

BALANCE SHEET CONVERTED TO USD				
as at December 31, 2016				
(NOT PART OF AUDITED FINANCIAL STATEMENTS)				
	2016		2015	
	Taka	US \$	Taka	US \$
ASSETS				
Cash in hand and at banks	17,489,571,753	224,225,279	16,916,766,552	216,881,622
Advance, deposits and prepayments	7,295,740,591	93,535,136	4,076,719,030	52,265,629
Inventories	3,768,066,753	48,308,548	3,518,982,401	45,115,159
Grants and accounts receivable	2,407,292,289	30,862,722	1,795,343,586	23,017,225
Microfinance loans	135,838,491,181	1,741,519,118	108,342,249,742	1,389,003,202
Motorcycle loans	803,055,814	10,295,587	807,014,427	10,346,339
Investments in securities and others	1,623,801,300	20,817,965	1,617,150,000	20,732,692
Investments in related undertakings	14,729,921,204	188,845,144	13,400,660,055	171,803,334
Property, plant and equipment	15,735,398,674	201,735,880	14,089,310,523	180,632,186
TOTAL ASSETS	199,691,339,559	2,560,145,379	164,564,196,316	2,109,797,388
LIABILITIES AND NET ASSETS				
Liabilities:				
Liabilities for expenses and materials	7,289,576,607	93,456,110	6,359,703,947	81,534,666
Bank overdrafts	13,479,844,500	172,818,519	14,303,182,466	183,374,134
Term loans	32,992,032,670	422,974,778	26,516,487,055	339,954,962
Members' savings deposits	50,118,837,575	642,549,200	40,228,457,331	515,749,453
Grants received in advance account	1,214,294,835	15,567,883	971,166,244	12,450,849
Deferred income	456,219,613	5,848,969	200,469,723	2,570,125
Other long term liabilities	12,056,575,743	154,571,484	11,251,247,075	144,246,757
Provision for taxation	2,037,941,030	26,127,449	1,551,941,030	19,896,680
Total Liabilities	119,645,322,573	1,533,914,391	101,382,654,871	1,299,777,626
Net Assets:				
Capital fund				
Unrestricted	78,907,318,888	1,011,632,293	62,043,960,522	795,435,391
Temporarily restricted	1,138,698,098	14,598,694	1,137,580,923	14,584,371
	80,046,016,986	1,026,230,987	63,181,541,445	810,019,762
TOTAL LIABILITIES AND NET ASSETS	199,691,339,559	2,560,145,379	164,564,196,316	2,109,797,388
Exchange rate: 1 US \$ = Tk.78				

Statement of Income and Expenditure Converted to USD				
for the year ended December 31, 2016				
(NOT PART OF AUDITED FINANCIAL STATEMENTS)				
	2016		2015	
	Taka	US \$	Taka	US \$
Income				
Donor grants	10,576,643,869	135,597,998	13,785,992,217	176,743,490
Social Enterprises	14,149,911,220	181,409,118	13,345,427,760	171,095,228
Microfinance Programme	31,937,554,303	409,455,824	26,682,363,975	342,081,589
Self-financing Social Development Programme	360,359,527	4,619,994	995,628,970	12,764,474
Investment Income	2,147,416,695	27,530,983	1,739,681,517	22,303,609
Community Contribution	1,277,068,747	16,372,676	60,252,181	772,464
House Property	88,616,754	1,136,112	92,370,223	1,184,234
Total income	60,537,571,115	776,122,707	56,701,716,843	726,945,088
Expenditure				
Social Enterprises	12,316,093,802	157,898,638	11,747,263,079	150,605,937
Micro Finance Programme	18,286,281,951	234,439,512	15,244,367,848	195,440,613
House Property	47,388,905	607,550	99,443,136	1,274,912
Agriculture and Food Security	152,339,096	1,953,065	334,185,896	4,284,435
Community Empowerment Programme	378,283,895	4,849,794	364,919,588	4,678,456
Education Programme	4,232,396,917	54,261,499	5,569,214,047	71,400,180
Gender, Justice and Diversity	151,869,846	1,947,049	402,633,544	5,161,969
Health Programme	3,740,926,677	47,960,598	4,578,956,175	58,704,566
Human Rights and Legal Aids Services	275,116,681	3,527,137	271,203,344	3,476,966
Policy Advocacy	151,053,311	1,936,581	170,883,319	2,190,812
Water, Sanitation and Hygiene Programme	204,137,601	2,617,149	1,218,247,312	15,618,555
Ultra Poor Programme	2,053,016,421	26,320,723	2,779,602,037	35,635,924
Other Development Projects	1,243,813,518	15,946,327	851,311,420	10,914,249
Total expenditure	43,232,718,621	554,265,623	43,632,230,745	559,387,574
Surplus of income over expenditure before taxation	17,304,852,494	221,857,083	13,069,486,098	167,557,514
Taxation	(486,000,000)	(6,230,769)	(165,000,000)	(2,115,385)
Net surplus for the year	16,818,852,494	215,626,314	12,904,486,098	165,442,129
Exchange rate: 1 US \$ = Tk.78				

**AUDITORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
OF BRAC IN BANGLADESH
For the year ended December, 2016**

A member firm of Ernst & Young Global Limited
EY refers to the global organization, and/or one or more of the independent member firms of Ernst & Young Global Limited

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF BRAC

We have audited the accompanying Financial Statements of BRAC, which comprise the Balance Sheet as at December 31, 2016, and the statement of Income and expenditure, statement of changes in net assets and of statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on page 1 to 37.

Governing Body of BRAC's responsibility for the Financial Statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BRAC as at 31 December 2016 and of its financial performance and cash flows for the year ended in accordance with the accounting policies summarised in Note 2 to the financial statements.

Purpose of the report

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



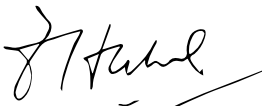
A. Qasem & Co.
Chartered Accountants, Member Firm of EY

Dated: March 15, 2017


BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Balance Sheet
as at 31 December 2016

	Notes	2016 Taka	2015 Taka
ASSETS			
Cash and bank balances	3	17,489,571,753	16,916,766,552
Advances, deposits and prepayments	4	7,295,740,591	4,076,719,030
Inventories	5	3,768,066,753	3,518,982,401
Grants and accounts receivable	6	2,407,292,289	1,795,343,586
Microfinance loans	7	135,838,491,181	108,342,249,742
Motorcycle loans	8	803,055,814	807,014,427
Investments in securities and others	9	1,623,801,300	1,617,150,000
Investments in related undertakings	10	14,729,921,204	13,400,660,055
Property, plant and equipment	11	15,735,398,674	14,089,310,523
TOTAL ASSETS		199,691,339,559	164,564,196,316
LIABILITIES AND NET ASSETS			
LIABILITIES			
Liabilities for expenses and materials	12	7,289,576,607	6,359,703,947
Bank overdrafts	13	13,479,844,500	14,388,244,446
Term loans	14	32,992,032,670	26,431,425,075
Members' savings deposits	15	50,118,837,575	40,228,457,331
Grants received in advance	16	1,214,294,835	971,166,244
Deferred income	17	456,219,613	200,469,723
Other long term liabilities	18	12,056,575,743	11,251,247,075
Provision for taxation		2,037,941,030	1,551,941,030
TOTAL LIABILITIES		119,645,322,573	101,382,654,871
NET ASSETS			
Unrestricted		78,907,318,888	62,043,960,522
Temporarily restricted		1,138,698,098	1,137,580,923
		80,046,016,986	63,181,541,445
TOTAL LIABILITIES AND NET ASSETS		199,691,339,559	164,564,196,316

The annexed notes form an integral part of these statements.


Chairperson, Governing Body
BRAC
Dhaka, March 15, 2017



Chief Financial Officer
BRAC


Executive Director
BRAC


BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
for the year ended 31 December 2016

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2016 Taka
Income				
Donor grants	19	-	10,576,643,869	10,576,643,869
Social Enterprises	20	14,149,911,220	-	14,149,911,220
Microfinance Programme	21	31,937,554,303	-	31,937,554,303
Self-financing Social Development Programmes	22	360,359,527	-	360,359,527
Investment Income	23	2,147,416,695	-	2,147,416,695
Community contributions	24	-	1,277,068,747	1,277,068,747
House Property		88,616,754	-	88,616,754
Total income		48,683,858,499	11,853,712,616	60,537,571,115
Expenditure				
Social Enterprises		12,316,093,802	-	12,316,093,802
Micro Finance Programme		18,286,281,951	-	18,286,281,951
House Property		47,388,905	-	47,388,905
Agriculture and Food Security		-	152,339,096	152,339,096
Community Empowerment Programme		4,513,947	373,769,948	378,283,895
Education Programme		224,993,467	4,007,403,450	4,232,396,917
Gender, Justice and Diversity		-	151,869,846	151,869,846
Health Programme		4,574,480	3,736,352,197	3,740,926,677
Human Rights and Legal Aids Services		-	275,116,681	275,116,681
Policy Advocacy		-	151,053,311	151,053,311
Water, Sanitation and Hygiene Programme		-	204,137,601	204,137,601
Ultra Poor Programme		-	2,053,016,421	2,053,016,421
Other Development Projects		347,476,077	896,337,441	1,243,813,518
Total expenditure		31,231,322,629	12,001,395,992	43,232,718,621
Surplus/(deficit) of income over expenditure		17,452,535,870	(147,683,376)	17,304,852,494
BRAC Contribution to support Donor Funded Programmes	26	(148,800,551)	148,800,551	-
Surplus of income over expenditure before taxation		17,303,735,319	1,117,175	17,304,852,494
Taxation	27	(486,000,000)	-	(486,000,000)
Net surplus for the year		16,817,735,319	1,117,175	16,818,852,494

The annexed notes form an integral part of these statements.


