



South Sudan

South Sudan celebrated its one-year anniversary on July 9, 2012. BRAC has been active in the area since 2007, and has grown to become one of the largest NGO in the young country supporting the communities through microfinance, agriculture development, health, and education programmes. BRAC is expanding in South Sudan by providing technical and grant support to 79 local non-governmental organisations and community-based organisations working in all 10 states of the country through a special government and UN peace fund.

What started out in 1972 in a remote village of Bangladesh as a limited relief operation, turned into the largest development organisation in the world. Of major non-governmental organisations, BRAC is one of the few based in the global south.

Today, BRAC is a development success story, spreading solutions born in Bangladesh to 10 other countries around the world – a global leader in creating opportunity for the world's poor. Organising the poor using communities' own human and material resources, it catalyses lasting change, creating an ecosystem in which the poor have the chance to seize control of their own lives. We do this with a holistic development approach geared toward inclusion, using tools like microfinance, education, healthcare, legal services, community empowerment and more.

Our work now touches the lives of an estimated 126 million people across the world, with staff and BRAC-trained entrepreneurs numbering in the hundreds of thousands – a global movement bringing change to 11 countries in Asia, Africa and the Caribbean.

South Sudan

2012
Annual Report

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Vision, Mission and Values

Vision

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

Mission

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

Values

Innovation

For forty years, BRAC has been an innovator in the creation of opportunities for the poor to lift themselves out of poverty. We value creativity in programme design and strive to display global leadership in groundbreaking development initiatives.

Integrity

We value transparency and accountability in all our professional work, with clear policies and procedures, while displaying the utmost level of honesty in our financial dealings. We hold these to be the most essential elements of our work ethic.

Inclusiveness

We are committed to engaging, supporting and recognising the value of all members of the society, regardless of race, religion, gender, nationality, ethnicity, age, physical or mental ability, socioeconomic status and geography.

Effectiveness

We value efficiency and excellence in all our work, constantly challenging ourselves to perform better, to meet and exceed programme targets, and to improve and deepen the impact of our interventions.

Chairperson's Statement



It gives me great pleasure to present the annual report and the audited financial statements for the year ended 31 December 2012.

As South Sudan celebrated its first anniversary this year as an independent nation, there are still many steps the new country needs to take to achieve some stability. Violence remains as one of the most pressing issues plaguing the country and is likely to internally displace about 200,000 people, while up to 350,000 refugees, mainly from Sudan are expected to return to the country in 2013, according to a UN report. Food insecurity is another challenge which we are attempting to address as heightened conflict and economic instability is likely to increase the number of people requiring food assistance by more than a million.

One million children remain out-of-school in South Sudan, and our effort in reaching these children through our current resources will not be met. With initial funding from Petrofac and Stromme Foundation, BRAC successfully ran 110 schools in South Sudan, with 3,116 students already graduating from the community girls schools. In addition to those schools, BRAC is also operating 115 schools in eight counties, with funding from Comic Relief and Stromme Foundation, where a total of 3,450 children are given the opportunity of completing non-formal primary education. Through our accelerated learning programme for older children we will reintegrate them in income

generation activities once they complete their courses.

We have commitment from the Department for International Development (DFID) of UK and Stromme Foundation to open 330 new schools, which will reach approximately 9,900 children in 2013. Much more needs to be done to steer this country out of this status quo and, education, I believe is the key to unlock the potential of the South Sudanese.

Our adolescent girls' initiative project, in partnership with the World Bank, continues to thrive by socially and financially empowering adolescents and young women. We currently provide these girls with life skills and livelihood training, followed by financial literacy, and additional saving and credit services along with community sensitisation. As of December 2012, we have 3,000 members in our adolescent clubs, and 2,913 girls have been given livelihoods training. A number of these girls have started their small businesses in hairdressing and tailoring and earning decent income.

In the health sector, we have been selected as a principal recipient under the Global Fund for a tuberculosis programme, to commence operations from 2014. We also served therapeutic food and treatment through our two outpatient therapeutic programme to over 2,300 Severe Acute Malnutrition (SAM) cases amongst children under-five years of age.

Currently, the cure rate of SAM cases in South Sudan stands at 92 per cent.

Over four million South Sudanese are reportedly at risk of food insecurity this year, with at least one million likely to face severe consequences due to the high food prices and poor commercial supplies feared in most parts of the country. Agriculture remains one of the primary sources of employment for South Sudan, and to support the farmers, we provided seeds and tools, which we received from the United Nations Food and Agriculture Organisation, and the World Food Programme.

In 2012, various measures were taken in our microfinance programme, including stricter quality control and tighter supervision, branch review and close monitoring. It was decided that the microfinance programme should be phased down after an analysis was conducted which showed that the microfinance programme will not be sustainable in the current environment. The strategic shift led us to focus on ultra-poor initiative, based on the model BRAC developed in Bangladesh and other countries.

I would like to take this opportunity to thank our team in South Sudan who have worked diligently under difficult circumstances. I extend my sincere thanks to the members of the governing body, whose leadership and foresight has been

of great value. As situation continues to evolve, BRAC will continue to re-evaluate its strategy. I thank the South Sudanese government and our development partners in South Sudan for their continued support as we strive to create greater value in our services to contribute towards the progress and prosperity of South Sudan.



Sir Fazle Hasan Abed, KCMG

Founder and Chairperson
BRAC & BRAC International

BRAC International

Governance and Management

1. Governance

1.1 The legal status of BRAC International

BRAC International is registered as Stichting BRAC International, a foundation registered under the laws of The Netherlands, with its seat in The Hague. All of BRAC International's development entities operate under this umbrella. Development programmes include health, education, agriculture, livelihoods, targeting the ultra poor, human rights & legal services programmes. BRAC International Holdings B.V. is a wholly owned subsidiary of Stichting BRAC International. BRAC International's microfinance, programme supporting enterprises and finance company are consolidated under this wing. Programme supporting enterprises currently include seed production, feed mill, training centres and tissue culture lab.

BRAC International has introduced programmes in Afghanistan, Haiti, Sri Lanka, Pakistan, Uganda, Tanzania, South Sudan, Sierra Leone, Liberia and Philippines. In each of these countries, BRAC International is legally registered with the relevant authorities.

1.2 Governing Body

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

Members of the Governing Body

Chairperson : Sir Fazle Hasan Abed
 Member : Dr Mahabub Hossain
 Muhammad A (Rume) Ali
 Ms Susan Davis
 Ms Sylvia Barren
 Dr Debopriya Bhattacharya
 Ms Shabana Azmi
 Mr Shafiq ul Hassan
 Ms Parveen Mahmud
 Ms Irene Zubaida Khan

The composition of the present Governing body of BRAC International Holdings B.V. is as follows:

Chairperson : Sir Fazle Hasan Abed
 Member : Dr Mahabub Hossain
 Muhammad A (Rume) Ali
 Ms Susan Davis
 Ms Sylvia Borren
 Orangefield Trust (Netherlands) B.V.

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

1.3 Local Boards

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

1.4 Accountability and Transparency

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

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

BRAC International strives for excellence and transparency in financial reporting. In Uganda, BRAC has been recognised as the Best NGO in the Financial Reporting Awards in both 2011 and 2012, for its preparation, disclosure and maintenance of a commendable financial reporting platform.

2. Management

At all levels of BRAC International management, there is a clear-cut policy regarding the authority of each level of staff, and staff are adequately equipped and empowered to act as effective managers. This is clearly set out in BRAC International's Human Resources Policies and Procedures (HRPP) and Table of Authority. The

appropriate staff are empowered to take decisions with respect to all levels and areas of management, including: recruitment, deployment, capacity-building, transfer, leave, financial transactions, purchase and procurement. These are spelled out in detail with respect to staff at the Area, regional and country office levels. The HRPP also contains all policies relating to staff salary, benefits, recruitment and promotion procedures and payments. Every staff member receives orientation on HRPP.

The Stichting board appoints officers, namely the Senior Directors, Group CFO and Director Finance to manage affairs from the secretariat in Dhaka. BRAC International's management policies clearly define the authority of each level of staff. The appropriate staffs are empowered to take decisions at area, regional, country and Head Office levels. Procedural manuals and policy documents are made available to staff; these detail organisational policies and procedures. Day-to-day decisions are taken by area managers, regional coordinators and programme heads as appropriate, while larger policy decisions involve Country Representatives, Senior Directors, Group CFO, Director Finance and, in particular cases, the Executive Director, the Chairperson and the governing body.

2.1 Financial Management

All matters relating to finance and accounts from branch offices to head office are supervised and controlled by the finance and accounts department. The branch offices prepare project wise monthly cash requisitions, which are sent to the area/regional office. The area/regional office checks and monitors the accuracy of the requisition and then sends it to country office. After checking, the Country Office disburses funds as per the requisition. The Area I Branch Offices send monthly Expenditure Statements

along with bank statements to the Country Office Finance and Accounts Department. The country office then consolidates all the expenditure statements and prepares monthly financial statements and reports to the BRAC International Head Office and donors, as required. A comprehensive accounting manual and statement of standard operating procedure guides accounts personnel in preparing financial statements and reports following accounting standards, and in running other financial activities in a systematic and efficient way.

In consultation with different level of stakeholders, the country office prepares project-wise budgets, which are then sent to the Head Office. The head office checks the project-budgets of its country offices, which is recommended by the Director Finance and finally approved by the Group CFO. The head office also consolidates and prepares a country budget, prepares budget variances and submits these to the governing body in the quarterly board meetings of BRAC International's Governing Body. The budget is therefore prepared with the participation of programme and finance staff.

Further details can be found within BRAC International's accounts and finance manual.

2.2 Human Resource Management

The Human Resources Department (HRD) in both head office and within each country in which BRAC International operates is chiefly responsible for recruitment, deployment, staff appraisal, and all aspects of Human Resource Management (HRM) from head office. One of the central roles of the HRD is to establish and disseminate a clear-cut policy regarding the authority of each level of staff, in the form of the Human Resources Policies and Procedure (HRPP). The HRPP also contains all policies relating to staff salary, benefits, recruitment and promotion procedures, payments,

and a detailed code of conduct etc. Every staff member receives orientation on HRPP.

2.3 Staff training and capacity-building

BRAC International places high priority on the training and capacity-building of staff. To date, there are BRAC Training Centres in Liberia, Uganda and Afghanistan. In other countries BRAC hires training facilities near the areas offices.

After recruitment and before deployment, new staff is sent for orientation training by the training division, in which they are introduced to BRAC International's programmes, its objectives and mission. After this, they are deployed in the respective programme areas in the field. According to the needs of the different programmes, staffs are then given programme specific training. Most programmes also have separate training units within the programme unit, for more specialised training. BRAC International also sends staff on short and longer-term international training courses.

In line with its commitment to investing in its staff, BRAC International is continually seeking to improve its human resource management practices, in order to deliver better services to the poor, in particular women. Recent initiatives include:

- Strengthening communication systems within and beyond the organisation, in part to improve learning mechanisms within BRAC International
- Efforts to address gender relations, anti-bribery and corruption, data protection, child protection, conflicts of interest, and culture within the organisation
- Introducing performance appraisal
- A mentoring programme to support junior staff in their personal and professional development.

Agriculture

Operating in eight countries, BRAC's agriculture programmes work with governments to ensure food security. We build systems of production, distribution and marketing of quality seeds at fair prices; conduct research to develop better inputs and practices for the agricultural sector; offer credit support to poor farmers; and promote the use of efficient farming techniques and proven technologies. Using environmentally sustainable practices, we are helping our partner countries become self-sufficient in food production.

