



2015

ANNUAL REPORT

SIERRA LEONE



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

CONTENTS

01	Our Vision, Mission and Values
03	Chairperson's Statement
04	BRAC International Governance and Management
06	MICROFINANCE
08	AGRICULTURE AND FOOD SECURITY
10	POULTRY AND LIVESTOCK
12	HEALTH
14	EMPOWERMENT AND LIVELIHOOD FOR ADOLESCENTS
16	HUMAN RIGHTS AND LEGAL EMPOWERMENT
18	Support Programmes
20	Governance
20	Management
20	Development Partners
21	Country Map
22	BRAC Across the World
24	Financials



CHAIRPERSON'S STATEMENT

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

A decade of armed conflict has severely impacted Sierra Leone's economy. More than 60 per cent of the population live in poverty. High unemployment and low literacy levels, particularly among the youth, continue to pose a major challenge.

Nearly half of Sierra Leone's working-age population is engaged in subsistence agriculture, with the highest level of poverty seen among this group. This can be attributed to the use of outdated modern agricultural techniques, lack of investment, poor access to credit and weak infrastructure. BRAC's agriculture and food security programme aims to provide the necessary technology and quality inputs, through its community agriculture promoters, to increase productivity. To help those affected during this year's outbreak of the Ebola Virus Disease, BRAC, in association with the Food Security, Livelihoods and Resilience Strengthening for Post-quarantined Communities in Sierra Leone Project, supported 545 extremely poor households in Koinadugu district.

BRAC's poultry and livestock programme operates in six districts. It aims to create a steady supply of quality products and links the farmers to markets so they get a fair price for their products.

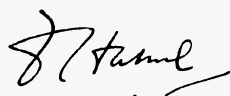
Sierra Leone had 28,616 reported Ebola cases, the highest number in West Africa. In response to the Ebola outbreak, BRAC oriented its staff and community health promoters to conduct community sensitisation. Billboards were erected to reduce the stigma against Ebola survivors and promote community peace. Street theatre, radio jingles and songs on Ebola were used to reach community members. In collaboration with the Ministry of Health and Sanitation, BRAC distributed disinfectant to offices and schools.

Malaria is a very common cause of illness and death in Sierra Leone. Under BRAC's malaria control programme, a total of 263,105 community people were sensitised on malaria prevention and treatment through community health clubs, and an additional 45,250 through school health clubs.

Gender inequality is high in the country; in 2015, pregnant girls were banned from attending school, highlighting the obstacles they face in getting a formal education. BRAC's empowerment and livelihood for adolescents project, which started in 2012, with 10 clubs comprising 431 members, has expanded to 210 clubs reaching 6,875 girls. These clubs provide a safe space for girls to share their experiences, obtain life skills training and micro-credit support.

Our human rights and legal aid services programme was introduced in Sierra Leone in 2010 with the aim of protecting and promoting human rights through legal empowerment, especially for the poor and marginalised. Through our legal literacy classes, we have focused on raising awareness about the rights of women and also solved disputes in the community with the help of paralegals. This year, we produced six radio programmes on general laws, sexual offences and the legal system, which reached 20,000 clients.

I would like to take this opportunity to extend my sincere thanks to the Government of Sierra Leone and our development partners for their continued support for our efforts towards the creation of progress and prosperity in Sierra Leone. I also thank the members of the governing board and local advisory board, whose leadership and foresight are of great assistance in deepening our engagement in Sierra Leone. Despite the challenging working conditions, the dedication of our staff has ensured that BRAC's programmes in Sierra Leone continue to grow, in terms of both diversity 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 programmes 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 programmes, social enterprises and investment companies are consolidated under this wing. The social programmes currently supporting the enterprises include seed production, feed mills, training centres and tissue culture labs. BRAC International has introduced programmes 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 programmes. 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 programmes 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 localisation 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 SOCIAL AND ECONOMIC GROWTH

BRAC's microfinance programme in Sierra Leone has been providing a financial service that is used by thousands to better manage their lives since 2009. The programme primarily supports women involved in small-scale trading, providing loans to them as they have limited access to a formal banking system, and are not served by other microfinance institutions. Borrowers are given loans of varying amounts without collateral, and instalments are paid weekly under group-based lending.

MICROLOANS

Community partnership and institution-building are essential tools for marginalised groups to change their economic, social and political conditions. We deliver microloans along with other services through village organisations (VOs), organised groups of women who come together to improve their socio-economic position. VOs meet weekly to make loan repayments and discuss their credit decisions with BRAC's credit officers.

SMALL ENTERPRISE LOANS

Small enterprise loans ranging from USD 800 to USD 6,000 are offered to entrepreneurs to expand their business.

These loans are available to both women and men with repayments made on a monthly basis. This enables business owners to create new employment opportunities and provide new services. Members of BRAC's microfinance programme can become eligible for small enterprise loans as their business expands and their investment needs change.

The Ebola outbreak, considered the largest in history, affected the lives of many people. Against this backdrop, all microfinance operations had to be suspended for eight months from August 2014. While the crisis seriously affected the economy, borrowers still showed extraordinary resilience and repaid their loans at a satisfactory rate.

PROGRAMME HIGHLIGHTS

MICROLOAN

USD 2.5 million was disbursed in microloans through **28** branch offices. At the end of 2015, **23,006** clients were availing microloans from BRAC. The average loan size was **USD 130** with a principal outstanding of **USD 1.42**

million. Additionally, **275** borrowers from our empowerment and livelihood for adolescents clubs availed loans with a principal outstanding of **USD 5,980**.

SMALL ENTERPRISE LOAN

USD 1.6 million worth of small enterprise loans was disbursed through **18** branch offices. At the end of 2015, **1,534** clients were availing small enterprise loans from BRAC. The average loan size was **USD 1,281** with a principal outstanding of **USD 1.019 million**.



2013	21,046 borrowers
2014	23,339 borrowers
2015	24,815 borrowers

CASE STORY

A NEW SHOP IN GODERICH

My name is Rugiatu and I am 35 years old. I live in Goderich with my husband who is a taxi driver.

Before joining BRAC, I was a petty trader at the Ogoo farm market. I struggled to make ends meet by selling basic cooking materials such as rice, vegetable oil and condiments. My business would often fluctuate, and I did not have the business knowledge to earn a better profit. I used to earn USD 60 (SLL 300,000) monthly, which was not enough to feed my children.

BRAC's microfinance programme is well-known in our community, for giving out credit without collateral to rural women, landless and poor marginal farmers, migrant workers and small entrepreneurs. I heard about the loan process from one of my neighbours, who suggested I visit a nearby BRAC branch office for further discussion. I spoke to the credit officer and discussed my business plan in detail, and was given information on how I could grow my business.

I joined the Goderich branch and started attending the village organisation meetings. I received my first loan of USD 120 (SLL 600,000), with which I bought cooking materials, which were high in demand, and attracted more customers. Using my



personal savings and my second loan of USD 140 (SLL 700,000), I was able to build a permanent place to operate my business. I was operating in a makeshift structure prior to that.

My income rose from USD 60 to USD 100 (SLL 300,000 to SLL 500,000). In the next five years, I plan to become a supplier of food commodities. I regularly attend

meetings to gain even more financial insight. I feel proud to be a BRAC member.

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.

INCREASING FOOD PRODUCTION

BRAC's agriculture programme aims to enhance food security through promoting improved technologies and providing quality inputs, along with the development of community agriculture promoters to support farmers. The key programme interventions include training of farmers, establishing demonstration farms, producing and distributing quality seeds, providing inputs support to farmers and organising nutrition awareness campaigns. Village nutrition committees were formed to combat malnutrition and reintroduce a culture of consuming nutrient-rich food among farming communities.

Since its launch in 2008, BRAC Sierra Leone has been supporting vulnerable communities and households with funds from the Omidyar Network, Alliance for a Green Revolution in Africa, World Food Programme, and the Department for International Development. The programme has reached 30,934 farmers since then. BRAC has successfully completed the implementation of the Global Poverty Action Fund project supported by DFID to reduce poverty and hunger in rural areas of Sierra Leone. The impact study of this project revealed that the agriculture farmers' income has increased by 53 per cent (from USD 368 to USD 564).

As part of the post-Ebola response, the Food Security, Livelihoods and Resilience strengthening for Post-quarantined communities project supported by the Disaster Emergency Committee of Oxfam GB ensured food security and livelihoods

in Koinadugu district. Under the Google Foundation funded project, it enabled community mobilisation for preventing the spread of Ebola, and supported rural farmers affected by Ebola with modern agriculture technologies and quality inputs to improve their livelihoods.

SEED TESTING AND MULTIPLICATION

BRAC Sierra Leone is operating a seed testing and multiplication farm on 63 acres of land. The farm produces rice and maize seeds and cultivates pineapple, plantain, groundnut, cassava and sweet potato.

PROGRAMME HIGHLIGHTS

Under the GPAF project, **3,000** kitchen gardeners and **200** community agriculture promoters were given basic and refresher training and provided with vegetable seeds, fertiliser and agri-tools to increase farm production and profit. **32,400** people were reached through nutrition awareness campaigns and **640** village nutrition committee meetings were conducted.

A total **330kg** maize seeds and **2,000** kg rice seeds were produced in the seed

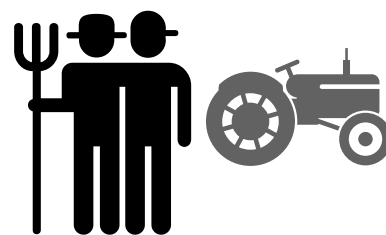
farm. Pineapple, banana and plantain were transplanted in eight acres of land.

265 smallholder households were supported in developing **53** hectares of inland valley swamp for rice cultivation in five villages through the Japanese Bilateral project at Masimera chiefdom in the Port Loko district. The project trained the farmers on rice production technology and facilitated two village saving loan associations. The project also supported **1,590** indirect beneficiaries.

Through the DEC project, **545** unconditional cash transfers for food were provided to extremely poor households in **23** Ebola-quarantined communities in Koinadugu district.

1,200 households were provided conditional cash grants to purchase groundnut, rice, pepper seeds, fertiliser and agricultural tools as start-up capital.

545	32,400	640
unconditional cash transfers for food in 23 Ebola-quarantined communities	people reached through nutrition awareness campaigns	village nutrition committee meetings conducted



9,239	General farmers trained (cumulative)	2014
12,239	General farmers trained (cumulative)	2015

CASE STORY

MEET A SUCCESSFUL AGRICULTURAL PROMOTER

My name is Fatmata. I am a 48-year-old single parent living in Waterloo. I used to cultivate vegetables using traditional farming methods and by borrowing small inputs like seeds and fertilisers. I was not aware of proper techniques and I yielded just enough produce for my family's consumption for six years.

When I joined BRAC's agriculture programme, I was given a three-day training and refresher course on proper seedbed preparation, vegetable production, planting timelines and keeping farm records. I was also informed on nutrition issues. I received training on modern technologies like line sowing, transplanting, fertiliser application, weeding, and pest management. Now I maintain line sowing while planting, leading to better yield, which leaves a surplus after meeting my family's needs. I am transferring



my knowledge and experience to other community farmers and encouraging them to follow the correct agriculture production technologies. I also teach those who wish to learn hands-on farming skills that will help produce a better harvest.

I visit BRAC's backyard kitchen gardeners and microfinance groups to showcase my vegetables seeds, pesticide and fertilisers to sell to them at good prices. Agriculture has enabled me to meet the most vital needs of my family. I now have

a dual identity of being the breadwinner of my family and an influential leader in my community. I am a successful community agricultural promoter.

POULTRY AND LIVESTOCK



BRAC's poultry and livestock programme 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.

IMPROVING THE POULTRY AND LIVESTOCK SECTOR OF RURAL SIERRA LEONE

BRAC Sierra Leone's poultry and livestock programme was launched in 2008. It increases the productivity of small-scale farms by developing the capacity of farmers, introducing modern livestock management techniques and building viable services through community livestock and poultry promoters. The programme focuses on developing the supply chain of high quality

inputs and establishing sustainable market linkages to reduce hunger and improve livelihoods. BRAC successfully implemented the Global Poverty Action Fund (GPAF) project supported by DFID to reduce poverty and hunger in rural areas. The GPAF project started in 2012. The impact study in 2015 revealed that poultry farmers' income has increased by 298 per cent, from USD 46 to USD 183.

POST-EBOLA RESPONSE

The programme successfully supported Ebola-affected poultry rearers through the 'Building resilience against Ebola in Sierra Leone' project funded by the Google Foundation. The project operated in 10 branches, covering six districts; Port Loko, Bombali, Tonkolili, Bo, Kenema and Western

Area. The project targeted rural poor women and households who suffered from food insecurity, and were excluded from mainstream livestock programmes.

THE PIG VALUE CHAIN PROJECT

The pig value chain project funded under DFID's Global Poverty Action Fund is working with 5,588 poor people in 25 rural communities across five districts in Sierra Leone. The project aims to establish a highly productive pig breeding unit and distribute quality piglets to farmers in remote rural areas. The project established pig demonstration farms through model pig rearers who then influence pig producers at the rural level by increasing access to inputs and outputs.

PROGRAMME HIGHLIGHTS

640 village nutrition committee meetings were conducted, emphasising the importance of nutrition. Messages were disseminated to **32,400** people at community level through nutrition awareness campaigns. This led to a shift in behaviour, particularly in cooking methodologies, knowledge on food processing and understanding of the nutritional value of different farm products.

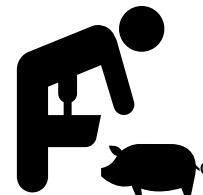
Under the GPAF project, **400** backyard poultry rearers were trained and provided with **5,000** chickens, **1,000** bags of poultry feed and other necessary equipment for poultry rearing. **200** community

livestock and poultry promoters were trained and provided with inputs as part of rural level service provisions for poultry and livestock rearers. Nutrition education was ensured to improve dietary health in households.

500 Ebola-affected rural poultry rearers were provided support with local chickens as part of the post-Ebola response, through the Google-funded project. Technical advice through household visits and local

market linkages ensured increased profits.

The pig value chain project trained **seven** pig breeders, **40** model pig rearers and **400** general pig rearers.



500	640	32,400
Ebola-affected rural poultry rearers provided with local chickens	village nutrition committee meetings conducted	people reached through nutrition awareness campaigns

2013

336,811
Doses of poultry vaccination (cumulative)



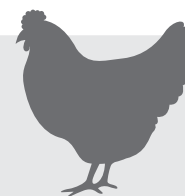
2014

401,780
Doses of poultry vaccination (cumulative)



2015

506,400
Doses of poultry vaccination (cumulative)



CASE STORY

LEARNING NEVER STOPS

My name is Deborah and I am a backyard poultry rearer. I am 51 years old and live in Rogberay with my children and husband.

I used to be a poultry farmer before I joined BRAC, but my knowledge on poultry management was poor. After learning about modern poultry practices, my business is doing much better. I used to follow traditional and outdated practices, failed to expand my farm and was unable to make a decent profit despite all my efforts.

I was given three days of training on poultry management from BRAC. I learned not to keep my birds in sacks, but to care for them properly. The training taught me that their health should be given top priority, and they should be given nutritious feed. I now ensure that they have a secure and clean shelter, they are fed properly and have clean water, which helps in preventing the spread of illness.



It is easy for me to tell when a chick is sick now, and I can provide temporary relief in the absence of a vaccination. My chickens are increasing in number every day and their mortality rate has reduced since I started using hatching pots and chick guards. My monthly income has increased from USD 20 (SLL 100,000) to USD 36 (SLL 180,000) and my family can eat chicken and eggs on a regular basis.

