,198)	(229,407)	(451,835)
Income tax expense	11(a)	6,293,960	(974,083)	71,522	(11,701)
Net loss for the year		(13,893,865)	(38,589,281)	(157,885)	(463,536)
Other comprehensive income		-	-	-	-
Unrealized exchange gains		1,049,339	631,397	11,924	7,584
Total comprehensive income/(loss)		(12,844,526)	(37,957,884)	(145,961)	(455,952)

The notes on the financial statements are an integral part of these financial statements.

BRAC Liberia Microfinance Company Limited
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Statement of changes in equity

For the year ended 31 December 2015

	Share capital LRD	Donor funds LRD	Retained Earnings LRD	Donated Equity LRD	Total Capital Fund LRD	Total Capital Fund USD
At 1 January 2014	291,444,439	-	(150,463,420)	71,500,000	212,481,019	2,575,527
Donation received during the year	-	3,019,500	-	21,375,000	24,394,500	293,027
Transferred to statement of income and expenses	-	(3,019,500)	-	-	(3,019,500)	(36,270)
Adjustment in share capital	47,894,632	-	-	-	47,894,632	575,311
(Loss) for the year	-	-	(38,589,281)	-	(38,589,281)	(463,535)2
Foreign exchange gains	-	-	631,397	-	631,397	7,584
Translation difference	-	-	-	-	(47,894,632)	(23,202)
At 31 December 2014	339,339,071	-	(188,421,304)	92,875,000	243,792,767	2,928,442
At 1 January 2015	339,339,071	-	(188,421,304)	92,875,000	243,792,767	2,928,442
Donation received during the year	-	-	-	-	-	-
Transferred from grant received in advance account	-	-	-	-	-	-
(Loss) for the year	-	-	(13,893,865)	-	(13,893,865)	(157,885)
Foreign exchange gains	-	-	1,049,339	-	1,049,339	11,924
Translation difference	-	-	-	-	(47,894,632)	(824,494)
At 31 December 2015	339,339,071	-	(201,265,830)	92,875,000	(183,053,609)	(2,080,155)

The notes on the financial statements are an integral part of these financial statements.

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

Statement of Cash flows

For the year ended 31 December 2015

	Notes	2015 LRD	2014 LRD	2015 USD	2014 USD
Cash flow from operating activities	23	19,494,178	(39,720,885)	221,525	(477,129)
Loan disbursements		(361,175,000)	(237,711,000)	(4,104,261)	(2,855,387)
Loan collections		326,745,590	234,130,394	3,713,018	2,812,377
Interest receivable written off		(655,475)	(667,730)	(7,449)	(8,021)
Net cash flow from operating activities		(15,590,707)	(43,969,221)	(177,167)	(528,160)
Cash flow from investing activities					
Acquisition/ disposal of fixed assets		(589,939)	(37,975)	(6,704)	(456)
Net cash flow from investing activities		(589,939)	(37,975)	(6,704)	(456)
Cash flow from financing activities					
Changes in term loans		-	(3,340,770)	-	(40,129)
Changes in loan security fund		6,412,152	1,298,929	72,865	15,603
Donated equity increase/(decrease)		-	21,375,000	-	256,757
Share capital increase/(decrease)		-	47,894,632	-	575,311
Net cash flow from financing activities		6,412,152	67,227,791	72,865	807,542
Net (decrease)/ increase in cash and cash equivalents		(9,768,494)	23,220,595	(111,006)	278,926
Cash and cash equivalent at 1 January 2015		84,647,130	109,321,167	1,016,783	1,325,105
Translation difference		-	(47,894,632)	(54,884)	(587,248)
Cash and cash equivalents at 31 December 2015	12	74,878,636	84,647,130	850,894	1,016,783

The notes on the financial statements are an integral part of these financial statements.