Assisting farmers of South Sudan

BRAC's agriculture programme in South Sudan addresses the urgent need for increased food security and enhancing agricultural activities in the region. Due to the prolonged civil war and internal conflict in South Sudan, a huge portion of fertile land had remained unutilised, and farmers were incapable of involving themselves agriculturally due to the lack of available resources such as seeds and tools. In this programme, eligible farmers are selected and introduced to a variety of farming techniques including the use of modern technology, organic pesticide and integrated pest management.

Our agriculture programme addresses the problems of poor crop productivity and the large areas of fallow land in post-conflict South Sudan. We implement our holistic and inclusive approach with three major components: knowledge and skill development, inputs supply, and extension services.

We develop farmers' knowledge and skills by training them on modern agriculture techniques, after which we provide them with seeds and tools to start cultivation. The agricultural coordinators, along with the community organisers, continually visit, and provide farmers with technical

advices to improve production. Issues like pest management, storage of grains, distribution and packing are also followed up on. The farmers that we serve through our agriculture programme are from the bottom of the pyramid and more than 60 per cent of them are women.



Women working in a BRAC supported collective demonstration farm in Garbo village in Juba County



Christine Alisen Bambo (right) is working in BRAC's supported collective demonstration farm in Garbo village in Juba County

Beyond 2012

Farm for seed production and marketing

We plan to setup an agriculture farm and work with farmers on contract for the production of quality seeds. In this farm, we will process and package seeds and distribute them to farmers across the country, creating a sustainable source of seed supply in South Sudan.

Research and extension services

We also plan to establish a research centre, which will primarily explore appropriate techniques, technologies and agricultural inputs fit for South Sudan. The findings, innovations and inventions in the research centre will be shared with local farmers, NGOs and the government of South Sudan.

Enhancing food nutrition

We have a plan for designing a programme focusing on improving the nutrition status of the country through agriculture and livestock farming activities, such as, kitchen gardening and backyard poultry-rearing.


2012 Highlights

We successfully reintegrated 1,622 ex-combatants into civilian life through this programme by training them on modern agriculture techniques and small business development. We distributed 1,509 ox-ploughs, 1,492 bulls, 3,430 goats, 200 chicken, fisheries and bee keeping items and 58 small business packages to these ex-combatants from Lakes State and Western Equatoria State.

We established nine new collective model farmer farms with the objective to motivate local farmers to adopt modern agriculture techniques and receive hands-on training from us. As of December 2012, a total of 6,894 workers, comprising of 180 farmers, 1,490 model farmers, 5,404 general farmers and 192 agriculture extension workers, were employed to work at the demonstration farms.

Farmers in South Sudan started to use ox-ploughing for the first time, which we introduced in 2012. We also supported the farmers with tools and 97 metric tonnes (MT) seeds of different varieties from the UN Food and Agriculture Organisation, as well as 561 MT of food from the World Food Programme.

CASE STUDY

A woman, identified as Aba, is shown working in a vegetable plot. She is wearing a bright pink short-sleeved shirt and a floral-patterned dress. She is bent over, tending to green plants in a field. In the background, there is a dirt road, a motorcycle, and some trees. To the left, another person is partially visible, working near a blue basin and yellow jerrycans.

Aba is now a successful model farmer after receiving training and inputs from BRAC

ABA: A self-sufficient farmer

"I can now manage my plot profitably. In 2012, I earned SSP 2,350 (USD 532) by selling the vegetables produced in my plots. Now I am planning to transfer and sell my vegetables in the markets of Juba for higher prices."

Aba is a widow from Yei and the breadwinner of a family of eight. Using traditional farming methods she used to do farming, producing crops hardly sufficient for her own family.

In 2011, BRAC selected a total of 80 model farmers in Yei and Aba was one of them. She was trained on modern agricultural techniques and she learned effective methods of land preparation, tillage and germination test, line sowing and weeding. She received different varieties of seeds including, cabbage, eggplants, tomato and okra from BRAC, as well as necessary tools like hoe, panga and gumboots. This training and technical advices from the BRAC helped her get increased production last year.

Health

Working in eight countries, BRAC's health programmes promotes sustainable and accessible healthcare for the poor in collaboration with both the state and private healthcare sectors. Working in their own slums and villages, BRAC's 'army' of self-employed community health promoters helps the entire community in staying healthy, with a groundbreaking door-to-door approach. These promoters create a cost-effective bridge between underserved poor communities and formal healthcare systems. BRAC also organises health meetings to encourage an exchange of knowledge, thus empowering people to take care of themselves, their families and neighbours.

Confronting the health needs of South Sudan

With a network of 1,623 community health promoters (CHPs) who are women, selected from local communities and trained to provide basic health care and education, BRAC brings affordable health care to the doorsteps of more than 350,000 people. CHPs refer individuals with more serious conditions to local public and private health facilities, and earn a small income by selling over-the-counter medicines to the patient groups. In line with the free healthcare initiative, CHPs provide free services to pregnant and lactating mothers and children under five.

Basic curative services

CHPs are trained to diagnose and treat some basic ailments such as diarrhoea, dysentery, common cold, helminthiasis, anaemia, ringworm, scabies, hyperacidity and angular stomatitis, while in regular health forums they discuss issues such as malaria, tuberculosis and HIV prevention, family planning and maternal health, as well as sanitation.

Malaria control

During household visits the CHP identifies suspected cases of malaria (fever episode) of under five children and treat them as per treatment guideline. They refer the patients to the nearest government health centres if required. She follows up to determine test results and see if the patients are taking their anti-malarial medication properly. A relative of the patient is put in charge of supervising the medication intake according to their prescription. The CHP then conducts a follow-up visit to ensure the patient's recovery and to make sure that he or she has not developed further complications. Since 2009, we have been delivering home-based management of malaria, as a sub-recipient of The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) supporting the child survival programme of South Sudan's

Ministry of Health, in four counties of Lakes state and part of Kator Payam of Juba.

Tuberculosis control

CHPs implement a well-tested, community-based approach for increasing and sustaining TB case detection and treatment. During household visits, CHPs ask simple questions related to suspected TB cases based on symptoms. When a suspected TB victim is identified, the CHP encourages that person to be tested at a nearby government facility. She explains the dangers that TB can pose to the sick person as well as the rest of the family. She then follows up on the patient to determine the test results and to advise accordingly.

Family planning and reproductive healthcare

During regular household visits, the CHP encourages women to use modern methods of contraception where there is a demand. She provides clients with birth control pills and condoms. For other temporary or permanent methods, families are referred to government primary and secondary healthcare facilities.

One of BRAC's primary concerns is to increase awareness on reproductive healthcare and how to utilise the services available. CHPs identify pregnant women during their household visits and inform the programme assistants, who then perform antenatal check-ups at home, raising awareness of pregnancy care and possible pre-natal danger signs. The CHP keeps a tab on whether her clients have had their Tetanus Toxoid vaccine. She also raises awareness regarding the importance of voluntary counseling and testing HIV/AIDS, and preventing mother to child transmission of HIV.

Nutrition

BRAC's nutrition programme in South Sudan started in 2011, with support from the Common Humanitarian Fund, to serve children with severe acute malnutrition and to raise awareness regarding breastfeeding and complementary feeding, as well as on hygiene, sanitation and healthy diets for children.

Beyond 2012

GFATM approved South Sudan's proposal for TB programme under Transitional Fund Mechanism, and BRAC in South Sudan was selected as the principal recipient of the fund for the period of 2014 to 2015.

Our service for home based management of malaria will continue in 2013 and will potentially extend till 2015 with support from the Global Fund. We plan to incorporate community based management of pneumonia and diarrhoea into home based management of malaria, starting from September 2013, in an effort to reduce child mortality and morbidity.

Our nutrition programme, one of our recent initiatives, will continue in 2013 to support severe acute malnutrition cases and community awareness on infant and child feeding practices.

2012 Highlights

In 2012, BRAC treated 180,597 under-five children who were malaria patients, and trained 239 new CHPs on malaria, diarrhoea and pneumonia to ensure increased accessibility of communities to malaria treatment.

With two outpatient therapeutic programmes centres, BRAC served therapeutic food and treated 2,380 under-five children with severe acute malnutrition (with a success rate of 92 per cent), 308 moderate acute malnutrition children and 348 malnourished pregnant and lactating women received food supplementation. We also trained 20 government health facility staffs to ensure quality service with regards to malnutrition.

Under our nutrition programme, 3,213 mothers and care giver received orientation on infant young child feeding (IYCF). We distributed 1,032 vitamin A drops and 1,011 de-worming drugs to

under-five children with severe acute malnutrition in 2012.

We organised 65 mobile clinics in 14 remote and inaccessible areas, through which nurses and health workers brought basic treatment for skin and eye infections, anaemia, malaria, diarrhoea, pneumonia and ante-natal care in 2012.

We paid 7,705 check-up visits to pregnant women, and campaigned through FM Radio to disseminate messages on malaria, TB, safe water, sanitation and hygiene, reproductive health and immunisation. We also conducted 2,368 health meetings in communities with more than 19,000 attendees.



During a regular home visit, a BRAC community health promoter speaks to a woman about maternal and child health in Munuki neighbourhood in Juba



Adut is examining four year old Sebit thanks to the training she received as a health promoter

ADUT: Fighting malaria on the frontlines

"I am well known and honoured in my community for the support I provide."

Sebit, a four-year old boy suffering from high fever and diarrhoea, went to his neighbour Adut with his mother. Adut examined Sebit and asked her mother questions to determine symptoms of any known diseases.

Sebit was found to be suffering from malaria, and Adut promptly treated him with Artemisinin based Combination Therapy (ACT). On a follow-up visit two days later, Adut smiled when she saw Sebit playing with other kids and the mother's stress-free face saying happily, "Sebit is fine now."

Adut lives in Akuac village of Rumbek centre county in Lakes State. She received training from BRAC as a health promoter to treat under-five children with malaria diseases in her community, serving 37 households including Sebit's.

Adolescent Girls' Initiative

BRAC's programmes for adolescents are designed to socially and financially empower those between the ages of 15 and 24. Targeting vulnerable teenage girls, we provide a safe space for them to socialise and receive mentoring and life skills training. With networks of these girls' clubs active in five countries, we combine this component with financial literacy training and offering customised micro-loans that contribute to the social and financial empowerment of adolescents girls. This in turn helps prevent early marriages and leads to a more stable future for the next generation.

Empowering adolescent girls

BRAC's initiative for adolescent girls is a three-year project that started in September 2010, with financial support from the World Bank. The project works to socially and financially empower girls between the ages of 15 to 24, so they can conduct themselves with confidence and lead their lives independently and with dignity.

We provide safe spaces, called 'adolescents clubs', for girls where they are able to exercise their freedom to express themselves, interact with peers and mentors, and learn about critical social issues including sexual and reproductive health, early marriage and gender-based violence and drug abuse. The clubs serve as centres for various training, with curriculum, based on extensive labour market survey and local demands. Examples of trainings include,

rearing livestock, tailoring and embroidery, salon activities and hotel management.

The girls are educated on financial literacy, which provides them with a better understanding of both personal finances and the financial aspects of small businesses. Savings and credit facilities are provided to orient them toward financial empowerment from an early age.

We hold regular meetings with parents, local leaders and the community at large to raise awareness and build support for adolescent girls.

The project is being implemented in the four states of Central Equatoria, Eastern Equatoria, Jonglei and Lakes, through 10 branch offices under five area offices in Juba, Yei, Torit, Bor and Rumbek.

2012 Highlights

As of 2012, we established 100 adolescent-clubs with more than 3,000 members in five area offices.