I receive veterinary services from community livestock poultry promoters so that my birds remain healthy and do not contract diseases. I have plans to apply for microloans and expand my business in the near future.

HEALTH



BRAC's health programme 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 utilises trained frontline community health promoters, creating an effective bridge between underserved communities and formal healthcare systems. We ensure community empowerment and mobilisation 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.

FUNCTIONAL HEALTH SYSTEM FOR HEALTHY LIVING

BRAC's essential healthcare interventions aim to improve the wellbeing of poor rural women and their families by promoting access to affordable and quality healthcare. The programme operates in six districts of Sierra Leone- Western Area, Port Loko, Bombali, Tonkolili, Bo and Kenema, providing services to over 530,100 households. The clients are reached through community health promoters who sensitise them with household visits, organise health forums, and refer patients to health facilities.

MALARIA PROJECT

BRAC Sierra Leone is implementing the Global Fund Malaria project R10 as a sub-recipient of Catholic Relief Service. The project promotes the use of long-lasting insecticide-treated bed nets, seeking treatment within 24 hours for the symptoms of malaria, and intermediate preventative therapy for pregnant women.

EBOLA RESPONSE

During the Ebola outbreak, the 'building resilience against Ebola in Sierra Leone' project, funded by Soros Economic Development Fund, coordinated and collaborated with the government, other INGOs and emergency response programmes to support national and community response activities. It developed the capacity of community health workers and government, created awareness

regarding Ebola in communities and provided protective equipment in these communities.

PULL SLUM PAN PIPUL PROJECT

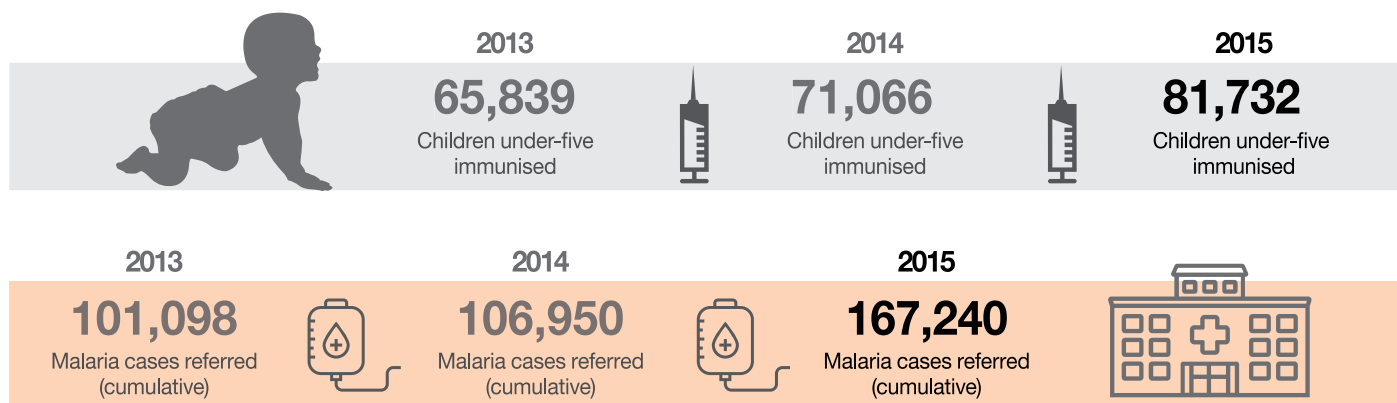
The Pull Slum Pan Pipul funded by Comic Relief is covering 10 urban slums in Freetown. The project aims to improve the livelihood of young people in slum communities through life skills training, sexual and reproductive health, and legal rights education.

PROGRAMME HIGHLIGHTS

A total of **263,105** people were sensitised on malaria prevention and treatment through **3,080** community health club members. **45,250** pupils were sensitised through school outreach activities coordinated by **900** school health club members.

616 community health club leaders and deputy leaders and **90** school health club facilitators were trained under the malaria control programme. New community health committees were formed in Kenema, Tonkolili and the Western Area.

30 staff and **435** community health promoters received Ebola orientations under the Soros project. **Six** national billboards were installed, bearing messages of stopping stigmatisation and discrimination against Ebola survivors to promote community peace and oneness.



CASE STORY

MOST PEOPLE CONTACT ME WHEN THEY FEEL ILL NOW

I am Sia Vandy. I live in Funkia and I am a community health promoter at Goderich. I have worked with BRAC's health programme for over five years. When the health programme was launched, community health promoters made door-to-door visits to raise awareness. I learnt about BRAC through these visits and I grew interested. I always wanted to serve my community, especially the women.

After joining BRAC, I received a three-day-long basic training on health and hygiene issues. I go around my community sensitising people on various issues; from keeping their environment clean, to taking care of pregnant women and the importance of having nutritional food, as a health promoter.

I went around my community informing people on the causes and ways to prevent the disease during the Ebola outbreak. I talked about the steps that should be taken in the event of an infection. I promoted the importance of sanitation, and distributed buckets for hand



washing to local women as they lacked water facilities. I supplied soap to most households, advising them to regularly wash their hands before breastfeeding, cooking, eating and after using the toilet. A few months ago, oral rehydration salt was supplied to communities. I taught them how to prepare it locally and encouraged them to use it during emergencies.

There have been many positive changes in my community. Most people contact

me whenever they feel ill. I encourage pregnant women and lactating mothers to regularly visit health facilities. Malaria and diarrhoea were prevalent in my community, but due to BRAC's interventions, people are now well-informed about both preventive and curative measures, which have worked wonders in diminishing their presence.

EMPOWERMENT AND LIVELIHOOD FOR ADOLESCENTS



BRAC's empowerment and livelihood for adolescents (ELA) programme 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.

CREATING PRODUCTIVE FUTURE GENERATIONS

BRAC's empowerment and livelihood for adolescents (ELA) programme launched in 2012. It aims to socially and economically empower adolescents to participate meaningfully in decisions that affect their lives, and create supportive environments for youth development. This is done through the creation of safe spaces, engaging club activities, community sensitisation, life skills based education, livelihood skills training, financial literacy

training, and microcredit support for older adolescent girls.

The programme covers four districts- Pujehun, Moyamba, Port Loko and Kambia, operating through 210 adolescent clubs and reaching over 6,875 adolescent members. 57 per cent of the members are school going, 32 per cent are married, and 41 per cent are mothers.

EBOLA RESPONSE

At the height of the Ebola crisis, BRAC USA received support from Nike Foundation to restructure existing ELA platforms as part of the Ebola response and post-Ebola recovery for girls, as well as communities. It integrated BRAC's approach into the

broader Sierra Leone Adolescent Network (Salone Network) to ensure a quickly scaleable, integrated strategy to reach the most vulnerable girls across the country. Communication tools such as radio and mobile phones were developed to raise awareness on Ebola. Protective materials like sanitisers, buckets, chlorine and soap were purchased for the clubs to help prevent the spread of the virus.

PROGRAMME HIGHLIGHTS

USD 36,640 (SLL 183,200,000) was disbursed as microloans to **464** adolescent girls in four districts.

The programme received **USD 151,529** from UNICEF to provide support in reducing teenage pregnancy and early marriage through social and economic empowerment.

An agreement was signed with the World Bank with support from Innovative

Poverty Action to implement ELA, particularly the livelihood training component, in **150** communities in **four** districts among **600** clients.



USD 36,640	464	210
disbursed as microloans	adolescent girls received microloans	mentors trained

CASE STORY

RELIVING OUR YOUTH

My name is Catherine. I am a 19-year-old single mother, and member of Ngwala ELA club in Kaiyamba chiefdom, Moyamba District. My single mother raised me and I am the second of four children. I had to drop out of school when I found out I was pregnant. I started doing odd jobs to support my family after I had my baby boy. I did not enjoy these jobs and my income was low.

When BRAC opened an adolescent club in my village, it brought great excitement into the lives of many adolescents. I received life skills education, on reproductive health and family planning, and training on livelihood and financial literacy. In the club, I could relive my youth again. I danced, played games, and participated in dramas and recitations. I met many other young girls who were in my situation, and accepted and respected me.

I was selected with a couple of others for training in tailoring. An experienced local tailor tutored me while BRAC covered all expenses. After six months of training, I received basic start-up tailoring materials from the programme. Since then, I have taken up tailoring in my community. When business is slow, I sell vegetables and oil to different markets in my village for additional income.

The livelihood and financial literacy training has helped me in my business, allowing me to improve my savings, budgeting and customer services. My monthly income is now around USD 30 (SLL 150,000)



Now that I am involved in various club activities and work in a field I enjoy. I feel that I can be a role model for my child and other young girls in my community.

HUMAN RIGHTS AND LEGAL EMPOWERMENT



Ensuring basic human rights lies at the heart of development. **BRAC's human rights and legal empowerment** programme is dedicated to protecting and the promoting human rights of people living in poverty and marginalised groups through legal empowerment. This programme creates an enabling environment for vulnerable and excluded communities. By organising legal education classes and offering legal aid services through our staff lawyers, we give people the knowledge they need to assert their rights. We help them transform themselves into agents of social change by engaging local community leaders to foster widespread awareness of legal issues.

PROMOTING LEGAL JUSTICE FOR ALL

BRAC's human rights and legal empowerment programme in Sierra Leone is dedicated to protecting and promoting human rights issues through legal empowerment. It operates in four chiefdoms of the Port Loko district.

The programme provides safe and practical solutions to justice-related problems and takes clients' cases to the court of law when their rights are violated. This is achieved through the provision of free legal aid by paralegals who give advice and assistance in both civil and criminal matters, in addition to a number of support activities at the grassroots level.

These interventions involve three categories of volunteers: community oversight board members comprising of community elders that help paralegals resolve difficult cases relating to customary legal issues;

community contact people who help paralegals organise mobile clinics and community meetings by mobilising people in communities; and the best graduates of BRAC Sierra Leone's legal literacy classes form the law implementing committees to prevent and respond to gender-based violence cases in their communities.

PROGRAMME HIGHLIGHTS

The programme received **291** cases and successfully resolved **228** cases through alternative dispute mediation. **72** mobile clinics and legal aid clinics were organised.

There were **12** community meetings to sensitise people on gender laws, sexual offences and the legal system as a whole.

Six radio discussion programmes were organised reaching **20,000** clients.

291	cases recieved
228	cases resolved through alternative dispute mediation



72	mobile clinics and legal aid clinics organised
20,000	people reached through radio discussions

CASE STORY

REGAINING MY RIGHTS WITH BRAC PARALEGALS

I am Abu-Bakarr, a 22-year-old student from the Gbaneh-Bana village in Port Loko. At the peak of the Ebola virus outbreak, I was recruited as a paid volunteer at the district Ebola response centre in Port Loko. Shortly after, I became a member of the burial team at Gbaneh-Bana. During my interview, I mentioned that I was a student and that I would need to leave for exams that were postponed due to Ebola. The DERC readily accepted my condition.

After a few weeks of work, I received a call from my principal informing me that my exam dates were re-fixed. With an urgent written notice, I left the job to appear for my exam. I was told by DERC that I would be notified if they replaced me. Before leaving, I asked for my volunteer pay for the work I had done, but they did not respond.

After my exams I was free to re-join DERC, however, I came back to find that I had been replaced. Since I had worked for three weeks and had not received any payment, I made a second enquiry only to be met with more silence. I was very upset with this situation. I discussed this issue with my neighbour and he referred me to BRAC's paralegal programme.



I took my plea to BRAC's paralegals, informing them that I was replaced without notice and that the DERC had refused to pay me. The lead paralegal investigated the case. With some fact-finding and mediation,

the matter was resolved and I got my full payment for the days I worked. I am grateful to BRAC for helping me reclaim my rights during such a difficult time.

SUPPORT PROGRAMMES

FINANCE AND ACCOUNTS UNIT

The finance and accounts unit of BRAC Sierra Leone plays a crucial role within the organisation in improving operational efficiency, whilst facilitating the management's decision-making capabilities. The unit is responsible for preparing budgets for the programmes, managing costs, financing investments, analysing cash flow, profitability, effective management, and transparency of financial data.

It prepares reports on investments, donor grants, properties, salary and taxes. Annual financial statements are prepared in accordance with international reporting standards.

INTERNAL AUDIT DEPARTMENT

The internal audit department is an independent support programme designed for objective assurance and consulting services to add value and improve BRAC International's operations. It helps the organisation 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 programmes 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.

External quality assurance reviews were conducted as per the requirement of the

institute of internal auditors standards in 2015. The audit department implemented 47 per cent of their plans and reviewed 73 cost centres across all programmes in the same year. 2016 will be the year of implementing a full-fledged risk-based audit and system audit. An information systems audit is also going to be initiated, using the information systems audit and control association guidelines and best practices.

COMPLIANCE SERVICES

Compliance services is committed to ensuring the compliance environment, helping the organisation achieve specific goals by ensuring each individual's job responsibility and assessing each programme's roles in achieving organisational goals. In 2015, the coverage of the internal compliance questionnaire (ICQ) was expanded to all areas and regional levels of country programme management. This was only limited to branch-level management in the previous year, and was reported quarterly. ICQ 'Quick review' mechanism was initiated in during this period, with a view to strengthening the compliance culture by ensuring accountability and transparency. Compliance related to regulatory and donor affairs was also reviewed and reported bi-annually for each BRAC International country. To strengthen the established compliance environment, plans have been made for a further review of the self compliance activities (e.g. ICQ audit) in 2016.

MONITORING DEPARTMENT

BRAC Sierra Leone's monitoring department is an internal mechanism to ensure quality, accountability and transparency of the programmes. It ensures regular collection and analysis of information to assist management in timely decision-making and provides the basis for evaluation and learning. The monitoring department performs several essential management functions, including

monitoring and reporting on inputs and outputs achieved, carrying out internal assessments, evaluations and supporting research. The monitoring department prepares quarterly progress reports, monthly MIS reports and facilitates the annual programme review.

There are two separate bodies; development programme monitoring and microfinance programme monitoring. Monitoring focuses on the programmes' progress, quality and learning, which demands new approaches to monitoring. The monitoring team, especially the microfinance wing, also investigates issues related to administration, abuse of discretion, corruption, financial misappropriation and discrimination.

Currently, there are seven staff (three in microfinance and four in the non-microfinance programme) working in the monitoring department.

INFORMATION COMMUNICATION TECHNOLOGY DEPARTMENT

The information communication technology department of BRAC in Sierra Leone functions as a crosscutting intervention. It aims to modernise the infrastructure and services that support all programmes. It seeks to address connectivity, and channel emerging technologies used within the organisational goals. The department is organised into two functional units: technical support, which comprises of all computer hardware-related issues; and software development, which comprises of software applications used within the organisation. The ICT department provides training and technical support services and maintenance of computer functions for email, internet and file storage.

HUMAN RESOURCES AND TRAINING DEPARTMENT

The human resource and training department of BRAC Sierra Leone caters to 402 local and expatriate employees across the country. Local staff form 93 per cent of this figure while female staff comprise 68 per cent of the total workforce. 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 (HRPP) manual. The HRPP provides all employees with an understanding of new policies, due benefits and the processes required to fulfil them. The HRD further ensures employees' commitment to BRAC International's 15 policies under the code of conduct, particularly in regards to child protection and gender equality.

