

BRAC

(registered in Bangladesh Under the Societies Registration Act, 1860)

AUDITED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013



Building a better
working world



S F AHMED & CO.
CHARTERED ACCOUNTANTS

.....Since 1958

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INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF BRAC

Report on the Financial Statements

We have audited the financial statements of BRAC (registered in Bangladesh as a society under the Societies Registration Act, 1860 and operating as a non-government development organisation), which comprise the balance sheet as at 31 December 2013 and the statement of income and expenditure, statement of changes in net assets and statement of cash flows for the year ended 31 December 2013, and a summary of significant accounting policies and other explanatory information, as set out on pages 1 to 35.

Governing Body of BRAC's responsibility for the financial statements

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

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

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.

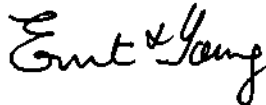
INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF BRAC
(Contd.)

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 entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Governing Body, as well as evaluating the overall presentation of the financial statements.

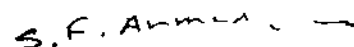
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BRAC as at 31 December 2013 and of its financial performance and cash flows for the year ended 31 December 2013 in accordance with the accounting policies summarised in Note 2 to the financial statements.



Ernst & Young
Chartered Accountants
Kuala Lumpur, Malaysia



S.F. Ahmed & Co
Chartered Accountants
Dhaka, Bangladesh

March 13, 2014

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Balance Sheet
as at 31 December 2013

	Notes	2013 Taka	2012 Taka
ASSETS			
Cash and bank balances	3	16,000,082,561	16,049,453,079
Advances, deposits and prepayments	4	2,759,742,135	2,222,130,860
Inventories	5	3,633,398,684	3,054,105,958
Grants and accounts receivable	6	1,648,357,818	1,309,451,932
Microfinance loans	7	67,013,205,289	56,297,005,220
Motorcycle loans	8	739,565,719	602,663,398
Investments in securities and others	9	237,350,000	232,100,000
Investments in related undertakings	10	9,626,307,409	8,098,697,120
Property, plant and equipment	11	10,625,485,462	9,916,899,837
TOTAL ASSETS		112,283,495,077	97,782,507,404
LIABILITIES AND NET ASSETS			
Liabilities:			
Liabilities for expenses and materials	12	5,882,838,350	4,788,834,426
Bank overdrafts	13	3,694,856,519	5,006,636,222
Term loans	14	15,402,000,309	12,940,746,146
Members' savings deposits	15	29,034,851,689	24,907,281,663
Grants received in advance account	16	8,061,468,930	8,697,918,904
Deferred income	17	272,431,158	250,895,452
Other long term liabilities	18	9,879,776,479	8,216,392,565
Provision for taxation		1,046,941,030	840,941,030
Total Liabilities		73,275,164,464	65,649,646,408
Net Assets:			
Unrestricted		37,976,777,730	31,200,446,939
Temporarily restricted		1,031,552,883	932,414,057
		39,008,330,613	32,132,860,996
TOTAL LIABILITIES AND NET ASSETS		112,283,495,077	97,782,507,404

The annexed notes form an integral part of these statements.



Chairperson, Governing Body
BRAC
Dhaka, March 13, 2014



Chief Financial Officer
BRAC




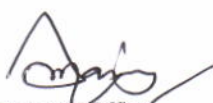
Executive Director
BRAC

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
for the year ended 31 December 2013

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

The annexed notes form an integral part of these statements.


Chairperson, Governing Body
BRAC
Dhaka, March 13, 2014


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 2012

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2012 Taka
Income				
Donor grants	19	4,524,208	11,847,794,069	11,852,318,277
Revenue from:				
- Income Generating Projects	20	7,861,356,580	-	7,861,356,580
- Program Support Enterprises		4,124,249,679	-	4,124,249,679
Service charge on microfinance loans		14,774,933,599	-	14,774,933,599
Interest on bank accounts and fixed deposits	21	1,137,822,692	140,633,921	1,278,456,613
Investment income	22	126,946,311	-	126,946,311
Other income	23	535,221,235	15,144,461	550,365,696
Income from House Property		100,720,809	-	100,720,809
Total income		28,665,775,113	12,003,572,451	40,669,347,564
Expenditure				
Income Generating Projects		6,988,350,392	-	6,988,350,392
Program Support Enterprises		3,638,907,643	-	3,638,907,643
House Property related expenses		93,188,884	-	93,188,884
Education Programme		191,083,781	4,086,273,202	4,277,356,983
Ultra Poor Programme		-	2,045,763,985	2,045,763,985
Community Empowerment Programme		2,912,978	214,314,062	217,227,040
Human Rights and Legal Aids Services		-	195,539,238	195,539,238
Policy Advocacy		-	39,777,955	39,777,955
Health Programme		170,093,323	3,540,177,955	3,710,271,278
Water, Sanitation and Hygiene Programme		-	1,339,321,154	1,339,321,154
Gender, Justice and Diversity		-	138,151,582	138,151,582
Micro Finance Programme		11,714,555,867	-	11,714,555,867
Agriculture and Food Security		10,089,482	254,204,740	264,294,222
Other Development Projects		264,275,126	76,551,208	340,826,334
Total expenditure		23,073,457,476	11,930,075,081	35,003,532,557
Surplus of income over expenditure before taxation		5,592,317,637	73,497,370	5,665,815,007
Taxation	25	(200,000,000)	-	(200,000,000)
Net surplus for the year		5,392,317,637	73,497,370	5,465,815,007

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 2013

	Net Assets		Total Net Assets
	Unrestricted	Temporarily Restricted	
	Taka	Taka	Taka
At 1 January 2012	25,679,805,212	858,916,687	26,538,721,899
Net surplus for the year	5,392,317,637	73,497,370	5,465,815,007
Share of non operating changes in net assets in related undertakings	128,324,090	-	128,324,090
At 31 December 2012	31,200,446,939	932,414,057	32,132,860,996
At 1 January 2013	31,200,446,939	932,414,057	32,132,860,996
Net surplus for the year	6,252,596,844	99,138,826	6,351,735,670
Share of non operating changes in net assets in related undertakings	523,733,947	-	523,733,947
At 31 December 2013	37,976,777,730	1,031,552,883	39,008,330,613

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 2013

	Note	2013 Taka	2012 Taka
Cash flows from operating activities:			
Surplus of income over expenditure before taxation		6,557,735,670	5,665,815,007
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Loan loss provision	7	2,322,988,477	1,709,585,836
Depreciation	11	632,161,760	603,213,042
Gain on disposal of property, plant and equipment	23	(8,279,958)	(36,232,317)
Grants to BRAC University		440,951,132	-
Share of results in related undertakings	22	(428,026,368)	(144,346,311)
Donor grants - amortisation of investment in property, plant and equipment	19	(101,839,234)	(43,943,518)
Interest on fixed deposits and bank accounts	21	(1,169,934,441)	(1,278,456,613)
Adjustments for other accounts:			
Increase in service charge outstanding on microfinance loans		(446,162,234)	(172,340,060)
(Increase)/decrease in inventories		(579,292,726)	55,576,831
(Increase)/decrease in advances, deposits and prepayments		(537,611,275)	35,450,047
Increase in accounts receivable, net		(353,330,307)	(119,876,764)
(Increase)/decrease in motorcycle loans		(136,902,321)	140,898,619
Increase in liabilities for expenses and materials		1,094,003,924	742,139,234
Increase in deferred income		123,374,940	77,881,438
Net cash provided by operating activities		7,409,837,039	7,235,364,471
Cash flows from investing activities:			
Increase in microfinance loans		(12,593,026,312)	(9,435,204,881)
Decrease/(increase) in fixed deposits pledged with financial institutions		2,316,665,292	(57,747,354)
Increase in investments in related undertakings		(632,199,038)	(447,274,178)
Interest received on fixed deposits and bank accounts		1,169,934,441	1,278,456,613
Purchase of property, plant and equipment		(1,786,706,906)	(2,836,261,904)
Proceeds from disposal of property, plant and equipment		13,288,347	190,997,941
Dividends received from related undertakings		56,349,064	21,056,190
(Realisation of)/investment in securities and others		(5,250,000)	2,900,000
Net cash used in investing activities		(11,460,945,112)	(11,283,077,573)

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
for the year ended 31 December 2013

Notes	2013 Taka	2012 Taka
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Cash flows from financing activities:

Grants received during the year	16,128,185,099	15,153,784,471
Grants utilised during the year for:		
- operational expenditure & micro-finance	(16,626,835,712)	(11,808,374,759)
- investment in property, plant and equipment	(91,449,273)	(74,623,438)
- motorcycle replacement funds	(31,925,667)	(3,258,000)
Increase/(decrease) in term loans	2,461,254,163	1,775,122,578
Increase in members savings deposits	4,127,570,026	2,542,914,394
Increase in other long term liabilities	1,663,383,914	1,841,927,560
Net cash provided by financing activities	<u>7,630,182,550</u>	<u>9,427,492,806</u>
Net increase/(decrease) in cash and cash equivalents	3,579,074,477	5,379,779,704
Cash and cash equivalents, beginning of the year	<u>7,761,294,247</u>	<u>2,381,514,543</u>
Cash and cash equivalents, end of the year	3.3 <u><u>11,340,368,724</u></u>	<u><u>7,761,294,247</u></u>

The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Notes to Financial Statements
for the year ended 31 December 2013

1 Introduction:

BRAC, a development organization, 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, feed mills, seed mills and prawn hatcheries.