A total of 2,922 members received livelihood trainings, 81 per cent of whom are currently employed. The loan amount starting from SSP 500 to SSP 1,000 (USD 113 to USD 226) was provided to club members for six months to set up small scale businesses such as beauty salon, tailoring and agricultural activities.

Till December 2012, a total of 857 members were selected for microloans and 279 of them already received loan and utilised the loans in small business activities.

All 3,000 members received life-skills and financial literacy training, as well as bi-monthly refresher courses on basic book-keeping.



Sitting amongst her peers, a girl reads a BRAC book titled "Troubles of Sexually Transmitted Infections" about HIV and other STDs at an adolescent girls' club in Gudele neighbourhood on the outskirts of Juba

CASE STUDY



Rose is now successfully working at a top salon in Juba after she received training on hair dressing

ROSE: Dressing up and dreaming of a brighter future

"I never thought I would be able to make my own living, and also help out my family. I am so grateful to BRAC."

Rose, 24, lives in Jebel Gudele at Munuki payam in Juba County. She was staying at home and not working. When BRAC opened an adolescent club in her village, it brought great change and excitement in her monotonous life.

After few months, she received training on life-skills followed by livelihood development on hair-dressing and salon management. She soon started her small business at home equipped with the skills she received from BRAC.

Later, as she became more skilled and developed a credible profile, Rose was employed by a big salon in Gudele-2 market, enabling her to increase her income.

She is now supporting her sisters and brothers by paying their school fees and even contributing towards household expenses.

Rose, once a stay-at-home girl, is now building a dream ground up to become a salon owner in near future.

Education

With education programmes in seven countries, BRAC has built the largest secular private education system in the world, with more than 38,000 schools giving disadvantaged youth a second chance at learning. Complementing mainstream school systems with innovative teaching methods and materials, BRAC opens primary schools in communities unreached by formal education systems, bringing joyful learning to millions of children, particularly those affected by extreme poverty, violence, displacement or discrimination. At the pre-primary level, we target underprivileged children to prepare them for mainstream primary school entry. At the secondary level, we provide need based trainings, student mentoring initiatives, and e-learning materials to improve the mainstream secondary education system.

Giving South Sudanese youths a second-chance at education

Delivering education services is currently a top priority in BRAC's development agenda in South Sudan. We currently support both formal as well as non-formal education in addition to technical and vocational education for youths linked with livelihood development.

Our education programme covers children and youths between the ages of 4 to 25. Through our own modality in operating schools, we deliver education contents in a more child-friendly manner.

In South Sudan, our community girls' schools is an alternative schooling programme targeting girls.

To strengthen mainstream schools, we are working with United Nations Office for project services and the government to provide training to teachers and behaviour change communications for improved access to schools and quality education for girls.

We assist in providing access to cost-effective, quality primary education in South Sudan for children between the ages of 8 to 11 years by following a curriculum that provides an all inclusive, basic education catering to the needs of all students. It respects the aspirations and rights of all learners through the use of a fast, yet flexible mode of learning.

115 BRAC schools, funded by Comic Relief and Stromme Foundation, are currently operating in eight counties in four states with 3,450 children enrolled as of December 2012.



A 13 year old girl attends Gudele Stream, a BRAC community girls' school in Gudele neighbourhood on the outskirts of Juba



A student is learning mathematics at Minuki school, Juba county

The main features of our education programme are:

- Relevant curriculum providing basic education and life-skills
- No financial cost for students
- Flexible school timing with little or no homework
- Operating in close proximity to student's house
- Small class sizes managed by female teachers
- Child-friendly environment and curriculum with supportive supervision
- Ownership of parents and communities in school management
- Increased awareness on health issues of girls
- Accelerated learning and livelihood development programmes for out-of-school youths

2012 Highlights

As of December 2012, we reached out to 5,500 learners and more than 12,000 community stakeholders.

We operated a total of 225 community girls' schools in four states of Central Equatoria, Eastern Equatoria, Jonglei and Lakes. A total of 4,019 students graduated from these schools, with 83 per cent of students now enrolled in government primary school. A total of 6,750 out-of-school children, 65 per cent of whom are girls, received education through these schools, and nearly 45 per cent of them are from the families that were supported by our microfinance programme.

2012 also saw us conducting basic teachers training, as well as forming and operationalising parent teacher associations and school management committees in 95 schools.

We established 150 centres for accelerated learning programme to accommodate 6,540 adolescent learners from 26 Payams.

In 2012 we started providing training in vegetable gardening and sanitary napkin production, as well as distributed agriculture tools and seeds in 10 BRAC-supported government schools. We also formed adolescents' clubs in these schools whose members participated in various cultural activities and celebrated national and international days throughout the year.

CASE STUDY



Naima hopes to be a nurse one day after completing her education at Wuluturu BRAC community girls' school in Yei

NAIMA: An unbreakable spirit

"I want to become a nurse someday."

Naima is a student at BRAC's community girls' school in Wuluturu of Yei in Central Equatoria.

She lives with her grandmother, who sells local produces in the market. Unfortunately, the money she earned was not sufficient to provide for the two of them.

She lost both her parents when she was five years old. The great loss followed by continued struggle at such a young age, however, did not hinder her passion for life. Her teachers and peers find her a lively and eager learner, easily befriend anyone including BRAC staffs who visit her school for administrative purposes.

She attends classes regularly because her school makes learning fun and enjoyable, especially with the extra-curricular activities.

Microfinance

Innovative, client-focused and sustainable, BRAC's microfinance programme is a critical component of our holistic approach to support livelihoods. Over the course of the last four decades, we have grown to become one of the world's largest providers of financial services to the poor, providing tools that millions can use to better manage their lives.

Improving socio-economic situation in South Sudan

BRAC's microfinance programme serves the South Sudanese with reliable access to cost effective financial services. Microloans are specifically designed for poor women as a means to encourage and assist them in undertaking income generating activities.

Borrowers range in ages from 20 to 50 years with little or no education and no access to other microfinance institutions. BRAC started its microfinance operations in 2007, with six branch offices in one area. This has now expanded to 45 branches in 2009, but gradually decreased to 10 by December 2011.

In 2012, various measures were taken in our microfinance programme, including stricter quality control and tight supervision, branch review and close monitoring. It was decided that the microfinance programme should be phased down after an analysis was conducted which showed that the microfinance programme will not be sustainable in the current environment.



Women attend a village organisation meeting to pay their weekly installments in Hai Burhol in Torit

CASE STUDY



Joyce is hard at work in her tailoring workshop based out of her home

JOYCE: Tailoring a better life

"The loans helped me out of many difficulties in life. I pay back on time to improve my profile, so I can get more loans to expand my business further."

Joyce, 40, is a mother of five who used to make a living out of knitting and tailoring bed sheets. It became increasingly difficult for her to sustain her family on the meager income from her small business, and her children dropped out of schools as she could not pay the fees.

In 2007, she learned to know about BRAC through a credit officer who conducted a phone survey with her. Hesitating at first, Joyce eventually took her first loan of SSP 500 (USD 187) in 2008, and used part of the loan to receive training on tailoring and purchase a tailoring machine.

Consequently, she was able to make clothes with quality stitching and design, and demand for her services increased. In 2009, Joyce took out her second loan of SSP 800 (USD 300) and purchased raw materials from the local market to produce finished clothes which she could export to Uganda and Congo.

With her third and fourth loans in 2010, Joyce steadily expanded her business.

Joyce is now able to pay school fees for the children, support her family better, and make a profit of SSP 500 (USD 187) per month.

Support Programmes

Finance and Accounts Unit

The finance and accounts unit performs a vital role within the organisation in improving programme efficiency, enhancing management decision making capability, and promoting transparency and accountability. Under this unit, financial data from all transactions carried out at different cost centres are collected and stored. Adequate control mechanisms to safe-guard organisational assets are also provided by the unit. The unit plays an important role in modelling and monitoring the financial system of the organisation.

The finance and accounts unit received the standard operating procedures for finance and accounts as part of Stichting BRAC International to strengthen the finance and accounts procedures based on international standards. The finance and accounts unit of South Sudan adhered to the procedure and took the initiative to comply, implement and ensure the procedures are up to the highest level of implementation. This resulted in timely reporting, cost minimisation, semi-annual physical stock counting, programme wise chart of accounts and ensuring the implementation of the internal control questionnaire.

The accounting and financial system manual of Stichting BRAC International sets out the principles and practices used within BRAC in South Sudan for handling money, recording transactions, exercising control over financial matters, and reporting. The funds granted to BRAC South Sudan are entrusted by donors for use on behalf of beneficiaries/ participants. The ability to provide accurate, complete and timely financial information enables BRAC to comply with rules and regulations of its board, donors, government and regulatory agencies, their grant report requirements, as well as adhere to international financial reporting standards.

New initiatives

This year a comprehensive Finance and Accounts Manual was launched in the finance and accounts convention held in Bangladesh.

Internal Audit Department

Internal audit department (IAD) is an independent, objective assurance and consulting support designed to add value and improve BRAC International's operations. It helps BRAC International to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of control and governance processes. Internal auditing is a catalyst for improving BRAC International's effectiveness and efficiency by providing insight and recommendations based on analyses and assessments of data and business processes. With commitment to integrity and accountability, the internal audit department provides value to governing bodies and executive management as an objective source of independent advice. The department also assists the management by providing Risk Based Audit for efficiency and effectiveness.

In 2012, in South Sudan two auditors (one expatriate and one local) audited 38 cost centres and highlighted several issues for management support.

New initiatives

In 2013, the department will conduct surprise audit and produce quarterly report on non-responded internal audit report; provide support for professional development (CPD) for IAD staffs, and draft a staff development plan.

Monitoring Department

BRAC monitoring department ensures transparency and accountability. It conducts periodic analysis using selected indicators monitoring department is a part of BRAC's internal control mechanism, to enable managers to determine whether key activities are being carried out as planned and having the expected impact on the target population. The monitoring department is set to be independent from the programmes in order to generate greater insights using specific indicators. Using management, programme, periodic, donor, and monitoring requirements the monitoring department selects issues to monitor on a priority basis. This department also investigates different kinds of grievances related to BRAC's stakeholders in South Sudan, including management, donor, staff related issues and others as per the requirement of the programme and management.

New initiatives

The department initiated branch reviews for microfinance by reviewing all aspects of branch operation. This included reviews on current and previous finance operations, documentation, field operations, office discipline, and staff related matters in 10 branches. The initiative was aimed at generating insight on the performance indicators of the microfinance programme. The department established a plan for 2013, where 17 issues would be monitored for not less than 34 times in seven projects.

Human Resource Department

The Human Resource Department (HRD) has been working in South Sudan with the goal to maximise job satisfaction, enhance transparency and ensure procedural justice for all employees. HRD provides extensive effort to ensure that the staff are appraised properly and are also provided with due services and entitlements in time. HRD is also working to build the capacity of the national staff so that they can gradually take up management positions.

A number of South Sudanese staff recruited at the entry level were promoted to the higher levels based on their performance. In 2012, BRAC recruited 70 nationals and also promoted 19 national employees to the next position in different programmes. Currently, a total of 342 employees are working with BRAC in South Sudan. Among them, 33 are expatriate staff and 309 are national including 115 part-time staff. In addition, BRAC engaged 1,623 health volunteers for its health programme.

Training and Capacity Building

BRAC's learning unit in South Sudan is responsible for capacity building and professional development of its staff and programme participants, as well as national and international organisations within the country. BRAC in South Sudan also hopes to establish a permanent training and resource centre in Juba where facilitation for internal and external trainings, workshops and seminars will be held.