Chairperson, Governing Body
BRAC
Dhaka, March 15, 2017


Chief Financial Officer
BRAC


Executive Director
BRAC

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

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2015 Taka
Income				
Donor grants	19	991,300	13,785,000,917	13,785,992,217
Social Enterprises	20	13,345,427,760	-	13,345,427,760
Microfinance Programme	21	26,682,363,975	-	26,682,363,975
Self-financing Social Development Programmes	22	995,628,970	-	995,628,970
Investment Income	23	1,739,681,517	-	1,739,681,517
Community contributions	24	60,252,181	-	60,252,181
House Property		92,370,223	-	92,370,223
Total income		42,916,715,926	13,785,000,917	56,701,716,843
Expenditure				
Social Enterprises		11,747,263,079	-	11,747,263,079
Micro Finance Programme		15,244,367,848	-	15,244,367,848
House Property		99,443,136	-	99,443,136
Agriculture and Food Security		-	334,185,896	334,185,896
Community Empowerment Programme		12,604,271	352,315,317	364,919,588
Education Programme		483,819,965	5,085,394,082	5,569,214,047
Gender, Justice and Diversity		14,269,674	388,363,870	402,633,544
Health Programme		46,625,417	4,532,330,758	4,578,956,175
Human Rights and Legal Aids Services		-	271,203,344	271,203,344
Policy Advocacy		-	170,883,319	170,883,319
Water, Sanitation and Hygiene Programme		-	1,218,247,312	1,218,247,312
Ultra Poor Programme		-	2,779,602,037	2,779,602,037
Other Development Projects		133,756,644	717,554,776	851,311,420
Total expenditure		27,782,150,034	15,850,080,711	43,632,230,745
Surplus of income over expenditure before taxation		15,134,565,892	(2,065,079,794)	13,069,486,098
BRAC Contribution to Support Donor funded Programmes		(2,103,410,534)	2,103,410,534	-
		13,031,155,358	38,330,740	13,069,486,098
Taxation	27	(165,000,000)	-	(165,000,000)
Net surplus for the year		12,866,155,358	38,330,740	12,904,486,098

The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Changes in Net Assets
for the year ended 31 December 2016

	Net Assets		Total Net Assets Taka
	Unrestricted Taka	Temporarily Restricted Taka	
At 1 January 2015	49,131,940,934	1,099,250,183	50,231,191,117
Net surplus for the year	12,866,155,358	38,330,740	12,904,486,098
Share of non operating changes in net assets in related undertakings	45,864,230	-	45,864,230
At 31 December 2015	62,043,960,522	1,137,580,923	63,181,541,445
At 1 January 2016	62,043,960,522	1,137,580,923	63,181,541,445
Net surplus for the year	16,817,735,319	1,117,175	16,818,852,494
Share of non operating changes in net assets in related undertakings	45,623,047	-	45,623,047
At 31 December 2016	78,907,318,888	1,138,698,098	80,046,016,986

The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
for the year ended 31 December 2016

	Notes	2016 Taka	2015 Taka
Cash flows from operating activities:			
Surplus of income over expenditure before taxation		17,304,852,494	13,069,486,098
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Loan loss provision	7	2,011,313,856	1,055,886,221
Depreciation	11	793,321,425	704,408,539
Gain on disposal of BRAC Banshkhali Tea Company Ltd	10	-	(787,320,202)
Gain on disposal of property, plant and equipment		(4,526,383)	(3,026,358)
Share of results in related undertakings	23	(1,955,862,048)	(793,099,927)
Donor grants - amortisation of investment in property, plant and equipment and motorcycle replacement fund	17	(70,011,613)	(63,516,033)
Interest on fixed deposits and bank accounts	25	(808,132,598)	(1,298,951,999)
Adjustments for other accounts:			
Increase in service charge outstanding on microfinance loans		(548,529,321)	(484,755,823)
Increase in inventories		(249,084,352)	(41,522,293)
Increase in advances, deposits and prepayments		(3,219,021,561)	(779,400,543)
(Increase)/decrease in accounts receivable		(396,140,179)	134,876,747
Decrease/(increase) in motorcycle loans		3,958,613	(10,017,533)
Increase in liabilities for expenses and materials		929,872,660	760,104,768
Increase in deferred income		325,761,503	28,485,740
Net cash provided by operating activities		14,117,772,496	11,491,637,402
Cash flows from investing activities:			
Increase in microfinance loans		(28,959,025,974)	(23,232,614,537)
Decrease in fixed deposits pledged with financial institutions		2,465,640	601,984,893
Increase in investments in related undertakings		(186,416,110)	(535,909,621)
Interest received on fixed deposits and bank accounts		732,720,273	1,298,951,999
Purchase of property, plant and equipment		(2,442,102,321)	(3,306,546,008)
Proceeds from Banshkhali Tea Company Ltd	10	-	602,500,000
Proceeds from disposal of property, plant and equipment		7,219,128	20,809,285
Dividends received from related undertakings		858,640,057	702,215,772
Realisation of investment in securities and others		(6,651,300)	(325,800,000)
Net cash used in investing activities		(29,993,150,607)	(24,174,408,217)

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
for the year ended 31 December 2016

	Notes	2016 Taka	2015 Taka
Cash flows from financing activities:			
Grants received during the year		10,927,094,180	7,801,946,598
Grants utilised during the year for:			
- operational expenditure & micro-finance		(10,498,600,286)	(13,666,856,999)
- investment in property, plant and equipment		(321,822,612)	(23,785,870)
- motorcycle replacement funds		(3,938,891)	(4,699,870)
Increase in term loans		6,560,607,595	7,356,163,715
Increase in members savings deposits		9,890,380,244	6,047,647,885
Increase in other long term liabilities		805,328,668	631,663,766
Net cash provided by financing activities		17,359,048,898	8,142,079,225
Net increase/(decrease) in cash and cash equivalents		1,483,670,787	(4,540,691,590)
Cash and cash equivalents, beginning of the year		2,113,628,436	6,654,320,026
Cash and cash equivalents, end of the year	3.4	3,597,299,223	2,113,628,436

The annexed notes form an integral part of these statements.

(Registered in Bangladesh under the Societies Registration Act, 1860)
Notes to Financial Statements
for the year ended 31 December 2016

Introduction

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

Summary of Significant Accounting Policies

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

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

Basis of preparation of financial statements

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

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

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

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

2. Summary of Significant Accounting Policies (contd.)

2.1 Basis of preparation of financial statements (contd.)

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

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

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

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

2.2 Reporting period

These financial statements has been prepared for the period from 1 January to 31 December 2016.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

2.5 Non-consolidation

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

2.6 Donor grants

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

2. Summary of Significant Accounting Policies (contd.)

2.6 Donor grants (contd.)

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

Grant income is classified as temporarily restricted or unrestricted depending upon the existence of donor-imposed restrictions. For completed or phased out projects and programmes, any unutilized amounts are dealt with in accordance with subsequent donor and management agreements.

For ongoing projects and programmes, any expenditure yet to be funded but for which funding has been agreed at the end of the reporting period is recognized as grant receivable.

2.7 Revenue recognition

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

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

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

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

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

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

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

2.8 Expenses

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

2. Summary of Significant Accounting Policies (contd.)

2.9 Property, plant and equipment

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

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

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

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

Item	Annual Depreciation Rate (%)
Buildings	4 - 10
Furniture & Fixtures	10 - 20
Equipment	15 - 33.3
Computer	20 - 33.3
Vehicles	20
Bicycles	20
Machinery	20
Deep tube wells and tanks	20
Hatcheries	20
Motorcycles	20
Camp/Poultry/Livestock sheds	20
Crates/Mannequins/Samples	33.33

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

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

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

2.10 Microfinance loans

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

2. Summary of Significant Accounting Policies (contd.)

2.11 Provision for loan losses

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

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

2.12 Loans written off

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

2.13 Provision for liabilities

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

2.14 Investment in related undertakings

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

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

2.15 Investment in securities and others

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

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

2. Summary of Significant Accounting Policies (contd.)

2.15 Investment in securities and others (contd.)

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

2.16 Accounts receivable

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

2.17 Inventories

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

2.18 Motorcycle replacement fund

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

2.19 Self-insurance fund

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

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

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

2. Summary of Significant Accounting Policies (contd.)

2.20 Employee gratuity and redundancy fund

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

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

2.21 Employee provident fund

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

2.22 Foreign currencies

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

Monetary assets and liabilities denominated in foreign currencies as at 31 December 2016 have been converted into Taka at the exchange rates prevailing at that date.

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

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

	2016 Taka	2015 Taka
United States Dollars	78.10	77.90
Euro	80.73	84.38
Great Britain Pound	93.58	113.45
Australian Dollars	54.48	55.14

BRAC's foreign currency denominated assets and liabilities are disclosed in Note 28.

2.23 Taxation

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

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

2. Summary of Significant Accounting Policies (contd.)

2.24 Borrowing costs

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

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

2.25 Impairment of assets

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

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

2.26 Goodwill

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

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

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

2.27 Financial instruments

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

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

2. Summary of Significant Accounting Policies (contd.)

2.27 Financial instruments (contd.)

e) Interest-bearing borrowings

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

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

2.28 Cash and cash equivalents

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

2.29 Contingent liabilities

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

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

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

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

2.30 Events after the balance sheet date

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

2.31 Segmental Reporting

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

The programme managers report directly to the management of BRAC who regularly review the segment results in order to assess segment performance. Additional disclosures on each of these segments are shown in notes 31 and 32 respectively. BRAC provides segment information voluntarily.