In order to cushion the economic hardship of the labour force in Sierra Leone, the government of Sierra Leone raised the monthly minimum wage for workers to US 83 (SLL 500,000) effective from January 2015. The minimum wage adjustment affected 80 per cent of BRAC Sierra Leone's staff, which includes all field-based and service staff.

BRAC is making a positive move towards local capacity development by strengthening local representation in senior roles within the organisation. This was manifested in the promotion of female local staff to regional management positions, previously held by expatriate staff, as well as the addition of a new head of HR and training in the senior management team.

To promote a high-performance culture, the performance management system has cascaded down to all employees, from country management to field staff. The system has clear guidelines provided for a more focused performance management, discussing performance-related rewards and developing low performers through a new performance 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 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. Among the participants, two staff from BRAC Sierra Leone received training on four modules: BRAC values, inclusion and

diversity, gender awareness and people leadership programme. 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 BRAC International's senior management.

In 2015, a 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. Risk management services seek to limit adverse variations in programme activities and outcome by managing risk exposures within agreed levels of risk appetite. Risk management processes in BI have continued to prove effective throughout 2015, with developing a group risk register. Executive management remained closely involved in important risk management initiatives, which have focused particularly 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 down through the country management team to each programme manager and risk focal. Risks are controlled at the level of individual exposures as well as in aggregate across all programmes and risk types.

On a country level, the biannual assessment of overall risk management was completed. 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.

RESEARCH AND EVALUATION UNIT

The research and evaluation unit has a mandate to conduct programmatic, specific research studies of the organisation's various programmes and projects. It is essentially the backbone of every project being implemented and provides the landscape on which the organisation stands. The unit provides quality and reliable data through programmatic survey evaluations, which it achieves through its research agenda.

The research and evaluation unit focuses on systematic analysis of specified subjects that then provides the basis for describing the causes and effects

of factors that predict the occurrence of such events. Systematic analysis adopted by the unit involves formulating questions, assumptions, data generation, data analysis and interpretations as well as drawing inferences. The unit is credited for producing complete data for its programmes and projects. This helps management and the organisation generally in setting priorities, making decisions, solving problems, impact assessments, and comparative analysis.

The regional research unit of BRAC in Sierra Leone provides methodical support to the existing operations in the country through programmatic evaluations, useful insights in developing project proposals, and active monitoring of project activities.

GOVERNANCE

BRAC SIERRA LEONE

BRAC SIERRA LEONE (NGO)

Local Board Members

Dr AMR Chowdhury
Mr Faruque Ahmed
Mr Shib Narayan Kairy

BRAC MICROFINANCE (SL) LTD

Local Board Members

Mr Faruque Ahmed
Mr Shib Narayan Kairy
Mr Shameran Abed
Mr Tapan Kumar Karmaker
Mr Neal Delaurentis
Mr Arjuna Costa

Ex Officio

Mr Tapan Kumar Karmakar

COUNTRY ADVISORY COMMITTEE MEMBERS

Joe Robert Pemagbi
Aisha Fofana Ibrahim
Edna Margaret Rachael Jones
Sonkita Conteh

MANAGEMENT

Tapan Kumar Karmaker • Country Representative, BRAC
Sierra Leone

Tapan Kumar Karmaker • Managing Director, Micro finance
Ltd., Sierra Leone

Md Rezaul Karim • Programme Manager, Microfinance

Berhanu Tamiru Tirfe • Programme Manager, Health

Diana Kagwa • Programme Manager, Empowerment and
Livelihood for Adolescent

Md Monoarul Islam • Programme Manager, Poultry and Livestock

Mahmod Hasan Sohel • Programme Manager, Agriculture

Alex Cline • Country Head of Accounts

Md Akhter Hossain Miah • Country Head of Internal Audit

Edwin Worneh Jarfoi • Human Resources and Training Lead

DEVELOPMENT PARTNERS

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



BRAC IN SIERRA LEONE

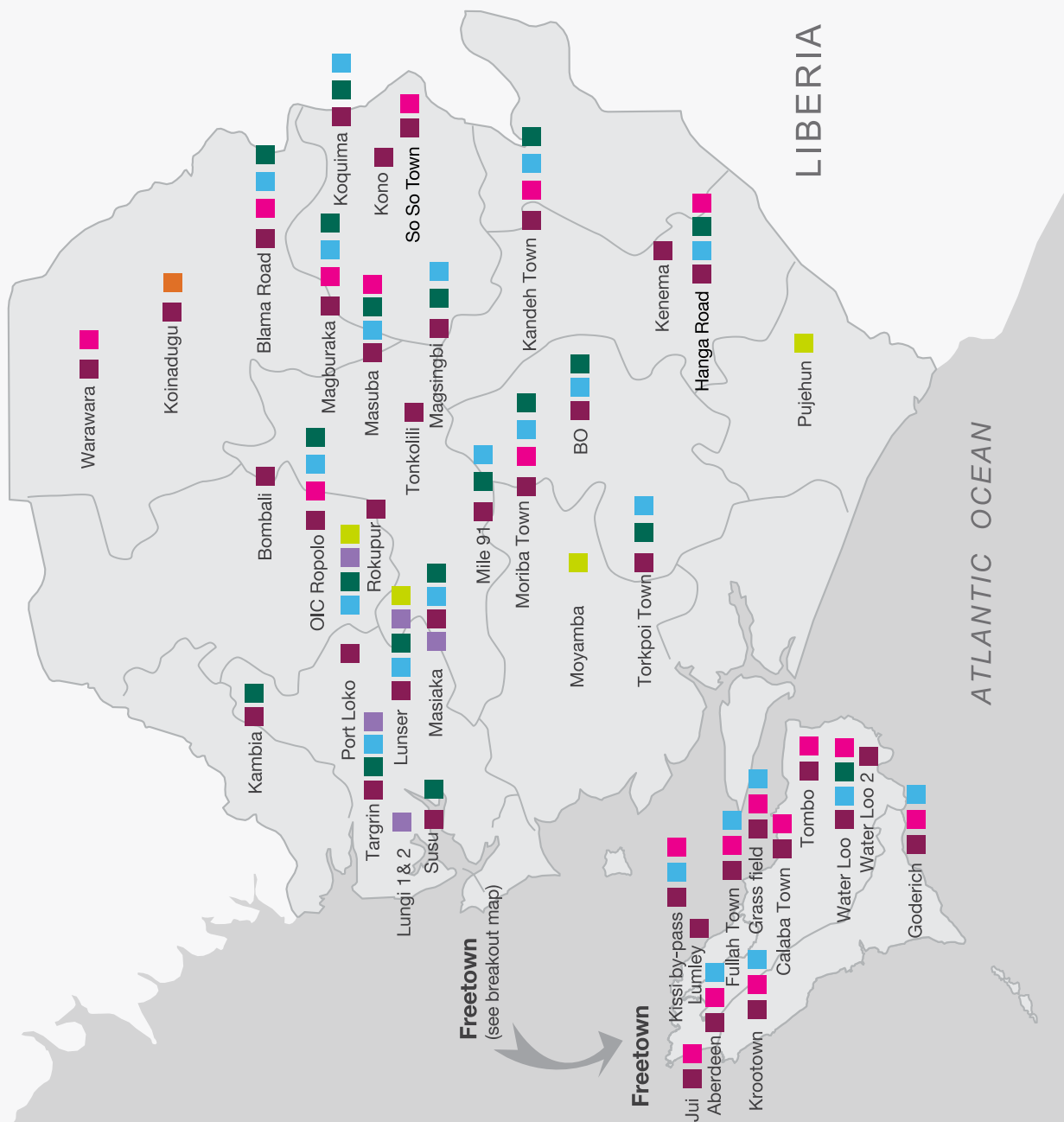
GUINEA

LIBERIA

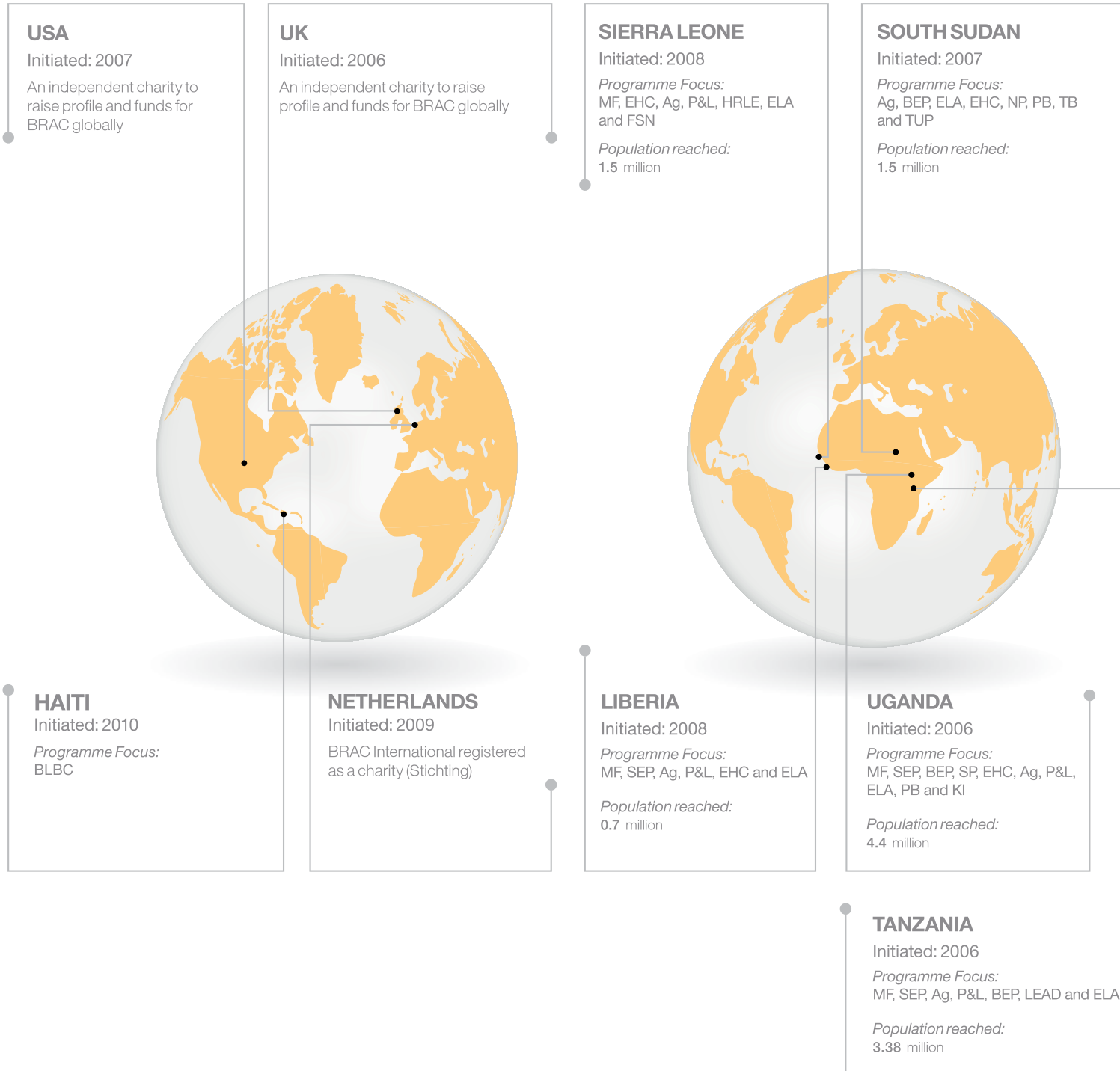
ATLANTIC OCEAN

Branch Programmes

- Agriculture, Livestock and Poultry
- Health
- Microfinance
- ELA (Adolescents)
- Human Rights and Legal Empowerment (HRLE)
- Small Enterprise Programme
- DEC (Disaster Emergency Committee)



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

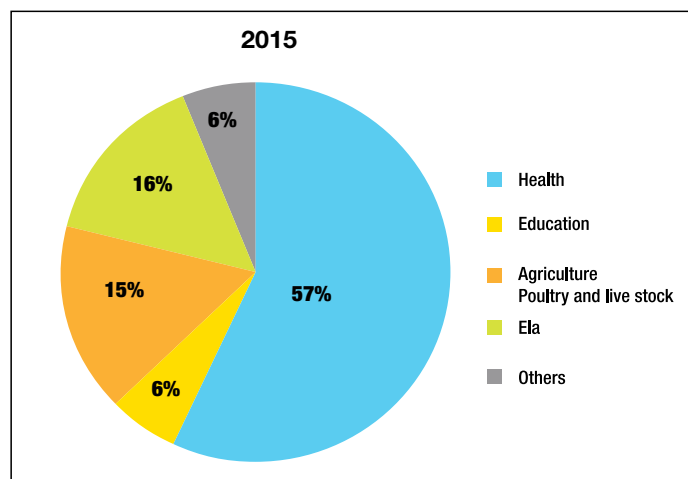
BRAC Sierra Leone received grants amounting to USD 3,239,000 in 2015 as against USD 1,699,000 in 2014. Total Project expenses for the year were USD 3,534,000 as against USD 3,449,000 in last year. Out of the total expenses majority is expensed in Health programs with supported by SEDF, Oxfam, Comic Relief and GFATM. All most 88% of total expenditure is being used for program service with only 12% as admin expenses.

Total Equity as at 31 December 2015 stands at USD 127,000 as against USD 130,000 in 2014.