2 Summary of Significant Accounting Policies:

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

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

2.1 Basis of preparation of financial statements

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

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

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

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

2 Summary of Significant Accounting Policies (contd.):

2.1 Basis of preparation of financial statements (contd.)

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

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

In cases 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 2013 to 31 December 2013.

2.3 Functional and presentation currency

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

2.4 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 Summary of Significant Accounting Policies (contd.) :

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.

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

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

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

2.7 Revenue recognition

Income generating projects

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

Programme support enterprises

Programme support enterprises mainly comprising poultry farms, feed mills, seed mills, fish and prawn hatcheries, horticulture nurseries, chilling centres, broiler rearing and meat marketing, salt production and marketing recycle paper production and health product related activities.

Revenue from the sale of goods

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

Service charge on microfinance loans

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

Interest on bank accounts, fixed deposits, bonds

Interest income is recognised on an accrual basis.

House property income

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

Other income

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

2 Summary of Significant Accounting Policies (contd.) :

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.

2.9 Property, plant and equipment

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

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

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

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

<u>Item</u>	<u>Annual Depreciation Rate (%)</u>
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	33.3

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

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

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

2 Summary of Significant Accounting Policies (contd.) :

2.10 Microfinance loans

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

2.11 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)	2%
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 of more than 20%. Details of these undertakings are disclosed in Note 10.

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

2 Summary of Significant Accounting Policies (contd.) :

2.15 Investment in securities and others

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

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

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

2.16 Accounts receivable

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

2.17 Inventories

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

2.18 Motorcycle replacement fund

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

2.19 Self-insurance fund

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

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

The extent of future liabilities requiring current provisions, and the rate of provisions required in the immediate following financial periods have been determined based on actuarial valuations carried out in 2011 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 2011, and are disclosed in Note 18 to the financial statements. It is BRAC's policy to carry out actuarial reviews at least every three years to assess the adequacy of the provision in respect of the fund.

2.21 Employee provident fund

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

2.22 Foreign currencies

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

Monetary assets and liabilities denominated in foreign currencies as at 31 December 2013 have been converted into Taka at the exchange rates prevailing at that date.

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

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

	Dec. 2013 Taka	Dec. 2012 Taka
United States Dollars	77.20	79.40
Euro	105.38	103.13
Great Britain Pound	125.18	128.17
Australian Dollars	67.51	81.55

BRAC's foreign currency denominated assets and liabilities are disclosed in Note 26.

2.23 Taxation

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

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

2 Summary of Significant Accounting Policies (contd.) :

2.24 Borrowing costs

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

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

2.25 Impairment of assets

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

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

2.26 Goodwill

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

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

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

2.27 Financial instruments

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

a) Investments in related undertakings

Investments in related undertakings are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.25.

b) Investments in securities and others

Investments in securities and others are stated at cost, subsequently adjusted for fair value or at amortised cost. The policy for recognition and measurement of impairment losses is in accordance with Note 2.25.

c) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified and an estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

d) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2 Summary of Significant Accounting Policies (contd.) :

2.27 Financial instruments (contd.)

e) Interest-bearing borrowings

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

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

2.28 Cash and cash equivalents

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

2.29 Contingent liabilities

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

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

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

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

2.30 Events after the balance sheet date

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

2.31 Segmental Reporting

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

The programme managers report directly to the management of BRAC who regularly review the segment results in order to assess segment performance. Additional disclosures on each of these segments are shown in notes 29 and 30 respectively. BRAC provides segment information voluntarily.

3. Cash and bank balances

	2013 Taka	2012 Taka
Cash in hand and at banks (Note 3.1)	4,900,517,165	5,670,916,384
Deposits (Note 3.2)	11,099,565,396	10,378,536,695
	<u>16,000,082,561</u>	<u>16,049,453,079</u>
3.1 Cash in hand and at banks:		
Cash in hand	469,465,721	369,880,631
Cash at banks	4,431,051,444	5,301,035,753
	<u>4,900,517,165</u>	<u>5,670,916,384</u>
3.2 Deposits:		
Fixed deposits pledged with financial institutions (Notes 13 and 14)	964,857,318	3,281,522,610
Fixed deposits unpledged	9,757,719,683	5,524,353,608
Short term deposits unpledged	376,988,395	1,572,660,477
	<u>11,099,565,396</u>	<u>10,378,536,695</u>

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

No.	Name of Related Party	Nature of balances	2013 Taka	2012 Taka
1.	BRAC Bank Ltd.	Fixed deposits unpledged	4,054,617,741	4,841,838,437
		Short term deposits unpledged	376,988,395	1,572,660,477
		51 Bank Accounts (2012: 43)	3,418,624,734	4,023,121,210
2.	Delta BRAC Housing Finance Corp. Ltd.	Fixed deposits unpledged	122,992,290	589,963,600

3.3 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	4,900,517,165	5,670,916,384
Fixed deposits unpledged	9,757,719,683	5,524,353,608
Short term deposits unpledged	376,988,395	1,572,660,477
Bank overdrafts (Note 13)	(3,694,856,519)	(5,006,636,222)
	<u>11,340,368,724</u>	<u>7,761,294,247</u>

4. Advances, deposits and prepayments

Advances:		
Employees	636,952,299	438,767,369
Suppliers	256,910,857	329,233,676
Advance for tax	1,178,094,458	997,225,170
	<u>2,071,957,614</u>	<u>1,765,226,215</u>
Deposits:		
Deposits for facilities and utilities	12,404,163	13,596,362
Prepayments	675,380,358	443,308,283
	<u>2,759,742,135</u>	<u>2,222,130,860</u>

5. Inventories

Seeds and feed	594,089,768	531,214,239
Medical supplies and consumables	124,744,653	99,679,542
Printing and stationery	170,369,585	127,640,985
Handicraft goods	2,475,664,311	1,893,954,652
Dairy products	97,131,412	258,973,545
Programme materials	171,398,955	142,642,995
	<u>3,633,398,684</u>	<u>3,054,105,958</u>

6. Grants and accounts receivable

	2013 Taka	2012 Taka
Grants receivable (Note 16)	116,074,591	130,499,012
Interest receivable on fixed deposits and bank accounts	522,652,451	403,189,670
Other accounts receivable	1,075,552,391	855,514,762
	1,714,279,433	1,389,203,444
Provision for doubtful debts	(65,921,615)	(79,751,512)
	1,648,357,818	1,309,451,932

Included in interest receivable on fixed deposits is Tk. 311,141,727 (2012: Tk. 395,650,347) receivable after 12 months.

7. Microfinance loans

	Principal outstanding Taka	Service charge receivable Taka	Loan loss provision Taka	Total Taka
At January 1, 2013	59,960,134,967	107,340,884	(3,770,470,631)	56,297,005,220
Additions	121,148,896,000	17,802,363,604	(2,322,988,477)	136,628,271,127
Realisation	(108,555,869,688)	(17,356,201,370)	-	(125,912,071,058)
Write-off	(1,105,284,820)	(111,804,808)	1,217,089,628	-
At December 31, 2013	71,447,876,459	441,698,310	(4,876,369,480)	67,013,205,289

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

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

Loan Classification	Days in Arrears	Rate of Provision for 2013	Loan Outstanding 2013 Taka	Loan loss Provision 2013 Taka	Loan Principal 2012 Taka	Loan loss Provision 2012 Taka
Standard	Current (no arrears)	2%	65,924,495,817	1,318,489,916	55,343,920,316	1,106,878,406
Watch list	1 - 30	5%	1,149,938,885	57,496,944	1,091,943,320	54,597,166
Substandard	31 - 180	25%	1,117,973,604	279,493,401	1,183,471,953	295,867,988
Doubtful	181 - 350	75%	138,315,737	103,736,803	110,689,230	83,016,923
Loss	Over 350	100%	3,117,152,416	3,117,152,416	2,230,110,148	2,230,110,148
			71,447,876,459	4,876,369,480	59,960,134,967	3,770,470,631

8. Motorcycle loans

	2013 Taka	2012 Taka
Opening balance	602,663,398	743,562,017
Addition during the year	206,360,000	13,000,000
Realization during the year	(69,457,679)	(153,898,619)
	739,565,719	602,663,398

9. Investments in securities and others

	2013 Taka	2012 Taka
DBH 1st Mutual Fund	33,600,000	42,600,000
Bangladesh Sanchay Patra (BSP)	203,750,000	133,750,000
Bangladesh Bank Bonds	-	55,750,000
	237,350,000	232,100,000

The Bangladesh Sanchay Patra earned interest at 10.5% to 13.45% per annum respectively during the year.