3. Cash and bank balances

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

2016 Taka	2015 Taka
3,808,189,622	2,530,935,525
13,681,382,131	14,385,831,027
17,489,571,753	16,916,766,552

3.1 Cash in hand and at banks:

Cash in hand
Cash at banks

2016 Taka	2015 Taka
500,381,151	390,562,703
3,307,808,471	2,140,372,822
3,808,189,622	2,530,935,525

3.2 Deposits:

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

2016 Taka	2015 Taka
412,428,030	414,893,670
9,334,633,658	9,091,258,086
3,934,320,443	4,879,679,271
13,681,382,131	14,385,831,027

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

No. Name of Related Party
1 BRAC Bank Ltd.
Nature of balances
Fixed deposits pledged
Fixed deposits unpledged
Short term deposits unpledged
64 Bank Accounts (2015: 67)

2016 Taka	2015 Taka
412,428,030	414,893,670
2,782,302,390	157,856,330
3,934,320,443	4,775,489,492
1,758,143,975	2,755,932,845

3.3 Deposits analysed by programme:

Microfinance Programme
Grant based projects
Other Programmes

2016 Taka	2015 Taka
9,715,228,162	12,310,857,416
-	104,189,779
3,966,153,969	1,970,783,832
13,681,382,131	14,385,831,027

3.4 Cash and cash equivalents

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

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

2016 Taka	2015 Taka
3,808,189,622	2,530,935,525
9,334,633,658	9,091,258,086
3,934,320,443	4,879,679,271
(13,479,844,500)	(14,388,244,446)
3,597,299,223	2,113,628,436

4. Advances, deposits and prepayments

	2016 Taka	2015 Taka
Advances:		
Employees	903,768,681	437,230,657
Suppliers	571,824,577	404,502,296
Advance for tax	4,807,077,668	2,333,171,524
	<u>6,282,670,926</u>	<u>3,174,904,477</u>
Deposits:		
Deposits for facilities and utilities	14,127,570	11,862,430
Prepayments	998,942,095	889,952,123
	<u>7,295,740,591</u>	<u>4,076,719,030</u>

5. Inventories

	2016 Taka	2015 Taka
Seeds and feed	545,347,356	842,297,023
Medical supplies and consumables	74,016,374	100,020,012
Printing and stationery	67,824,473	89,857,978
Handicraft goods	2,773,278,731	2,140,424,077
Dairy products	141,825,887	140,321,050
Programme materials	165,773,932	206,062,261
	<u>3,768,066,753</u>	<u>3,518,982,401</u>

6. Grants and accounts receivable

	2016 Taka	2015 Taka
Grants receivable (Note 16)	316,317,153	175,920,953
Interest receivable on fixed deposits and bank accounts	594,816,869	519,404,544
Other accounts receivable	1,564,204,492	1,156,112,905
	<u>2,475,338,514</u>	<u>1,851,438,402</u>
Provision for doubtful debts	(68,046,225)	(56,094,816)
	<u>2,407,292,289</u>	<u>1,795,343,586</u>

Included in interest receivable on fixed deposits is Taka. 173,836,949 (2015: Taka.83,927,133) receivable after 12 months.

7. Microfinance loans

	Principal outstanding Taka	Service charge receivable Taka	Loan loss provision Taka	Total Taka
At 1 January 2016	112,170,181,191	936,259,452	(4,764,190,901)	108,342,249,742
Additions	243,027,789,000	31,552,879,894	(2,011,313,856)	272,569,355,038
Realisation	(214,068,763,026)	(31,004,350,573)	-	(245,073,113,599)
Write-off	(1,567,849,461)	(243,439,042)	1,811,288,503	-
At 31 December 2016	<u>139,561,357,704</u>	<u>1,241,349,731</u>	<u>(4,964,216,254)</u>	<u>135,838,491,181</u>

7. Microfinance loans (contd.)

Loans to members bear annual service charges ranging from 18% to 25% (2015: 18% to 26%) on a declining balance method. Repayments are made in weekly/monthly instalments. The loan loss provision rate during the year was 1% (2015: 1%).

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

Loan Classification	Days in Arrears	Loan Outstanding 2016 Taka	Loan loss Provision 2016 Taka	Loan Principal 2015 Taka	Loan loss Provision 2015 Taka
Standard	Current (no arrears)	134,083,888,019	1,340,838,880	106,953,997,598	1,069,539,976
Watchlist	1 - 30	921,443,594	46,072,180	967,900,310	48,395,015
Substandard	31 - 180	1,259,898,552	314,974,638	717,650,763	179,412,691
Doubtful	181 - 350	135,187,933	101,390,950	255,157,204	191,367,903
Loss	Over 350	<u>3,160,939,606</u>	<u>3,160,939,606</u>	<u>3,275,475,316</u>	<u>3,275,475,316</u>
		<u>139,561,357,704</u>	<u>4,964,216,254</u>	<u>112,170,181,191</u>	<u>4,764,190,901</u>

8. Motorcycle loans

	2016 Taka	2015 Taka
At 1 January 2016	807,014,427	796,996,894
Additions during the year	34,346,272	45,070,000
Loan realisation during the year	(38,304,885)	(35,052,467)
At 31 December 2016	<u>803,055,814</u>	<u>807,014,427</u>

9. Investments in securities and others

	2016 Taka	2015 Taka
DBH 1st Mutual Fund	43,800,000	29,400,000
AB Bank Ltd. Subordinated Bond	1,000,000,000	1,000,000,000
MTB Subordinated Bond	250,000,000	250,000,000
Bangladesh Sanchay Patra (BSP)	330,000,000	337,750,000
BRAC EPL investments Ltd	1,300	-
	<u>1,623,801,300</u>	<u>1,617,150,000</u>

Market value of DBH 1st Mutual Fund at 31 December 2016 was Taka. 7.30 per unit (2015: Taka. 4.90) and Taka. 7.30 per unit (2015: Taka. 4.90) on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively.

The AB Bank Ltd. Subordinated Bond maturity date will be on 25 August 2021 with effective interest rate ranging from 11% to 13% (2015: 11% to 13%) per annum.

The maturity date of the Mutual Trust Bank Subordinated Bond will be on 19 October 2022 with effective interest rate ranging from 10.5% to 13.5% (2015: 10.5% to 13.5%) per annum.

The Bangladesh Sanchay Patra (BSP) earned interest at 8.5% to 13.45% (2015: 10.5% to 13.45%) per annum respectively during the year.

10. Investments in related undertakings

Related undertakings	2016				
	Cost of Investment Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in value Taka	Total Taka
BRAC Bank Ltd.	4,760,329,616	6,092,445,194	-	-	10,852,774,810
BRAC Industries Ltd.	24,999,900	5,652,931	-	-	30,652,831
BRAC BD Mail Network Ltd.	186,161,000	(79,360,692)	-	-	106,800,308
BRAC IT Services Ltd.	34,300,000	(61,446,865)	108,812,204	-	81,665,339
BRAC Services Ltd.	10,000,000	(157,633,542)	225,026,063	(18,211,239)	59,181,282
Delta BRAC Housing Finance Corp. Ltd.	40,000,000	557,002,930	-	-	597,002,930
BRAC Karnafuli Tea Company Ltd.	243,908,025	(222,705,938)	1,116,252,588	-	1,137,454,675
BRAC Kaiyachara Tea Company Ltd.	63,300,695	76,215,905	233,252,099	-	372,768,699
BRAC Kodala Tea Company Ltd.	81,680,954	(37,177,711)	353,652,547	-	398,155,790
Bangladesh Netting Factory Ltd.	17,071,429	33,562,819	29,032,361	-	79,666,609
BRAC Assets Management Company Ltd.	13,000,000	3,099,825	-	-	16,099,825
BRAC Impact Ventures Ltd.	10,200,000	(9,203,732)	-	-	996,268
BRAC Environmental Enterprises Ltd.	90,000,000	(70,907,143)	124,717,808	-	143,810,665
Industrial Promotion and Development Company of Bangladesh Ltd.	759,023,000	93,868,173	-	-	852,891,173
	6,333,974,619	6,223,412,154	2,190,745,670	(18,211,239)	14,729,921,204

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

Represented by:

Share of net tangible assets

Goodwill on acquisition

Loans

2016 Taka	2015 Taka
12,329,569,580	11,186,724,541
209,605,954	209,605,954
2,190,745,670	2,004,329,560
14,729,921,204	13,400,660,055

10. Investments in related undertakings (contd.)

Related undertakings (All Incorporated in Bangladesh)	2016	2015	Principal activities
BRAC Bank Ltd.	44.64	44.64	Banking business, listed on the Dhaka and Chittagong Stock Exchanges
BRAC Industries Ltd.	99.99	99.99	Cold storage
BRAC BD Mail Network Ltd.	19.99	19.99	Internet service provider
BRAC IT Services Ltd.	48.67	48.67	Software development
BRAC Services Ltd.	100.00	100.00	Hospitality
Delta BRAC Housing Finance Corp. Ltd.	18.39	18.39	Housing finance, listed on the Dhaka and Chittagong Stock Exchanges
BRAC Karnafuli Tea Company Ltd.	99.94	99.94	Tea plantation
BRAC Kaiyachara Tea Company Ltd.	99.85	99.85	Tea plantation
BRAC Kodala Tea Company Ltd.	99.12	99.12	Tea plantation
Bangladesh Netting Factory Ltd.	93.94	93.94	Poultry processing
BRAC Assets Management Company Ltd.	26.00	26.00	Management of assets and portfolio investment
BRAC Impact Ventures Ltd.	51.00	51.00	Sustainable, conscious, green and ethical investment
BRAC Environmental Enterprises Ltd.	90.00	90.00	Waste management services
Industrial Promotion and Development Company of Bangladesh Ltd.	25.00	25.00	Financial services

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

Loans represent finance provided for working capital and earn 6% - 12% (2015: 12%) interest per annum. These loans are unsecured and have no fixed repayment terms.

The market value of BRAC Bank Ltd. shares at 31 December 2016 was Taka. 64.10 per share (2015: Taka. 48.40) and Taka.63.60 per share (2015: Taka. 47.70) on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively.

The market value of Delta BRAC Housing Finance Corporation Ltd. shares at 31 December 2016 was Taka.102.20 per share (2015: Taka.114.00) and Taka.102.20 per share (2015: Taka.110.10) on the DSE and CSE respectively.