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

NOTES TO THE FINANCIAL STATEMENT

1. Reporting entity

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

2. Basis of preparation

(a) Basis of presentation of the financial statement

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

(b) Basis of measurement

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

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

(c) Functional and reporting currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (United States Dollars). Major activities were measured in Liberian dollars and translated in USD. The exchange rates used in the financial statements are as follows: 2015 **(1USD: 88.00 LRD)** and 2014 **(1USD: 83.25 LRD)**.

Use of estimates and judgments

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

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

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

Notes 3(d)	Depreciation
Notes 3(h)	Provisions

3. Significant accounting policies

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

(a) Foreign currency transactions

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

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

NOTES TO THE FINANCIAL STATEMENT (Continued)

Significant accounting policies (continued)

(b) Revenue Recognition

Service Charge on loan

Service charge on loan is recognized in the income statement on all operational loans on an accrual basis. The recognition of interest ceases when a loan is transferred to Non Interest Bearing Loan (NIBL) as described in note -3(e). Service charge is recognised thereafter, only when it is received.

© Loan administration fees

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

(d) Fixed assets (operating assets)

Recognition and measurement

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

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

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

Subsequent costs

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

Depreciation

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

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

- Motor Vehicles/Cycles 5 Years
- Generator 5 Years
- Furniture and fittings 10 Years
- Equipment 6.7 Years

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

Disposals

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

(d) Financial assets

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

BRAC Liberia Microfinance Company Limited
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For the year ended December 31, 2015

NOTES TO THE FINANCIAL STATEMENT (Continued)

Significant accounting policies (continued)

(f) Loans and receivables

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

(g) Held-to-maturity

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

(h) Provisions and other liabilities

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

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

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

(i) Employee benefit

Pension obligations

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

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

End of service benefit

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

(j) Stocks

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

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
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NOTES TO THE FINANCIAL STATEMENT (Continued)

Significant accounting policies (continued)

(k) Finance income and expenses

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

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

(l) Administrative expenses

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

(m) Borrowings

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

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

(n) Impairment of financial assets

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

- (i) Significant financial difficulty of the issuer or obligor;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments.

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

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

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

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

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

NOTES TO THE FINANCIAL STATEMENT (Continued)

Significant accounting policies (continued)

4. Financial risk factors

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

(a) Credit risk

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

(b) Liquidity risk

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

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
For the year ended December 31, 2015

NOTES TO THE FINANCIAL STATEMENT (Continued)

	2015 LRD	2014 LRD	2015 USD	2014 USD
5. SERVICE CHARGE ON LOANS				
Group Loans (Microfinance)	58,248,876	32,020,804	661,919	384,634
Small Enterprise program	30,014,704	25,989,757	341,076	312,189
Total	88,263,580	58,010,561	1,002,995	696,823
6. MEMBERSHIP FEES AND OTHER CHARGES				
Membership fees	1,426,180	744,640	16,207	8,945
Loan appraisal fees	3,611,50	2,377,910	41,036	28,563
Loan application fees	77,820	55,900	884	671
Total	5,115,150	3,178,450	58,127	38,179
7. OTHER INCOME				
Gain due to early repayment	2,086,548	900,915	23,711	10,822
Total	2,086,548	900,915	23,711	10,822
8. IMPAIRMENT LOSSES ON LOANS AND ADVANCES				
General provision	8,939,929	2,676,673	101,556	32,152
	8,939,929	2,676,673	101,556	32,152
9. STAFF COSTS				
Salary & benefits	60,586,614	55,662,836	688,484	668,623
Total	60,586,614	55,662,836	688,484	668,623
10. OTHER OPERATING COSTS				
Occupancy cost (Note 10.1)	8,935,377	7,959,988	101,538	95,615
Staff training and development cost	21,965	96,587	250	1,160
Travels and transportation	13,665,151	12,032,731	155,286	144,537
Maintenance and general expenses	13,438,963	13,821,159	152,715	166,020
Supplies and stationery	315,251	910,910	3,582	10,942
Legal and other professional costs	470,500	424,440	5,347	5,098
Insurance claim	42,000	63,000	477	757
Audit fees	731,000	843,800	8,307	10,136
Vehicle expense	6,440	9,880	73	119
HO logistic and management expense	7,351,286	7,045,137	83,537	84,626
Total	44,977,933	43,207,632	511,113	519,010