Market value of DBH 1st Mutual Fund at 31 December 2013 was Tk. 5.60 per unit (2012: Tk. 7.10) and Tk. 5.70 per unit (2012: Tk. 7.10) on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively.

10. Investments in related undertakings

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

Related undertakings	2012				
	Cost of Investment Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in value Taka	Total Taka
BRAC Bank Ltd.	2,669,595,296	3,179,818,703	-	-	5,849,413,999
BRAC Industries Ltd.	24,999,900	5,161,253	-	-	30,161,153
BRAC BD Mail Network Ltd.	186,161,000	(96,483,531)	-	-	89,677,469
Documenta TM Ltd.	5,300,000	4,146,330	-	-	9,446,330
BRAC Services Ltd.	10,000,000	(82,074,993)	154,418,193	(18,211,239)	64,131,961
Delta BRAC Housing Finance Corp. Ltd.	40,000,000	282,732,762	-	-	322,732,762
BRAC Karnafuli Tea Company Ltd.	243,908,025	8,305,239	453,420,127	-	705,633,391
BRAC Kaiyachara Tea Company Ltd.	63,300,695	39,968,922	130,461,210	-	233,730,827
BRAC Banshkhali Tea Company Ltd.	27,719,870	(72,598,439)	336,322,479	-	291,443,910
BRAC Kodala Tea Company Ltd.	81,680,954	47,876,809	186,805,720	-	316,363,483
Bangladesh Netting Factory Ltd.	17,071,429	34,198,690	26,164,292	-	77,434,411
BRAC Assets Management Company Ltd.	13,000,000	1,192,269	-	-	14,192,269
BRAC Impact Ventures Ltd.	10,200,000	(1,134,366)	-	-	9,065,634
BRAC Environmental Enterprises Ltd.	90,000,000	(4,730,479)	-	-	85,269,521
	3,482,937,169	3,346,379,169	1,287,592,021	(18,211,239)	8,098,697,120

Represented by:

Share of net tangible assets

Goodwill on acquisition

Loans

2013	2012
7,666,021,903	6,632,147,272
181,488,447	178,957,827
1,778,797,059	1,287,592,021
9,626,307,409	8,098,697,120

10. Investments in related undertakings (contd.)

Related undertakings (All Incorporated in Bangladesh)	2013	2012	Principal activities
BRAC Bank Ltd.	44.63	43.77	Banking business, listed on the Dhaka and Chittagong Stock Exchanges
BRAC Industries Ltd.	99.9	99.9	Cold storage
BRAC BD Mail Network Ltd.	20.0	20.0	Internet service provider
BRAC Services Ltd.	100.0	100.0	Hospitality
Delta BRAC Housing Finance Corp.Ltd.	18.39	18.39	Housing finance, listed on the Dhaka and Chittagong Stock Exchanges
BRAC IT Services Ltd. (formerly known as Documenta TM Ltd.)	48.7	80.0	Software development
BRAC Karnafuli Tea Company Ltd.	99.9	99.9	Tea plantation
BRAC Kaiyachara Tea Company Ltd.	99.9	99.9	Tea plantation
BRAC Banshkhali Tea Company Ltd.	99.9	99.9	Tea plantation
BRAC Kodala Tea Company Ltd.	99.1	99.1	Tea plantation
Bangladesh Netting Factory Ltd.	94.0	94.0	Poultry Processing
BRAC Assets Management Company Ltd.	26.0	26.0	Management of Assets and Portfolio Investment
BRAC Impact Ventures Ltd.	51.0	51.0	Sustainable conscious, green and ethical investment
BRAC Environmental Enterprises Ltd.	90.0	90.0	Waste management service

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

Loans represent financing provided for working capital and earn 12% (2012: 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 2013 was Tk. 32.60 per share (2012: Tk. 34.80) and Tk. 32.10 per share (2012: Tk. 35.70) on the Dhaka ("DSE") and Chittagong ("CSE") Stock Exchanges respectively.

The market value of Delta BRAC Housing Finance Corporation Ltd. shares at 31 December 2013 was Tk. 55.00 per share (2012: Tk. 56.00) and Tk. 54.20 per share (2012: Tk. 55.10) on the DSE and CSE respectively.

Significant transactions with related undertakings are as follows:

Related undertakings	Nature of transaction	2013	2012
BRAC Bank Ltd.	Interest on fixed deposits and bank balance	123,365,582	55,194,632
Delta BRAC Housing Finance Corp. Ltd.	Interest on fixed deposits	58,163,463	49,590,162
BRAC Services Ltd.	Service facilities	20,457,019	17,944,990

11. Property, plant and equipment

Group of fixed assets	Cost					Depreciation			Amount in Taka	
	Opening balance 01-01-2013	Additions during the year	Transferred during the year	Disposals and written offs during the year	Closing balance 31-12-2013	Opening balance 01-01-2013	Charged during the year	Adjustment/ disposals and written offs during the year	Written down value 31-12-2013	Written down value 31-12-2012
Freehold land	5,950,428,419	504,021,843	-	(440,951,132)	6,013,499,130	-	-	-	6,013,499,130	5,950,428,419
Buildings	3,737,883,804	-	529,101,702	(4,815,086)	4,262,170,420	1,430,991,207	170,470,140	(576,716)	2,661,285,789	2,306,892,597
Furniture & fixtures	927,201,151	110,787,381	-	(2,562,267)	1,035,426,265	585,288,501	68,637,988	(2,132,377)	383,632,153	341,912,650
Equipment	1,506,807,064	171,951,677	-	(71,178,182)	1,607,580,559	1,098,886,943	117,278,910	(71,144,826)	462,559,532	407,920,121
Computer	418,482,309	67,879,389	-	(1,288,011)	485,073,687	319,596,093	46,163,066	(1,035,701)	120,350,229	98,886,216
Vehicles	626,297,864	184,367,144	-	(20,938,625)	789,726,383	456,609,998	76,592,337	(20,938,625)	277,462,673	169,687,866
Bicycles	22,672,532	3,503,110	-	(8,476,462)	17,699,180	18,840,797	1,732,579	(8,421,999)	5,547,803	3,831,735
Machinery	955,272,020	34,794,234	-	(174,415)	989,891,839	684,102,320	77,010,150	(174,415)	228,953,784	271,169,700
Deep tube wells and tanks	19,004,092	2,946,695	-	-	21,950,787	15,680,335	1,939,020	-	4,331,432	3,323,757
Hatcheries	13,157,827	869,813	-	-	14,027,640	12,025,792	1,175,757	-	826,091	1,132,035
Camp/Poultry/Livestock sheds	283,166,965	3,019,294	-	-	286,186,259	135,524,927	23,510,136	-	127,151,196	147,642,038
Motorcycles	1,547,745	471,723	-	-	2,019,468	1,466,494	81,250	-	471,724	81,251
Construction work-in-progress	123,511,499	700,127,815	(529,101,702)	-	294,537,612	-	-	-	294,537,612	123,511,499
Crates/Mannequins/Samples/Antiques	268,093,864	1,966,788	-	-	270,060,652	177,613,911	47,570,427	-	225,184,338	90,479,953
Total 2013	14,853,527,155	1,786,706,906	-	(550,384,180)	16,089,849,881	4,936,627,318	632,161,760	(104,424,659)	5,464,364,419	9,916,899,837
Total 2012	12,243,950,822	2,836,261,904	-	(226,685,571)	14,853,527,155	4,405,334,222	603,213,042	(71,919,946)	4,936,627,318	9,916,899,837

Allocation of depreciation:

- included in cost of sales of commercial projects
- included in programme related expenses

	Dec. 2013	Dec. 2012
Note 30	77,602,150	101,632,297
Note 30	554,559,610	501,580,745
	632,161,760	603,213,042

An amount of Tk. 39,143,138 (2012 : Tk. 24,458,917) 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 and 19.

Landed properties with an aggregate net book value of Tk. 467,275,983 (2012 : Tk. 1,149,806,191) have been pledged to secure overdraft facilities and term loans as disclosed in Notes 13 to the financial statements.