Significant transactions with related undertakings are as follows:

Related undertakings	Nature of transaction	2016 Taka	2015 Taka
BRAC Bank Ltd.	Interest on fixed deposits and bank balance	83,892,343	26,202,844
Delta BRAC Housing Finance Corp. Ltd.	Interest on fixed deposits	55,116	37,373
BRAC Services Ltd.	Service facilities	55,744,693	33,290,623

11. Property, plant and equipment

Group of fixed assets	Cost				Depreciation			Written down value	
	Opening balance 01-01-2016	Additions during the year	Transferred during the year	Disposals during the year	Closing balance 31-12-2016	Charged during the year	Adjustment/ disposals during the year	Closing Balance 31-12-2016	Written down value 31-12-2016
Freehold land	7,890,865,292	687,780,542	-	-	8,578,645,834	-	-	-	8,578,645,834
Buildings	4,891,911,222	-	1,280,401,255	(6,997,246)	6,165,315,231	163,524,325	(6,997,246)	2,088,357,119	4,075,958,112
Furniture & fixtures	1,381,449,329	254,089,126	-	(34,257,422)	1,601,281,033	143,785,811	(32,983,149)	902,725,078	698,555,955
Equipment	1,691,526,498	389,594,743	-	(30,073,998)	2,051,047,243	174,298,149	(29,188,841)	1,346,059,609	704,987,634
Computer	641,474,147	160,885,348	-	(23,901,679)	778,457,816	97,802,830	(23,368,364)	522,723,423	255,734,393
Vehicles	920,458,497	136,248,427	-	(12,623,760)	1,044,083,164	118,936,898	(12,623,760)	731,541,733	312,541,431
Bicycles	15,803,359	3,438,098	-	(4,664,001)	14,577,456	1,587,029	(4,664,001)	8,878,939	5,698,517
Machineries	1,069,508,724	108,597,291	-	(67,909)	1,178,036,106	35,661,991	(67,909)	876,032,134	302,005,972
Deep tube wells and tanks	30,201,020	7,095,225	-	-	37,296,245	2,573,687	-	24,351,922	12,944,323
Hatcheries	15,854,059	1,122,424	-	-	16,976,483	1,902,487	-	16,956,691	19,792
Camp/Poultry/Livestock sheds	288,073,346	-	-	-	288,073,346	10,562,688	-	209,495,115	78,578,231
Motorcycles	2,443,036	2,760,542	-	-	5,203,578	-	-	2,443,036	2,760,542
Construction work-in-progress	1,257,192,814	630,257,796	(1,280,401,255)	-	607,049,355	-	-	334,061,737	607,049,355
Crates/Mannequins/Samples/Antiques	373,747,561	60,232,759	-	-	433,980,320	42,685,530	-	99,918,583	99,918,583
Total 2016	20,470,508,904	2,442,102,321	-	(112,586,015)	22,800,025,210	793,321,425	(109,893,270)	7,064,626,536	15,735,398,674
Total 2015	17,424,363,015	3,306,546,008	-	(260,400,119)	20,470,508,904	704,408,539	(242,617,191)	6,381,198,381	14,089,310,523

Allocation of depreciation:

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

2016 Taka	2015 Taka
112,296,702	80,930,188
681,024,723	623,478,351
793,321,425	704,408,539

An amount of Taka. 325,761,503 (2015: Taka. 53,946,525) has been transferred to the statement of income and expenditure from deferred income - investment in fixed assets to cover the depreciation charge for donor funded fixed assets as disclosed in Notes 17 & 19.

12. Liabilities for expenses and materials

Liabilities for expenses	3,973,173,721	3,796,975,972
Liabilities for goods	659,410,732	606,770,565
Advances received for training, publications, supplies etc.	2,765,759,681	2,048,071,341
	7,398,344,134	6,451,817,878
	(108,767,527)	(92,113,931)
	7,289,576,607	6,359,703,947

Provision for stock loss

13. Bank overdrafts

AB Bank Ltd.	-	-
Agrani Bank Ltd.	205,623,619	89,456,983
Bank Alfalah	186,542,482	188,801,780
Bank Asia Ltd.	24,536,924	26,930,418
Dhaka Bank Ltd.	1,392,262,247	1,645,002,580
Dutch Bangla Bank Ltd.	15,775,419	13,537,798
Eastern Bank Ltd.	6,596,507	5,070,474
Habib Bank Ltd	388,552,492	389,220,376
HSBC	543,403	469,883
IFIC Bank Ltd.	26,264,861	8,136,356
Jamuna Bank Ltd.	545,875,456	38,413,625
Janata Bank Ltd.	5,868,624	32,783,210
Mutual trust Bank Ltd.	266,097,427	3,800,862
Prime Bank Ltd.	1,824,623,404	1,909,025,395
* Pubali Bank Ltd.	5,517,411,740	5,785,976,999
Rupali Bank Ltd.	25,506,723	44,992,182
Sonali Bank Ltd.	237,506,768	1,815,183,170
Southeast Bank Ltd.	1,889,336	1,371,456
Standard Bank Ltd.	4,033,501	3,309,789
The Trust Bank Ltd.	9,695,350	48,280,117
United Commercial Bank Ltd.	1,721,340	1,343,306
Uttara Bank Ltd.	2,792,916,877	2,337,137,687
	13,479,844,500	14,388,244,446

* The bank overdraft is secured by fixed deposits amounting to Taka. 412,215,409 (2015: Taka. 414,710,523).

The bank overdrafts were obtained for BRAC's micro-finance programme and to finance working capital requirements. The bank overdrafts bear interest at 5.00% to 12.00% (2015: 5.5% to 12.5%) per annum, and are repayable within 12 months.

14. Term loans

	2016 Taka	2015 Taka
Bangladesh Bank	5,187,690,000	5,566,390,000
Bank Alfalah	200,000,000	200,000,000
BASIC Bank Ltd.	1,075,543,685	1,160,705,020
BRAC Bank Ltd.	2,886,764,654	2,896,786,692
Citibank, N.A.	500,000,000	500,000,000
Commercial Bank of Ceylon PLC	1,000,000,000	1,000,000,000
Dhaka Bank Ltd.	599,745,001	-
Eastern Bank Ltd.	2,783,716,167	2,106,316,967
IFIC Bank Ltd.	2,299,989,758	1,599,822,222
Jamuna Bank Ltd.	999,999,660	1,000,000,000
NCC Bank Ltd	1,999,987,500	-
Prime Bank Ltd.	2,000,000,000	1,999,532,109
* Rajshahi Krishi Unnayan Bank (RAKUB)	360,000,000	365,000,000
Rupali Bank Ltd	500,000,000	
SABINCO	307,134,137	462,965,620
Shahjalal Islami Bank Ltd.	1,900,000,000	1,533,916,647
Standard Chartered Bank (SCB)	4,340,000,000	4,340,000,000
The City Bank Ltd	2,200,000,000	-
The Premier Bank Ltd	1,699,986,859	1,699,989,798
The UAE-Bangladesh Investment Company Ltd	151,475,249	-
	32,992,032,670	26,431,425,075

Term Loans are analysed as follows:

Amount repayable within 12 months	31,274,265,971	24,023,993,293
Amount repayable after 12 months:		
- Repayable after 12 months and within 24 months	970,249,180	1,959,893,143
- Repayable after 24 months and within 36 months	747,517,519	447,538,639
	1,717,766,699	2,407,431,782
	32,992,032,670	26,431,425,075

* Secured by fixed deposits amounting to Taka. 212,540 (2015: Taka. 183,147).

All repayment obligations in respect of the term loans were met and no amounts were in arrears as at 31 December 2016.

The term loans were obtained to support various micro finance and development projects undertaken by BRAC and for working capital purposes. The loans are repayable at various intervals, i.e. monthly, quarterly, half-yearly, bi-annually and annually and bear 5% to 8.25% (2015: 5% to 11.50%) interest rates.

15. Members' savings deposits

	2016 Taka	2015 Taka
At 1 January 2016	40,228,457,331	34,180,809,446
Deposits during the year	32,187,328,362	30,521,109,555
Withdrawals during the year	(22,296,948,118)	(24,473,461,670)
At 31 December 2016	50,118,837,575	40,228,457,331
Compulsory savings	40,906,276,123	32,170,932,001
Voluntary savings	6,139,207,569	4,863,588,623
Term deposits	3,073,353,883	3,193,936,707
At 31 December 2016	50,118,837,575	40,228,457,331

15. Members' savings deposits (contd.)

The rate of interest paid in respect of savings deposits by members was 6% - 10% (2015: 6% - 10%) per annum.

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

(a) Compulsory savings

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

(b) Voluntary savings

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

(c) Term deposits

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

16. Grants received in advance

	Notes	2016 Taka	2015 Taka
At 1 January 2016		971,166,244	6,740,890,268
Receivables as at 1 January 2016		(175,920,953)	(52,248,836)
		795,245,291	6,688,641,432
Donations received during the year	30	10,927,094,180	7,801,946,598
Transferred to deferred income:			
- Investment in property, plant and equipment	17	(321,822,612)	(23,785,870)
- Motorcycle replacement fund	17	(3,938,891)	(4,699,870)
Transfer to Statement of Income and Expenditure for expenditure during the year	19	(10,498,600,286)	(13,666,856,999)
		897,977,682	795,245,291
Grants receivable	6	316,317,153	175,920,953
At 31 December 2016		1,214,294,835	971,166,244

17. Deferred income

	Notes	Investment in Fixed Assets Taka	Motorcycle Replacement Fund Taka	Total Taka
At 1 January 2016		174,076,090	26,393,633	200,469,723
Transferred from Grants received in advance	16	321,822,612	3,938,891	325,761,503
Amortization to Statement of Income and Expenditure	19	(61,866,455)	(8,145,158)	(70,011,613)
At 31 December 2016		434,032,247	22,187,366	456,219,613

18. Other long term liabilities

	2016 Taka	2015 Taka
Employee gratuity and redundancy fund	10,150,892,777	9,456,164,710
Self-insurance fund		
- Employees	458,825,614	422,641,872
- BRAC properties and motorcycles	776,413,656	733,694,168
	1,235,239,270	1,156,336,040
Other funds		
- Special fund for scholarship	5,977,099	5,765,565
- Relief and rehabilitation fund	629,936,836	583,877,320
- Staff welfare fund	34,529,761	49,103,440
	670,443,696	638,746,325
	12,056,575,743	11,251,247,075

An actuarial valuation of the employee gratuity and redundancy fund as at 31 December 2014 was performed by an independent professional actuary. Based on the valuation, there was an excess provision of Taka. 423,900,000. The principal assumptions applied in the actuarial valuation, were similar to those applied in the previous years. Similarly, an actuarial valuation of the self-insurance fund for employees as at 31 December 2014 was performed by an independent professional actuary. Based on the valuation, there was an excess provision of Taka. 216,000,000. The principal assumptions applied in the actuarial valuation, were consistent with those applied in previous years. The indicative excess provisions in respect of the above funds, have not been written back, but will be considered in determining future provisions for the respective funds. Such determination would include further consideration given to the probability of unforeseen adverse events which may cause strain on the funds concerned.