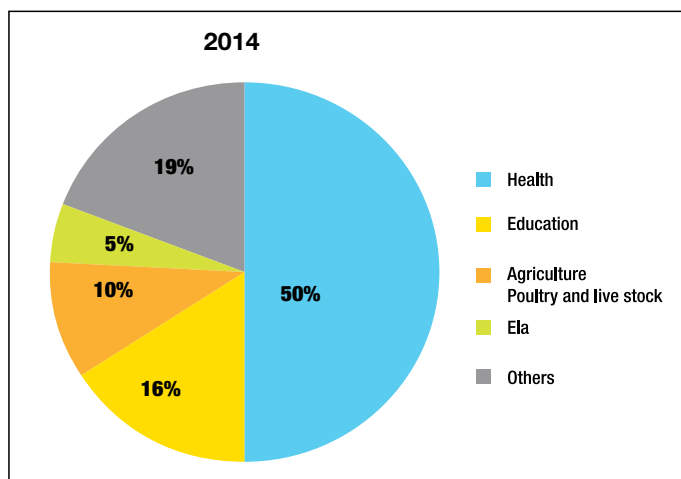
Programme Cost by Nature of Programme

Programme	Year 2015	Year 2014
	USD	USD
Health	2,007,000	643,000
Education	223,000	1,722,000
Agriculture, Poultry and livestock	532,000	544,000
ELA	579,000	365,000
Others	193,000	175,000
Total	3,534,000	3,449,000

Pie Chart (Programme-wise) 2015



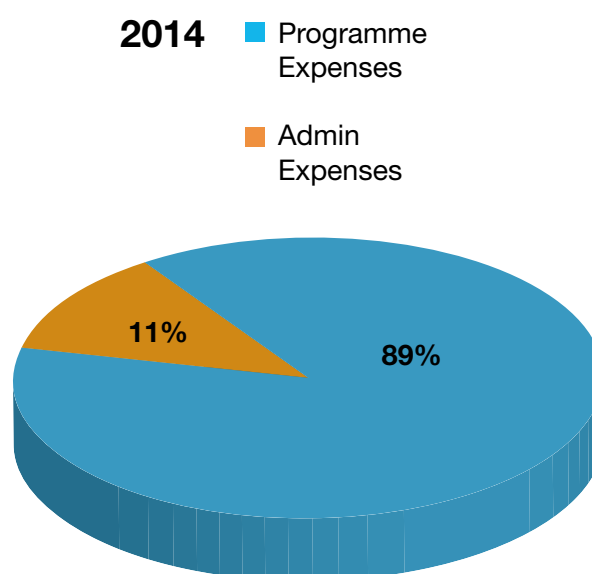
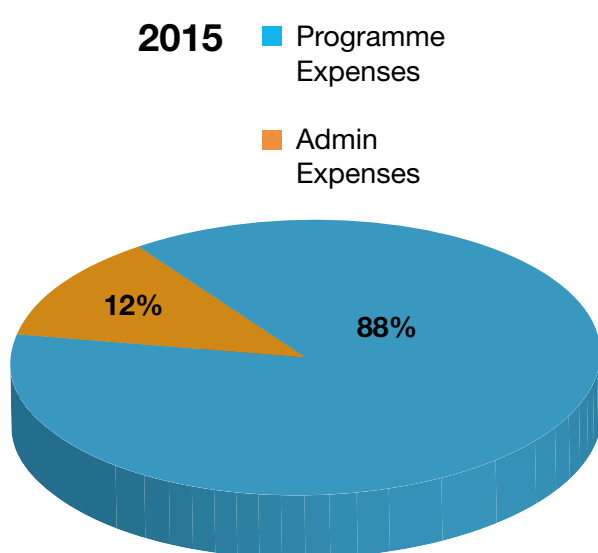
Pie Chart (Programme-wise) 2014



FINANCIALS - NGO

Programme Cost by Nature of Expenses

Expenses	Year 2015	Year 2014
	USD	USD
Programme expenses	3,109,920	3,064,000
Admin expenses	424,080	385,000



Income Statement	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
	USD	USD	USD	USD	USD
Grant income	3,454,000	3,273,000	3,854,000	1,443,000	1,274,000
Other income	105,000	82,000	36,000	129,000	42,000
Programme expenses	3,109,920	3,064,000	3,615,000	1,397,526	986,430
Admin expenses	424,080	385,000	312,000	174,474	329,570

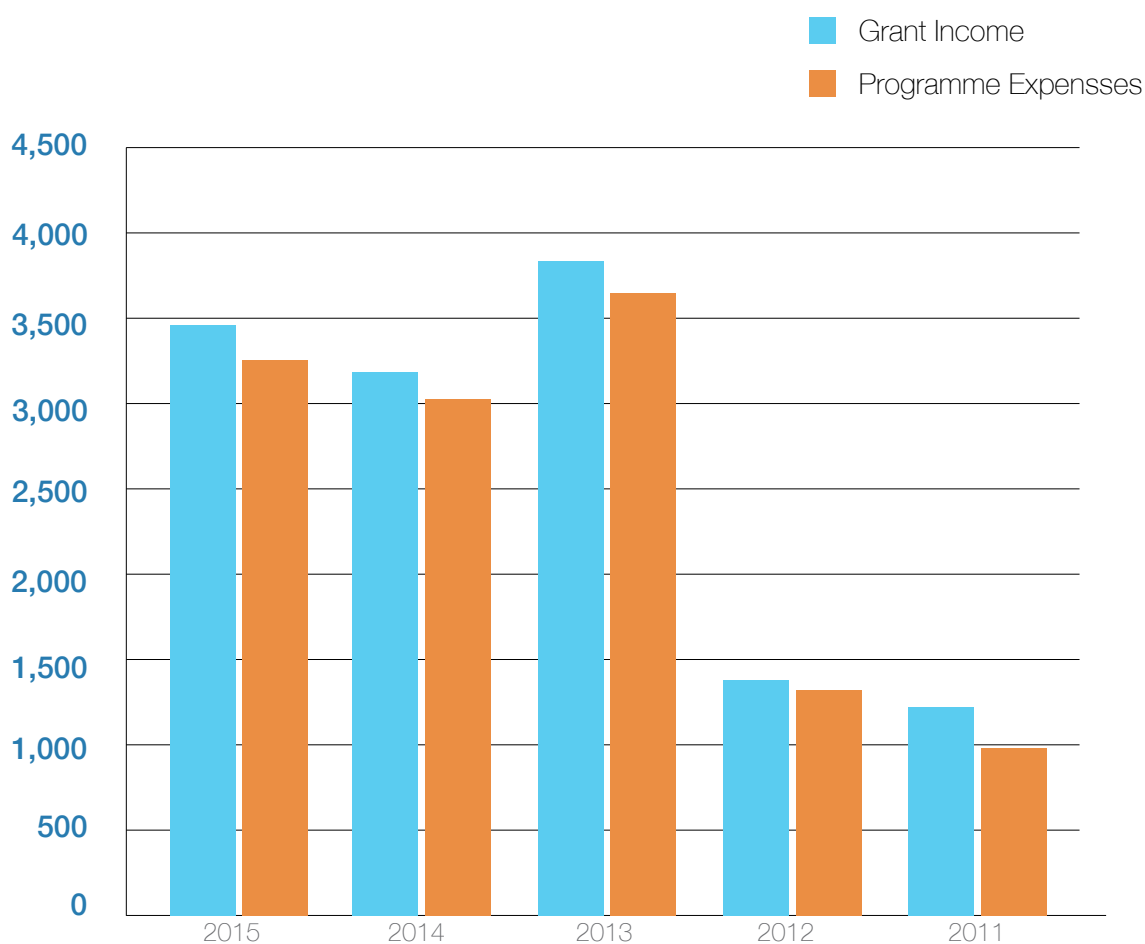
FINANCIALS - NGO

Performance Review

Financial Position	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
	USD	USD	USD	USD	USD
Net equity	127,000	130,000	1,791,000	253,000	128,000
Cash at bank	593,000	553,000	1,804,000	347,000	190,000

Operational Statement	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
No. of Projects	21	17	15	14	7

Grant used as income Vs. Programme expenses(In'000 USD)



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

FINANCIALS - Microfinance

Net income

BRAC Microfinance (SL) Ltd. registered Net loss before tax USD of 443,000 of as against USD 410,000 in 2014. The company resume its operation on March 2015 after a suspension of 8 months due to Ebola.

Operating expenses

Total operating expenses for the year was USD 1,287,000 compared to USD 1,390,000 in 2014 showing a decrease of 7.4%.

Provisions for impairment losses

This year amount charged for impairment on loans was USD 309,000 as against 33,000 in 2014, showing an increment of 8.38 times than 2014. The major reason for such increment is due to the write-off's incurred during Ebola. Total reserve as against impairment in 2015 was USD 262,000 and USD 209,000 in 2014, representing 9.08% of Gross portfolio. Portfolio At Risk (PAR>30) is 10.16% in 2015 and 5.52% in 2014.

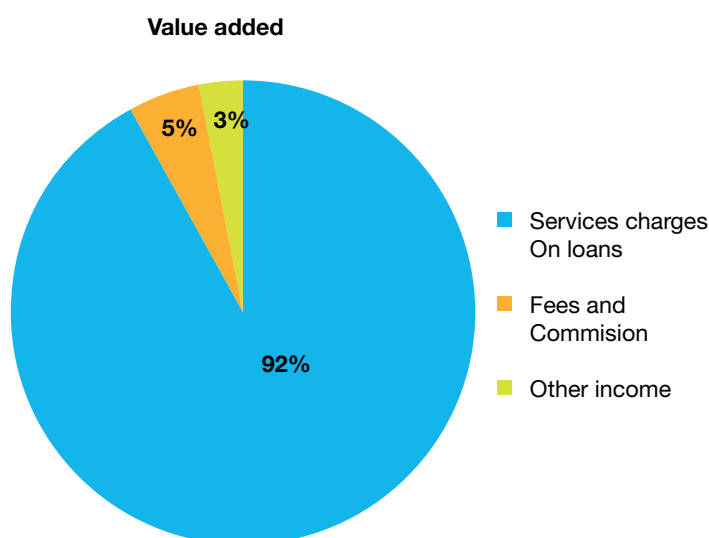
Financial position

In 2015 the company's total assets decreased by 15.51% to USD 3,291,000. Loans and advances to customers decreased by 6.74% and is now 80.70% of total assets. The reason of decrement is additional writeoffs on ebola and devaluation of local currency against USD (2015-5,577; 2014- 4,780)

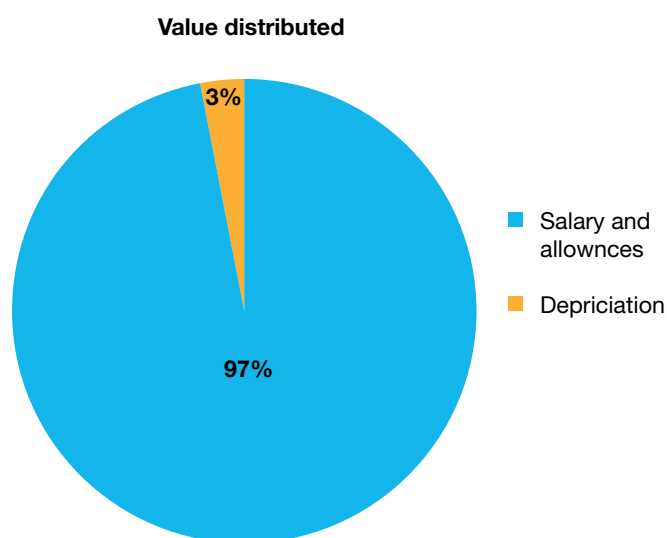
Value added statements

A value added statement provides a detailed account of total value addition and the distribution of value created by the organization. BRAC Microfinance (SL) Ltd. contributes positively to overall economic development by empowering the poor people (specially female) 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 the organisation'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	1,061,000	370%	941,000	174%
Fees and commission income	55,000	19%	54,000	10%
Other income	37,000	13%	24,000	4%
Operating exp.	(557,000)	-194%	(528,000)	-82%
Loan prov. (doubtful losses)	(309,000)	-108%	(33,000)	-6%
Total	287,000	100%	458,000	100%

Value distributed:	Year 2015		Year 2014	
	USD	%	USD	%
Employees				
Salary and allowances	832,000	290%	876,000	191%
Local Authorities				
Taxes	-	0%	(10,000)	-2%
Growth				
Retained income	(569,000)	-198%	(439,000)	-96%
Depreciation	24,000	8%	31,000	7%
Total	287,000	100%	458,000	100%

FINANCIALS - Microfinance

Performance Review

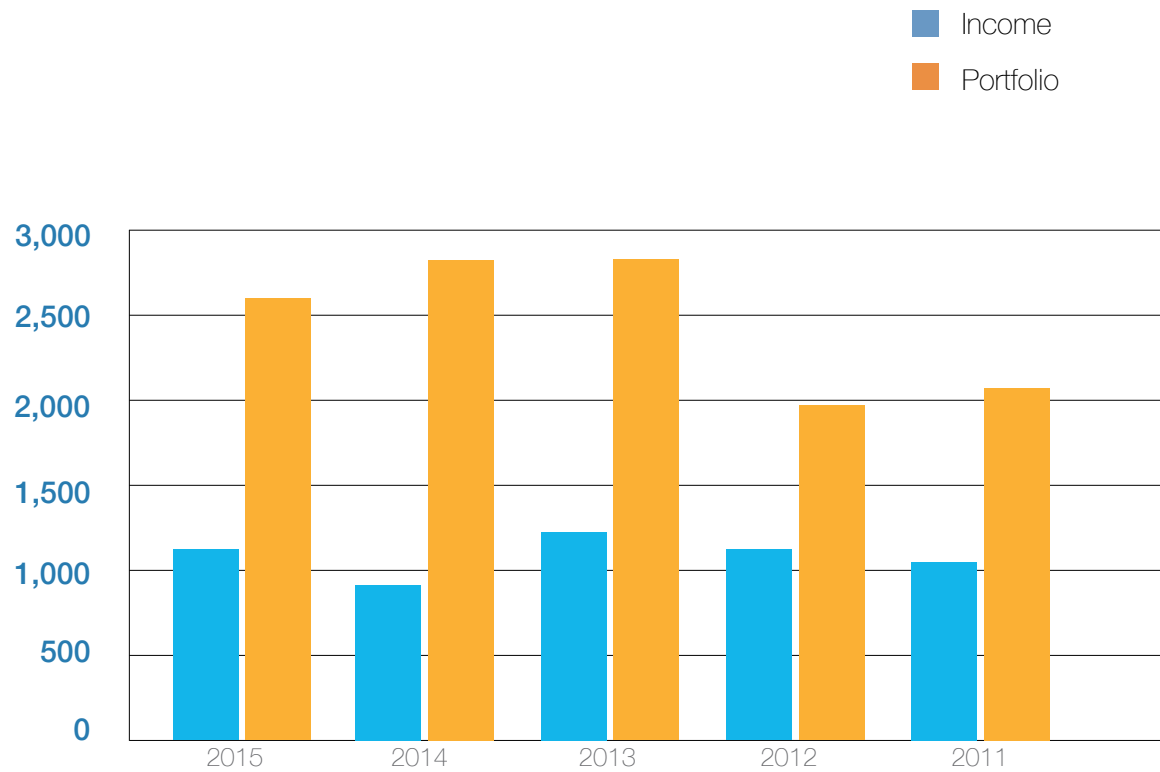
Income Statement	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
	USD	USD	USD	USD	USD
Operating income	1,153,000	1,013,000	1,321,000	1,272,000	1,153,000
Net (loss) before tax	(443,000)	(410,000)	(638,000)	(965,000)	(703,000)

Financial Position	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
	USD	USD	USD	USD	USD
Total asset	3,291,000	3,895,000	4,342,000	3,624,000	4,207,000
Net equity	1,440,000	2,151,000	2,686,000	2,587,000	3,520,000
Loans to customers (net)	2,656,000	2,848,000	2,840,000	2,006,000	2,096,000
Cash at bank	346,000	705,000	1,037,000	816,000	1,449,000

Returns and Ratio	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
	USD	USD	USD	USD	USD
Return on asset	-12%	-10%	-16%	-25%	-15%
Cost to income	149%	142%	148%	176%	161%

Operational Statistic	Year 2015	Year 2014	Year 2013	Year 2012	Year 2011
Total borrowers	24,815	23,339	21,046	16,522	21,308
PAR>30	10.16%	5.52%	5.33%	7.46%	12.43%

Operating Income Vs Portfolio (In '000 USD)



BRAC Sierra Leone

Financial Statements for the year ended 31 December 2015

General Information

Board of Directors: Dr. A M R Chowdhury - Chairperson
Mr. Faruque Ahmed - Member
Mr. Shib Narayan Kairy - Member

Office: BRAC Sierra Leone
174 Wilkinson Road
Freetown
Sierra Leone

Country Representative: Tapan Kumar Karmaker

Bankers : Standard Chartered Bank

Auditors : KPMG
Chartered Accountants
KPMG House
37 Siaka Stevens Street
Freetown

Management's Responsibility Statement

The Directors' are responsible for the preparation and presentation of these financial statements, which comprise the statement of financial position as at 31 December 2015, the statements of comprehensive income and statement of cash flows for the year then ended and the notes to the financial statements which include a summary of significant accounting policies and other explanatory information, on the basis of accounting policies described in note 3 of the financial statements; and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud and error.