12. Liabilities for expenses and materials

	2013 Taka	2012 Taka
Liabilities for expenses	3,931,948,798	3,312,782,385
Liabilities for goods	504,507,426	454,984,032
Advances received for training, publications, supplies etc.	1,446,382,126	1,021,068,009
	<u>5,882,838,350</u>	<u>4,788,834,426</u>

13. Bank overdrafts

AB Bank Ltd.	89,703	41,174,130
Agrani Bank Ltd.	52,369,113	76,548,707
Bangladesh Krishi Bank (BKB)	147,199	173,834,054
Bank Alfalah Ltd.	117,044,375	119,688,826
Bank Asia Ltd.	273,347,095	82,179,886
Dhaka Bank Ltd.	21,867,869	-
Dutch Bangla Bank Ltd.	1,586,294	34,423,960
Eastern Bank Ltd.	27,791,203	22,051,879
HSBC Bank Ltd.	259,954	2,591,895
IFIC Bank Ltd.	100,129,550	7,961,188
Janata Bank Ltd.	54,038,847	19,744,458
Prime Bank Ltd.	696,517,809	399,936,796
* Pubali Bank Ltd.	1,715,736,607	3,247,175,540
Rupali Bank Ltd.	25,082,047	31,525,623
Sonali Bank Ltd.	3,657,549	21,840,656
Southeast Bank Ltd.	399,772	1,128,449
Standard Bank Ltd.	2,063,246	21,373,237
State Bank of India	-	4,810,272
The Trust Bank Ltd.	584,882,772	634,324,121
United Commercial Bank Ltd.	35,963	17,682,750
Uttara Bank Ltd.	17,809,552	46,639,795
	<u>3,694,856,519</u>	<u>5,006,636,222</u>

* The bank overdrafts are secured by fixed deposits amounting to Tk. 737,614,778 (2012: Tk. 2,252,497,422) and properties amounting in aggregate to Tk. 467,275,983 (2012 : Tk. 555,398,156).

The bank overdrafts were obtained for BRAC's micro-finance programme and to finance working capital requirements. The bank overdrafts bear interest at 13% - 17% (2012 : 14% -18%) per annum, and are repayable within 12 months.

14. Term loans

	2013 Taka	2012 Taka
Bangladesh Bank	4,066,384,000	2,781,252,000
Bangladesh Commerce Bank (BCB) Ltd.	-	77,670,320
Bank Alfalah Ltd.	62,500,000	-
Bank Asia Ltd.	839,057,469	351,539,520
BASIC Bank Ltd.	659,220,067	376,730,251
BRAC Bank Ltd.	580,000,000	-
Citi Bank NA [local currency syndication]	-	33,000,000
Commercial Bank of Cylone Ltd.	165,000,000	-
Dutch Bangla Bank Ltd.	219,422,052	343,708,515
Eastern Bank Ltd.	862,621,968	464,913,739
Export Import Bank of Bangladesh (EXIM) Ltd.	-	167,171,512
FMO, Netherlands	244,535,714	489,071,430
HSBC Bank Ltd.	-	500,000,000
IFIC Bank Ltd.	510,526,083	-
Jamuna Bank Ltd.	341,075,464	77,052,103
Norfund, Norwegian	97,814,286	195,628,570
Prime Bank Ltd.	837,372,258	-
* Rajshahi Krishi Unnyon Bank (RAKUB)	510,000,000	345,000,000
Rupali Bank Ltd.	-	450,000,000
Shahjalal Islami Bank Ltd.	-	131,555,140
Southeast Bank Ltd.	275,112,215	429,977,100
* Standard Chartered Bank (SCB)	4,209,628,570	4,675,257,142
The City Bank Ltd.	671,899,129	517,931,390
Uttara Bank Ltd.	-	83,333,334
United Commercial Bank Ltd.	249,831,034	449,954,080
	<u>15,402,000,309</u>	<u>12,940,746,146</u>
Term Loans are analysed as follows:		
Amount repayable within 12 months	12,420,084,490	9,998,006,400
Amount repayable after 12 months:		
- Repayable after 12 months and within 24 months	2,130,118,710	2,280,800,489
- Repayable after 24 months and within 36 months	851,797,109	637,263,277
- Repayable after 36 months and within 48 months	-	24,675,980
	<u>2,981,915,819</u>	<u>2,942,739,746</u>
	<u>15,402,000,309</u>	<u>12,940,746,146</u>

All repayment obligations in respect of the term loans were met and no amounts were in arrears as at 31 December 2013.

* Secured by fixed deposits amounting to Tk. 227,242,540 (2012: Tk. 1,029,025,188).

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, biannually and annually and bear interest between 5% - 16% (2012: 5% - 16%) interest rates.

15. Members' savings deposits

	2013 Taka	2012 Taka
Opening balance	24,907,281,663	22,364,367,269
Deposits during the year	30,482,795,457	21,813,569,333
Withdrawals during the year	(26,355,225,431)	(19,270,654,939)
Closing balance	<u>29,034,851,689</u>	<u>24,907,281,663</u>
Compulsory savings	20,813,676,300	17,913,520,720
Voluntary savings	3,444,003,906	2,827,738,728
Term deposits	4,777,171,483	4,166,022,215
	<u>29,034,851,689</u>	<u>24,907,281,663</u>

The rate of interest paid in respect of savings deposits by members was 6% - 10% (2012: 6%-10%) per annum.

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

(a) Compulsory saving

- Each member deposits a minimum amount of Tk. 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.
- A member can withdraw the entire amount of savings after the loan outstanding balance including service charges thereon has been fully repaid.
- 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

- Each member can save for periods ranging from 3 years to 10 years on a monthly basis. The voluntary savings range from Tk. 100 to Tk. 1,000. The interest rate ranges from 7% for a 3 year period to 10% for a 10 year period.
- 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 Tk. 10,000 to Tk. 100,000. Interest rates for the maturity period range from 7% in the first year to 10% for 10 years.

16. Grants received in advance account

	Note	2013 Taka	2012 Taka
At 1 January		8,697,918,904	5,762,859,156
Receivables as at 1 January		(130,499,012)	(462,967,538)
		<u>8,567,419,892</u>	<u>5,299,891,618</u>
Donations received during the year	28	16,128,185,099	15,153,784,471
Transferred to deferred income:			
- Investment in property, plant and equipment	17	(91,449,273)	(74,623,438)
- Motorcycle replacement fund	17	(31,925,667)	(3,258,000)
Transfer to Statement of Income and Expenditure for expenditure during the year	19	<u>(16,626,835,712)</u>	<u>(11,808,374,759)</u>
		7,945,394,339	8,567,419,892
Receivables as at 31 December	6	116,074,591	130,499,012
At 31 December		<u>8,061,468,930</u>	<u>8,697,918,904</u>

17. Deferred income

	Notes	Investment in Property, plant and equipment Taka	Motorcycle Replacement Fund Taka	Total Taka
At 1 January 2013		232,335,767	18,559,685	250,895,452
Transferred from Grants received in advance	16	91,449,273	31,925,667	123,374,940
Amortization to Statement of Income and Expenditure	19	(86,762,241)	(15,076,993)	(101,839,234)
At 31 December 2013		<u>237,022,799</u>	<u>35,408,359</u>	<u>272,431,158</u>

2013 Taka	2012 Taka
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18. Other long term liabilities

Employee gratuity and redundancy fund	8,032,302,606	6,533,622,393
Self-insurance fund		
- Employees	384,232,467	339,509,578
- BRAC properties and motorcycles	612,471,376	578,587,052
	996,703,843	918,096,630
Other funds		
- Special fund for scholarship	5,265,549	4,953,497
- Relief and rehabilitation fund	746,495,959	654,985,086
- Staff welfare fund	99,008,522	104,734,959
	<u>9,879,776,479</u>	<u>8,216,392,565</u>

An actuarial valuation of the employee gratuity and redundancy fund as at 31 December 2011 was performed by an independent professional actuary. Based the valuation, there was an excess provision of Tk. 166,933,000. The principal assumptions applied in the actuarial valuation, were similar to those applied in the previous years.

An actuarial valuation of the self-insurance fund for employees as at 31 December 2011 was performed by an independent professional actuary. Based on the valuation, there was an excess provision of Tk. 41,173,000. The principal assumptions applied in the actuarial valuation, were consistent with those applied in previous years.

The indicative excess provisions in respect of the self-insurance fund for employees and the employee gratuity and redundancy fund, amounting to an aggregate of Tk. 208,106,000. have not been written back, but will be considered in determining future provisions.

BRAC also commissioned an investigation report by an independent professional actuary on the properties and motorcycles self-insurance fund as at 31 December 2011. The investigation report addressed BRAC's properties and motorcycles 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 Tk. 50,000,000 would be required. BRAC has accreted its properties and motorcycle self-insurance fund provision to attain the recommended additional Tk. 50,000,000 over a period of two years commencing 2011.

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.

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 outgoings 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.