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

It is BRAC's policy to carry out actuarial reviews at least every three years to assess the adequacy of the provisions in respect of the fund.

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

18. Other long term liabilities (contd.)

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

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

19. Donor grants

	Notes	2016 Taka	2015 Taka
Donor grants recognised in the Statement of Income and Expenditure:			
Transferred from grants received in advance	16	10,498,600,286	13,666,856,999
Transferred from deferred income:			
Amortisation of investment in property, plant and equipment			
- unrestricted		-	683,274
- temporarily restricted		61,866,455	53,263,252
	17	61,866,455	53,946,526
Amortisation of motorcycle replacement fund			
- unrestricted		-	308,026
- temporarily restricted		8,145,158	9,261,481
	17	8,145,158	9,569,507
Total donor grants		10,568,611,899	13,730,373,032
Interest on bank accounts and fixed deposits in respect of donor funds	25	5,813,707	27,057,988
Other income - Partial reimbursements on cost of donor funded programme supplies		2,218,263	28,561,197
		10,576,643,869	13,785,992,217

20. Social enterprises

Revenue from sales (Note 20.1)	14,132,369,826	13,288,877,264
Other Income (Note 20.2)	17,541,394	56,550,496
	14,149,911,220	13,345,427,760
20.1. <u>Revenue from Sales</u>		
Aarong Rural Craft Centre	6,776,698,470	5,631,368,906
BRAC Printing Pack	299,942,469	295,158,054
BRAC Dairy and Food Project	3,200,642,155	2,976,347,522
Agro-based Programme Support Enterprises	3,769,744,336	4,115,676,523
Non-agrobased Programme Support Enterprises	85,342,396	270,326,259
	14,132,369,826	13,288,877,264
20.2. <u>Other Income</u>		
Gain on disposal of property, plant and equipment	436,100	10,174,037
Sale of waste materials	17,105,294	51,540,158
Foreign exchange gain	-	15,709
Less: Inter-programme interest charged during the year	-	(5,179,408)
	17,541,394	56,550,496

21. Microfinance Programme

	2016 Taka	2015 Taka
Service charge on microfinance loans	31,360,054,922	25,983,492,605
Bank interest against member saving deposits (Note 25)	577,499,381	780,582,091
Less: Inter-programme interest charged during the year	-	(81,710,721)
	<u>31,937,554,303</u>	<u>26,682,363,975</u>

22. Self-financing Social Development Projects

	2016 Taka	2015 Taka
Interest on bank accounts and fixed deposits (Note 25)	224,819,510	491,311,920
Other income (Note 22.1)	135,540,017	504,317,050
	<u>360,359,527</u>	<u>995,628,970</u>

22.1	<u>Other Income</u>	
	Gain/(loss) on disposal of property, plant and equipment	4,090,283
	Training income	(7,555,687)
	Sale of waste materials	68,718,290
	Interest received on other loans and advances	320,105,691
	Foreign exchange loss	22,138,287
	Inter-programme interest received during the year	53,513,856
		41,449,815
		52,045,467
		(856,658)
		(682,406)
		-
		86,890,129
		<u>135,540,017</u>
		<u>504,317,050</u>

23. Investment income

	2016 Taka	2015 Taka
Share of profits less losses from investments in related undertakings	1,955,862,048	793,099,927
Gain on disposal of BRAC Banshkhali Tea Company Ltd	-	787,320,202
Interest on Subordinated Bond	136,623,288	124,043,061
Interest on BSP	35,131,359	33,418,327
Gain on disposal of investment in quoted securities	19,800,000	1,800,000
	<u>2,147,416,695</u>	<u>1,739,681,517</u>

24. Community contributions

	2016 Taka	2015 Taka
Education Programme	1,102,255,256	60,252,181
Health Nutrition and Population Programme	156,831,516	-
Community Empowerment Programme	2,879,224	-
Agriculture and Food Security Programme	15,102,751	-
	<u>1,277,068,747</u>	<u>60,252,181</u>

Community contributions represent fees charged by BRAC to participants of certain programmes and activities.

25. Interest on fixed deposits and bank accounts

	2016 Taka	2015 Taka
Microfinance programme	577,499,381	780,582,091
Donor based development projects	5,813,707	27,057,988
Self-financing Social development programmes	224,819,510	491,311,920
	<u>808,132,598</u>	<u>1,298,951,999</u>

26. BRAC Contribution to support Donor Funded Programmes

BRAC contributed funds to meet the funding shortfall in donor funded programmes expenditure during the year in order to ensure the continued implementation and execution of such programmes.

27. Taxation

	2016 Taka	2015 Taka
Income tax provision for the year	486,000,000	165,000,000

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

The tax charge is in respect of taxable income arising from BRAC's taxable activities in 2016, and is subject to agreement with the tax authorities.

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

BRAC continues to be of the view that the basis of taxation contained in the abovementioned directives are inappropriate, and therefore BRAC would not be liable to taxation. Accordingly, the amounts referred to above have not been provided for in the financial statements as at 31 December 2016.

28. Foreign currency denominated monetary assets and liabilities

	2016 Taka	2015 Taka
Resident Foreign Currency Deposits (in USD)	608,282,940	621,859,214
Resident Foreign Currency Deposits (Euro)	15,336,001	16,024,908
Resident Foreign Currency Deposits (in GBP)	14,927,503	18,054,422
Cash at bank and in hand (in USD)	14,260,017	14,303,106
Cash at bank and in hand (in Euro)	2,251,582	2,312,465
Cash at bank and in hand (in GBP)	967,551	1,245,538
Cash at bank and in hand (in AUD)	-	14,061

29. Financial Instruments

(a) Financial Risk Management Objectives and Policies

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

(b) Interest Rate Risk

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

(c) Foreign Exchange Risk

BRAC's foreign exchange risks comprise transaction risk which arise from donor grants received in currencies other than the local currency and minimal foreign currency deposits and cash at bank placed with licensed financial institutions. BRAC is exposed to foreign currency fluctuations, mainly in respect of donor grants denominated in United States Dollars, Great Britain Pound and the Euro.