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statement
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NOTES TO THE FINANCIAL STATEMENT (Continued)

	2015 LRD	2014 LRD	2015 USD	2014 USD
10.1 OCCUPANCY COST				
Rent	5,986,699	6,501,473	68,031	78,096
Utilities	2,948,678	1,458,515	33,508	17,520
Total	8,935,377	7,959,988	101,538	95,616

11. TAXATION

a) Income tax expenses				
Corporation tax – charge for the year	(4,296,160)	974,083	(56,429)	11,701
Deferred tax	(1,328,184)	-	(15,093)	-
Total	(6,293,960)	974,083	(71,522)	11,701

b) Deferred tax

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

Deferred tax asset	3,130,048	1,801,864	35,569	21,644
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c) Advance Tax

Balance b/f	-	-	-	-
Charge for the year	-	974,083	-	11,701
Transferred to withholding tax	(1,225,889)	(974,083)	(13,931)	(11,701)
Adjustment of advance tax paid upto last year	(4,965,776)	-	(56,429)	-
Translation difference	-	-	-	-
Total	(6,191,665)	-	(70,360)	-

12. CASH AND BANK

Cash in hand		2,165,453	1,020,450	24,607	12,258
Cash in Bank	Eco Bank	61,853,851	72,713,183	83,626,680	826,286
	IB Bank	10,859,332	74,878,636	84,647,130	850,894
					1,016,783

13. LOAN AND ADVANCES TO CUSTOMERS

Group loan (Microfinance)	127,617,090	100,195,334	1,450,194	1,203,548
Small enterprise program	86,337,069	85,080,233	981,103	1,021,985
Loan written off	(5,044,797)	(5,750,818)	(57,327)	(69,079)
Interest receivable	2,959,481	4,936,857	33,630	59,302
Interest receivable written off	(665,475)	(667,730)	(7,449)	(8,021)
Impairment loss on loans advances	(12,914,411)	(9,677,754)	(146,755)	(116,249)
	198,298,957	174,116,122	2,253,397	2,091,486

BRAC Liberia Microfinance Company Limited
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NOTES TO THE FINANCIAL STATEMENT (Continued)

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

Interest receivable is the amount of interest outstanding on loans that have passed due.

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

	2015 LRD	2014 LRD	2015 USD	2014 USD
13.1 THE MOVEMENT ON LOAN ACCOUNT IS ANALYZED SHOWN BELOW				
At 1 January	179,524,749	181,694,961	2,156,453	2,202,363
Loan disbursed	361,175,000	237,711,000	4,104,261	2,855,387
Less: Loan repayment	(326,745,590)	(234,130,394)	(3,713,018)	(2,812,377)
Translation difference	-	-	(116,399)	(19,840)
Gross advances to customer	213,954,159	185,275,567	2,431,297	2,225,533
Less: written off	(5,044,797)	(5,750,818)	(57,327)	(69,079)
	208,909,362	179,524,749	2,373,970	2,156,454
Interest receivable	2,959,481	4,936,857	33,630	59,302
Interest receivable written off	(655,475)	(667,730)	(7,449)	(8,021)
Impairment loss on loan advance (Note 13.2)	(12,914,411)	(9,677,754)	(146,755)	(116,249)
Net advance to customer	198,298,957	174,116,122	2,253,397	2,091,486

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

At 1 January	9,677,754	13,419,629	116,249	162,662
Charge for the year	8,936,929	2,676,673	101,556	32,152
Loan written off	(5,044,797)	(5,750,818)	(57,327)	(69,079)
Interest receivable written off	(655,475)	(667,730)	(7,449)	(8,021)
Translation difference	-	-	(6,274)	(1,465)
At 31 December	12,914,411	9,677,754	146,755	116,249