	Notes	2013 Taka	2012 Taka
19. Donor grants			
Donor grants recognised in the Statement of Income and Expenditure:			
Transferred from grants received in advance	16	16,626,835,712	11,808,374,759
Transferred from deferred income:			
Amortisation of investment in property, plant and equipment			
- unrestricted		48,597,849	1,044,245
- temporarily restricted		38,164,392	23,414,672
	17	86,762,241	24,458,917
Amortisation of motorcycle replacement fund			
- unrestricted		-	445,649
- temporarily restricted		15,076,993	19,038,952
	17	15,076,993	19,484,601
		<u>16,728,674,946</u>	<u>11,852,318,277</u>
20. Revenue from Income Generating Project			
Aarong Rural Craft Centre		4,748,618,174	4,529,861,669
BRAC Printers		211,020,140	236,574,367
BRAC Printing Pack		392,542,282	625,164,997
BRAC Dairy and Food Project		2,713,048,262	2,469,755,547
		<u>8,065,228,858</u>	<u>7,861,356,580</u>
21. Interest on bank accounts and fixed deposits			
Microfinance Programme		510,524,895	442,117,939
Donor Financing Development Programme		137,732,347	140,633,921
Other Programmes		521,677,199	695,704,753
		<u>1,169,934,441</u>	<u>1,278,456,613</u>
22. Investment income			
In respect of investments in related undertakings:			
- Share of profits less losses		428,026,368	144,346,311
- Impairment loss on investment in quoted securities		(9,000,000)	(17,400,000)
		<u>419,026,368</u>	<u>126,946,311</u>
23. Other income			
Gain on disposal of property, plant and equipment		8,279,958	36,232,317
Partial reimbursements on cost of programme supplies		71,090,853	59,749,365
Training income		259,090,604	278,607,045
Sale of waste materials		90,030,993	80,704,076
Interest received on other loans and advances		87,927,923	104,869,364
Foreign exchange (loss)/gain - unrealised		(14,139,159)	(9,796,471)
		<u>502,281,172</u>	<u>550,365,696</u>

24. Grants

Grants to BRAC University (Note a)
Grants to BRAC Foundation (Note b)

2013 Taka	2012 Taka
440,951,132	-
543,537,750	-
<u>984,488,882</u>	<u>-</u>

(a) BRAC donated 250.49 decimals of land to BRAC University which will be used for establishing the permanent campus of BRAC University. This represents the balance of 527.49 decimals of land donated by BRAC to BRAC University.

(b) BRAC donated to BRAC Foundation to support its Renewable Energy and Solar Programme.

25. Taxation

Income tax provision for the year

2013 Taka	2012 Taka
<u>206,000,000</u>	<u>200,000,000</u>

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 2013, and is subject to agreement with the tax authorities.

For years of assessment 1991-92 to 2010-11, BRAC has been issued directives requesting payment of taxes cumulatively amounting to approximately Tk. 5.0 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 2011-12 amounting to Tk. 0.56 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.

In early 2013, for year of assessment 1999-2000, BRAC received judgement in their favour in that it would be exempt from tax on the income from three of its commercial activities for which tax had been assessed.

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 2013.

26. Foreign currency denominated monetary assets and liabilities

	2013 Taka	2012 Taka
Resident Foreign Currency Deposits (in US\$)	622,994,762	592,640,592
Resident Foreign Currency Deposits (Euro)	20,000,000	19,567,776
Resident Foreign Currency Deposits (in GBP)	19,828,825	20,227,107
Cash at bank (in US\$)	36,895,361	26,334,592
Cash at bank (in Euro)	2,454,608	1,697,180
Cash at bank (AUD)	-	764,671
Cash at bank (in GBP)	823,511	79,817

27. 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 exposure to interest rate fluctuations is mitigated by fixed interest rate borrowings as well as fixed interest rates applicable to loans extended to members and members saving deposits. BRAC does not engage in speculative transactions or take speculative positions on its interest exposure.

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.

28. Schedule of donation received

Name of the projects	Donor	2013 Taka	2012 Taka
BRAC Education Program (BEP-II)	EKN	95,993,600	563,858,741
	CIDA	334,886,435	494,316,960
	BRAC USA	3,860,000	-
	Sub total	434,740,035	1,058,175,701
Improving Maternal Neonatal & Child Survival Program (MNCS-Rural)	EKN	61,274,159	168,826,324
	DFID	-	128,001,172
	Sub Total	61,274,159	296,827,496
Vision Bangladesh Project	Sight Saver-UK	38,623,175	34,717,056
	BRAC-UK	-	5,512,933
	Sub Total	38,623,175	40,229,989
Strategic Partnership Arrangement (SPA)	DFID	7,866,150,000	6,387,884,049
	AusAID	3,399,871,550	4,264,942,700
	Sub Total	11,266,021,550	10,652,826,749
Coordination and Change Enabling Project	World Fish	6,584,564	7,431,909
	CSISA-BD	1,189,445	-
		7,774,009	7,431,909
Assistant and Support to the Victims of Rana Plaza	BRAC-USA	1,802,349	-
	Bencom S.r.l.	7,760,000	-
		9,562,349	-
Skill Training for Rana Plaza Victims	ILO	509,000	-
Challenging the Frontiers of Poverty Reduction Programme (Phase-II)	CIDA	-	31,126,000
BRAC University Institute of Education Development	EKN	104,014,683	125,606,670
BRAC New Initiative of HRLS	GIZ	3,565,974	846,200
Char Development and Settlement Program	Euroconsult Mott Mac Donald	21,463,402	16,678,766
Improving Incomes, Nutrition and Health in Bangladesh through Potato, -Sweetpotato and Vegetables	AVRDC (The World Vegetable Centre)	6,798,529	8,994,470
BRAC Water, Sanitation and Hygiene Program (WASH-II)	EKN	821,070,923	748,196,612
TB Control Program	The Global Fund	1,292,989,200	885,684,836
TB Care-II	University Research Company LLC.	70,246,216	30,747,925
Early Childhood Development Support Program	AKF	(33,601)	6,200,000
Malaria Control Program	The Global Fund	302,062,227	244,479,408
Safe Migration Facilities	Manusher Jonno Foundation	-	1,299,720
BRAC Non-formal Primary Education Program	EC	19,524,680	2,747,332
Early Learning for Child Development Project (ELCDP)	UNICEF	242,168,875	200,000,000
BRAC Boat School	EACI-QATAR	80,333,492	-
BRAC Urban Slum School	EACI-QATAR	64,349,824	-
Community Safety Initiatives	Safer World	2,266,313	-
Pro-Poor Growth for South Africa and Asia	Oxford University	-	899,848
VCT Services BRAC TB Centre	Family Health International	4,137,000	5,033,000
TQI-SEP Innovation and Development	GOB	-	1,075,000
Innovation in Sustainable Sanitation in Bangladesh	BRAC-USA	225,673,341	-
Alive and Thrive Project	FHI Solutions	267,465,187	235,552,446
Social and Financial Empowerment of Adolescents (SoFEA)	BRAC-USA	95,282,236	23,482,667
Bangladesh Sprinkles Program	The Global Alliance for Improved Nutrition (GAIN)	21,276,735	12,708,027
Bangladesh MYCN-Home Fortification Program	The Global Alliance for Improved Nutrition (GAIN)	12,575,701	-
Crop Intensification for Achieving Food Self-Sufficiency Program	EC	-	69,882,596
Developing BRAC's Emergency Response Capacity	BRAC-USA	25,306,523	85,241,833
The effect of micronutrient powder and hand hygiene on linear -growth faltering and treating iron deficiency anemia and -preventing calcium deficiency among Bangladesh infants	Hospital For Sick Children	-	5,190,831
Restoring Socio-Economic Stability and Strengthening -Community in areas affected by Cyclone AILA	EC	-	52,625,863
Accelerating Water, Sanitation & Hygiene (WASH)	UNICEF	-	4,208,592
BRAC HRLS Property Rights Program	BRAC-USA	73,354,868	-
National Food Security Nutritional Surveillance Project	EC	71,251,510	71,947,338
Support to Agriculture Research for Climate Change	IRRI	312,200	1,198,500