Approval of the financial statements

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



Board Member



Board Member



KPMG Sierra Leone
KPMG House
37 Siaka Stevens Street
P. O. Box 100
Freetown
Sierra Leone

Telephone: 232-22-222 061/2
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Email: kpmg@kpmg-sl.com

Independent Auditors' Report to the Board of Directors of BRAC Sierra Leone

We have audited the financial statements of BRAC Sierra Leone which comprise the statement of financial position as at 31 December 2015, the statements of comprehensive income and cash flows for the year then ended and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on page 42 to 52.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and presentation of these financial statements in accordance with the significant accounting policies stated in note 3 of the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility for the financial statements

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 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 controls 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 management, as well as evaluating the overall financial statements presentation.

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



Independent Auditors' Report to the Board of Directors of BRAC Sierra Leone

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BRAC Sierra Leone as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with the significant accounting policies adopted by the organization as stated in note 3 of the financial statements.

Other matter

The financial statements have been prepared in accordance with the basis of accounting described in note 3 for the purpose of determining the financial position of BRAC Sierra Leone for use by its management, BRAC and other donors, and the financial statements and related auditor's report may not be suitable for another purpose. Our report is intended solely for BRAC Sierra Leone of 174 Wilkinson Road, Freetown and should not be distributed to or used by parties other than BRAC Sierra Leone, BRAC and other donors.

Freetown

Chartered Accountants


Date: 31 March 2016

Statement of Financial Position


As at 31 December 2015

In thousands of Leones/USD	Notes	SLL		USD	
		2015	2014	2015	2014
Assets					
Property and equipment	10	745,254	931,296	134	195
Total non-current assets		745,254	931,296	134	195
Current assets					
Cash and bank balances	11	3,306,587	2,642,836	593	553
Other assets	12	1,325,177	2,018,456	237	422
Total current assets		4,631,764	4,661,292	830	975
Total assets		5,377,018	5,592,588	964	1,170
		=====	=====	=====	=====
Liabilities and capital fund					
Current liabilities					
Other payables	15	1,291,039	1,704,617	232	357
Related party payables	18	3,375,404	3,267,306	605	683
Total current liabilities		4,666,443	4,971,923	837	1,040
Capital fund					
Donor funds	13	3,574,954	931,296	641	195
Retained surplus		(2,864,379)	(310,631)	(514)	(65)
		710,575	620,665	127	130
Total liabilities and capital fund		5,377,018	5,592,588	964	1,170
		=====	=====	=====	=====

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



Board Member



Board Member


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


Statement of Comprehensive Income

For the year ended 31 December 2015

<i>In thousands of Leones/USD</i>	Note	2015	SLL	2014	2015	USD	2014
Income							
Grant income	4	19,266,062		15,645,532	3,454		3,273
Other income	5	582,775		393,314	105		82
Total income		19,848,837		16,038,846	3,559		3,355
Expenditures							
Staff costs and other benefits	6	5,454,983		6,348,829	978		1,328
Other general administrative expenses	7	10,205,431		6,814,077	1,830		1,426
Training, workshops and seminars	8	2,099,703		1,779,417	376		372
Occupancy expenses	9	1,704,845		1,329,682	306		278
Depreciation	10	242,892		215,964	44		45
Total expenditure		19,707,854		16,487,969	3,534		3,449
Operating surplus/(deficit)		140,983		(449,123)	25		(94)
Other comprehensive income							
Unrealized exchange (loss)/gain		(2,694,731)		305,997	(483)		64
Total Comprehensive Income		(2,553,748)		(143,126)	(458)		(30)
		=====		=====	=====		=====

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


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Board Member


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Board Member

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

Statement of Cash Flows

For the year ended 31 December 2015

In thousands of Leones/USD	Note	SLL		USD	
		2015	2014	2015	2014
Net cash provided by/(used in operating activities)	16	(1,923,058)	2,012,391	(345)	421
		<u>(1,923,058)</u>	<u>2,012,391</u>	<u>(345)</u>	<u>421</u>
		=====	=====	=====	=====
Cash flow from investing activities					
Acquisition of fixed assets	10	(332,144)	(193,317)	(60)	(40)
Proceeds from disposal		275,293	-	50	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash flow used in investing activities		(56,851)	(193,317)	(10)	(40)
		=====	=====	=====	=====
Cash flow from financing activities					
Changes in deferred grant		(186,042)	(22,647)	(33)	(5)
Changes in grant received in advance		2,829,701	(6,982,693)	507	(1,461)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash flow from financing activities		2,643,659	(7,005,340)	474	(1,466)
		=====	=====	=====	=====
Net increase in cash and bank balances		663,751	(5,186,266)	119	(1,085)
Convenience translation effect		-	-	(79)	(166)
Cash and bank balances at 1 January 2015		2,642,836	7,829,102	553	1,804
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and bank balances at 31 December 2015	11	3,306,587	2,642,836	593	553
		=====	=====	=====	=====

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

Notes to the Financial Statements

1. Reporting entity

BRAC Sierra Leone is a Non-governmental organization which was registered with the Ministry of Development and Economic Planning on the 5 June 2008. The address of the organisation's registered office is 174 Wilkinson Road, Freetown.

BRAC Sierra Leone's principal activities are the provision of health services, education, agriculture, livestock and legal empowerment programs. They are presently operating in the western area and some parts of the northern province.

2. Basis of preparation

(a) Basis of measurement

The financial statements have been prepared on the historical cost basis, using the accruals concept.

(b) Functional and presentation currency

These financial statements are presented in Leones which is the organisation's functional currency. All financial information presented in Leones has been rounded up to the nearest thousand.

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

Foreign currency transactions and conversions

Transactions in foreign currencies are translated to the respective functional currency of the company 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.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in statement of income and expenditure.

Notes to the financial statements *(continued)*

Significant accounting policies *(continued)*

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment 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 labour, 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 capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment 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 company and its cost can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment.

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

	Rates	Useful life
Motor vehicles/Cycles	20%	5 Years
Computer equipment	20%	5 Years
Furniture and fittings	10%	10 Years
Equipment	15%	6.7 Years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Notes to the financial statements *(continued)*

Significant accounting policies *(continued)*

(iv) Disposals

Gains or losses on the disposal or scrapping of property, plant and equipment 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 recognised in the income statement as other operating income or external expenses respectively.

(c) Investments

If the organisation has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequently to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than significant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the organisation from classifying investment securities as held-to-maturity for the current and the following two financial years.

(d) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand and unrestricted balances with banks that are used by the organisation in the management of its short-term commitments.

(e) Employee benefits

Defined contribution plan

The organisation operates a defined contribution scheme. The scheme is generally funded through payments to the National Social Security and Insurance Trust or trustee administrated funds. A defined contribution is a pension plan under which the company pays fixed contribution into the separate entity. The organisation has no legal or constructive obligations to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefit relating to employees service in the current and prior period.

(f) Donor grants

Income from donor grants is recognized when conditions on which they depend have been met. Substantially, 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.

All donor grants received are initially recorded as liabilities in grants received in advanced account. For grants utilized to purchase fixed assets, the donor grants are transferred to deferred income accounts whilst for grants utilized to reimburse program-related expenditure, the amounts are recognized as income.

Notes to the financial statements *(continued)*

Significant accounting policies (continued)

(g) Grant income

This represent amount released from deferred income and grant received in advance account and reported as income for the period.

(h) Other income

Other income comprises foreign exchange gains and bank interest.

(i) Self Insurance Fund

BRAC Sierra Leone 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, upto 50 months' equivalent of basic salary for 10th year of employment onwards.

(j) Segmental reporting

The organisation operates in only one economic environment – Sierra Leone and does not consider that reporting by business segment will lead to a clearer understanding of the financial statements. However, a project wise income and expenditures statement has been shown in note 21.

(k) Staff costs

Staff costs comprise of salaries and allowances of administrative staff and project employees, social security contribution and other related expenses.

(l) Training costs

Training costs comprise of trainings, workshops and seminars of both program staffs and beneficiaries.

(m) Administrative expenses

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

(n) Income tax expense

The organisation is exempt from paying taxes.

Notes to the financial statements (continued)

4. Grant income		SLL		USD
<i>In thousands of Leones/USD</i>	2015		2014	2015
				2014
Transferred from grant received in advances account	19,023,169	15,389,781	3,410	3,220
Grant received from Stitching BRAC International-	-	39,787	-	8
Transferred from deferred income- as a release to match the depreciation charge for the period	242,893	215,964	44	45
	<u>19,266,062</u>	<u>15,645,532</u>	<u>3,454</u>	<u>3,273</u>
	=====	=====	=====	=====
5. Other income				
<i>In thousands of Leones/USD</i>	2015		2014	2015
				2014
Bank interest	2,211	422	-	-
Income from health	720	-	-	-
Income from agricultural	13,123	-	2	-
Income from poultry	7,816	-	2	-
BRAC contribution	446,549	388,077	8081	
Other project income	112,356	4,815	20	1
	<u>582,775</u>	<u>393,314</u>	<u>104</u>	<u>82</u>
	=====	=====	=====	=====
6. Staff cost and other benefit				
<i>In thousands of Leones/USD</i>	2015		2014	2015
				2014
Salaries and other benefits	5,266,665	6,342,808	944	1,327
NASSIT Contribution	86,558	-	15	-
Staff Bonus	20,609	-	4	-
Severance allowance	71,483	-	13	-
Staff insurance costs	9,668	6,021	2	1
	<u>5,454,983</u>	<u>6,348,829</u>	<u>978</u>	<u>1,328</u>
	=====	=====	=====	=====
7. Other general and administrative expenses				
<i>In thousands of Leones/USD</i>	2015		2014	2015
				2014
Maintenance and general expenses	214,799	274,741	39	57
Audit fees	73,765	57,719	13	12
Transportation and traveling	1,443,067	1,411,185	259	295
Stationeries and supplies	92,459	480,147	17	100
Evaluation and monitoring	603,256	1,177,925	108	246
Program supplies	7,194,718	1,989,553	1,290	416
HO logistics & management expenses	583,367	1,422,807	104	298
	<u>10,205,431</u>	<u>6,814,077</u>	<u>1,830</u>	<u>1,424</u>
	=====	=====	=====	=====

Notes to the financial statements (continued)

8. Training, workshop and seminars

	SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014
External member training- EHC	16,803	35,744	3	7
External member training-(GEC)	29,541	639,625	5	134
External member training- Agriculture	-	-	-	-
External member training- Poultry and livestock	26,677	-	5	-
External member training-Cordaid	293	56,703	-	12
External member training- Malaria	487,282	221,833	87	46
External member training- ELA	801,292	746,694	144	156
External member training-RMNCH	-	3,950	-	1
External member training- Manoshi	-	7,468	-	2
External member training-Comic relief	737,815	67,400	132	14
	<u>2,099,703</u>	<u>1,779,417</u>	<u>376</u>	<u>372</u>
	=====	=====	=====	=====

9. Occupancy expenses

<i>In thousands of Leones/USD</i>	2015	2014	2015	2014
Rent and utilities	1,704,845	1,329,682	306	278
	=====	=====	=====	=====

Notes to the financial statements (continued)

10. Property and equipment

<i>In thousands of Leones</i>	Furniture & fixtures	Motor vehicle& cycle	Plant & machinery	SLL	USD
Cost					
At 1 January 2015	487,188	519,625	395,593	1,402,406	293
Additions	-	276,144	56,000	332,144	60
Disposals	-	(307,110)	(196,775)	(503,885)	(90)
Translation difference	-	-	-	-	(42)
At 31 December 2015	487,188	488,659	254,818	1,230,665	221
At 1 January 2014	473,012	343,441	392,636	1,209,089	279
Additions	14,176	176,184	2,957	193,317	40
Translation difference	-	-	-	-	(26)
At 31 December 2014	487,188	519,625	395,593	1,402,406	293
Accumulated depreciation					
At 1 January 2015	155,458	130,221	185,431	471,110	98
Depreciation charge for the period	48,719	120,786	73,387	242,892	44
Disposal	-	(140,791)	(87,800)	(228,592)	(41)
Translation difference	-	-	-	-	(14)
At 31 December 2015	204,177	110,216	171,018	485,411	87
At 1 January 2014	107,365	41,321	106,460	255,146	59
Depreciation charge for the period	48,093	88,900	78,971	215,964	45
Translation difference	-	-	-	-	(6)
At 31 December 2014	155,458	130,221	185,431	471,110	98
Net book value:					
At 31 December 2015	283,011	378,443	83,800	745,254	134
At 31 December 2014	331,730	389,404	210,162	931,296	195

Notes to the financial statements (continued)

11. Cash and bank balances

		SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014	
Bank balances	3,226,627	2,560,262	579	536	
Cash in hand	79,960	82,574	14	17	
	<u>3,306,587</u>	<u>2,642,836</u>	<u>593</u>	<u>553</u>	
	=====	=====	=====	=====	

11.1 Name of bank and balance

		SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014	
Standard Chartered Bank					
SL Limited	2,490,678	2,167,957	447	454	
Guaranty Trust Bank	748	132,377	-	28	
Marampa Masimera					
Community Bank	7,238	8,601	1	2	
Rokel Commercial Bank	98,808	72,245	18	15	
First International Bank	533,603	170,005	96	36	
Union Trust Bank	38,882	9,078	7	2	
Sierra Leone Commercial Bank	56,670	-	10	-	
	<u>3,226,627</u>	<u>2,560,262</u>	<u>579</u>	<u>536</u>	
	=====	=====	=====	=====	

12. Other assets

<i>In thousands of Leones/USD</i>	2015	2014	2015	2014	
Advance to 3rd Party	35,562	1,211,462	6	253	
Current account in transit	36,173	120,661	6	26	
Other receivables (Donors)	1,253,442	536,097	225	112	
Receivables from Microfinance	-	150,236	-	31	
	<u>1,325,177</u>	<u>2,018,456</u>	<u>237</u>	<u>422</u>	
	=====	=====	=====	=====	

13. Donor funds

<i>In thousands of Leones/USD</i>	2015	2014	2015	2014	
Donor fund received in advance					
(13.1)	2,829,701	-	507	-	
Deferred grant (14)	745,253	931,296	134	195	
	<u>3,574,954</u>	<u>931,296</u>	<u>641</u>	<u>195</u>	
	=====	=====	=====	=====	

Notes to the financial statements (continued)

13.1 Donor fund received in advance

In thousands of Leones/USD

	2015	SLL	2014	2015	USD	2014
Opening balance	-		6,982,693	-		1,609
Donation received during the year	18,066,210		8,119,825	3,239		1,699
Adjustment for donation receivables	(536,097)		(55,517)	(96)		(13)
Transferred from Payable to Stichting	1,076,850		-	193		-
Transferred to deferred income- (investment in fixed asset)	(332,144)		(193,317)	(60)		(40)
Transferred to statement of income & expenditures	(19,023,169)		(15,389,781)	(3,411)		(3,220)
Fluctuation adjustment	2,324,609		-	417		-
Donation receivables	1,253,442		536,097	225		112
Disposal	-		-	-		-
Translation difference	-		-	-		(147)
	2,829,701		-	507		-
	=====		=====	=====		=====