13.3 Analysis of impairment of loans

	Principal outstanding	Provision Rate	Provision Required
For general provision			
No past due	194,512,123	2%	3,890,242
For specific provision			
1-30 days	2,449,746	5%	122,487
31-180 days	3,522,893	20%	704,579
181 – 350 days	909,991	75%	682,493
351 days and above	7,514,609	100%	7,514,609
	208,909,362		12,914,411

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NOTES TO THE FINANCIAL STATEMENT (Continued)

Credit risk analysis:

	2015	2014
Portfolio at risk (PAR) 30 days		
Total loans in arrear of 30 days	11,947,493	16,924,636
Total loans outstanding	<u>208,909,362</u>	<u>179,524,749</u>
Portfolio at risk (PAR) 30 days	<u>5.72%</u>	<u>9.43%</u>

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

	2015 LRD	2014 LRD	2015 USD	2014 USD
14. OTHER ASSETS				
Advance to 3rd party	5,531,847	4,761,287	62,862	57,193
Current account in transit	6,377,478	6,499,674	72,471	78,074
Account receivable from NMF	1,762,374	27,704,184	20,027	332,873
Inventory – stationeries	<u>698,728</u>	<u>750,708</u>	<u>7,940</u>	<u>9,018</u>
	<u><u>14,370,427</u></u>	<u><u>39,715,853</u></u>	<u><u>163,300</u></u>	<u><u>477,068</u></u>

BRAC Liberia Microfinance Company Limited
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NOTES TO THE FINANCIAL STATEMENT (Continued)

15. PROPERTY PLANT AND EQUIPMENT					
	Furniture LRD	Equipments LRD	Motor Vehicles LRD	Total LRD	Total USD
Costs					
At 1 January 2014	3,269,593	5,684,909	1,285,275	10,239,777	124,119
Additions	8,050	29,925	-	37,975	456
Disposal/ Transfer	-	-	-	-	(1,116)
At 31 December 2014	3,277,643	5,714,834	1,285,275	10,277,752	123,456
Additions	8,820	581,119	-	589,939	6,704
Translation difference	-	-	-	-	(6,664)
At 31 December 2015	3,286,463	6,295,953	1,285,275	10,867,691	123,496
Accumulated depreciation					
At 1 January 2014	1,801,074	3,065,198	767,949	5,634,221	68,294
Charge for the year	63,203	857,225	257,055	1,177,483	14,144
Disposal/ Transfer	-	-	-	-	(616)
At 31 December 2014	1,864,277	3,922,423	1,025,004	6,811,704	81,822
Charge for the year	305,200	693,567	152,860	1,151,627	13,087
Translation difference	-	-	-	-	(4,417)
At 31 December 2015	2,169,477	4,615,990	1,177,864	7,963,331	90,492
Net book value:					
At 31 December 2014	1,413,366	1,792,411	260,271	3,466,048	41,634
At 31 December 2015	1,116,986	1,679,963	107,411	2,904,360	33,004

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NOTES TO THE FINANCIAL STATEMENT (Continued)

	2015 LRD	2014 LRD	2015 USD	2014 USD
16. LOAN SECURITY FUND				
Opening balance	44,461,078	43,162,149	534,067	523,177
Received during the year	15,461,981	10,524,645	175,704	126,422
Paid off/adjustment	(9,049,829)	(9,225,716)	(102,839)	(110,819)
Translation difference	-	-	(28,827)	(4,713)
Closing balance	50,873,230	44,461,078	578,105	534,067

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

17. RELATED PARTY

Payable to BRAC Bangladesh	19,631,016	26,400,837	223,080	317,1279
Payable to Stichting BRAC International	10,702,771	3,351,485	121,622	40,258
	30,333,787	29,752,322	344,702	357,385

The related party payables are against expenses incurred by BRAC Bangladesh in favour of the company and against Overhead Payable to Stichting BRAC International for the Management Support.