The unit has developed new courses for microfinance participants, including delinquency management, ratio analysis, group management, group leader's workshop and portfolio management. A new course for marketing agents was also designed for external organisations. A course on small business management was developed and conducted for the ex-combatants under South Sudan's Disarmament Demobilisation and Reintegration programme. An initiative for receiving the child protection training of teachers was taken. All staff will be provided with the child protection training in 2013.

2012 Highlights

In 2012, the learning unit conducted various training courses, including microfinance management, marketing agent, pedagogy management, teachers training, malaria, small business, and life skill training among others. The unit also organised trainings for external organisations such as marketing agent training for Cooperative Housing Foundation. During 2012, a total number of 395 participants from both within BRAC and external participants received training, including programme operations training and skill development trainings for staff and non-staff with periods ranging from 3-12 days in different locations.

Risk Management

Risk management relates to how BRAC International sets its objectives, then identifies, analyses, and responds to those risks which could potentially impact the organisation's ability to realise its objectives. The concept of managing risk is an integral part of the accountability requirements at all levels in the organisation. An effective risk management system will safeguard BRAC International's interests and ensure the best use of its resources. Recognition of risk management as a central element of good corporate governance, and as a tool to assist in strategic and operational planning, has many potential benefits in the context of the changing operating environment of BRAC International's core business. The internal audit department of BRAC International provided extensive training and workshops on risk management policy to BRAC South Sudan staff and facilitated the preparation of risk registers in all programmes.

Information Technology

The IT department aims to provide an effective and efficient ICT infrastructure to meet current and future needs. The department is mandated to provide IT solutions to both the core development programmes and support departments. Solutions ranging from software to hardware, computer maintenance, networking facilitation, software engineering and software checks are undertaken by the department.

New initiatives

The IT department developed the requisition tracker, which will allow staff to follow up on the requisitions made within the office. This will enhance efficiency in reporting, information sharing and communication.

2012 Highlights

In 2012, the department setup of File Transfer Protocol, which allows the sharing of large files and folders with each other within the LAN to minimise time and cost. We also established a social insurance and tax management system which can generate individual and combined reports of insurance and tax benefit for the staff (automatic insurance and tax calculation).

The development of HRMS module can now generate information, such as basic staff information report, staff job history report, staff position report, and staff increment report. Our Inventory Management Software can generate product wise materials information, member and department wise use information, and stock information.

Research and Evaluation Department

Creation and dissemination of knowledge to bring positive changes to the poor – keeping this objective in mind, the research and evaluation department (RED) in South Sudan was established in June 2012. The department serves the role of a third party within the organisation in measuring the programmes independently and objectively. The direct outcomes of RED's activities are: identification of factors affecting success/failure of programmes; designing innovative and effective programmes.

2012 Highlights

The RED is in its early stages, and is largely supported by the East Africa research department of BRAC International. In the last six months, the RED team conducted one base-line survey for the agriculture project, one midline survey of the adolescent girls initiatives programme, a comparative competency assessment of BRAC and government primary level students, and one survey on the socio-economic status of BRAC students' households.

Procurement, Logistics and Transportation

The procurement department purchases goods, equipment and related services. The department aims to deliver programme requirements in the right quantity, quality, in the right place and time while striving for the best value for money. The department also purchases and distributes livelihood materials for adolescent girls, and health and agriculture programmes inputs amongst the targeted clients in four states.

To ensure the supply line and logistics services, the department is responsible for organising transportation schedules and establishing fleet management systems to ensure services to programmes.

BRAC in South Sudan

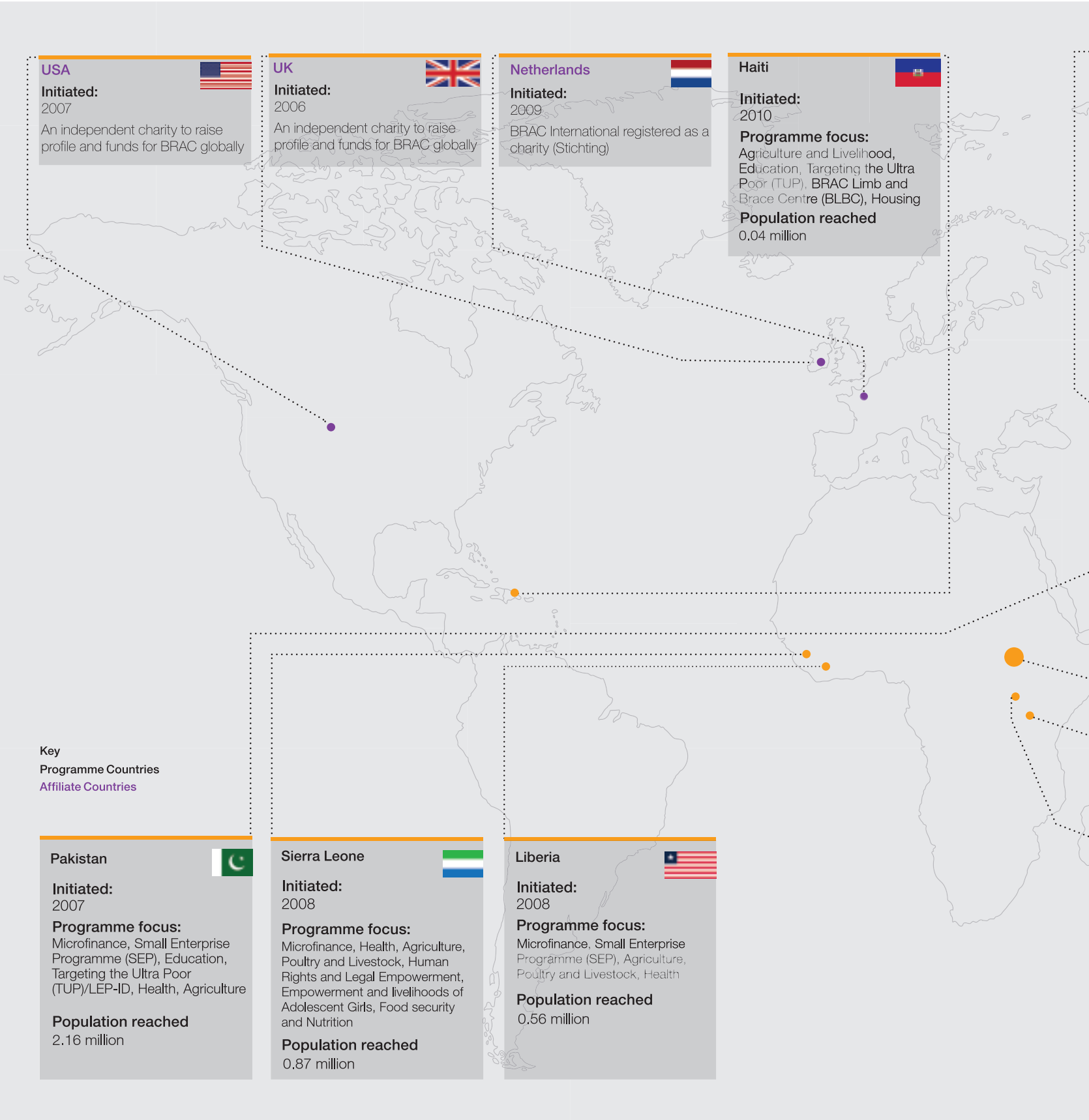
Branch Locations



Branch Programmes	
	Health
	Agriculture, Poultry & Livestock
	Education
YL	Youth Lead
AGI	Adolescent Girls Initiative
DDR	Disarmament Demobilisation and Reintegration Project
UNOPS	Support to Primary Education



BRAC across the world



Afghanistan**Initiated:**
2002**Programme focus:**

Microfinance, Small Enterprise Programme (SEP), Education, Adolescents Reading Centres (ARCs), Health, National Solidarity Programme (NSP), Targeting the Ultra Poor (TUP)

Population reached
4.72 million**Bangladesh****Initiated:**
1972**Programme focus:**

Microfinance, Education, Health, Nutrition and Population Ultra Poor, Integrated Development, Water Sanitation and Hygiene, Human Rights and Legal Services, Community Empowerment, Agriculture and Food Security, Disaster Management and Climate Change, Gender Justice and Diversity, Migration

Population reached
Over 120 million**Sri Lanka****Initiated:**
2005**Programme focus:**

Microfinance

Population reached
0.59 million**South Sudan****Initiated:**
2007**Programme focus:**

Microfinance, Agriculture, Education, Adolescent Girls Initiative (AGI), Health

Population reached:
0.93 million**Uganda****Initiated:**
2006**Programme focus:**

Microfinance, Small Enterprise Programme (SEP), Education, Health, Agriculture and Food Security, Community Connector, Poultry and Livestock, Empowerment and Livelihood for Adolescents (ELA), Karamoja Initiative

Population reached
4.04 million**Tanzania****Initiated:**
2006**Programme focus:**

Microfinance, Small Enterprise Programme (SEP), Agriculture, Poultry and Livestock, Empowerment and Livelihood for Adolescents (ELA)

Population reached
1.33 million**Philippines****Initiated:**
2012**Programme focus:**
Education**Population reached**
11,868 learners

192	community agriculture promoters trained (Cumulative)
329,607	malaria cases treated (Cumulative)
21,657	women served with ante-natal care (Cumulative)
8,190	children immunized (Cumulative)
4,200	community health promoters trained (Cumulative)
3,166	graduated Students (Cumulative)
3,000	AGI clubs members (Cumulative)

Governance

BRAC SOUTH SUDAN

BOARD MEMBERS

Dr A M R Chowdhury	Chairperson
Faruque Ahmed	Member
Tanwir Rahman	Member

Management

Md Abu Bakar Siddique	Country Representative
M M Habibur Rahman	Programme Manager, Health
Khan Mohammad Ferdous	Programme Manager, Education

Development Partners

BRAC USA



BRAC UK

Petrofac 

Operational and Financial highlights
of BRAC South Sudan

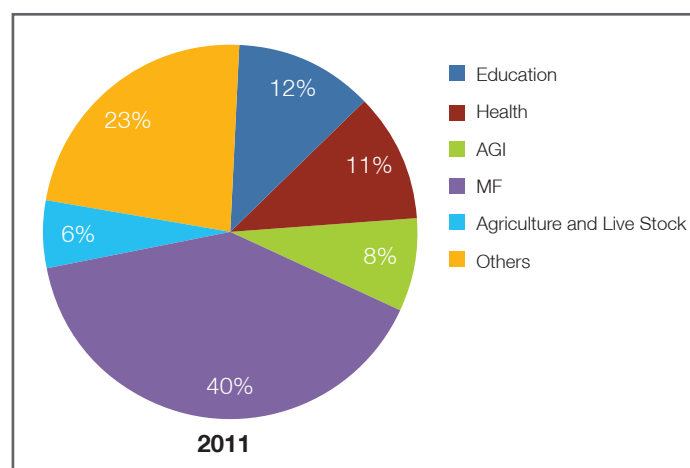
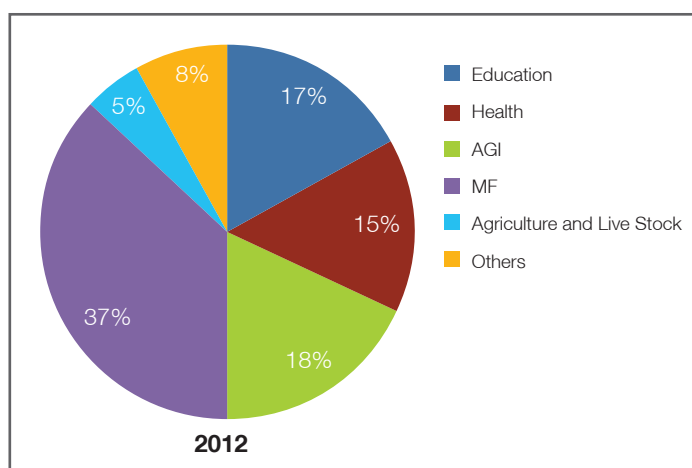
Operational and financial highlights

BRAC South Sudan completed another eventful year with grants received amounting to USD 4,491,510 in 2012 as against USD 3,750,577 in 2011. Total Project expenses for the year were USD 4,807,899 (USD 4,262,616 in 2011). Out of the total expenses majority is expensed in Microfinance sector with support from NORAD. All most 93% of total expenditure is being used for program service with only 7% as admin expenses.