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

(d) Liquidity Risk

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

(e) Credit Risk

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

80. Schedule of donation received

Name of the projects	Donor	2016 Taka	2015 Taka
Yukta Bangladesh Project	OWN FUNDING	2,160,000	462,046
	BRAC-UK	-	70,000
	Sub Total	2,160,000	532,046
Statute Partnership Arrangement (SPA)	DFID	8,894,700,000	8,808,070,416
	DFAT	1,266,126,000	1,266,126,000
	Sub Total	10,160,826,000	10,074,196,416
RED BRACU	ODI	-	817,406
	EDFI	-	61,074,000
	Adem Smith International	-	6,068,270
	Royal Tropical Institute	-	1,000,440
	UNESCO	-	180,741
	Sub Total	-	68,130,817
BRAC Education Program (BEP-II)	ODA/DFID	-	82,769,761
Assistant and Support to the Victims of Rana Plaza	Swiss S.L.I.	-	7,888,000
Coordination and Change Enabling Project	World Bank	-	3,962,727
OPPR Phase-IV	BRAC-USA	18,657,186	-
BRAC New Initiative of HRLS	OEZ	866,760	24,324,386
OUR DEVELOPMENT AND SUSTAINABLE PROGRAM	Barrowwell Moir Mac Donald	20,155,473	20,804,308
Improving Income, Nutrition and Health in Bangladesh	AFRDO (The World Vegetable Centre)	-	22,816,886
-Jasagh Potato, Sweet potato and Vegetable	EDFI	42,372,861	128,712,864
BRAC Water Sanitation and Hygiene Program (AWA/H4)	The Global Fund	1,864,840,116	1,822,178,767
Reduction TB Prevalence	University Research Company LLC.	-	28,344,386
TB CARE II Wave 3	The Global Fund	218,170,761	283,878,801
Reduction Malaria Incidence	BRAC-QATAR	28,628,608	28,110,726
BRAC Boat School	BRAC-QATAR	122,020,302	61,266,844
BRAC Urban Slum School	SWISS WORLD	2,401,662	4,794,866
Community Safety Initiative	Family Health International	64,982,439	18,220,279
AWA ONE THREE PROJECT	The Global Alliance for Improved Nutrition	188,868,220	147,848,889
Bangladesh MYON-Horse Fertilisation Program	BRAC-USA	-	7,257,260
BRAC Emergency Preparedness Project	BRAC-USA	28,614,261	20,866,087
BRAC HRLS Property Rights Program	ED	-	24,800,406
National Food Security Nutritional Surveillance Project	UNICEF	92,086,664	22,864,260
Changing Sexual Norms and Supporting Adolescent Engagement	The Global Alliance for Improved Nutrition	-	466,860
Monitoring and Evaluation of the School Nutrition	UN Women	(20,862)	28,808,400
Sustainable Human Development and Empowerment of Vulnerable	The Global Alliance for Improved Nutrition	-	7,717,299
Women affected Climate Change	UNICEF	11,300,861	6,126,866
Urban School Nutrition Programme	Special Marketing Company	20,271,722	772,878
Engaging Communities for Behavioural Social Change in Girls' Bazar	Center for Development Research	-	781,826
OWA/HSB	Women With	3,661,220	10,646,466
Marketing Innovation for Health (MHI) Program	ED	-	17,716,664
Technology (m-art) assessment and lean model-based Segmentation for	University of Bonn	-	1,266,027
Inclusive Poverty Reduction and Sustainable Growth	AFRDO (The World Vegetable Centre)	-	386,761
Building Young Women's Leadership through Sports	WFP	3,262,361	6,264,127
Economic Empowerment for Poor and Vulnerable Women in Bangladesh	World Bank	-	854,162
Building Pro-Poor Investments in the House among Domestic Worker	Yukta Spillo	47,670,369	14,672,666
Quality and Quantity	Family Health International	91,966,270	115,868,664
Root and Tuber Crops Research and Dev. Prog. for Food Security Asia	WFP	16,867,869	18,874,602
and Pacific Region	World Bank	72,137,308	66,861,174
Improving Maternal & Child Nutrition	Global Development Network Inc.	-	11,771,266
Aquatic Agricultural System	UNICEF	-	476,866
Pilot project of distributing feeding glasses	Bill and Melinda Gates Foundation	3,119,260	117,868,866
Stake Project	Government of Bangladesh	4,820,770	20,467,260
BRAC School Meal Picting	British Council	-	3,041,266
Sole Migration for Bangladesh Workers	CHARTERHOUSE	662,262	666,662
Impact Assessment of Credit Program for the Tenant Farmers	UNICEF	16,962,490	4,048,876
Enter Recovery Facility at UNOP Bangladesh	MoU	-	3,211,476
BRAC Innovation Fund for Digital Financial Services	BRAC-University	-	600,000
Developing Interactive Multimedia Digital Version of Primary Education	Chowdhury Bangladesh	3,666,366	2,662,000
Contents	The University of British Columbia(UBC)	18,237,070	-
English & ICT for Adolescent Phase-2	WFP	24,436,821	18,826,660
Enhance Student Food & Nutrition Through Media Campaign for	CBT Education Trust	-	4,664,366
marginalized group of people in Bangladesh	Rockefeller Foundation	-	7,768,802
Livelihood Skills Training for Out of School Working Children	The Global Alliance for Improved Nutrition	-	4,174,664
Population within a purpose Edu's_UOW	OSMA Mobile for Dev. Foundation	-	6,664,664
Pro-Poor Stem Integration Project(PPIP)	BRAC-UK	3,664,366	-
Road Safety Awareness campaign Project	KOOFID	-	626,166
Sustainable Clinical Care Bangladesh	CHARTERHOUSE	-	46,167,466
Targeting The Ultra poor Nutrition			
Teaching & Learning Materials Research at Padmashree Program			
BRAC Health Security Program			
BRAC UG/ITTK Project			
English through Mobile for Adolescent girl			
Graduation at Padmashree			
TB REACH PHASE 2			
Increase Access to Improved Water Sanitation and Hygiene Service			

Name of the projects	Donor	2016 Taka	2015 Taka
Improving Educational Outcome of Female Disadvantaged School Student	MONASH University	-	2,205,421
Agri-Business for Trade Competativeness Project	KATAYLYST	-	1,000,000
Improving Demand and Referral Linkage for Injectable Long acting and permanent methods of contraceptives	Engender Health		
Technology Adoption and Food Security in Rural Bangladesh	Monash University	18,211,261	19,133,935
Neuro Developmental Disability (NDD) Project	Apasen International	-	3,916,978
Establish Reintegration & Referral Service for Returnee migrant Workers	UN Women	1,039,086	594,105
Prevent and Respond to Sexual and Gender Based Violence	UNDP	-	3,389,148
BRAC Splash Wash in School	Splash International	12,378,609	10,530,724
Building Blocks of Early Years Learning in Bangladesh	PORTICUS	977,500	14,565,307
Community Based Digital Fat Testing Project	Care-Bangladesh	37,908,000	46,974,750
Community Based Intervention for the Empowerment of Women	ILO	1,071,495	23,155,634
Community Water Management for Improved food Security nutrition and livelihoods in the polders of	IRRI	1,833,070	5,368,194
Holistics Enhancement of Early Childhood Development	BRAC-USA	-	3,088,000
National Early Childhood Development Support Program	UNICEF	-	4,258,533
Promoting Maize Cultivation in Southern part of Bangladesh	EDGE Consulting Ltd.	162,811,314	123,039,350
School Feeding Program at Gaibandha	WFP	-	2,352,522
Training Program on Non Communicable Disease Control	Government of Bangladesh	12,565,982	3,047,624
Working with Children at Risk in the Slums of Dhaka	BRAC-UK	-	16,042,151
Fistula Care Plus Project	Engender Health	14,649,084	11,673,015
Strengthening Strategic Communication for Development Support to Education Priorities	UNICEF	3,240,597	2,695,028
Community Road Safety Programme	GOB	177,145	6,813,946
Skills Development and Self-Employment Program	ILO	10,414,026	1,697,257
Ensuring Long Term Medical Services & Post Award Livelihood Support f for the Victims of Rana Plaza	BRAC - USA	-	1,700,000
Building capacity to address issues of SRHR,Gender and Emotional wellbeing in technical,vocational,higher and general education	MDF-Training & Consultancy	-	46,997,513
Capacity Building to promote day-care services and women's employability in the RMG Sector"	MDF-Training & Consultancy	6,634,182	7,772,697
SUSTAIN	The International Potato Center	5,847,896	-
Delivering maternal health care through mobile biometrics in Dhaka Urban Slums	SimPrints	20,033,059	-
Technology Adoption and defusion the system of Rice Intensification and Food Security in Rural Bangladesh	Monash University	4,322,775	1,279,259
Improving mother and child nutrition in Bangladesh	Children's Investment Fund Foundation	-	54,878,589
Adolescent Sextual and Reprouductive Health in Bangladesh	BRAC - USA	7,263,839	-
Agri-Business for Trade Competativeness Project	Katalyst	-	1,750,000
BRAC Chevron BPI Enterprise Development Pilot Project	BRAC - USA	79,351,960	-
BRAC Play Lab Project	BRAC - USA	46,826,583	-
Breast Feeding Promotion and Support at public Health Care	UNICEF	7,351,355	-
Chitmhohol Livelihood Development Programme Lalmonirhat	SCB	2,256,583	-
Community Fire Prevention Project	IDEO.ORG	782,500	-
Editorial and publishing Services, within the Teaching and Learning Materials Research and Refinement Programme	DFID-UK		
Effect of BIO Fortified Leantiles on Iron and Selenium Status	University of Saskatchuea	9,206,289	-
END TB TARGETS	WHO	4,934,100	-
English and digital for Girl's Education	British Council	1,185,425	-
Ensuring Clean and safe Birthing through Promotion Safe Birth kits	BRAC - USA	6,889,396	-
Financial Literacy for Adolesent in Chittagong	SCB	10,557,166	-
Innovation for Improving Early Grad Reading Activity	USAID	2,285,418	-
Institutional Development Project	DFID	71,921,837	-
Non Communicable Disease Control programme	GOB	4,072,500	-
Unlocking the producation Potential of "polder communities" in Coastal Bangladesh	IRRI	8,756,370	-
USAID Livestock producation for Improved nutrition Program	ACDI/VOCA	2,270,651	-
Policy Advocacy Intervention of Bangladesh MIYCN Home Fortification	The Global Alliance for Improved Nutrition	3,703,479	-
BRAC Water, Sanitation and Hygiene (WASH) Programme	EKN	9,750,000	-
Guiding Pro-Poor Investments in the Nexus among Domestic Water Quality and Quantity	University of Bonn	400,470	-
Cyclone Roanu Recovery Project (CRRP)	BRAC-USA	1,339,225	-
Garments Worker Financial diaries	Microfinance Opportunities	14,915,694	-
Green Super Rice	IRRI	3,142,989	-
Bangladesh District Eye Care Programme	Sight Savers-UK	1,945,000	-
Field Evaluation of a Passive Areation System for Aquaculture	University of Toronto	2,851,313	-
Targeting and Re-Aligning Agriculture to Improved Nutrition	International Food Policy	1,969,496	-
Unit for Body Rights Program	RHSTEP	1,199,288	-
Bangladesh Dairy Enhancement Project	Land O Lakes	2,593,479	-
Empowering Girls on Sexual and Reproductive Health Rights	Mannion Danieals Ltd.	24,565,950	-
Nutrition for Batter Livelihood and Linkage of Nutrition Messaging	DAI Global LLC.	2,619,986	-
Promoting Physical and Emotional Wellbeing of Adolescents	EKN	1,169,568	-
Skills for Employment investment Programme Project	GOB	2,506,768	-
Support to Bangladesh Justice Working Paper Series	DFID	2,541,825	-
Relief and Rehabilitation	Local Donor's	8,684,100	-
		4,323,925	-
Total		10,927,094,180	7,801,946,598