Name of the projects	Donor	2013 Taka	2012 Taka
Community Sensitization on CEDAW	UN Women	-	232,530
Creating Awareness on RTI law for Community	World Bank	-	2,087,163
Joint Program on Gender based Violence	UNDP	4,110,992	12,124,438
Spreading Awareness to Prevent, Promote and Protect Domestic Workers - and female Migrant workers at work place from violence	International Labour Office (ILO)	511,000	1,419,619
Community Based Digital Fat Testing Project	Care-Bangladesh	23,059,064	5,113,968
Gendered Impact of Ultra Poor Program	International Food Policy Research Institute	2,334,857	1,811,981
Assessment of Patient Costs and Patient Perspectives of TB Treatment	Liverpool School of Tropical Medicine	-	3,333,930
BRAC Project Laser Beam (PLB)	Unilever-UK	62,840,000	-
BRAC Health care Innovations Programme (B-HIP)	Rockefeller Foundation	-	31,360,722
BRAC HRLS Child Domestic Worker Project	BRAC-USA	-	2,165,940
Enjoyment of the Socio Economic Rights of Bangladeshi women - fish farmers through their economic and social empowerment	AIDA-Spain	3,416,805	12,906,614
Changing Social Norms and Supporting Adolescent Empowerment	UNICEF	24,718,729	19,425,675
Vocational Skill Training for Urban Working Children	UNICEF	29,250,330	44,796,144
BRAC Education Watch	Campaign for Popular Education	2,086,393	5,173,093
Productive, profitable and resilient agriculture and aquaculture systems	IRRI	1,139,197	1,211,686
Monitoring and Evaluation of the School Nutrition	The Global Alliance for Improved Nutrition	7,457,984	11,223,810
Sexual and Reproductive Health Rights Education Program in Bangladesh	Novib	2,706,991	18,216,000
South Asia Legal Empowerment Practitioner fair	Foundation Open Society Institute	-	1,351,224
Sustainable Human Development and Empowerment of Vulnerable - Women affected Climate Change	UN Women	36,830,400	10,747,310
Urban School Nutrition Programme	The Global Alliance for Improved Nutrition	13,779,432	20,720,880
Bangladesh Youth Parliament Project	British Council	1,000,000	1,925,787
Engaging Communities for Behaviour Social Change in Cox's Bazar COMDIS-HSD	UNICEF	18,452,831	5,117,949
Marketing Innovation for Health (MIH) Program	University of Leeds	3,045,844	517,995
Technology (ex-ante) assessment and farm House hold Segmentation -for Inclusive Poverty Reduction and Sustainable Growth in Agriculture	Social Marketing Company (SMC)	36,295,011	8,000,000
Value Chain Scoping Assessment	Center for Development Research	3,193,200	3,228,000
Mental Health and Psychosocial Support (MHPSS)	AVRDC (The World Vegetable Centre)	392,036	1,568,140
Building Young Women's Leadership through Sports	The Asian Disaster Preparedness Center	555,014	857,549
Economic Empowerment for Poor and Vulnerable Women in Bangladesh	Women Win	10,920,300	-
Guiding Pro-Poor Investments in the Nexus among Domestic - Water Quality and Quantity	EC	16,320,482	-
Evaluate the Impact of the use of Iron/Folic Acid	University of Bonn	1,128,357	-
USAID-Horticulture Project	ICDDR	7,492,452	-
Women's Affairs Ministerial Meeting Partners Fourm (10 WPF)	International Potato Centre (CIP)	18,028,145	-
Root and Tuber Crops Research and Dev. Prog. For Food Security - Asia and Pacific Region	Commonwealth Foundation	5,359,562	-
Collaborative for Scaling Innovation	AVRDC (The World Vegetable Centre)	925,053	-
Reaching out of School Children Project-II (ROSC)	Rockefeller Foundation	38,823,602	-
Improving Maternal & Child Nutrition (MCN)	World Bank	8,921,280	-
Aquatic Agricultural System (AAS)	WFP	2,406,994	-
Leadership & Student Council Training Project	World Fish	389,840	-
Measuring Health System Costs of TB Treatment in Bangladesh	British Council	10,277,025	-
Pilot project of distributing reading glasses	London School of Hygiene & Tropical Medicine	579,000	-
Shikha Project	Vision Spring	10,961,300	-
Wash and Clean in the Labour Ward-A Situation Analysis Study	Family Health International	30,280,000	-
BRAC School Meal Piloting	University of Leeds	859,020	-
Safe Migration for Bangladesh Workers	WFP	1,072,566	-
Impact Assessment of Credit Program for the Tenant Farmers	World Bank	19,867,243	-
Early Recovery Facility of UNDP Bangladesh	Global Development Network Inc. (GDN)	19,485,445	-
	BRAC-USA	951,008	-
TOTAL		16,128,185,099	15,153,784,471

29. Segmental financial information

	Unrestricted										Temporarily restricted		Total 2013 Taka
	Aarong Rural Craft Centre	BRAC Printers & Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Project Taka	House Property (Building) Taka	Total Unrestricted Taka	Development Projects Taka			
											Taka	Taka	
Assets:													
Cash in hand and at banks	141,288,224	31,077,842	60,520,888	243,882,295	63,451,906	2,181,267,926	3,845,999,363	759,503,755	7,326,992,199	8,673,090,362		16,000,082,561	
Advances, deposits and prepayments	135,241,996	202,002,963	42,428,670	135,567,171	586,809	312,452,386	1,685,748,797	27,430,012	2,541,458,804	218,283,331		2,759,742,135	
Inventories	2,475,664,311	161,436,691	98,237,727	725,589,260	16,859,983	83,868,343	65,283,557		3,626,939,872	6,458,812		3,633,398,684	
Grants and accounts receivable	101,521,200	160,544,117	45,856,943	512,921,966	18,333,279	419,799,697	269,434,118	2,955,117	1,531,366,437	116,991,381		1,648,357,818	
Inter-programme current account	(11,009,137)	(314,008,303)	241,026,442	11,804,141	(1,290,918)	32,595,416	48,616,438		7,734,079	(7,734,079)		-	
Microfinance loans						67,013,205,289			67,013,205,289			67,013,205,289	
Motorcycle loans	288,769	-	4,075,211	7,452,980	33,832	359,698,720	51,018,469		422,567,981	316,997,738		739,565,719	
Investments in securities and others							237,350,000		237,350,000			237,350,000	
Investments in related undertakings							9,626,307,409		9,626,307,409			9,626,307,409	
Property, plant and equipments	500,877,174	35,369,160	567,468,873	806,536,837	4,728,344	3,329,432,217	4,963,180,657	145,883,458	10,153,476,720	272,008,742		10,625,485,462	
Total Assets	3,343,872,537	276,422,470	1,059,614,754	2,443,754,650	102,703,235	73,732,319,994	20,792,938,808	935,772,342	102,687,398,790	9,596,096,287		112,283,495,077	
Liabilities and Net Assets													
Liabilities:													
Liabilities for expenses and materials	181,977,167	13,344,618	126,798,277	359,868,653	15,265,373	3,170,328,213	1,726,266,641	200,000	5,594,048,942	288,789,408		5,882,838,350	
Bank overdrafts	46,975,668	-	-	-	-	2,847,355,993	800,524,858	-	3,694,856,519	-		3,694,856,519	
Term loans	-	-	-	200,000,000	-	15,202,000,309	-	-	15,402,000,309	-		15,402,000,309	
Members savings deposits	-	-	-	-	-	29,034,851,689	-	-	29,034,851,689	-		29,034,851,689	
Grants received in advance account	-	-	-	-	-	593,405	3,074,293	-	3,074,293	8,058,394,637		8,061,468,930	
Deferred income	-	-	-	-	-	-	54,478,394	-	55,071,799	217,359,359		272,431,158	
Other long term liabilities	274,130,767	46,437,573	-	-	-	392,395,515	9,166,812,624	-	9,879,776,479	-		9,879,776,479	
Provision for taxation	-	-	-	11,734,157	-	-	1,035,206,873	-	1,046,941,030	-		1,046,941,030	
Total Liabilities	503,083,602	59,782,191	126,798,277	571,602,810	15,265,373	50,647,525,124	12,786,363,683	200,000	64,710,621,060	8,564,543,404		73,275,164,464	
Net assets	2,840,788,935	216,640,279	932,816,477	1,872,151,840	87,437,862	23,084,794,870	8,006,575,125	935,572,342	37,976,777,730	1,031,552,883		39,008,330,613	
Total Liabilities and Net Assets	3,343,872,537	276,422,470	1,059,614,754	2,443,754,650	102,703,235	73,732,319,994	20,792,938,808	935,772,342	102,687,398,790	9,596,096,287		112,283,495,077	

Balance Sheet as at December 31, 2013

Assets:

Cash in hand and at banks
Advances, deposits and prepayments
Inventories
Grants and accounts receivable
Inter-programme current account
Microfinance loans
Motorcycle loans
Investments in securities and others
Investments in related undertakings
Property, plant and equipments
Total Assets

Liabilities and Net Assets

Liabilities:
Liabilities for expenses and materials
Bank overdrafts
Term loans
Members savings deposits
Grants received in advance account
Deferred income
Other long term liabilities
Provision for taxation