Programme Cost by nature of Programme

In USD

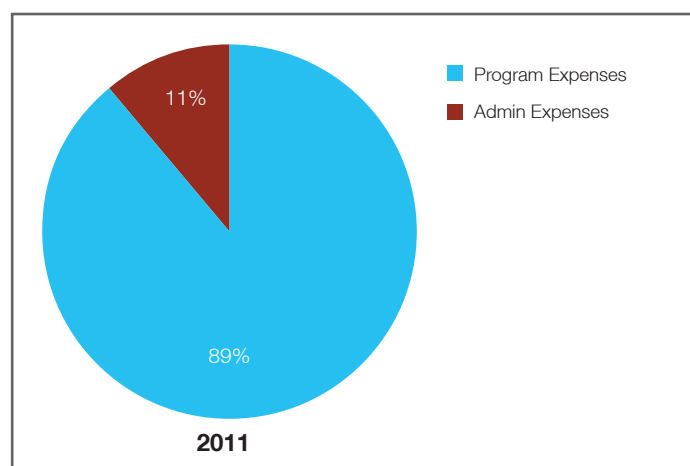
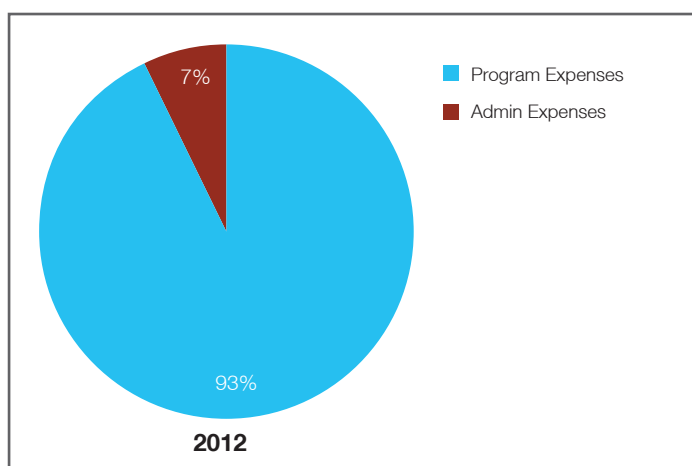
Programs	2012	2011
Health	697,585	465,931
Education	823,578	531,797
AGI	847,807	346,199
Microfinance	1,793,064	1,683,900
Agriculture and Live Stock	259,058	274,822
Others	386,807	959,967



Programme Cost by nature of expenses

In USD

Expenses	2012	2011
Program expenses	4,462,161	3,811,484
Admin Expenses	345,738	451,132
	4,807,899	4,262,616

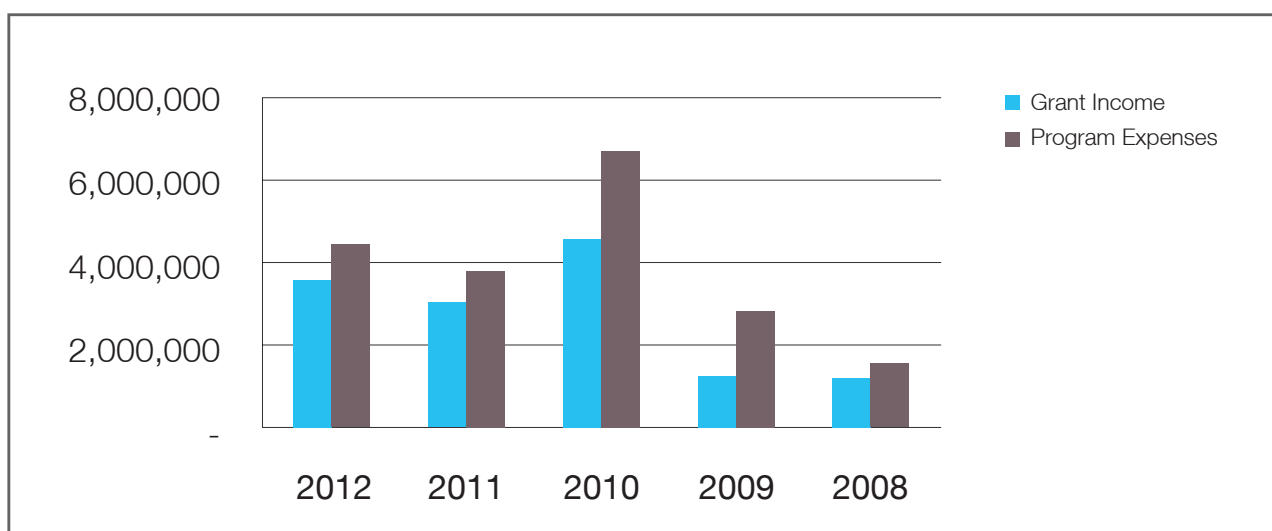


Five Year Performance Review

Figures in USD

	2012	2011	2010	2009	2008
Income Statement					
Grant Income	3,607,816	3,051,631	4,569,363	1,244,763	1,211,275
Other Income	229,454	570,020	1,242,019	1,655,983	5,92,323
Program expenses	4,462,161	3,811,484	6,738,355	2,845,157	1,594,929
Admin expenses	345,738	451,132	585,943	247,405	138,689
Financial Position					
Net equity	147,383	851,715	918,744	1,656,095	1,600,688
Cash at bank	5,828,183	3,947,413	3,690,753	8,883,903	6,637,184
Operational Statistics					
No. Of Projects	18	17	18	13	15

Last five years Grant Income vs Expenses (in USD)



BRAC South Sudan Financial Statements

For the year ended 31 December 2012

BRAC SOUTH SUDAN

Directors, Officers and Administration

Directors

Dr. Ahmed Mastaqur Raza Chowdhury	- Chairman
Mr. Faruque Ahmed	- Member
Mr. Tanwir Rahman	- Member

Administrators

Mr. Abu Bakar Siddique	- Country Representative
------------------------	--------------------------

Principal Place of Business:

Atlabara
Plot 31, Block L14
Juba, South Sudan

Registered Office:

Atlabara
Plot 31, Block L14
Juba, South Sudan

Auditors

KPMG
3rd Floor, Rwenzori Courts,
Plot 2 & 4A, Nakasero Road,
P.O. Box 3509
Kampala
Uganda

Bankers

Stanbic Bank Uganda Limited
17 Harrington Road
Crested Towers
P. O. Box 7131
Kampala, Uganda

Nile Commercial Bank Limited
Main Branch
Juba Town, South Sudan

Kenya Commercial Bank Limited
Buluk Branch
P O Box 47
Juba Town, South Sudan

Equity Bank Limited
Head Office
Equity Plaza, 3rd Floor
PO Box 349
Juba Town, South Sudan

BRAC SOUTH SUDAN

Directors' Report

For year ended 31 December 2012

The directors have pleasure in submitting their report and the audited financial statements of the Organization for the year ended 31 December 2012, which disclose the state of affairs of BRAC South Sudan, in accordance with section 26 of the Non-Governmental Organizations Act, 2003.

(a) Incorporation

BRAC South Sudan, an international private development organization was incorporated on 8th November 2006 under the Non-Governmental Organizations Act, 2003 and registered under the ministry of Internal Affairs, the Republic of South Sudan with a view to participating in the development activities by adapting an environmental friendly sustainable development approach through high-impact education, health, agriculture and employment and income generation activities for the poor especially for the women and children.

(b) Principal activities

The organization provides development activities by adapting an environmental friendly sustainable development approach through high impact education, health, agriculture and employment and income generating interventions to the poor, especially for women and children. At present, BRAC South Sudan has four development programs that cover the areas of health, education, adolescent development and Agriculture to improving the livelihood of the poor people of in over six (6) provinces in South Sudan.

(c) Results from operations

The results for the entity for the year ended 31 December 2012 are set out on page 36.

(d) Directors

The directors who served during the year are set out on page 32.

(e) Directors benefits

No director has received or become entitled to receive any benefits during the financial year.

(f) Auditors

The auditors, KPMG who were appointed during the year, have indicated their willingness to continue in office.

(g) Approval of the financial statements

The financial statements were approved by the directors at a meeting held on 31 March, 2013.

By order of the Board

Signed.....
Secretary



Date: 31-03-2013

BRAC SOUTH SUDAN

Statement of Directors' Responsibilities

The Organization's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at 31 December 2012, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the Non-Governmental Organizations Act, 2003.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. They are also responsible for safe guarding the assets of the Organization.

Under the Non-Governmental Organizations Act, 2003, the directors are required to prepare financial statements for each year that give a true and fair view of the state of affairs of the Organization as at the end of the financial year and of the operating results of the Organization for that year. It also requires the directors to ensure the Organization keeps proper accounting records that disclose with reasonable accuracy the financial position of the Organization.

The directors accept responsibility for the financial statements set out on pages 36 to 72, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Non-Governmental Organizations Act, 2003. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs and the profit for the year ended 31 December 2012. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Going concern

The directors have made an assessment of the Organization's ability to continue as a going concern and have no reason to believe the business will not be a going concern for the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved by the board of directors on 31-03-2013 and were signed on its behalf by:



Director



Director

Date: 31 March 2013

BRAC SOUTH SUDAN

Report of the Independent Auditors to the Members of BRAC South Sudan**Report on the Financial Statements**

We have audited the financial statements of BRAC which comprise the Statement of financial position as at 31 December 2012, the statement of comprehensive income, the statement of changes in equity and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set on pages 36 to 72.

Directors' Responsibility for the Financial Statements

As stated on page 34, the Organization's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Non-Governmental Organizations Act, 2003. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Basis of Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of BRAC South Sudan as at 31 December 2012 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Non-Governmental Organizations Act, 2003.