18. BORROWINGS

KIVA	24,238,611	24,238,611	275,439	291,154
	24,238,611	24,238,611	275,439	291,154

19. OTHER LIABILITIES

Provision for audit fees	731,000	373,892	8,307	4,491
Self insurance fund	487,402	352,720	5,539	4,237
Bonus provision	4,923,737	3,276,472	55,952	39,357
NASSCORP provision	669,192	3,376,865	7,604	40,563
Tax withholdings	375,131	346,004	4,263	4,156
Salary provision	1,256,847	1,104,142	14,282	13,263
Other provision	2,831,547	566,776	32,177	6,808
	11,274,856	9,396,871	128,123	112,875

20. DONOR FUNDS

Donor funds received in advance (Note 20.1)	-	-	-	-
Donor funds investment in fixed asset (Note 20.2)	-	-	-	-
Donor funds investment in loans to group members	-	-	-	-
	-	-	-	-

20.1 Donor funds received in advance

Opening balance	-	-	-	-
Donation received during the year (Note -20.1.1)	-	24,394,500	-	293,027
Transferred to deferred income investment in fixed asset	-	-	-	-
Transferred donated equity	-	(21,375,000)	-	(256,757)
Transferred to statement of income and expenses	-	(3,019,500)	-	(36,270)
Closing balance	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENT (Continued)

		2015 LRD	2014 LRD	2015 USD	2014 USD
20.1.1 Donations received during the year		-	3,019,500	-	36,270
BRAC USA (MF support-Ebola) SBI		-	21,375,000	-	256,757
		<u>-</u>	<u>24,394,500</u>	<u>-</u>	<u>293,027</u>
20.2 DEFERRED INCOME –FIXED ASSETS					
Opening balance		-	-	-	-
Transferred from donor funds received in advance		-	-	-	-
Depreciation charge during the year					
Closing balance		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
21. CAPITAL COMMITMENTS					
SHARE CAPITAL					
Name	% of holding	2015 LRD	2014 LRD	2015 USD	2014 USD
BRAC International Holdings BV	51%	173,062,927	173,062,927	2,078,834	2,078,834
SEDF	24.5%	83,138,072	83,138,072	998,656	998,656
Omidyar Network	24.5%	83,138,072	83,138,072	998,656	998,656
		<u>339,339,071</u>	<u>339,339,071</u>	<u>4,076,145</u>	<u>4,076,145</u>

22. User of estimates and judgments

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

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

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

i) Impairment

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

ii) Provision and contingencies

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

BRAC Liberia Microfinance Company Limited
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NOTES TO THE FINANCIAL STATEMENT (Continued)

23.CASH FLOW FROM OPERATING ACTIVITIES

	2015 LRD	2014 LRD	2015 USD	2014 USD
Excess of income over expenditure	(12,844,526)	(37,957,884)	(145,961)	(455,952)
Depreciation	1,151,627	1,177,483	13,087	14,144
Loan loss provision	8,936,929	2,676,673	101,556	32,152
Cash flow before changes in working capital	(2,755,970)	(34,103,728)	(31,318)	(409,656)
Increase/(decrease) in provision for taxation	-	-	-	-
Changes in working capital				
Decrease/ (increase) of receivable and other current accounts	25,345,426	(14,523,392)	288,016	(174,455)
Decrease/(increase) of deferred tax asset	(1,328,184)	-	(15,093)	-
Decrease/(increase) of interest receivable	1,965,121	(2,022,444)	22,331	(24,294)
Increase/ (decrease) of related party	581,465	11,097,549	6,608	133,304
Increase/ (decrease) of current liabilities	1,877,985	(168,870)	21,341	(2,028)
Advance taxes paid	(6,191,665)	-	(70,360)	-
Net cash from operations	19,494,178	(39,720,885)	221,525	(477,129)

24. Contingent Liabilities

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated. As of December 2015 the company does not foresee any contingent liability.

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

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