Total Liabilities

Net assets

Total Liabilities and Net Assets

29. Segmental financial information (cont'd.)

	Unrestricted										Temporarily restricted	
	Aarong Rural Craft Centre	BRAC Printers & Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Project	House Property (Building)	Total Unrestricted	Development Projects	Total 2012	Taka
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Assets:												
Cash in hand and at banks	129,524,735	51,316,252	52,892,399	311,974,532	37,918,749	2,400,313,385	3,014,106,293	736,748,252	6,754,814,697	9,294,638,382	16,049,453,079	
Advances, deposits and prepayments	55,779,153	250,445,594	40,009,047	109,411,497	921,479	182,684,600	1,408,063,360	25,678,863	2,072,995,593	149,135,267	2,222,130,860	
Inventories	1,893,954,652	118,857,516	259,897,906	617,271,049	14,621,124	45,589,623	100,508,146	-	3,050,740,016	3,365,942	3,054,105,958	
Grants and accounts receivable	76,346,896	69,324,099	31,191,712	379,387,163	15,178,701	343,632,453	255,438,115	2,955,117	1,173,454,256	135,997,676	1,309,451,932	
Inter-programme current account	264,083,953	(265,165,561)	74,482,452	8,042,244	5,082,795	84,814,726	(160,964,747)	-	10,375,862	(10,375,862)	-	
Microfinance loans	-	-	-	-	-	56,297,005,220	-	-	56,297,005,220	-	56,297,005,220	
Motorcycle loans	350,987	-	3,316,790	7,504,813	40,900	308,243,783	9,616,097	-	329,073,370	273,590,028	602,663,398	
Investments in securities and others	-	-	-	-	-	-	232,100,000	-	232,100,000	-	232,100,000	
Investments in related undertakings	-	-	-	-	-	-	8,098,697,120	-	8,098,697,120	-	8,098,697,120	
Property, plant and equipments	574,175,480	63,676,312	526,407,389	794,533,699	3,984,208	3,200,844,943	4,401,726,206	145,094,551	9,710,442,788	206,457,049	9,916,899,837	
Total Assets	2,994,215,856	288,514,312	988,197,695	2,248,124,997	77,747,956	62,863,128,733	17,359,292,590	910,476,783	87,729,698,922	10,052,808,482	97,782,507,404	
Liabilities and Net Assets												
Liabilities:												
Liabilities for expenses and materials	199,979,819	30,737,487	148,312,216	286,437,179	12,316,387	2,611,151,285	1,224,072,576	1,184,560	4,514,191,509	274,642,917	4,788,834,426	
Bank overdrafts	72,479,975	-	-	-	-	4,179,176,412	754,979,835	-	5,006,636,222	-	5,006,636,222	
Term loans	-	-	-	200,000,000	-	12,540,746,146	200,000,000	-	12,940,746,146	-	12,940,746,146	
Members savings deposits	-	-	-	-	-	24,907,281,663	-	-	24,907,281,663	-	24,907,281,663	
Grants received in advance account	-	-	-	-	-	678,799	102,384,049	-	103,062,848	8,697,918,904	8,697,918,904	
Deferred income	-	-	-	-	-	-	7,557,816,592	-	8,216,392,565	147,832,604	250,895,452	
Other long term liabilities	268,109,849	41,536,808	-	-	-	348,929,316	834,971,785	-	840,941,030	-	840,941,030	
Provision for taxation	-	-	-	5,969,245	-	-	-	-	-	-	-	
Total Liabilities	540,569,643	72,274,295	148,312,216	492,406,424	12,316,387	44,587,963,621	10,674,224,837	1,184,560	56,529,251,983	9,120,394,425	65,649,646,408	
Net assets	2,453,646,213	216,240,017	839,885,479	1,755,718,573	65,431,569	18,275,165,112	6,885,067,753	909,292,223	31,200,446,939	932,414,057	32,132,860,996	
Total Liabilities and Net Assets	2,994,215,856	288,514,312	988,197,695	2,248,124,997	77,747,956	62,863,128,733	17,359,292,590	910,476,783	87,729,698,922	10,052,808,482	97,782,507,404	

29. Segmental financial information (cont'd.)

Statement of Income and Expenditure for the year ended December 31, 2013											
Unrestricted											
Aarong Rural Craft Centre		BRAC Printers & Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Temporarily restricted	Total 2013
Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Development Projects	Taka
-	-	-	-	-	-	85,394	49,091,612	-	49,177,006	16,679,497,940	16,728,674,946
4,748,618,174	603,562,422	2,713,048,262	-	-	-	-	-	-	8,065,228,858	-	8,065,228,858
-	-	-	4,114,973,500	185,632,887	-	-	-	-	4,300,606,387	-	4,300,606,387
-	-	-	-	-	-	17,802,363,604	521,677,199	-	17,802,363,604	-	17,802,363,604
-	-	-	-	-	-	510,524,895	419,026,368	-	1,032,202,094	137,732,347	1,169,934,441
-	-	-	-	-	-	-	419,026,368	-	419,026,368	-	419,026,368
-	(34,825,079)	-	-	-	-	(688,010,356)	722,835,435	-	-	-	-
26,165,774	9,993,833	11,838,153	182,370	-	-	-	440,102,497	-	488,282,627	13,998,545	502,281,172
-	-	-	-	-	-	-	-	100,732,324	100,732,324	-	100,732,324
4,774,783,948	578,731,176	2,724,886,415	4,115,155,870	185,632,887	17,624,963,537	2,152,733,111	32,257,619,268	16,831,228,832	49,088,848,100	-	-
Total income											
Expenditure											
4,000,498,506	614,215,762	2,539,024,419	-	-	-	-	-	-	7,153,738,687	-	7,153,738,687
-	-	-	3,850,169,171	163,260,674	-	-	-	-	4,013,429,845	-	4,013,429,845
-	-	-	-	-	-	-	-	74,452,205	74,452,205	-	74,452,205
-	-	-	-	-	-	-	187,470,309	-	187,470,309	6,887,804,854	7,075,275,163
-	-	-	-	-	-	-	-	-	-	2,391,244,399	2,391,244,399
-	-	-	-	-	-	-	4,544,115	-	4,544,115	336,463,722	341,007,837
-	-	-	-	-	-	-	-	-	-	195,568,393	195,568,393
-	-	-	-	-	-	-	-	-	-	86,040,129	86,040,129
-	-	-	-	-	-	-	134,724,016	-	134,724,016	4,323,868,916	4,458,592,932
-	-	-	-	-	-	-	-	-	-	1,535,677,979	1,535,677,979
-	-	-	-	-	-	-	-	-	-	209,703,788	209,703,788
-	-	-	-	-	-	12,815,333,779	-	-	12,815,333,779	-	12,815,333,779
-	-	-	-	-	-	-	-	-	-	527,051,524	527,051,524
-	-	-	-	-	-	-	430,840,586	-	430,840,586	238,666,302	669,506,888
-	-	-	-	-	-	-	984,488,882	-	984,488,882	-	984,488,882
-	-	-	-	-	-	-	-	-	-	-	-
4,000,498,506	614,215,762	2,539,024,419	3,850,169,171	163,260,674	12,815,333,779	1,742,067,908	74,452,205	25,799,022,424	16,732,090,006	42,531,112,430	-
Total Expenses											
Surplus of income over expenditure before taxation											
774,285,442	(35,484,586)	185,861,996	264,986,699	22,372,213	4,809,629,758	410,665,203	6,458,596,844	99,138,826	6,557,735,670	(206,000,000)	-
-	-	-	(5,764,912)	-	-	(200,235,088)	-	-	-	-	-
Taxation											
Net surplus stated in statement of income & expenditure before inter-programme allocations											
774,285,442	(35,484,586)	185,861,996	259,221,787	22,372,213	4,809,629,758	210,430,115	6,252,596,844	99,138,826	6,351,735,670	-	-
(387,142,721)	35,984,846	(92,930,998)	(148,035,455)	-	-	592,224,328	-	-	-	-	-
Inter-programme allocations											
387,142,721	400,260	92,930,998	111,186,332	22,372,213	4,809,629,758	802,654,443	6,252,596,844	99,138,826	6,351,735,670	-	-
Net surplus for the year after inter-programme allocations											

29. Segmental financial information (cont'd.)

	Unrestricted							Temporarily restricted		Total 2012
	Aarong Rural Craft Centre	BRAC Printers & Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Income										
Donor grants	-	-	-	-	-	2,615,265	1,908,943	-	4,524,208	11,852,318,277
Revenue from										
- Income Generating Projects	4,529,861,669	861,739,364	2,469,755,547	-	-	-	-	-	7,861,356,580	7,861,356,580
- Program Support Enterprises	-	-	-	3,941,665,074	182,584,605	-	-	-	4,124,249,679	4,124,249,679
Service charge on microfinance loans	-	-	-	-	-	14,774,931,599	-	-	14,774,931,599	14,774,931,599
Interest on bank accounts and fixed deposits	-	-	-	-	-	442,117,939	695,704,753	-	1,137,822,692	1,278,456,613
Investment income	-	-	-	-	-	-	126,946,311	-	126,946,311	126,946,311
Other income - internal	-	(43,849,943)	-	-	-	-	43,849,943	-	-	-
Other income	27,897,751	10,568,603	10,557,197	8,200	-	-	486,189,484	-	535,221,235	550,365,696
Income from house property	-	-	-	-	-	-	-	100,720,809	100,720,809	100,720,809
Total income	4,557,759,420	828,458,024	2,480,312,744	3,941,673,274	182,584,605	15,219,666,803	1,354,599,434	100,720,809	28,665,775,113	40,669,347,564
Expenditure										
Income generating projects	3,881,517,898	821,329,525	2,285,502,969	-	-	-	-	-	6,988,350,392	6,988,350,392
Program Support Enterprise	-	-	-	3,474,442,045	164,465,598	-	-	-	3,638,907,643	3,638,907,643
House Property	-	-	-	-	-	-	-	93,188,884	93,188,884	93,188,884
Education Programme	-	-	-	-	-	-	191,083,781	-	191,083,781	191,083,781
Ultra Poor Programme	-	-	-	-	-	-	-	-	4,086,273,202	4,086,273,202
Community Empowerment Programme	-	-	-	-	-	-	-	-	2,045,763,985	2,045,763,985
Human Rights and Legal Services	-	-	-	-	-	-	2,912,978	-	2,912,978	2,912,978
Policy Advocacy	-	-	-	-	-	-	-	-	195,539,238	195,539,238
Health Programme	-	-	-	-	-	-	170,093,323	-	170,093,323	170,093,323
Water, Sanitation and Hygienic Programme	-	-	-	-	-	-	-	-	3,540,177,955	3,540,177,955
Gender, Justice and Diversity Programme	-	-	-	-	-	-	-	-	1,339,321,154	1,339,321,154
Micro Finance Programme	-	-	-	-	-	11,714,555,867	-	-	11,714,555,867	11,714,555,867
Agriculture and Food Security	-	-	-	-	-	-	10,089,482	-	10,089,482	10,089,482
Other Development Projects	-	-	-	-	-	-	264,275,126	-	264,275,126	264,275,126
Total Expenses	3,881,517,898	821,329,525	2,285,502,969	3,474,442,045	164,465,598	11,714,555,867	638,454,690	93,188,884	23,073,457,476	35,003,532,557
Surplus of income over expenditure before taxation	676,241,522	7,128,499	194,809,775	467,231,229	18,119,007	3,505,110,936	716,144,744	7,531,925	5,592,317,637	5,665,815,007
Taxation	-	-	-	(4,067,884)	-	-	(195,932,116)	-	(200,000,000)	(200,000,000)
Net surplus stated in statement of income & expenditure before inter-programme allocations	676,241,522	7,128,499	194,809,775	463,163,345	18,119,007	3,505,110,936	520,212,628	7,531,925	5,392,317,637	5,465,815,007
Inter-programme allocations	(338,120,761)	(5,129,240)	(97,404,888)	(123,604,979)	-	-	564,259,868	-	-	-
Net surplus for the year after inter-programme allocations	338,120,761	1,999,259	97,404,887	339,558,366	18,119,007	3,505,110,936	1,084,472,496	7,531,925	5,392,317,637	5,465,815,007