KPMG

Certified Public Accountants
P O Box 3509
Kampala, Uganda
March 31, 2013

BRAC SOUTH SUDAN
Statement of Comprehensive Income
For the year ended 31 December 2012

		Microfinance	SDP	Consolidated	Consolidated	Consolidated	Consolidated
		2012	2012	2012	2011	2012	2011
Note		SSP	SSP	SSP	SSP	USD	USD
Interest income	4	442,367	24,470	466,837	1,081,061	158,250	366,461
Interest income on short term bank deposits	5	13,556	-	13,556	36	4,595	12
Interest expense	6	(432,346)	-	(432,346)	(751,791)	(146,558)	(254,844)
Net interest income		23,577	24,470	48,047	329,306	16,287	111,629
Fee and commission income	7	21,686	-	21,686	43,149	7,351	14,627
Grant income	8	1,773,763	8,869,294	10,643,057	9,002,310	3,607,816	3,051,631
Other incomes	9	60,797	-	60,797	15,257	20,609	5,172
Foreign exchange gains		114,015	-	114,015	542,057	38,649	183,748
Total operating income		1,993,838	8,893,764	10,887,602	9,932,079	3,690,712	3,366,807
Impairment losses on loans and advances to customers	17	(239,232)	(10,555)	(249,787)	(1,011,081)	(84,674)	(342,739)
Interest receivable written-off	16	(509,000)	-	(509,000)	-	(172,542)	-
Operating income after impairment charges		1,245,606	8,883,209	10,128,815	8,920,998	3,433,496	3,024,068
Staff costs and other benefits	10	(863,153)	(3,034,225)	(3,897,378)	(3,865,877)	(1,321,145)	(1,310,467)
Training, workshops and seminars	11	(18,575)	(1,093,091)	(1,111,666)	(735,945)	(376,836)	(249,473)
Occupancy expenses	12	(394,433)	(721,928)	(1,116,361)	(1,185,001)	(378,427)	(401,695)
Other general & administrative expenses	13	(2,706,097)	(3,985,090)	(6,691,187)	(4,870,673)	(2,268,199)	(1,651,076)
Depreciation	19	(126,703)	(48,875)	(175,578)	(154,352)	(59,518)	(52,323)
Total expenditure		(4,108,961)	(8,883,209)	(12,992,170)	(10,811,848)	(4,404,125)	(3,665,034)
Loss/ deficit before tax		(2,863,355)		(2,863,355)	(1,890,850)	(970,629)	(640,966)
Taxation	14	-	-	-	-	-	-
Net loss/ deficit for the year		(2,863,355)	-	(2,863,355)	(1,890,850)	(970,629)	(640,966)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss		(2,863,355)	-	(2,863,355)	(1,890,850)	(970,629)	(640,966)

The notes set out on pages 40 to 72 form an integral part of these financial statements.

BRAC SOUTH SUDAN

Statement of Financial Position

as at 31 December 2012

		Microfinance	SDP	Consolidated	Consolidated	Consolidated	Consolidated
		2012	2012	2012	2011	2012	2011
	Note	SSP	SSP	SSP	SSP	USD	USD
ASSETS							
Cash and Bank	15	13,503,593	3,689,548	17,193,141	11,644,868	5,828,183	3,947,413
Short term deposits at Amortized cost	16	100,700	-	100,700	10,540,699	34,136	3,573,118
Loans and advances to customers	17	-	103,927	103,927	1,356,689	35,229	459,895
Related party receivable	22(a)	3,658	-	3,658	-	1,240	-
Grants receivable	24.2(b)	-	306,215	306,215	1,371,412	103,802	464,885
Receivables and other current assets	18	98,020	11,410	109,430	2,543,583	37,095	862,232
Property and equipment	19	510,111	323,230	833,341	721,891	282,488	244,709
Total assets		14,216,082	4,434,330	18,650,412	28,179,142	6,322,173	9,552,252
LIABILITIES AND CAPITAL FUND							
Liabilities							
Term loan at Amortized cost	23	5,760,465	-	5,760,465	12,675,509	1,952,699	4,296,782
Loan security fund	21	240,535	87,997	328,532	1,021,008	111,367	346,104
Related party payables	22(b)	11,528,787	-	11,528,787	11,260,753	3,908,063	3,817,204
Other liabilities	20	227,598	370,251	597,849	709,315	202,661	240,447
Total liabilities		17,757,385	458,248	18,215,633	25,666,585	6,174,790	8,700,537
Capital Fund							
Donor funds	24	586,910	3,976,082	4,562,992	3,777,415	1,546,777	1,280,480
Retained deficit		(9,143,213)	-	(9,143,213)	(6,279,858)	(3,099,394)	(2,128,765)
BRAC contribution	25	5,015,000	-	5,015,000	5,015,000	1,700,000	1,700,000
Total capital fund		(3,541,303)	3,976,082	434,779	2,512,557	147,383	851,715
Total liabilities and Capital fund		14,216,082	4,434,330	18,650,412	28,179,142	6,322,173	9,552,252

The financial statements on pages 36 to 72 were approved by the board of directors on 31-03-2013 and were signed on its behalf by:



Director



Director

The notes set out on pages 40 to 72 form an integral part of these financial statements.

BRAC SOUTH SUDAN
Statement of Changes in Equity
For the year ended 31 December 2012

	Donor Funds SSP	Retained earnings SSP	BRAC Contribution SSP	Total Capital fund SSP	Total Capital fund USD
At 1 January 2011	2,459,305	(4,389,008)	4,199,000	2,269,297	769,253
Donations received during the year	11,064,202	-	-	11,064,202	3,750,577
Fluctuation adjustment (Note-23)	-	-	816,000	816,000	276,610
Adjustment with grant received in advance	(743,782)	-	-	(743,782)	(252,129)
Transferred to Income statement	(9,002,310)	-	-	(9,002,310)	(3,051,631)
Deficit for the year	-	(1,890,850)	-	(1,890,850)	(640,966)
At 31 December 2011	3,777,415	(6,279,858)	5,015,000	2,512,557	851,714
Donations received during the year	13,249,955	-	-	13,249,955	4,491,510
Transferred to statement of loan revolving fund	(103,927)	-	-	(103,927)	(35,229)
Adjustment with grant received in advance	(1,065,197)	-	-	(1,065,197)	(361,084)
Transferred to Income statement	(10,643,057)	-	-	(10,643,057)	(3,607,816)
Refunds to donor	(652,197)	-	-	(652,197)	(221,084)
Deficit for the year (Microfinance)	-	(2,863,355)	-	(2,863,355)	(970,629)
Surplus/deficit for the year (SDP)	-	-	-	-	-
At 31 December 2012	4,562,992	(9,143,213)	5,015,000	434,779	147,382

The notes set out on pages 40 to 72 form an integral part of these financial statements.

BRAC SOUTH SUDAN
Cash Flow Statement
For the year ended 31 December 2012

	Note	2012	2011	2012	2011
		SSP	SSP	USD	USD
Cash flow from operating activities	26	968,573	1,933,741	328,330	655,505
Cash flow from investing activities					
Purchase of fixed assets		(411,314)	(250,722)	(139,428)	(84,991)
Proceeds from sale of fixed assets		15,025	18,092	5,093	6,133
Asset write-off		109,261	-	37,038	-
Decrease in short term deposits		9,930,999	(1,590,000)	3,366,440	(538,983)
Net cash flow from investing activities		9,643,971	(1,822,630)	3,269,143	(617,841)
Cash flow from financing activities					
Decrease in Term loans		(6,915,044)	355,704	(2,344,083)	120,578
Increase in grants receivable		1,065,196	743,782	361,083	252,129
Increase in deferred donor grants		785,577	1,318,110	266,297	446,817
Net cash flow from financing activities		(5,064,271)	2,417,596	(1,716,703)	819,524
Net (decrease)/increase in cash and cash equivalents		5,548,273	2,528,707	1,880,770	857,188
Cash and cash equivalents at beginning of the year		11,644,868	9,116,161	3,947,413	3,090,224
Cash and cash equivalents at end of the year	15	17,193,141	11,644,868	5,828,183	3,947,412

The notes set out on pages 40 to 72 form an integral part of these financial statements.

BRAC SOUTH SUDAN

Notes to the Financial Statements

For the Year Ended 31 December 2012

The following principal accounting policies have been adopted in the preparation of these financial statements:

1. The Reporting entity

BRAC began its work in South Sudan in March 2007, it chose to work in South Sudan because of the opportunities to make a significant difference in a post-conflict country with high poverty and fertility rates as well as demonstrate the potential of its "microfinance multiplied" approach to other in the microfinance industry in Africa.

The Organization was incorporated as BRAC on 8 November 2006 and it commenced business in March 2007. The organization operates two (2) components namely the Microfinance program and the Social development program. The organization obtained a license to operate the microfinance business from the Bank of Southern Sudan on 14 February 2008 under the Regulation of Licensing and Operations of the Rural Banks and Microfinance Institutions 2007. One consolidated set of financial statements have been prepared for the two components for the year ended 31 December 2012.

BRAC's vision for all countries in which it operates is the same as its vision in Bangladesh that they develop into a just, enlightened, healthy and democratic societies free from hunger, poverty, environmental degradation and all forms of exploitation based on age, sex and ethnicity. In order to achieve this vision, BRAC uses a comprehensive approach to poverty reduction which strategically links programs in Economic Development (Micro Finance), Health, Education and social Development, Human Rights and Services to create and protect the livelihoods of poor people.

BRAC's business model strongly reflects its philosophy, the core elements of the business model are BRAC's community outreach –based delivery methodology and its unwavering focus on borrowers at the poorer end of the poverty spectrum. These two principles – which distinguish BRAC from other microfinance operators in Africa, are apparent in the way BRAC has designed its operations.

2. Basis of preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and the requirements of the Non-Governmental Organizations Act, 2003.

(i) Basis of measurement

The financial statements are prepared under the historical cost convention.

(ii) Basis of preparation

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reported period. The estimates and associated assumptions are based on historical experiences, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results ultimately may differ from these estimates.

(ii) Functional and presentation currency

These financial statements are presented in South Sudanese Pounds (SSP), which is the entity's functional currency.

The financial statements include figures, which have been translated from South Sudanese Pounds (SSP) to United States Dollars (US dollar) at the year end rate of US dollar 1: SSP 2.95. These figures are for memorandum purposes only and do not form part of the audited financial statements.

3. Significant accounting policies

(i) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 28.

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the Year Ended 31 December 2012

Notes to the financial statements (continued)

a) Property and equipment

(i) Recognition and Measurement

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

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

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying value of property and equipment and recognized net with other income in profit or loss.

(ii) Depreciation

Depreciation is recognized in profit or loss and calculated to write off the cost of the property and equipment on a reducing balance basis over the expected useful lives of the assets concerned, and intangible assets on a straight line basis. Land is not depreciated

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

	% Percentage
Motor vehicles, motor cycles and bicycles	20%
Furniture and Fixtures	10%
Equipments	15%

Management and directors review the depreciation methods, residual value and useful life of an asset at the year end and any change considered to be appropriate in accounting estimate is recorded through the income statement.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the operating result for the reporting period.

b) Foreign currency transactions

Transactions in foreign currencies are translated to South Sudanese Pound at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to South Sudanese Pound at the foreign exchange rate applicable for settlement. The foreign currency gain or loss on the monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period, and the amortized cost in the foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to South Sudanese Pound at the foreign exchange rate ruling at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to South Sudanese Pound at foreign exchange rates ruling at the dates the fair values were determined. Foreign exchange differences arising on translation are recognized in the income statement.

c) Advances to customers

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

An allowance for loan impairment is established if there is objective evidence that the Organization will not be able to collect all amounts due, according to the original contractual terms of loans. The amount of the impairment is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the original effective interest rate of loans.

The loss impairment provision also covers losses where there is objective evidence that probable losses are present in components of the loan portfolio at the balance sheet date. These are estimated based upon historical patterns of losses in each component, the credit ratings allocated to borrowers and reflecting the current economic climate in which the borrowers operate.

When a loan is uncollectible, it is written off against the related provision for impairment. Subsequent recoveries are credited to the provision for loan loss impairment in the income statement. If the amount of the impairment subsequently decreases due to an event occurring after write-down, the release of the impairment provision is credited as a reduction of the impairment provision for loan losses.

BRAC SOUTH SUDAN
Notes to the Financial Statements
 For the Year Ended 31 December 2012

Notes to the financial statements (continued)

d) Impairment

(i) Financial assets

At each balance sheet date BRAC assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are considered to be impaired when objective evidence indicates that one or more events that have a negative effect on the estimated future cash flows of an asset.

An impairment loss in respect of financial assets measured at amortized cost is calculated as the difference between its carrying value and present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available for sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment losses are recognized in profit or loss and impairment losses on available-for-sale investment securities are recognized by transferring the difference between the amortized acquisition cost and current fair value out of equity to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available for sale securities is recognized in profit or loss. For available for sale securities that are equity securities the reversal is recognized directly in equity.