31. Segmental financial information:

Balance Sheet as at December 31, 2016

Assets										
Cash and bank balances	133,562,221	8,771,108	69,782,470	725,479,447	112,705,244	14,895,022,400	(1,318,330,713)	793,826,455	15,420,818,632	2,068,753,121
Advance,deposits and prepayments	234,158,683	192,573,162	153,541,016	143,194,783	9,410,947	335,432,402	6,042,085,224	27,681,329	7,138,077,546	157,663,045
Inventories	2,773,278,731	52,878,877	142,775,472	620,569,248	51,375,362	52,447,469	49,273,877	-	3,742,599,036	25,467,717
Grants and accounts receivable	146,272,491	29,515,658	88,293,123	513,953,700	10,485,742	274,635,213	977,429,313	-	2,040,585,240	366,707,049
Inter-programme current account	1,722,922,791	(49,858,846)	362,987,638	1,072	-	-	(2,041,635,152)	-	(5,582,497)	5,582,497
Microfinance loans	-	-	-	-	-	135,838,491,181	-	-	135,838,491,181	-
Motor cycle loans	594,966	-	6,157,865	10,754,395	-	410,854,277	56,027,052	-	484,388,555	318,667,259
Investments in securities and others	-	-	-	-	-	-	1,623,801,300	-	1,623,801,300	-
Investments in related undertakings	-	-	-	-	-	-	14,729,921,204	-	14,729,921,204	-
Property, plant and equipments	666,044,344	28,557,506	762,642,029	872,119,572	6,074,338	3,835,037,292	8,946,125,140	138,842,450	15,255,442,671	479,956,003
Total Assets	5,676,834,227	262,437,465	1,586,179,613	2,886,072,217	190,051,633	155,641,920,234	29,064,697,245	960,350,234	196,268,542,668	3,422,796,691
Liabilities and net Assets										
Liabilities										
Liabilities for expenses and materials	487,781,357	15,020,099	180,788,800	327,607,410	74,394,089	3,466,973,212	2,117,437,043	200,000	6,670,202,010	619,374,597
Bank overdrafts	34,586,553	-	-	-	-	13,445,257,947	-	-	13,479,844,500	-
Term loans	-	-	-	20,000,000	-	32,972,032,670	-	-	32,992,032,670	-
Members savings deposits	-	-	-	-	-	50,118,837,575	-	-	50,118,837,575	-
Grants received in advance account	-	-	-	-	-	-	-	-	-	1,214,294,835
Deferred income	-	-	-	-	-	508,011	5,282,441	-	5,790,452	456,219,613
Other long term liabilities	263,377,558	20,680,900	-	-	-	171,732,621	11,600,784,664	-	12,056,575,743	-
Provision for taxation	-	-	-	6,231,438	-	-	2,031,709,592	-	2,037,941,030	-
Total Liabilities	785,745,468	35,700,999	180,788,800	353,838,848	74,394,089	100,175,342,036	15,755,213,740	200,000	117,361,223,980	2,284,098,593
Net assets- Capital fund	4,891,088,759	226,736,466	1,405,390,813	2,532,233,369	115,657,544	55,466,578,198	13,309,483,505	960,150,234	78,907,318,888	1,138,698,098
Total Liabilities and Net assets	5,676,834,227	262,437,465	1,586,179,613	2,886,072,217	190,051,633	155,641,920,234	29,064,697,245	960,350,234	196,268,542,668	3,422,796,691

31. Segmental financial information (cont'd)

Balance Sheet as at December 31, 2015

	Aarong Rural Craft Centre	Unrestricted						Temporarily restricted		Total 2015
		BRAC Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Assets										
Cash and bank balances	66,913,026	9,100,559	39,101,705	197,173,403	122,644,413	13,512,133,115	(119,072,036)	731,690,565	14,559,684,750	16,916,766,552
Advance deposits and prepayments	203,633,378	193,022,855	108,614,935	137,972,925	575,604	302,968,911	2,951,448,256	27,461,387	3,925,698,251	4,076,719,030
Inventories	2,140,424,077	72,580,059	141,357,364	1,007,497,953	21,838,438	64,973,065	52,150,581	-	3,500,821,537	18,160,864
Grants and accounts receivable	93,754,355	26,603,235	71,297,655	445,188,070	20,024,997	217,659,183	737,678,488	-	1,612,205,983	183,137,603
Inter-programme current account	1,368,159,599	(101,722,462)	487,065,477	5,065,277	-	8,544,720	(1,760,345,986)	-	6,766,625	-
Microfinance loans	-	-	-	-	-	108,342,249,742	-	-	108,342,249,742	108,342,249,742
Motor cycle loans	882,708	-	5,643,982	8,971,936	10,973	380,076,696	43,224,643	-	438,810,938	368,203,489
Investments in securities and others	-	-	-	-	-	-	1,617,150,000	-	1,617,150,000	1,617,150,000
Investments in related undertakings	-	-	-	-	-	-	13,400,660,055	-	13,400,660,055	-
Property, plant and equipments	592,190,179	30,240,788	604,031,877	845,376,815	4,210,592	3,684,340,977	7,903,731,225	159,970,433	13,824,092,886	265,217,637
Total Assets	4,465,957,322	229,825,034	1,457,112,995	2,647,246,379	169,305,017	126,512,946,409	24,826,625,226	919,122,385	161,228,140,767	3,336,055,549
Liabilities and net Assets										
Liabilities										
Liabilities for expenses and materials	419,304,666	13,013,379	141,746,977	278,873,833	48,063,418	3,060,334,979	1,365,458,906	200,000	5,326,996,158	6,359,703,947
Bank overdrafts	85,061,900	-	-	-	-	14,303,182,546	-	-	14,388,244,446	14,388,244,446
Term loans	-	-	-	200,000,000	-	26,231,425,075	-	-	26,431,425,075	26,431,425,075
Members savings deposits	-	-	-	-	-	40,228,457,331	-	-	40,228,457,331	40,228,457,331
Grants received in advance account	-	-	-	-	-	-	-	-	-	971,166,244
Deferred income	-	-	-	-	-	508,011	5,361,119	-	5,869,130	200,469,723
Other long term liabilities	253,094,393	16,983,243	-	-	-	171,732,621	10,809,436,818	-	11,251,247,075	11,251,247,075
Provision for taxation	-	-	-	6,231,438	-	-	1,545,709,592	-	1,551,941,030	1,551,941,030
Total Liabilities	757,460,959	29,996,622	141,746,977	485,105,271	48,063,418	83,995,640,563	13,725,966,435	200,000	99,184,180,245	101,382,654,871
Net assets- Capital fund	3,708,496,363	199,828,412	1,315,366,018	2,162,141,108	121,241,599	42,517,305,846	11,100,658,791	918,922,385	62,043,960,522	63,181,541,445
Total Liabilities and Net assets	4,465,957,322	229,825,034	1,457,112,995	2,647,246,379	169,305,017	126,512,946,409	24,826,625,226	919,122,385	161,228,140,767	3,336,055,549

31. Segmental financial information (Cont'd)

	Aarong Rural Craft Centre	Unrestricted						Temporarily restricted		Total 2016
		BRAC Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Income										
Donor grants	-	-	-	-	-	-	-	-	-	10,576,643,869
Social Enterprises	6,776,698,470	301,394,006	3,209,607,514	3,776,803,117	85,408,113	-	-	-	14,149,911,220	14,149,911,220
Microfinance Programme	-	-	-	-	-	31,937,554,303	-	-	31,937,554,303	31,937,554,303
Self-financing Social Development Programmes	-	-	-	-	-	-	360,359,527	-	360,359,527	360,359,527
Investment income	-	-	-	-	-	-	2,147,416,695	-	2,147,416,695	2,147,416,695
Community Contribution	-	-	-	-	-	-	-	-	-	1,277,068,747
House Property	-	-	-	-	-	-	-	88,616,754	88,616,754	88,616,754
Total income	6,776,698,470	301,394,006	3,209,607,514	3,776,803,117	85,408,113	31,937,554,303	2,507,776,222	88,616,754	48,683,858,499	11,853,712,616
Expenditure										
Social Enterprises	5,594,106,073	259,658,541	3,052,851,770	3,353,304,057	56,173,361	-	-	-	12,316,093,802	12,316,093,802
Micro Finance Programme	-	-	-	-	-	18,286,281,951	-	-	18,286,281,951	18,286,281,951
House Property	-	-	-	-	-	-	-	47,388,905	47,388,905	47,388,905
Agriculture and Food Security	-	-	-	-	-	-	-	-	-	152,339,096
Community Empowerment Programme	-	-	-	-	-	-	4,513,947	-	4,513,947	373,769,948
Education Programme	-	-	-	-	-	-	224,993,467	-	224,993,467	4,007,403,450
Gender, Justice and Diversity	-	-	-	-	-	-	-	-	-	151,869,846
Health Programme	-	-	-	-	-	-	4,574,480	-	4,574,480	3,736,352,197
Human Rights and Legal Aids Services	-	-	-	-	-	-	-	-	-	275,116,681
Policy Advocacy	-	-	-	-	-	-	-	-	-	151,053,311
Water, Sanitation and Hygiene Programme	-	-	-	-	-	-	-	-	-	204,137,601
Ultra Poor Programme	-	-	-	-	-	-	-	-	-	2,053,016,421
Other Development Projects	-	-	-	-	-	-	347,476,077	-	347,476,077	896,337,441
Total Expenses	5,594,106,073	259,658,541	3,052,851,770	3,353,304,057	56,173,361	18,286,281,951	581,557,971	47,388,905	31,231,322,629	12,001,395,992
Surplus/(deficit) of income over expenditure before inter-programme allocations	1,182,592,397	41,735,465	156,755,744	423,499,060	29,234,752	13,651,272,352	1,926,218,251	41,227,849	17,452,535,870	(147,683,376)
Net surplus for the year after inter-programme allocations	-	(14,827,412)	(66,732,571)	(252,735,398)	(10,650,535)	-	344,945,916	-	-	-
BRAC Contribution to support Donor Funded Programmes	1,182,592,397	26,908,053	90,023,173	170,763,662	18,584,217	13,651,272,352	2,271,164,167	41,227,849	17,452,535,870	(147,683,376)
Surplus of income over expenditure before taxation	-	-	-	-	-	-	(148,800,551)	-	(148,800,551)	148,800,551
Taxation	-	-	90,023,173	170,763,662	18,584,217	13,651,272,352	2,122,363,616	41,227,849	17,303,735,319	1,117,175
Net surplus for the year	1,182,592,397	26,908,053	90,023,173	170,763,662	18,584,217	13,651,272,352	1,636,363,616	41,227,849	16,817,735,319	16,818,852,494