13.2 Donation received during the year

	2015	SLL	2014	2015	USD	2014
In thousands of Leones/USD						
NAMATI(OSI-ZUG) (HRLE)	129,648		315,785	23		66
Trocaire (HRLE)	215,108		129,753	39		27
Trocaire (Ebola)	262,350		116,081	47		24
WFP (School feeding)	25,732		220,823	5		48
WFP (IVS)	377,456		60,000	67		13
BRAC USA- MNCH (Health)	-		-	89,981		19
BRAC USA (DECC)	-		-	293,414		61
BRAC USA (Ebola)	-		-	153,059		32
BRAC USA (SOROS)	6,129,778		-	1,099		-
DFID (GPAF-Agri, P&L)	2,129,932		708,767	382		148
DFID(Girl's Education Challenge-GEC)	-		-	1,788,982		374
UNICEF (New ELA)	1,436,892		908,039	258		190
UNICEF (Cholera)	-		-	(7,759)		(2)
Cordaid (Material box)	26,332		-	4		-
Comic Relief(Health)	1,574,427		708,356	282		148
GFATM (CRS - Malaria)	557,628		663,277	100		139
Comic Relief (YMCA-Ebola)	-		153,122	-		32
GSK(Manoshi)	-		1,232,890	-		258
DFID (Ebola Recovering)	2,161,125		585,255	387		122
BRAC UK (DEC)	165,745		-	30		-
BRAC UK (Pig Rearing)	56,516		-	10		-
BRAC International (Emergency flood)	176,303		-	32		-
Oxfam (DFID) – Ebola	2,641,238		-	474		-
	18,066,210		8,119,825	3,239		1,699
	=====		=====	=====		=====

Notes to the financial statements (continued)

14. Donor funds investment in fixed assets

		SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014	
Opening balance	931,294	953,943	167	220	
Transferred from grant received in advance account	332,144	193,317	59	40	
Depreciation charged during the year	(242,892)	(215,964)	(44)	(45)	
Disposal	(275,293)			-	
Translation difference	-		(49)	(20)	
Balance at 31 December	745,253	931,296	133	195	
	=====	=====	=====	=====	

15. Other payables

<i>In thousands of Leones/USD</i>	2015	2014	2015	2014	
Provision for audit fees	73,762	57,719	13	12	
Bonus provision	40,823	5,844	8	1	
Payables to Microfinance	11,285	-	2	-	
Salary and other provisions	679,046	1,145,199	122	239	
Self insurance fund	24,799	16,986	5	4	
Revolving fund- health	208,234	188,935	37	40	
Revolving fund- agriculture	68,369	60,533	12	13	
Revolving fund- poultry and livestock	24,225	24,117	4	5	
Severance allowance provision	160,466	205,284	29	43	
	1,291,039	1,704,617	232	357	
	=====	=====	=====	=====	

16. Cash flow from operating activities

<i>In thousands of Leones/USD</i>	2015	2014	2015	2014	
Excess of income over expenditure	(2,553,748)	(143,126)	(458)	(30)	
Depreciation	242,892	215,964	44	45	
Written off	-	-	-	-	
Cash flow before changes in working capital	(2,310,856)	72,838	414)	15	
Changes in working capital					
Changes in other assets	693,278	(126,672)	124	(27)	
Changes in other payables	(413,578)	(180,049)	(74)	(38)	
Changes in related party payables	108,098	2,246,274	19	470	
	(1,923,058)	2,012,391	(345)	420	
	=====	=====	=====	=====	

Notes to the financial statements *(continued)*

17. Contingent liabilities

There were no contingent liabilities at the financial position date. (2014: Nil)

18. Related party

The organisation has a related party relationship with Stichting BRAC International and BRAC Bangladesh which provides management and administrative service to the organization.

Year end balance arising from transactions with related party

In thousands of Leones/USD	2015	SLL	2014	2015	USD	2014
Payable to Stichting BRAC International	28,819	968,852		5		203
Payable to BRAC Bangladesh	3,346,585	2,298,454		600		480
	<u>3,375,404</u>	<u>3,267,306</u>		<u>605</u>		<u>683</u>
	=====	=====		=====		=====

Exchange rate used for the period:

	2015	2014
1USD= SLL	5,577.50	4,780

19. Capital commitments

There were no capital commitments at the financial position date. (2014: Nil)

20. Post balance sheet events

Events subsequent to the financial position date are disclosed only to the extent that they relate directly to the financial statements and their effect is material. As at the date of signing this set of financial statements, there were no material post balance sheet events.

Notes to the financial statements (continued)

21. Segmental income statement (In thousands of Leones/USD)

BRAC Sierra Leone
Financial statements
for the year ended 31 December 2015

	Non Funded	Health Program										Education				Agriculture, Poultry & Livestock				ELA				Community Development			Total
	Country office	Malaria	Cordaid	SBI-EHC	Comic Relief	Ebola comic relief	WFP- School Feeding	SBI Ebola	Ebola Orphan	Ebola SCOPS	Manoshi	GEC	GPAP	WFP- IYS	Pig Rearing	Food Security (DEC)	ELA	Ebola ELA	ELA (Ebola Recovery)	Emergency Flood Project	Women's Right Legal Empowerment	Ebola Treatise	Legal Empowerment				
	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL	SILL			
INCOME																											
Grant Income	77,533	906,050	42,241	114,494	1,750,964	61,263	-	255,866	2,928,469	4,656,809	630,112	1,458,732	1,510,390	267,728	226,065	491,384	1,324,608	3,300	1,900,475	149,300	234,530	248,784	26,915	19,266,062			
BRAC Contribution	-	-	-	-	-	-	-	-	-	-	-	-	446,549	-	-	-	-	-	-	-	-	-	-	446,549			
Foreign exchange gain	(2,324,609)	-	-	-	- (63,012)	-	-	-	-	- (94,518)	-	(212,693)	-	-	-	-	-	-	-	-	-	-	-	(2,694,731)			
Other Income	114,567	-	-	720	-	-	-	-	-	-	-	-	20,939	-	-	-	-	-	-	-	-	-	-	136,226			
TOTAL INCOME	(2,132,509)	906,050	42,241	115,214	1,687,982	61,283	-	255,866	2,928,469	4,562,290	630,112	1,246,140	1,977,878	267,728	226,065	491,384	1,324,608	3,300	1,900,475	149,300	234,530	248,784	26,915	17,154,106			
EXPENDITURE																											
Staff costs and other benefits	488,574	296,107	-	113,328	414,588	-	-	-	570,448	990,712	43,784	729,013	517,170	136,418	105,267	258,576	388,928	-	223,006	-	125,786	26,679	16,933	5,445,315			
Staff Insurance	-	695	38	1,574	965	-	-	-	9	2,249	361	327	1,121	448	136	262	496	-	477	-	477	-	41	9,668			
Training, workshops and seminars	-	487,282	293	(800)	737,815	-	-	-	-	-	17,603	29,541	-	-	26,677	-	801,292	-	-	-	-	-	-	2,099,702			
Occupancy expenses	6,429	37,319	-	4,904	198,600	17,015	-	-	589,549	436,967	8,459	250,002	44,679	-	30,606	79,416	-	-	-	-	-	-	-	1,704,845			
Legal fees & audit fees	73,766	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,766			

Notes to the financial statements (continued)

21. Segmental income statement (In thousands of Leones/USD)

Stationery & Supplies	23,763	-	-	(54,402)	-	-	-	84,264	-	-	36,124	1,370	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,350	-	92,469
Maintenance and general expenses	4,177	-	-	15,762	-	-	-	-	-	-	-	2,212	-	74,036	-	118,613	-	-	-	-	-	-	-	-	-	-	-	-	-	214,799
Evaluation and Monitoring	-	33,034	25,021	-	73,888	-	-	-	70,795	-	141,651	78,150	114,098	-	53,164	-	7,211	-	-	-	-	-	-	-	265	-	-	-	-	603,266
Program supplies	-	8,544	14,878	8,609	64,304	44,268	-	171,612	836,534	2,536,210	342,469	-	1,122,001	39,311	2,724	21,980	67,749	3,300	1,429,919	149,300	108,002	222,105	-	-	-	-	-	-	7,194,718	
Travel and transportation	62,514	-	-	25,277	-	-	-	-	715,884	243,696	7,945	63,189	177,909	-	7,492	11,866	58,383	-	61,158	-	-	-	-	-	-	-	-	8,591	-	1,443,067
HO logistic expenses	(315,517)	43,098	2,011	-	160,715	-	-	-	139,451	317,893	32,316	-	-	17,515	-	-	-	-	185,915	-	-	-	-	-	-	-	-	-	-	583,367
Depreciation	77,533	-	-	982	37,108	-	-	-	-	34,593	-	91,455	-	-	-	671	570	-	-	-	-	-	-	-	-	-	-	-	-	242,892
TOTAL EXPENSES	421,239	906,049	42,241	115,214	1,887,982	61,283	-	253,686	2,928,470	4,582,290	630,112	1,246,139	1,977,878	267,728	226,066	491,384	1,324,609	3,300	1,900,475	149,300	234,530	248,764	26,915	-	-	-	-	-	-	19,707,855
Net surplus/ (loss)	(2,553,748)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,553,748)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET SURPLUS/(LOSS) FOR THE YEAR	(2,553,748)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,553,748)

Notes to the financial statements (continued)

21. Segmental income statement (In thousands of Leones/USD)

Project Wide Income and Expenditures statement (USD)																											
Non Funded		Health Program										Education				Agriculture, Poultry & Livestock				ELA			Emergency Flood Project		Community Development		
	Country office	Malina	Cordaid	SBI- BHC	Conic Relief	Ebola comic relief	WFP- School Feeding	SBI Ebola	Ebola Oxfam	Ebola SOROS	Manoahi	GEC	GRAF	WFP-IVS	Pig Rearing	Food Security (DEC)	ELA	Ebola ELA	ELA (Ebola Recovery)	Women's Right and Legal Empowerment	Ebola Tricare	Legal Empowerment					
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD					
INCOME																											
Grant Income	14	162	8	21	314	11	-	46	525	835	113	202	271	48	41	88	237	1	341	27	42	45	5	3,454			
BRAC Contribution	-	-	-	-	-	-	-	-	-	-	-	-	80	-	-	-	-	-	-	-	-	-	-	80			
Foreign exchange gain	(417)	-	-	-	(11)	-	-	-	-	(17)	-	(38)	-	-	-	-	-	-	-	-	-	-	-	(483)			
Other Income	21	-	-	0	-	-	-	-	-	-	-	-	4	-	-	-	-	-	-	-	-	-	-	24			
																								-			
TOTAL INCOME	382	162	8	21	303	11	-	46	525	818	113	223	355	48	41	88	237	1	341	27	42	45	5	3,076			
EXPENDITURE																											
Staff costs and other benefits	88	53	-	20	74	-	-	-	102	178	8	131	93	24	19	46	70	-	40	-	23	5	3	976			
Staff insurance	-	0	0	0	0	-	-	-	0	0	0	0	0	0	0	0	0	-	0	0	0	-	0	2			

Notes to the financial statements (continued)

21. Segmental income statement (In thousands of Leones/USD)

Training, workshops and seminars	-	67	0	(6)	132	-	-	-	-	-	3	5	-	-	-	144	-	-	-	-	-	-	-	376
Occupancy expenses	1	7	-	1	36	3	-	-	106	78	2	45	8	-	5	14	-	-	-	-	-	-	-	306
Legal fees & audit fees	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	
Stationery & Supplies	4	-	-	(10)	-	-	15	-	-	-	6	0	-	-	-	-	-	-	-	-	-	0	17	
Maintenance and general expenses	1	-	-	3	-	-	-	-	-	-	-	0	-	-	13	21	-	-	-	-	-	-	39	
Evaluation and Monitoring	-	6	4	-	13	-	-	-	14	-	25	14	20	-	10	-	1	-	-	0	-	-	108	
Program supplies	-	2	3	2	12	8	-	31	150	455	61	-	201	7	0	4	12	1	256	27	19	40	-	1,260
Travel and transportation	11	-	-	5	-	-	-	-	128	44	1	11	32	-	1	2	10	-	11	-	-	-	2	259
HO logistic expenses	(57)	8	0	-	29	-	-	-	25	57	6	-	-	3	-	-	-	-	33	-	-	-	105	
Depreciation	14	-	-	0	7	-	-	-	-	6	-	16	-	-	-	0	0	-	-	-	-	-	44	
TOTAL EXPENSES	76	162	8	21	303	11	-	46	525	818	113	223	355	48	41	88	237	1	341	27	42	45	5	3,533
Net surplus/ (loss)	(458)	0	-	-	(0)	-	-	-	(6)	-	-	-	-	-	(0)	-	(0)	-	-	-	-	-	-	(458)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET SURPLUS/ (LOSS) FOR THE YEAR	(458)	0	-	-	(0)	-	-	-	(6)	-	-	-	-	-	(0)	-	(0)	-	-	-	-	-	-	(458)

BRAC Microfinance (SL) Limited

Financial Statements

for the year ended 31 December 2015

BRAC Microfinance (SL) Limited*Financial statements**for the year ended 31 December 2015***General information**

Directors : Mr. Faruque Ahmed - Chairperson
Mr. Tapan Kumar Karmaker - Managing Director
Mr. Shameran Bahar Abed - Director
Mr. Neal Delaurentis - Director
Mr. Arjuna Costa - Director

Registered office : 174 Wilkinson Road
Freetown
Sierra Leone

Bankers : Standard Chartered Bank
Rokel Commercial Bank Sierra Leone Limited
Ecobank SL Ltd
First International Bank Ltd
Guaranty Trust Bank(SL) Ltd
Community Bank
Sierra Leone Com. Bank Ltd.
United Bank of Africa
Union Trust Bank Ltd.
Yoni Community Bank
Zenith Bank (SL) Ltd.

Auditors : KPMG
Chartered Accountants
KPMG House
37 Siaka Stevens Street
Freetown.

Report of the Directors

The directors have pleasure in submitting their report and financial statements on the affairs of the company for the year ended 31 December 2015.

Principal activity

The company is engaged in micro credit financing activities.

Directors' responsibility statement

The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the financial position as at 31 December 2015 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the report of the directors in accordance with note 3 of the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Capital adequacy

The Bank of Sierra Leone is required to prescribe a minimum capital adequacy ratio for financial institutions, but this is yet to be determined for micro financing institutions.

Results for the year

The organisation made a loss of SLL 3.1 billion for the year ended 31 December 2015, (2014: SLL2.1 billion).

Directors and their interest

The names of the directors are on page 1. None of the directors had any interest in the share capital of the company and no director has or had during the period, a material interest in any contract or arrangement of significance to which the organisation's was or is a party.

Property and equipment

Details of the company's property and equipment are shown in note 16 to the financial statements

Employment of disabled people

BRAC Microfinance (SL) Limited is an equal opportunity employer and adheres strictly to the principle of meritocracy and fairness in all making. Discrimination of any individual employee or group of employees on the basis of sex, nationality or religion by another employee or group of employee, if proven, will be regarded as a sanctionable offence. There were no disabled people in employment of the company as at 31 December 2015.

Report of the Directors *(continued)*

Health, safety and welfare at work

BRAC Microfinance (SL) Limited supports the physical and emotional well being of its employees. Therefore, the company provides paid sick leave to all personnel. Doctors approved by the company grant all sick leaves.

Employee involvement and training

BRAC Microfinance (SL) Limited is committed to the smooth progression of its employees to meet current and future needs of the company and career aspirations of employees. The company has a career track to ensure that progression of appropriately skilled and experienced employees meet current and future needs of the company and its employees.

Training and development in BRAC Microfinance (SL) Limited is a continuous, formal process of improving individual performance and competency. Training serves as a vehicle for the transfer and development of requisite skills and aims at building up an empowered workforce. Annual training plans are developed to align with the company strategy and design to support specific performance objectives for each year.