(ii) Non financial assets

The carrying amounts of BRAC's non financial assets other than inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such condition exists, the assets recoverable amount is estimated and an impairment loss recognized in the income statement whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount that would have been determined net of depreciation or amortization if no impairment loss was recognized.

e) Other receivables

Other receivables comprise prepayments, deposits and other recoverable which arise during the normal course of business; they are carried at original invoice amount less provision made for impairment losses. A provision for impairment of trade receivable is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of receivables. The amount of the provisions is the difference between the carrying amount and the recoverable amount.

f) Other payables

Other accounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received

g) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the balance sheet date and include: cash in hand, deposits held at call with banks, net of bank overdraft facilities subject to sweeping arrangements

h) Provisions

A provision is recognized if, as a result of a past event, BRAC has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where BRAC expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain

i) Income tax

Current income tax is the expected tax payable on taxable income for the year, using tax rates enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

j) Revenue recognition

Revenue is recognized on an accruals basis.

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the Year Ended 31 December 2012

Notes to the financial statements (continued)

(i) Interest income

Service charges on regular loans that is, loans where no amounts are overdue as at the end of the reporting period are recognized on an accrual basis as income. The recognition of service charges ceases when the loan is transferred to non-interest bearing loan. These loans are referred to as "non-performing" loans.

Service charge previously accrued but not received on loans subsequently classified as non-performing is reversed. Service charge is included in income thereafter only when its receipt becomes probable, generally when it is realized. Loans are returned to the accrual basis only when the full amounts of the outstanding arrears of loans are received and future collectability is reasonably assured.

(ii) Fee and commission income

Fees and commissions are recognized on an accrual basis when the service has been provided.

(iii) Other income

Other income comprises gains less loss related to trading assets and liabilities, and includes gains from disposal of BRAC assets and all realized and unrealized foreign exchange differences.

k) Grants

(i) Donor Grants

All donor grants received are initially recognized as deferred income at fair value and recorded as liabilities in the Grants Received in Advance Account for the period.

The portion of the grants utilized to purchase property and fixed assets are transferred as deferred Income in liabilities and subsequently the portion of the depreciation expense of the same assets for the period is recognized in the statement of income as grant income.

Grants utilized to reimburse program related expenditure, the amounts are recognized as Grant Income for the period.

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).

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

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

(ii) Grant income

Grant income is recognized on a cash basis to the extent that BRAC fulfills the conditions of the grant. This income is transferred from the deferred grant received from Donors and recognized as income in the statement of comprehensive income.

A Substantially portion of BRAC's donor grants are for the funding of Not-for-profit projects and programs, and for these grants, income recognized is matched to the extent of actual expenditures incurred on projects and programs for the period.

For donor grants restricted to funding procurement fixed assets, grant income is recognized as the amount equivalent to depreciation expenses charged on the fixed asset

l) Interest from bank and short term deposits

Interest income on BRAC bank deposit is earned on an accruals basis at the agreed interest rate with the respective financial institution.

m) Loans and Borrowings

Loans and Borrowings are recognized initially as the proceeds are received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective yield method; any difference between the proceeds and the redemption value is amortized to the income statement over the period of the borrowings.

n) Employee benefits

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. The organization does not operate any retirement benefit fund. However severance pay is provided for in accordance with the Employment guidelines for South Sudan. The organization also operates

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the Year Ended 31 December 2012

Notes to the financial statements (continued)

an employee bonus incentive scheme. The provision for employee bonus incentive is based on a predetermined Organization policy and is recognized in other accruals. The accrual for employee bonus incentive is expected to be settled within 12 months.

o) Payroll administration costs

Administration costs are charged by employers for payroll deduction facilities. These costs are set-off against recoveries made from clients. Where the Organization is not able to recover in full such administration costs, they are recognized in the income statement as incurred.

p) Segment reporting

An operating segment is a component of the Organization that engages in business activities providing products and services from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of BRAC's other component programmes. All operating segments' operating results are reviewed regularly by BRAC's Country Programme Coordinator to make decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

The Organization's primary format for segmentation is based on 9 thematic programmes being operated by BRAC; these Programmes are listed below;

- a. Education Program;
- b. Agricultural Program;
- c. Adolescent Girls Initiative Program;
- d. Youth Lead Program;
- e. Health Program;
- f. Sanitary Latrine Project;
- g. United Nations Offices for Project Services Zone 1 and Zone 2;
- h. Microfinance;
- i. Nutrition Program;
- j. Population Services International Program;
- k. Food Training and Income Generating Activities;
- l. Sudan Recovery Fund (SRF) and; Research & Evaluation Department (RED) projects

j) Contingent liabilities

The organization recognizes a contingent liability where it has a possible obligation from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain events not wholly within the control of the Organization, or it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

k) Related party transactions

Related parties comprise directors, subsidiaries of BRAC International and key management personnel of the Organization and companies with common ownership and/or directors.

l) Comparatives

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.

RECENTLY ISSUED ACCOUNTING STANDARDS/ NEW ACCOUNTING PRONOUNCEMENTS

Adoption of new and revised standards and interpretations in 2012

For accounting periods beginning 1 January 2012, new and revised standards and interpretations listed below became effective for the first time and some have been adopted by the Organization. The adoption of these new and revised standards and interpretations had no material effect on the Organization's accounting policies.

The following new standards, amendments to standards and interpretations are effective for the first time from the year ended 31 December 2012;

Amendment to IAS 1: Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income: Effective 1 July 2012

The Organisation will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately. This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements. The amendment will be applied retrospectively and the comparative information will be restated. However, this has had no impact on the organization.

Amendment to IAS 12: Income Tax: Recovery of Underlying Assets: Effective 1 January 2012

The 2010 amendment provides an exception to this measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property. Under the exception, the measurement of deferred tax assets and liabilities is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. However, this has had no impact on the organization.

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the Year Ended 31 December 2012

Notes to the financial statements (continued)

New standards and interpretations not yet adopted.

The organization has chosen not to early adopt the following standards and interpretations that were issued but not yet effective for accounting periods beginning on 1 January 2012 and have not yet been applied in preparing the financial statements.

IAS 1, 'Presentation of financial statements' (applicable beginning on or after 1 July 2012) -

The amendment changes the disclosure of items presented in other comprehensive income (OCI) in the statement of comprehensive income. The organization will be required to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not they may be recycled to profit or loss in the future. Items that will not be recycled will be presented separately from items that may be recycled in the future. If the bank chooses to present OCI items before tax, it will be required to show the amount of tax related to the two groups separately.

The title used by IAS 1 for the statement of comprehensive income has changed to 'statement of profit or loss and other comprehensive income', though IAS 1 still permits entities to use other titles.

International Financial Reporting Standards and amendments issued but not effective for 31 December 2012 year-end

Number	Title	Effective date	Executive summary
Amendment to IAS 19	Employee benefits	1-Jan-13	These amendments eliminate the corridor approach and calculate finance costs on a net funding basis.
IAS 27 (revised 2011)	Separate financial statements	1-Jan-13	IAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
IAS 28 (revised 2011)	Investments in Associates and Joint Ventures	1-Jan-13	IAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.
IAS 32	Offsetting Financial Assets and Financial Liabilities	1-Jan-14	The amendments clarify when an entity can offset financial assets and financial liabilities. This amendment will result in the Organization no longer offsetting two of its master netting arrangements.
IFRS 7 amendment	Disclosures – Offsetting Financial Assets and Financial Liabilities	1-Jan-13	The amendments contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position; or are subject to enforceable master netting arrangements or similar agreements. The Organization applies offsetting in the financial statements and will be required to provide additional disclosures in this regard.
IFRS 10	Consolidated financial statements	1-Jan-13	The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. Defines the principle of control, and establishes controls as the basis for consolidation. Set out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. Sets out the accounting requirements for the preparation of consolidated financial statements.
IFRS 11	Joint arrangements	1-Jan-13	IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.
IFRS 12	Disclosures of interests in other entities	1-Jan-13	IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
IFRS 10, IFRS 12 and IAS 27 amendment	Investment Entities	1-Jan-14	The amendments clarify that a qualifying investment entity is required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity's investment activities. The consolidation exemption is mandatory and not optional.
IFRS 9 (2009)	Financial Instruments	1-Jan-15	The standard introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows.

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the Year Ended 31 December 2012

Notes to the financial statements (continued)

International Financial Reporting Standards and amendments issued but not effective for 31 December 2012 year-end

IFRS 9 (2010)	Financial Instruments	1-Jan-15	The amendment introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.
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IFRS 9, 'Financial instruments' part 1: Classification and measurement and part 2: Financial liabilities and Derecognition of financial instruments – (applicable beginning on or after 1 January 2013)

IFRS 9, part 1 was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Key features are as follows:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost.
- The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.
- All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.
- While adoption of IFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted. The Bank is considering the implications of the Standard, the impact on the Bank and the timing of its adoption.
- IFRS 9, part 2 was issued in October 2010 and includes guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation of financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and Measurement', without change except for financial liabilities that are designated at fair value through profit or loss.

Under the new standard, entities with financial liabilities at fair value through profit or loss recognise changes in the liability's credit risk directly in other comprehensive income. There is no subsequent recycling of the amounts in other comprehensive income to profit or loss, but accumulated gains or losses may be transferred within equity.

IFRS 13, 'Fair value measurement' (applicable beginning on or after 1 January 2013) -

IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures; it does not say when to measure fair value or require additional fair value measurements. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market is the market with the greatest volume and level of activity for the asset or liability that can be accessed by the entity. The guidance includes enhanced disclosure requirements that could result in significantly more work for the organization. The requirements are similar to IFRS 7, 'Financial instruments: Disclosures' but apply to all assets and liabilities measured at fair value, not just financial ones.

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

	2012	2011	2012	2011
	SSP	SSP	USD	USD
04 INTEREST INCOME				
Group loans (Microfinance)	442,367	1,081,061	149,955	366,461
Group Loans (SDP)	24,470	-	8,295	-
	466,837	1,081,061	158,250	366,461
05 INTEREST INCOME ON SHORT TERM BANK DEPOSITS				
Equity bank	13,556	36	4,595	12
	13,556	36	4,595	12
06 INTEREST EXPENSE				
BRAC loan	283,200	283,200	96,000	96,000
UNCDF	16,259	21,288	5,512	7,216
Interest on HO fund	75,807	399,735	25,697	135,503
Interest on loan security fund	57,080	47,568	19,349	16,125
	432,346	751,791	146,558	254,844
07 FEE AND COMMISSION INCOME				
Membership and admission fees	3,845	9,447	1,303	3,202
Loan application fee	16,171	33,702	5,482	11,425
Passbook fees	1,670	-	566	-
Total	21,686	43,149	7,351	14,627
08 GRANT INCOME				
Microfinance				
Transferred to statement of income and expenditure - Note 24.1(b)	1,647,060	2,026,264	558,325	686,869
Amortization for the period - Note 24.1(d)	126,703	120,621	42,950	40,889
Sub Total (A)	1,773,763	2,146,885	601,275	727,758
SDP				
Transferred to statement of income and expenditure - Note 24.2(b)	8,820,419	6,821,694	2,989,973	2,312,439
Amortization for the period -Note 24.2(d)	48,875	33,731	16,568	11,434
Sub Total (B)	8,869,294	6,855,425	3,006,541	2,323,873
Total (A+B)	10,643,057	9,002,310	3,607,816	3,051,631
09 OTHER INCOME				
Gain due to early repayment of loans	10,075	15,257	3,415	5,172
Loan recoveries after closure of Microfinance program	23,688	-	8,030	-
Profit on sale of vehicle	10,024	-	3,398	-
Other income	17,010	-	5,766	-
Total	60,797	15,257	20,609	5,172

Other incomes represent income generated from the resale of agricultural inputs, and receipts from external partners on workshops and other BRAC sponsored activities.