30. Statement of Functional Expenses

Expenditure Statement for the year ended December 31, 2013

Salaries and benefits	592,213,947	23,921,776	128,934,717	237,292,852	7,480,314	4,981,970,569	214,188,761	-	6,186,002,936	6,162,217,237	12,348,220,173
Travelling and transportation	40,663,178	5,432,573	76,969,455	54,217,754	522,812	457,798,961	12,509,243	-	648,113,976	664,657,676	1,312,771,652
Teachers' salaries	-	-	-	-	-	-	-	-	-	917,095,817	917,095,817
Teachers' training	-	-	-	-	-	-	-	-	-	245,675,015	245,675,015
School rent and maintenance	-	-	-	-	-	-	-	-	-	213,529,589	213,529,589
Stationery, rent and utilities	131,047,957	3,641,732	12,074,464	12,951,387	1,254,617	234,703,464	29,206,995	16,498,403	441,379,019	414,233,702	855,612,721
Maintenance and general expenses	88,900,443	7,675,119	43,448,929	34,611,194	834,589	223,037,308	39,605,338	1,993,985	440,106,905	139,696,420	579,803,325
Members' training	-	-	-	-	-	250,565	10,074,500	-	10,325,065	586,293,836	596,618,901
Staff training and development	1,388,977	-	3,650,065	10,540,742	-	60,870,665	14,280,804	-	90,731,253	560,745,649	651,476,902
Programme supplies	-	-	-	15,074,762	72,063	259,610,753	8,744,509	-	283,502,087	6,767,507,121	7,051,009,208
Interest on members' savings deposits	-	-	-	-	-	2,064,694,342	-	-	2,064,694,342	-	2,064,694,342
Interest on long term loans	-	-	-	-	-	1,531,769,615	-	-	1,531,769,615	-	1,531,769,615
Bank overdraft interest and charges	34,822,342	35,128,336	-	5,760,260	-	590,087,245	187,521,869	-	853,320,052	-	853,320,052
Cost of goods sold of income generating projects	2,952,158,825	529,821,170	2,210,446,572	-	-	-	-	-	5,692,426,567	-	5,692,426,567
Cost of goods sold of program support enterprises	-	-	-	3,290,498,586	150,543,300	-	-	-	3,441,041,886	-	3,441,041,886
Publicity, advertisement and sales commissions	43,676,597	-	59,088,505	88,377,491	1,975,172	-	6,849,420	-	199,967,185	9,968,045	209,935,230
Loan loss provision for microfinance loans	-	-	-	-	-	2,322,988,477	-	-	2,322,988,477	-	2,322,988,477
Depreciation of property, plant and equipment	115,626,240	1,729,286	1,960,952	90,114,138	434,200	87,551,815	184,597,587	22,075,493	504,089,711	50,469,899	554,559,610
Provision for bad and doubtful debts	-	6,865,770	2,450,760	10,730,005	143,607	-	-	-	20,190,142	-	20,190,142
Allocation to self-insurance fund	-	-	-	-	-	-	50,000,000	-	50,000,000	-	50,000,000
Allocation to Relief and Rehabilitation fund	-	-	-	-	-	-	984,488,882	-	984,488,882	-	984,488,882
Grants	4,000,498,506	614,215,762	2,539,024,419	3,850,169,171	163,260,674	12,815,333,779	1,742,067,908	74,452,205	25,799,022,424	16,732,090,006	42,531,112,430

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

30. Statement of Functional Expenses (cont'd.)

Expenditure Statement for the year ended December 31, 2012													
	Unrestricted										Temporarily restricted		Total 2012
	Aarong Rural Craft Centre	BRAC Printers & Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Development Projects	Taka		
Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Salaries and benefits	495,104,368	21,858,220	101,915,634	193,802,314	6,039,235	4,693,827,336	16,562,777	-	5,529,109,903	5,019,737,140	-	10,548,847,043	
Travelling and transportation	33,759,052	5,619,193	62,441,093	47,381,106	491,171	420,225,202	14,124,290	-	584,041,107	590,096,983	-	1,174,138,090	
Teachers' salaries	-	-	-	-	-	-	-	-	-	864,364,047	-	864,364,047	
Teachers' training	-	-	-	-	-	-	-	-	-	225,067,977	-	225,067,977	
School rent and maintenance	-	-	-	-	-	-	-	-	-	186,231,439	-	186,231,439	
Stationery, rent and utilities	124,956,507	4,239,881	10,980,745	11,979,939	1,030,631	179,042,304	16,191,027	13,169,462	361,590,496	344,407,992	-	705,998,488	
Maintenance and general expenses	78,381,600	5,842,901	41,409,943	19,782,449	1,117,377	138,425,353	18,006,277	1,840,227	304,806,127	142,098,853	-	446,904,980	
Members' training	-	-	-	-	-	2,495,842	34,261,408	-	36,757,250	488,542,527	-	525,299,777	
Staff training and development	2,243,455	-	2,246,362	6,702,606	-	38,689,574	28,982,676	-	78,864,673	488,517,347	-	567,382,020	
Programme supplies	-	-	-	3,009,521	57,075	259,754,682	193,214,461	-	456,035,739	3,538,307,798	-	3,994,343,537	
Interest on members' savings deposits	-	-	-	-	-	1,591,469,559	-	-	1,591,469,559	-	-	1,591,469,559	
Interest on long term loans	-	-	-	-	-	1,425,348,750	-	-	1,425,348,750	-	-	1,425,348,750	
Bank overdraft interest and charges	20,863,077	44,586,822	-	2,409,418	-	1,183,180,911	87,759,470	-	1,338,799,698	-	-	1,338,799,698	
Cost of goods sold- income generating projects	2,974,712,117	724,579,365	2,021,099,185	-	-	-	-	-	5,720,390,667	-	-	5,720,390,667	
Cost of goods sold- program support enterprise	-	-	-	2,998,249,111	153,919,261	-	-	-	3,152,168,372	-	-	3,152,168,372	
Publicity, advertisement and sales commissions	31,579,340	-	42,427,159	102,208,474	1,199,626	-	-	-	191,092,260	6,982,773	-	198,075,033	
Loan loss provision for microfinance loans	-	-	-	-	-	1,709,585,836	-	-	1,709,585,836	-	-	1,709,585,836	
Depreciation of property, plant and equipment	119,918,382	2,951,763	1,708,760	80,709,833	455,187	72,510,498	165,674,642	21,931,475	465,860,540	35,720,205	-	501,580,745	
Provision for bad and doubtful debts	-	11,651,380	1,274,088	8,207,274	156,036	-	-	-	21,288,778	-	-	21,288,778	
Allocation to self-insurance fund	-	-	-	-	-	-	-	-	56,247,720	-	-	56,247,720	
Allocation to Relief and Rehabilitation fund	-	-	-	-	-	-	-	-	50,000,000	-	-	50,000,000	
	3,881,517,898	821,329,525	2,285,502,969	3,474,442,045	164,465,598	11,714,555,867	638,454,689	93,188,884	23,073,457,475	11,970,075,081	-	35,003,532,556	

Included in cost of goods sold of (Printers and Printing Pack) is depreciation of property, plant and equipment amounting to Tk. 101,632,297.

31. Comparative figures

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