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 Karmaker

Mr Neal Delaurentis

Mr Arjuna Costa

Auditors

The auditors have indicated their willingness for continued in office and in accordance with Section 308 of the Sierra Leone companies Act 2009, a resolution for the re-appointment of KPMG as auditors of the Company is to propose at the forthcoming Annual General Meeting.

Approval of the financial statements

The board of directors approved the financial statements on April 7, 2016.



Chairperson



Director



Director



Director



KPMG Sierra Leone
KPMG House
37 Siaka Stevens Street
P. O. Box 100
Freetown
Sierra Leone

Telephone: 232-22-222 061/2
Telefax: 232-22-228149
Email: kpmg@kpmg-sl.com

Independent Auditor's Report to the Board of Directors of BRAC Microfinance (SL) Limited

We have audited the financial statements of BRAC Microfinance (SL) Limited, which comprise the statement of financial position at 31 December 2015, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 67 to 82.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and presentation of these financial statements in accordance with Note 3 of the financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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' judgement including the assessment of risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments we consider internal control relevant to the entity's preparation 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 directors, 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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BRAC Microfinance (SL) Limited as at 31 December 2015, and of its financial performance and its cash flows for the year ended in accordance with note 3 of the financial statements.



**Independent Auditor's Report to the
Board of Directors of BRAC Microfinance (SL) Limited**

Other matter

The financial statements have been prepared in accordance with the basis of accounting described in note 3 for the purpose of determining the financial position of BRAC Microfinance (SL) Limited for use by its management, and other donors, and the financial statements and related auditor's report may not be suitable for another purpose. Our report is intended solely for BRAC Microfinance (SL) Limited and should not be distributed to or used by parties other than BRAC Microfinance (SL) Limited, and other donors.

Freetown


Chartered Accountants

Date: 7 April 2016

Statement of Financial Position

As at 31 December 2015

Assets

In thousands of Leones/USD	Notes	SLL		USD	
		2015	2014	2015	2014
Cash and bank balances	13	1,927,136	3,371,091	346	705
Loans and advances					
to customers	14	14,815,970	13,612,650	2,656	2,848
Other assets	15	1,155,467	1,059,153	207	222
Property and equipment	16	396,755	512,589	71	107
Current tax assets	12b	62,257	62,257	11	13
Total assets		18,357,585	18,617,740	3,291	3,895
		=====	=====	=====	=====
Liabilities					
Loan security funds	17	3,079,615	2,899,432	552	607
Related party payables	18	4,786,030	3,316,903	858	694
Borrowings	19	1,660,108	1,287,113	298	269
Other liabilities	20	797,882	831,255	143	174
Deferred tax liability	12c	-	-	-	-
Total liabilities		10,323,635	8,334,703	1,851	1,744
		=====	=====	=====	=====
Capital fund					
Share capital	22	12,244,890	12,244,890	2,195	2,562
Donor funds	21	2,357,622	1,432,860	423	299
Retained earnings	23	(13,508,636)	(10,334,787)	(2,422)	(2,162)
Donated equity	24	6,940,074	6,940,074	1,244	1,452
Total capital fund		8,033,950	10,283,037	1,440	2,151
		=====	=====	=====	=====
Total liabilities and capital fund		18,357,585	18,617,740	3,291	3,895
		=====	=====	=====	=====

These financial statements were approved by the Board of Directors on April 7, 2016



Chairperson



Director



Director



Director

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

Statement of Comprehensive Income

For the year ended 31 December 2015

In thousands of Leones/USD	Notes	SLL		USD	
		2015	2014	2015	2014
Service charge on loans	5	5,915,535	4,495,532	1,061	941
Interest expense	6	-	(30,848)	-	(6)
Net income from service charge		5,915,535	4,464,684	1,061	935
Membership fees and other charges	7	307,826	259,571	55	54
Other income	8	207,965	117,781	37	24
Total operating income		6,431,326	4,842,036	1,153	1,013
Net impairment loss on loans	9	(1,723,274)	(155,433)	(309)	(33)
Operating income after impairment charges		4,708,052	4,686,603	844	980
Staff costs	10	(4,640,238)	(4,184,927)	(832)	(876)
Other operating costs	11	(2,406,714)	(2,311,014)	(431)	(483)
Depreciation	16	(134,614)	(150,561)	(24)	(31)
Total operating expenditures		(7,181,566)	(6,646,502)	(1,287)	(1,390)
Loss before income tax		(2,473,514)	(1,959,899)	(443)	(410)
Income tax credit	12a	-	45,531	-	10
Net loss for the year		(2,473,514)	(1,914,368)	(443)	(400)
Exchange gain or loss					
Unrealized exchange loss		(700,335)	(186,178)	(126)	(39)
Total comprehensive loss for the year		(3,173,849)	(2,100,546)	(569)	(439)
		=====	=====	=====	=====

These financial statements were approved by the Board of Directors on April 7, 2016



Chairperson



Director



Director



Director

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

Statement of Changes in Equity
For the year ended 31 December 2015

BRAC Microfinance (SL) Limited
Financial statements
for the year ended 31 December 2015

In thousands of Leones/USD

	Share capital SLL	Donor funds SLL	Donated equity SLL	Retained earnings SLL	Total capital fund SLL	Total capital fund USD
At 1 January 2015	12,244,890	1,432,860	6,940,074	(10,334,787)	10,283,037	2,151
Loss for the year	-	-	-	(2,473,514)	(2,473,514)	(443)
Unrealized exchange loss	-	-	-	(700,335)	(700,335)	(126)
Donation received during the year	-	797,119	-	-	797,119	142
Revolving loan fund for Restless development transferred from other liabilities	-	127,643	-	-	127,643	23
Convenience translation effect	-	-	-	-	-	(307)
At 31 December 2015	12,244,890	2,357,622	6,904,074	(13,508,636)	8,033,950	1,440
=====						
At 1 January 2014	12,244,890	709,750	6,940,074	(8,234,241)	11,660,473	2,686
Loss for the year	-	-	-	(1,914,368)	(1,914,368)	(400)
Unrealized exchange loss	-	-	-	(186,178)	(186,178)	(39)
Donation received during the year	-	723,110	-	-	723,110	151
Convenience translation effect	-	-	-	-	-	(247)
At 31 December 2014	12,244,890	1,432,860	6,940,074	(10,334,787)	10,283,037	2,151
=====						

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

Statement of Cash Flows

For the year ended 31 December 2015

<i>In thousands of Leones/USD</i>	Notes	SLL		USD	
		2015	2014	2015	2014
Cash flow from operating activities	25	254,494	(1,405,696)	46	(294)
Loan disbursements	14.1	(23,229,300)	(19,231,600)	(4,165)	(4,023)
Loan collection	14.1	20,219,986	17,985,363	3,625	3,763
Interest receivable written-off	14.1	(148,295)	-	(27)	-
Net cash flow from operating activities		(2,903,115)	(2,651,933)	(521)	(554)
Cash flow from investing activities					
Acquisition of fixed assets	16	(18,780)	(8,455)	(3)	(2)
Changes in short term deposits		-	-	-	-
Net cash flow from investing activities		(18,780)	(8,455)	(3)	(2)
Cash flows from financing activities					
Changes in borrowings		372,995	361,675	67	76
Changes in loan security fund	17	180,183	444,850	32	93
Changes in donated equity	24	-	-	-	-
Changes in donor funds	21.1	924,762	723,110	165	151
Net cash from financing activities		1,477,940	1,529,635	265	320
Net increase/(decrease) in cash and cash equivalents		(1,443,955)	(1,130,753)	(259)	(236)
Cash and cash equivalents at 1 January		3,371,091	4,501,844	705	1,037
Effect of exchange rate fluctuation		-	-	(100)	(96)
Cash and bank balances at 31 December 2015					
	13	1,927,136	3,371,091	346	705
		=====	=====	=====	=====

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

Notes to the Financial Statements

1. Reporting entity

BRAC Microfinance (SL) Limited was incorporated in Sierra Leone on 23rd January 2009. Its principal activity is the provision of micro finance loans. It commenced full operation in June 2009. The address of its head office is 174 Wilkinson Road in Freetown.

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with note 3 of these financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis using the accruals concept.

(c) Fundamental and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in Sierra Leones (SLL) and United States dollars (USD) which are the organisation's functional and presentation currencies.

Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised 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 recognised in the financial statements are described in the notes 14.2: Impairment allowance for loan losses.

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

Foreign currency transactions and conversions

Transactions in foreign currencies are translated to the functional currency 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. Foreign currency differences arising on retranslation are recognised in profit or loss as other comprehensive income.

Notes to the financial statements (continued)

Significant accounting policies (continued)

(b) Service charge on loan

Service charge on loan is recognised on an accrual basis. The recognition ceases when a loan is transferred to Non Interest Bearing Loan (NIBL) as described in note 3(h). Service charge is recognised thereafter only when it is received.

(c) Other income

Other income comprises foreign exchange currency gain and bank interest. All realised foreign exchange gain and losses are recognized in the profit and loss for the period, whilst all unrealised foreign exchange gains and losses are shown as other comprehensive income, after arriving at the profit or loss for the period. Unrealised foreign exchange gains and losses are not included in the computation of the tax expense for the period.

(d) Fees and commission income

Membership fees and other charges are recognised on an accrual basis when the service has been provided.

(e) Administrative expenses

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

(f) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, balances with other banks and unpledged fixed deposits with original maturities of less than three months, which are subject to insignificant risk of changes in their value and are used by the company in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the balance sheet.

(g) Property, plant and equipment (operating assets)

(i) 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 labour, 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 capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Notes to the financial statements (continued)

Significant accounting policies (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the organisation's and its cost can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leasehold assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

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

	Rates	Useful life
Motor vehicles/Cycles	20%	5 years
Computer equipment	20%	5 years
Furniture and fittings	10%	10 years
Equipment	15%	6.7 years

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

(iv) Disposals

Gains or losses on the disposal or scrapping of property, plant and equipment are determined as the difference between the sales price less the cost of dismantling selling and re-assembly of the assets and the carrying amount. Any gains or losses are recognised in the income statement as other operating income or other expenses respectively.

(h) Financial assets

Loans and advances to Customers

(a) Loans originated by the company by providing finance directly to borrowers, is categorized as loans to group members and is carried at amortised cost, which is defined as fair value of cash consideration given to originate those loans as is determinable by reference to market prices at origination date and subsequently measured at the original effective interest rate at reporting date. All loans and advances are recognized when cash is advanced to borrowers.

b) BRAC Microfinance (SL) Limited generally provides for an allowance for loan impairment at 2% of loan disbursements made. Management regularly assess the adequacy of allowance for impairment based on the age of the loan portfolio. At year end BRAC Microfinance (SL) Limited calculate the required provision for loan losses based on loan classification and provisioning methodology which is shown below and any adjustment, if required are made and accounted for in the financial statement for the year

Notes to the financial statements

Significant accounting policies (continued)

Loan classification	Days in Arrear	Provision required
Standard	No arrear	2%
Watch list	1-30	5%
Substandard	31-180	20%
Doubtful	181-350	75%
Loss	350+	100%

c) Loans within the maturity period are considered "Current Loans", Loans which remains outstanding after the expiry of their maturity period are considered as "Late Loans". Late loans which remain unpaid after one year being classified are considered as "Non Interest bearing loans" (NIBL) and are referred to the Board for write off. Apart from that any loans can be written off subject to the approval of the board where the board thinks that it is not realizable due to death, dislocation of the borrower or any other natural or humanitarian disaster that affects the livelihood of the borrowers. Subsequent recoveries are credited as income in the statement of comprehensive income.

(i) Impairment of financial assets

The organisation 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 organisation 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 organisation first assesses whether objective evidence of impairment exists individually and collectively. If the organisation 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.

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 recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

Notes to the financial statements

Significant accounting policies (continued)

(j) Provisions

Provisions for legal claims are recognised when the organisation 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 recognised 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 recognised 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 Self Insurance Fund for local staffs of BRAC Microfinance (SL) Ltd. The Company sets aside a monthly amounts equivalent to 1% of the basic salary of local employees, to constitute this 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.

(k) Loan security deposit

BRAC accepts 10% of the loan disbursed amount to customers as collateral. This amount is being refunded to customers when they retire or are terminated from membership. It is interest free.

(l) Inventories

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

(m) Employee benefit

(i) Pension obligations

The organisation's operates a defined contribution scheme. A defined contribution plan is a pension plan under which the organisation's pays fixed contributions into a separate entity. The scheme is generally funded through payments to the National Social Security and Insurance Trust on a mandatory basis. The organisation's 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 recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Notes to the financial statements

Significant accounting policies (continued)

(ii) Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer encouraging voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Share capital

Incremental costs directly attributable to the issue of an equity instruments are deducted from the initial measurement of the equity instruments.

(o) Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it's recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Income tax payable on profits, based on the applicable tax law in Sierra Leone is recognised as an expense in the period in which the profits arise. The tax effects of income tax losses available for carrying forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Unrealised exchange gains and losses are shown as part of other comprehensive income and are not subject to tax

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilizes. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(Notes to the financial statements (continued))

4. Financial risk factors

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

(a) Credit risk

The organisation's takes on exposures to credit risk, which is the risk that a client may be unable to pay amounts in full when due. Credit risk is managed by obtaining moral guarantee from group members to bear responsibility for repayment of both principal and interest amount when they are due. All repayments are made in groups and not individually. 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.

All clients depending on the type of loan makes cash collateral savings and this can also be used to offset outstanding loan amounts due. A ten percent savings is made for all loans.

(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 organisation's manages this risk by maintaining sufficient cash, and investing any excess cash over its anticipated requirements.