31. Segmental financial information (Cont'd)

Statement of Income and Expenditure for the year ended December 31, 2015

Aarong Rural Craft Centre	Unrestricted							Temporarily restricted		Total 2015
	BRAC Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Unrestricted	Donor-based Projects	Taka
Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
-	-	-	-	-	-	991,300	-	991,300	13,785,000,917	13,785,992,217
5,661,622,475	296,081,078	3,001,018,041	4,116,379,907	270,326,259	-	-	-	13,345,427,760	-	13,345,427,760
-	-	-	-	-	26,682,363,975	-	-	26,682,363,975	-	26,682,363,975
-	-	-	-	-	-	995,628,970	-	995,628,970	-	995,628,970
-	-	-	-	-	-	1,739,681,517	-	1,739,681,517	-	1,739,681,517
-	-	-	-	-	-	60,252,181	-	60,252,181	-	60,252,181
-	-	-	-	-	-	-	92,370,223	92,370,223	-	92,370,223
5,661,622,475	296,081,078	3,001,018,041	4,116,379,907	270,326,259	26,682,363,975	2,796,553,968	92,370,223	42,916,715,926	13,785,000,917	56,701,716,843
Expenditure										
4,805,696,851	262,362,580	2,775,000,915	3,671,618,519	232,584,214	-	-	-	11,747,263,079	-	11,747,263,079
-	-	-	-	-	15,244,367,848	-	-	15,244,367,848	-	15,244,367,848
-	-	-	-	-	-	-	99,443,136	99,443,136	-	99,443,136
-	-	-	-	-	-	-	-	-	334,185,896	334,185,896
-	-	-	-	-	-	12,604,271	-	12,604,271	352,315,317	364,919,588
-	-	-	-	-	-	483,819,965	-	483,819,965	5,085,394,082	5,569,214,047
-	-	-	-	-	-	14,269,674	-	14,269,674	388,363,870	402,633,544
-	-	-	-	-	-	46,625,417	-	46,625,417	4,532,330,759	4,578,956,176
-	-	-	-	-	-	-	-	271,203,344	-	271,203,344
-	-	-	-	-	-	-	-	170,883,319	-	170,883,319
-	-	-	-	-	-	-	-	1,218,247,312	-	1,218,247,312
-	-	-	-	-	-	-	-	2,779,602,037	-	2,779,602,037
-	-	-	-	-	-	133,756,644	-	133,756,644	717,554,776	851,311,420
4,805,696,851	262,362,580	2,775,000,915	3,671,618,519	232,584,214	15,244,367,848	691,073,971	99,443,136	27,782,150,034	15,850,080,711	43,632,230,745
Surplus/(deficit) of income over expenditure before inter-programme allocations										
855,925,624	33,718,498	226,017,126	444,761,388	37,742,045	11,437,996,127	2,105,477,997	(7,072,913)	15,134,565,892	(2,065,079,794)	13,069,486,098
(427,962,812)	(16,859,250)	(113,008,563)	(258,090,644)	(17,429,062)	-	893,350,331	-	-	-	-
Net surplus for the year after inter-programme allocations										
427,962,812	16,859,248	113,008,563	186,670,744	20,312,983	11,437,996,127	2,938,826,328	(7,072,913)	15,134,565,892	(2,065,079,794)	13,069,486,098
BRAC Contribution to support Donor Funded Programmes										
427,962,812	16,859,248	113,008,563	186,670,744	20,312,983	11,437,996,127	835,417,794	(7,072,913)	13,091,155,358	38,330,740	13,069,486,098
Surplus of income over expenditure before taxation										
-	-	-	-	-	-	(165,000,000)	-	(165,000,000)	-	(165,000,000)
427,962,812	16,859,248	113,008,563	186,670,744	20,312,983	11,437,996,127	670,417,794	(7,072,913)	12,866,155,358	38,330,740	12,904,486,098
Net surplus for the year										

32. Statement of Functional Expenses

Expenditure Statement for the year ended December 31, 2016

Aarong Rural Craft Centre	Unrestricted							Temporarily restricted		Total 2016
	BRAC Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Unrestricted	Donor-based Projects	Taka
Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
726,747,404	11,926,619	193,978,805	191,205,348	6,295,118	7,905,523,937	58,617,151	-	9,094,294,382	5,909,340,096	15,003,634,478
69,431,278	1,273,053	102,421,138	34,805,570	1,078,747	530,645,559	4,307,153	-	743,962,498	550,075,293	1,294,037,791
-	-	-	-	-	-	-	-	-	974,977,157	974,977,157
-	-	-	-	-	-	-	-	-	162,408,874	162,408,874
-	-	-	-	-	-	-	-	-	176,209,164	176,209,164
262,199,061	555,140	28,252,115	14,536,072	1,061,592	475,771,914	-	18,440,879	800,816,773	257,653,966	1,058,470,739
117,995,640	1,831,070	50,032,917	37,356,136	1,415,034	409,998,446	-	6,774,935	625,406,178	171,812,030	797,218,208
-	-	-	-	-	-	-	-	-	242,033,964	242,033,964
5,963,972	-	4,827,118	2,464,990	25,104	211,171,269	68,718,290	-	293,170,743	334,528,950	627,699,693
-	-	-	-	-	379,664,357	116,207,073	-	495,871,430	3,106,022,361	3,601,893,791
-	-	-	-	-	2,822,895,780	-	-	2,822,895,780	-	2,822,895,780
-	-	-	-	-	2,171,462,277	-	-	2,171,462,277	-	2,171,462,277
47,173,017	6,963,909	-	15,294,455	-	1,213,544,716	-	-	1,282,976,097	20,599,837	1,303,575,934
4,173,936,984	231,863,352	2,521,106,059	2,897,920,989	45,448,613	-	-	-	9,870,275,997	-	9,870,275,997
59,830,683	-	138,790,184	104,394,480	138,372	-	-	-	303,153,719	5,620,693	308,774,412
-	-	-	-	-	2,011,313,856	-	-	2,011,313,856	-	2,011,313,856
129,913,034	479,449	3,985,997	51,424,979	547,818	154,289,840	228,096,908	22,173,091	590,911,116	90,113,607	681,024,723
915,000	4,765,949	9,457,437	3,899,038	162,963	-	-	-	19,200,387	-	19,200,387
-	-	-	-	-	-	55,611,396	-	55,611,396	-	55,611,396
-	-	-	-	-	-	50,000,000	-	50,000,000	-	50,000,000
5,594,106,073	259,658,541	3,052,851,770	3,353,304,057	56,173,361	18,286,281,951	581,557,971	47,388,905	31,231,322,629	12,001,395,992	43,232,718,621
-	-	-	-	-	-	-	-	-	-	-
Included in cost of goods sold of BRAC Dairy and BRAC Printers is depreciation of property, plant and equipment amounting to Tk. 34,353,546										

32. Statement of Functional Expenses

Expenditure Statement for the year ended December 31, 2015																				
		Unrestricted							Temporarily restricted		Total 2015 Taka									
		BRAC		BRAC Dairy and Food Project		Agro based Programme Support Enterprise		Non-agro based Programme Support Enterprise		Micro Finance Programme		Self-financing Social Development Projects		House Property (Building)		Total Unrestricted		Donor-based Projects		
Aarong Rural/Craft Centre	Taka	Printing Pack	Taka				Taka		Taka			Taka		Taka		Taka		Taka		Taka
Salaries and benefits	589,030,138	15,513,516		163,967,098		265,633,319		9,567,226		6,849,708,494		15,936,377		7,909,356,168		7,278,557,304		15,187,913,472		
Travelling and transportation	43,522,676	1,286,516		91,139,699		54,742,792		808,100		530,636,362		19,249,829		741,385,974		624,066,160		1,365,452,133		
Teachers' salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	993,927,410		993,927,410		
Teachers' training	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	294,456,179		294,456,179		
School rent and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,360,323		200,360,323		
Stationery, rent and utilities	206,071,624	513,347		25,099,868		10,038,397		1,306,463		351,155,253		25,049,176		636,830,681		435,427,733		1,072,258,414		
Maintenance and general expenses	90,723,456	3,087,805		48,034,728		40,808,262		13,266,644		345,192,334		21,945,694		566,655,193		178,879,308		745,534,501		
Members' training	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	569,649,718		569,649,718		
Staff training and development	4,715,068	-		9,425,307		3,952,434		9,537		109,088,381		23,263,811		150,454,538		540,810,113		691,264,651		
Programme supplies	-	-		-		3,380,687		137,359		327,805,095		276,592,047		607,915,188		4,658,865,034		5,266,780,222		
Interest on members' savings deposits	-	-		-		-		-		2,454,440,843		-		-		2,454,440,843		2,454,440,843		
Interest on long term loans	-	-		-		-		-		2,208,477,508		-		2,208,477,508		2,208,477,508		2,208,477,508		
Bank overdraft interest and charges	27,255,355	6,087,108		-		13,077,396		-		883,274,390		28,925,762		958,620,011		958,620,011		958,620,011		
Cost of goods sold of social enterprises	3,679,657,125	231,069,122		2,347,025,582		3,083,873,805		206,009,537		-		-		9,547,635,171		-		9,547,635,171		
Publicity, advertisement and sales commissio	73,107,628	-		84,374,660		97,677,861		771,337		1,055,886,221		6,780,842		262,712,328		9,109,119		271,821,447		
Loan loss provision for microfinance loans	-	-		-		-		-		128,702,967		-		1,055,886,221		-		1,055,886,221		
Depreciation of property, plant and equipment	91,613,781	526,098		2,221,823		87,979,125		490,896		223,332,433		223,332,433		557,506,040		65,972,311		623,478,351		
Provision for bad and doubtful debts	-	4,279,068		3,712,150		10,454,441		217,115		-		-		18,662,774		-		18,662,774		
Allocation to self- insurance fund	-	-		-		-		-		-		-		55,611,396		-		55,611,396		
Allocation to Relief and Rehabilitation fund	-	-		-		-		-		-		50,000,000		50,000,000		-		50,000,000		
	4,805,696,851	262,362,580		2,775,000,915		3,671,618,519		232,584,214		15,244,367,848		691,075,970		27,782,150,034		15,850,080,711		43,632,230,745		

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

33. Comparative Figures

Certain comparative figures have been reclassified to conform with current year's presentation.