(c) Market risks

Market risk is the risk that changes in market price, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Bank's income or the value of its holdings of financial nstruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

5. Service charge on loans

	SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014
Group loan (Microfinance)	3,889,516	2,837,485	697	594
Small enterprises program	1,998,453	1,656,468	359	347
ELA	27,566	1,579	5	-
	5,915,535	4,495,532	1,061	941
	=====	=====	=====	=====

6. Interest expense

	SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014
Interest expense on responsAbility loan	-	30,848	-	6
	-	30,848	-	6
	=====	=====	=====	=====

Notes to the financial statements (continued)

7. Membership fees and other income

<i>In thousands of Leones/USD</i>	2015	SLL	2014	2015	USD	2014
Loan appraisal fees	232,293		192,316	42		40
Membership fees	68,371		60,612	12		13
Loan application fees	7,162		6,643	1		1
	<u>307,826</u>		<u>259,571</u>	<u>55</u>		<u>54</u>
	=====		=====	=====		=====

8. Other income

<i>In thousands of Leones/USD</i>	2015	SLL	2014	2015	USD	2014
Bank interest	316		882	-		-
Gain on early payment	196,393		116,152	35		24
Interest on short term deposits	-		-	-		-
Other income	11,256		747	2		-
	<u>207,965</u>		<u>117,781</u>	<u>37</u>		<u>24</u>
	=====		=====	=====		=====

9. Impairment losses on loans

<i>In thousands of Leones/USD</i>						
General provision	1,723,274		155,433	309		33
	<u>1,723,274</u>		<u>155,433</u>	<u>309</u>		<u>33</u>
	=====		=====	=====		=====

10. Staff costs

<i>In thousands of Leones/USD</i>						
Salaries & benefits	4,169,373		4,174,411	748		873
Staff bonus cost	132,974		-	24		-
Staff governance allowance cost	184,360		-	33		-
Staff NASSIT cost	139,773		-	25		-
Staff insurance	13,758		10,516	2		2
	<u>4,640,238</u>		<u>4,184,927</u>	<u>832</u>		<u>875</u>
	=====		=====	=====		=====

11. Other operating costs

<i>In thousands of Leones/USD</i>						
Occupancy expenses	597,109		333,473	107		70
Printing and office stationeries	138,507		154,037	25		32
Audit and other legal fees	139,083		94,981	25		20
Maintenance and general expenses	353,305		259,501	63		54
Staff training & development costs	12,410		130,496	2		27
Transportation and travelling	669,971		912,266	120		191
HO logistics & management costs	496,329		426,260	89		89
	<u>2,406,714</u>		<u>2,311,014</u>	<u>431</u>		<u>483</u>
	=====		=====	=====		=====

Notes to the financial statements (continued)

11.1 Occupancy expenses are analysed as follows:-

<i>In thousands of Leones/USD</i>		SLL		USD	
	2015	2014	2015	2014	
Rent	391,830	177,723	70	37	
Utilities	205,279	155,750	37	33	
	<u>597,109</u>	<u>333,473</u>	<u>107</u>	<u>70</u>	
	=====	=====	=====	=====	

12. Taxation

(a) Tax expense

Recognised in the income statement

<i>In thousands of Leones/USD</i>		SLL		USD	
	2015	2014	2015	2014	
Income tax expense	-	-	-	-	
Deferred tax charge	-	(45,531)	-	(10)	
	<u>-</u>	<u>(45,531)</u>	<u>-</u>	<u>(10)</u>	
	=====	=====	=====	=====	

(b) Income tax account

<i>In thousands of Leones/USD</i>					
	2015	2014	2015	2014	
Opening balance	62,257	57,757	13	13	
Corporation tax charge	-	-	-	-	
Payment during the period	-	4,500	-	1	
Translation difference	-	-	(2)	(1)	
	<u>62,257</u>	<u>62,257</u>	<u>11</u>	<u>13</u>	
	=====	=====	=====	=====	

Reconciliation of effective tax rate

Loss before income tax	(2,473,514)	(2,146,077)	(443)	(449)	
	<u>(742,054)</u>	<u>(643,823)</u>	<u>(133)</u>	<u>(135)</u>	
Income tax on loss before tax	-	(135)	-	-	
Tax impact of permanent difference:	(281)	(41)	-	-	
Tax incentives	742,336	598,333	133	125	
	<u>-</u>	<u>(45,531)</u>	<u>-</u>	<u>(10)</u>	
	=====	=====	=====	=====	

Notes to the financial statements (continued)

(c) Deferred tax asset and liabilities

Recognised deferred tax asset and liabilities

	2015			2014		
	Asset	liability	Net	Asset	liability	Net
Property plant and equipment		7,624	7,624	26,534	26,534	-
Impairment allowance	(438,458)		(438,458)	(299,083)	-	(299,083)
Tax loss carry forward	(3,782,346)		(3,782,346)	(3,408,394)	-	(3,408,394)
Unrealised exchange loss	(265,953)		(265,953)	(55,853)	-	(55,853)
Deferred tax asset not Recognised						
Recognized	4,479,134		4,479,134	3,736,796	-	3,736,796
	(7,624)	7,624	-	(26,534)	26,534	-

Movement in temporary differences during the year - 2015

	Opening balance	Recognised in profit and loss	Recognised in equity	Closing balance
Property, plant and Equipment	26,534	(18,909)	-	7,624
Impairment allowance	(299,083)	(139,376)	-	(438,458)
Tax loss carry forward	(3,408,394)	(373,951)	-	(3,782,346)
Unrealised exchange loss	(55,853)	(210,101)	-	(265,953)
Deferred tax asset not Recognised	3,736,796	742,337	-	4,479,133
-	-	-	-	-

Movement in temporary differences during the year-2014

	Opening balance	Recognised in profit and loss	Recognised in equity	Closing balance
Property, plant and Equipment	45,531	(18,997)	-	26,534
Impairment allowance	252,453	(46,630)	-	(299,083)
Tax loss carry forward	(2,886,010)	(522,384)	-	(3,408,394)
Unrealised exchange loss	-	(55,853)	-	(55,853)
Deferred tax asset not Recognised	3,138,463	598,333	-	3,736,796
	45,531	(45,531)	-	-

13. Cash and bank balances

	SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014
Cash at bank	1,838,127	3,309,831	330	692
Cash in hand	89,009	61,260	16	13
	1,927,136	3,371,091	346	705

Notes to the financial statements (continued)

13.1 Name of bank and balances

	SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014
Community Bank	61,176	71,179	11	15
Eco Bank SL Ltd.	985	38,918	-	8
First Int. Bank (SL) Ltd.	876,775	1,046,497	157	219
Rokel Com. Bank SL Ltd.	2,071	1,954	1	-
Guaranty Trust Bank (SL) Ltd	222,588	67,434	40	14
Sierra Leone Com. Bank Ltd.	1,584	224,574	-	47
United Bank of Africa	79,198	31,017	14	6
Union Trust Bank Ltd.	211,433	256,330	38	54
Yoni Community Bank	26,935	132,790	5	28
Zenith Bank (SL) Ltd.	34,122	14,434	6	3
Standard Chartered Bank (SL) Ltd.(USD)	75,518	428,879	14	90
Standard Chartered Bank (SL) Ltd.	245,742	995,825	44	208
	<u>1,838,127</u>	<u>3,309,831</u>	<u>330</u>	<u>692</u>

14. Loans and advances to customers

		SLL		USD	
<i>In thousands of Leones/USD</i>	2015		2014	2015	2014
Group loans	10,159,479		8,399,423	1,822	1,757
Small enterprises program	7,040,007		5,822,030	1,262	1,218
ELA	39,468		8,187	7	2
Loan written-off (P)	(1,107,999)		-	(199)	-
Interest receivables	297,232		379,952	53	80
Interest receivables written-off	(148,295)		-	(27)	-
Impairment allowance	(1,463,922)		(996,942)	(262)	(209)
	<u>14,815,970</u>		<u>13,612,650</u>	<u>2,656</u>	<u>2,848</u>
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14.1 Movement on the loan account

<i>In thousands of Leones/USD</i>				
Opening balance	14,229,640	12,983,403	2,977	2,992
Loan disbursed	23,229,300	19,231,600	4,165	4,023
Loan repayment	(20,219,986)	(17,985,363)	(3,625)	(3,763)
Translation difference	-	-	(426)	(275)
Gross advance to customers	17,238,954	14,229,640	3,091	2,977
Written-off (P)	(1,107,999)	-	(199)	-
Interest receivable	297,232	379,952	53	80
Impairment loss on loans	(1,463,922)	(996,942)	(262)	(209)
Interest receivables written off	(148,295)	-	(27)	-
	14,815,970	13,612,650	2,656	2,848

Notes to the financial statements (continued)

14.2 Movement on the impairment on loans

<i>In thousands of Leones/USD</i>	SLL		USD	
	2015	2014	2015	2014
Opening balance	996,942	841,509	209	194
Charge for the year	1,723,274	155,433	309	33
Loan written-off (P)	(1,107,999)	-	(199)	-
interest receivables written-off	(148,295)	-	(27)	-
Translation difference	-	-	(30)	(18)
	<u>1,463,922</u>	<u>996,942</u>	<u>262</u>	<u>209</u>
	=====	=====	=====	=====

The impairment allowance is normally computed at the rate of 2% on total loans disbursed. At the year-end necessary adjustments were passed based the company policy in note -14.3.

14.3. Analysis of impairment on loans (SLL):

	Principal outstanding	Provision required	Provision rate
For General provision			
No past due	14,154,598	283,092	2%
For specific provision:			
1-30 days	337,541	16,877	5%
31-180 days	543,894	108,779	20%
181-365 days	158,993	119,245	75%
366 days and above past due	935,929	935,929	100%
	<u>16,130,955</u>	<u>1,463,922</u>	
	=====	=====	

15. Other assets

<i>In thousands of Leones/USD</i>	SLL		USD	
	2015	2014	2015	2014
Advance to third party	317,411	262,418	57	55
Receivable from NGO	11,286	-	2	-
Inventory-stationeries	98,720	78,700	18	16
Current account in transit	700,839	689,469	125	145
Other receivables	27,211	28,566	5	6
	<u>1,155,467</u>	<u>1,059,153</u>	<u>207</u>	<u>222</u>
	=====	=====	=====	=====

Notes to the financial statements (continued)

16. Property and equipment

<i>In thousands of Leones/USD</i>	Motor vehicles/ Cycles	Furniture and fittings	Office equipment	Total SLL	Total USD
Cost					
At 1 January 2015	173,760	562,682	451,897	1,188,339	249
Additions	-	-	18,780	18,780	3
Translation difference	-	-	-	-	(36)
As at 31 December 2015	173,760	562,682	470,677	1,207,119	216
At 1 January 2014	173,760	556,857	449,267	1,179,884	272
Additions	-	5,825	2,630	8,455	2
Translation difference	-	-	-	-	(25)
As at 31 December 2014	173,760	562,682	451,897	1,188,339	249
Accumulated depreciation					
At 1 January 2015	164,042	191,494	320,214	675,750	142
Depreciation charge	9,431	46,869	78,313	134,614	24
Translation difference	-	-	-	-	(21)
At 31 December 2015	173,473	238,363	398,527	810,364	145
At 1 January 2014	146,890	153,089	225,210	525,189	121
Depreciation charge	17,152	38,405	95,004	150,561	31
Translation difference	-	-	-	-	(10)
At 31 December 2014	164,042	191,494	320,214	675,750	142
Net book value:					
At 31 December 2015	287	324,319	72,150	396,755	71
At 31 December 2014	9,718	371,188	131,683	512,589	107

17. Loan security fund

<i>In thousands of Leones/USD</i>	SLL		USD	
	2015	2014	2015	2014
Opening balance	2,899,432	2,454,582	607	566
Received during the year	887,362	828,996	159	173
Paid off/Adjusted during the year	(707,179)	(384,146)	(127)	(80)
Translation difference	-	-	(87)	(52)
	3,079,615	2,899,432	552	607

The Loan security fund acts as collateral for the customers' loan obligations to BRAC Microfinance (SL) 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.

Notes to the financial statements (continued)

18. Related party payables

The organisation has a related party relationship with Stichting BRAC International and BRAC Bangladesh which provide management and administrative services to the company.

Year end balance arising from transactions with related parties:

In thousands of Leones/USD	SLL		USD	
	2015	2014	2015	2014
Payable to BRAC Bangladesh	3,119,202	1,996,167	559	418
Payable to Stichting BRAC International	1,666,828	1,170,500	299	245
Payable to BRAC Sierra Leone	-	150,236	-	31
	<u>4,786,030</u>	<u>3,316,903</u>	<u>858</u>	<u>694</u>
19. Borrowings				
KIVA	1,660,108	1,287,113	298	269
	=====	=====	=====	=====

This is a loan that was received from KIVA for the enhancement of the Microfinance program. The loan has been provided on the basis of the company fulfilling certain conditions, failing to comply with which would lead to termination.

20. Other liabilities

In thousands of Leones/USD	2015	2014	2015	2014
Accrued expenses	45,203	-	8	-
Current account in transit	-	-	-	-
Provision for audit fees	91,401	100,320	16	21
Salary provision	115,700	110,496	21	23
Self- insurance fund	15,276	20,484	3	4
Other provision (Bonus& severance allowance)	530,302	468,307	95	98
Revolving loan for restless development program	-	127,643	-	27
Outstanding liabilities	-	4,005	-	1
	<u>797,882</u>	<u>831,255</u>	<u>143</u>	<u>174</u>

21. Donor funds

In thousands of Leones/USD	2015	2014	2015	2014
Donor fund received in advance	329	458,210	-	96
Revolving loan for restless Development program	127,643	-	23	-
Donor fund investment in loan to group members	2,229,650	974,650	400	203
	<u>2,357,622</u>	<u>1,432,860</u>	<u>423</u>	<u>299</u>

Notes to the financial statements (continued)

21.1 Donor fund received in advance

	SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014
Opening balance	458,210	-	82	-
Donation received during the year	797,119	723,110	143	151
Donor funds investment in loans to group members	(1,255,000)	(264,900)	(225)	(55)
Donor funds transferred to equity-		-	-	-
	<u>329</u>	<u>458,210</u>	<u>-</u>	<u>96</u>
	=====	=====	=====	=====

21.1.1 Donation received during the year

<i>In thousands of Leones/USD</i>	2015	2014	2015	2014
BRAC USA (WPF)	797,119	723,110	143	151
	<u>797,119</u>	<u>723,100</u>	<u>143</u>	<u>151</u>
	=====	=====	=====	=====

The grant from BRAC USA was received for the enhancement of the Microfinance program. The grant had been provided on the basis of the company fulfilling certain conditions, failing to comply with which, part or all of the money may have to be refunded to the donor.

22. Share capital

Name	% of holding				
<i>In thousands of Leones/USD</i>		2015	2014	2015	2014
BRAC International Holdings BV	51%	6,244,890	6,244,890	1,119	1,306
Omidyar Network	24.5%	3,000,000	3,000,000	538	628
SEDF (Soros Economic Development Fund)	24.5%	3,000,000	3,000,000	538	628
		=====	=====	=====	=====
		12,244,890	12,244,890	2,195	2,562
		=====	=====	=====	=====

23. Retained Earnings

	SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014
Opening balance	(10,334,787)	(8,234,241)	(2,162)	(1,897)
Loss for the year	(3,173,849)	(2,100,546)	(569)	(439)
Translation difference			309	174
	<u>(13,508,636)</u>	<u>(10,334,787)</u>	<u>(2,422)</u>	<u>(2,162)</u>
	=====	=====	=====	=====

Notes to the financial statements (continued)

24. Donated Equity

		SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014	
Opening balance	6,940,074	6,940,074	1,452	1,599	
Transfer from grant received in advance	-	-		-	
Translation difference	-		(208)	(147)	
	=====	=====	=====	=====	
	6,940,074	6,940,074	1,244	1,452	
	=====	=====	=====	=====	

25. Cash flow from operating activities

		SLL		USD	
<i>In thousands of Leones/USD</i>	2015	2014	2015	2014	
Cash flow from operating activities					
Excess of expenditure over income	(3,173,849)	(2,100,546)	(569)	(439)	
Depreciation	134,614	150,561	24	31	
Loan loss provision	1,723,274	155,433	309	33	
	-----	-----	-----	-----	
Cash flow before changes in working capital	(1,315,962)	(1,794,552)	(235)	(375)	
Changes in provision for taxation	-	(45,531)	-	(10)	
Changes in working capital					
Changes in receivables and other assets	(96,314)	247,318	(17)	52	
Changes in interest receivables	231,016	(195,350)	41	(41)	
Changes in current liabilities	(33,373)	(1,063,251)	(6)	(222)	
Changes in related party payables	1,469,127	1,450,170	263	303	
Tax paid during the year	-	(4,500)		(1)	
	-----	-----	-----	-----	
Net cash from operations	254,494	(1,405,696)	46	(294)	
	=====	=====	=====	=====	
Exchange rate used for the period:		2015		2014	
1USD= SLL		5,577.50		4,780	

26. Contingencies

There were no contingent assets or liabilities at 31 December 2015 (2014: Nil).

27. Capital commitments

There were no capital commitments as at 31 December 2015 (2014: Nil).

28. Post balance sheet events

Events subsequent to the balance sheet date are reflected only to the extent they relate directly to the financial statements and their effect is material. There were none such events as at the date these financial statements were signed.

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