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

	2012	2011	2012	2011
	SSP	SSP	USD	USD
10 STAFF COSTS AND OTHER BENEFITS				
Salaries and Benefits (Microfinance)	863,153	1,850,683	292,594	627,350
Salaries and Benefits (SDP)	3,034,225	2,015,194	1,028,551	683,117
Total	3,897,378	3,865,877	1,321,145	1,310,467
The number of staff employed by BRAC South Sudan as at 31 December 2012 was 227 (2011: 289).				
11 TRAINING, WORKSHOPS AND SEMINARS				
Microfinance				
Staff training	18,575	20,662	6,297	7,004
Sub Total (A)	18,575	20,662	6,297	7,004
SDP				
Staff training	30,477	30,211	10,331	10,241
Refresher course	241,484	232,100	81,859	78,678
Farmers' training	821,130	452,972	278,349	153,550
Sub Total (B)	1,093,091	715,283	370,539	242,469
Total (A+B)	1,111,666	735,945	376,836	249,473
12 OCCUPANCY EXPENSES				
Microfinance				
Rent	334,955	480,515	113,544	162,886
Utilities	59,478	112,896	20,162	38,270
Sub Total (A)	394,433	593,411	133,706	201,156
SDP				
Rent	688,724	589,281	233,466	199,756
Utilities	33,204	2,309	11,255	783
Sub Total (B)	721,928	591,590	244,721	200,539
Total (A+B)	1,116,361	1,185,001	378,427	401,695

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

	2012	2011	2012	2011
	SSP	SSP	USD	USD
13 OTHER GENERAL AND ADMINISTRATIVE EXPENSES				
Microfinance				
Bank charges	4,129	-	1,400	-
Travel and transportation	6,906	394,836	2,341	133,843
Maintenance and general expenses	250,847	324,088	85,033	109,860
Printing and office stationery	3,832	28,255	1,299	9,578
Program supplies	-	6,925	-	2,347
HO logistics and management expenses	182,451	616,942	61,848	209,133
Write off of current account	2,257,932	-	765,400	-
Sub Total (A)	2,706,097	1,371,046	917,321	464,761
SDP				
Travel and transportation	810,094	553,289	274,608	187,556
Maintenance and general expenses	269,415	164,661	91,327	55,817
Printing and office stationery	60,925	26,206	20,653	8,883
Program supplies	2,308,006	2,443,870	782,375	828,431
HO logistics and management expenses	479,570	311,601	162,566	105,628
Write off of transit account	57,080	-	19,349	-
Sub Total (B)	3,985,090	3,499,627	1,350,878	1,186,315
Total (A+B)	6,691,187	4,870,673	2,268,199	1,651,076
14 TAXATION				
Corporation tax –charge for the year	-	-	-	-
	-	-	-	-

BRAC is registered as an International Non-Governmental Organization (NGO), which is involved in charitable activities and therefore falls within the definition of exempt organizations for tax purposes as described in the Non-Governmental Organizations Act, 2003, section 22. Under section 22, the Non Governmental Organizations Act, 2003 states that "all the NGOs funds, expatriate staff salaries and all humanitarian supplies and services shall be exempted from all forms of taxation, provided that goods for ordinary consumption of NGOs staff shall be subject to laws relating to import and export Licenses, Customs and excise duties". Therefore, no tax provision has been made on the basis mentioned above.

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Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

	Microfinance	SDP	Consolidated	Consolidated	Consolidated	Consolidated
	2012	2012	2012	2011	2012	2011
	SSP	SSP	SSP	SSP	USD	USD
15 CASH AND BANK						
Petty Cash						
Cash in hand in USD	15,054	-	15,054	70,000	5,103	23,729
Cash in hand in SSP	73,331	-	73,331	16,983	24,858	5,757
Sub Total (A)	88,385	-	88,385	86,983	29,961	29,486
Cash at bank						
KCB bank	518,564	1,638,389	2,156,953	1,572,626	731,170	533,094
Stanbic bank		1,794,671	1,794,671	3,912,030	608,363	1,326,112
Equity bank	9,724	131,171	140,895	643,075	47,761	217,991
Nile Commercial bank	12,884,395	125,317	13,009,712	5,427,880	4,410,072	1,839,959
Ivory bank	2,525	-	2,525	2,274	856	771
Sub Total (B)	13,415,208	3,689,548	17,104,756	11,557,885	5,798,222	3,917,927
Total (A+B)	13,503,593	3,689,548	17,193,141	11,644,868	5,828,183	3,947,413

The cash at Nile commercial bank is not readily available because the bank is experiencing liquidity challenges.

	2012	2011	2012	2011
	SSP	SSP	USD	USD
16 SHORT TERM DEPOSITS AT AMORTISED COST				
Nile Commercial Bank	-	8,850,000	-	3,000,000
Equity Bank Ltd	100,700	650,000	34,136	220,339
Interest receivable	-	1,040,699	-	352,779
Fixed deposits at amortized cost	100,700	10,540,699	34,136	3,573,118

The movement in fixed deposits is summarized below;

At 1 January	10,540,699	7,910,000	3,573,118	2,681,356
Net movement	(9,930,999)	2,630,699	(3,366,440)	891,762
Write-off	(509,000)	-	(172,542)	-
At 31 December	100,700	10,540,699	34,136	3,573,118

The maturity of the short term deposits is analyzed as follows;

Within 3 months	100,700	-	34,136	-
After 3 months	-	10,540,699	-	3,573,118
Total	100,700	10,540,699	34,136	3,573,118

The weighted average effective interest rates on deposits due from banks were 2% and 7% for deposits in South Sudan Pounds (SSP) and United States dollars (USD) respectively. (2011: 2% for South Sudan Pounds and 7% for deposits in USD). The carrying book values of the deposits with banks equal the fair value.

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Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

	2012	2011	2012	2011
	SSP	SSP	USD	USD
17 LOANS AND ADVANCES TO CUSTOMERS				
Group loans (Microfinance)	-	1,735,298	-	588,238
Group loans (SDP)	113,271	-	38,397	-
Interest receivable	1,211	69,427	410	23,534
Impairment loss on loans and advances	(10,555)	(448,036)	(3,578)	(151,877)
	103,927	1,356,689	35,229	459,895

The analysis of the movement in Group loans under Microfinance program is shown below;

At 1 January	1,735,298	5,093,287	588,237	1,726,538
Loans disbursed	1,406,000	3,370,200	476,610	1,142,441
Less: Loans repayments	(2,467,298)	(4,322,906)	(836,372)	(1,465,392)
Gross advances to customers	674,000	4,140,581	228,475	1,403,587
Less : Write-off	(674,000)	(2,405,283)	(228,475)	(815,350)
	-	1,735,298	-	588,237
Interest receivable	-	69,427	-	23,535
Impairment loss on loans advance (Note -13.1)	-	(448,036)	-	(151,877)
Net advances to customers	-	1,356,689	-	459,895

The movement on the Impairment loss on loans and advances is analyzed as shown below;

Analysis of the Impairment provision

At 1 January	448,036	1,812,175	151,877	614,297
Charge for the year	10,555	1,011,081	3,578	342,739
Write-offs	(448,036)	(2,375,220)	(151,877)	(805,159)
At 31 December	10,555	448,036	3,578	151,877

Charge to the statement of income

Charge for the year as above (SDP)	10,555	-	3,578	-
Charge for the year as above (Microfinance)	-	1,011,081	-	342,739
Direct write-off (Microfinance)	239,232	-	81,096	-
	249,787	1,011,081	84,674	342,739

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

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

During the year, BRAC South Sudan indefinitely suspended the Microfinance program and stopped issuing out more loans to its customers. BRAC further wrote-off outstanding loans as at 31 October 2012.

In July 2012, BRAC started issuing out loans to adolescent girls under the Adolescent Girls Initiative project. The organization has continued issuing loans to adolescent girls under this project.

	2012 SSP	2011 SSP	2012 USD	2011 USD
18 RECEIVABLES AND OTHER CURRENT ASSETS				
Microfinance				
Advance to 3rd party	97,300	60,925	32,983	20,653
Advance against salary	720	1,770	244	600
Current account in transit	-	2,480,308	-	840,782
Sub Total (A)	98,020	2,543,003	33,227	862,035
SDP				
Advance to 3rd party	11,410	560	3,868	190
Advance against salary	-	20	-	7
Sub Total (B)	11,410	580	3,868	197
Total (A+B)	109,430	2,543,583	37,095	862,232

19 PROPERTY AND EQUIPMENT

19 (a) Property and equipment - Microfinance

	Furniture SSP	Equipments SSP	Vehicle SSP	Bicycle SSP	Motor cycle SSP	Total SSP	Total USD
Cost							
At 31 December 2011	245,863	358,752	135,540	34,198	25,490	799,843	271,133
Additions	24,203	67,797	137,765	-	3,850	233,615	79,192
Disposal	(75,355)	(113,801)	(33,458)	(34,198)	(13,370)	(270,182)	(91,587)
At 31 December 2012	194,711	312,748	239,847	-	15,970	763,276	258,738
Depreciation							
At 31 December 2011	71,618	137,928	43,011	17,909	16,917	287,383	97,418
Charge for the year	36,924	63,043	16,975	8,078	1,683	126,703	42,950
Disposal	(22,874)	(79,454)	(28,457)	(25,987)	(4,149)	(160,921)	(54,549)
At 31 December 2012	85,668	121,517	31,529	-	14,451	253,165	85,819
Net book value							
At 31 December 2012	109,043	191,231	208,318	-	1,519	510,111	172,919
At 31 December 2011	174,245	220,824	92,529	16,289	8,573	512,460	173,715

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

19 (b) Property and equipment - SDP

	Furniture	Equipments	Vehicle	Bicycle	Motor cycle	Total	Total
	SSP	SSP	SSP	SSP	SSP	SSP	USD
Cost							
At 31 December 2011	77,599	34,560	59,080	4,745	90,769	266,753	90,425
Additions	9,636	17,257	88,500	39,581	7,700	162,674	55,143
At 31 December 2012	87,235	51,817	147,580	44,326	98,469	429,427	145,568
Depreciation							
At 31 December 2011	9,155	6,506	14,975	1,782	24,904	57,322	19,431
Charge for the year	7,729	6,283	13,137	1,544	20,182	48,875	16,568
At 31 December 2012	16,884	12,789	28,112	3,326	45,086	106,197	35,999
Net book value							
At 31 December 2012	70,351	39,028	119,468	41,000	53,383	323,230	109,569
At 31 December 2011	68,444	28,054	44,105	2,963	65,865	209,431	70,994

20 OTHER CURRENT LIABILITIES

Microfinance

Liabilities for expenses	86,464	572,941	29,310	194,218
Bonus Provision	28,312	-	9,597	-
Social insurance	111,798	-	37,898	-
Withholding tax payable	1,024	21,226	347	7,195

Sub Total (A)

227,598 594,167 77,152 201,413

SDP

Liabilities for expenses	171,993	50,537	58,303	17,131
Bonus Provision	22,464	23,528	7,615	7,976
Social insurance	158,369	33,278	53,684	11,281
Withholding tax	14,765	6,303	5,005	2,137
Other liabilities	2,660	1,502	902	509

Sub Total (B)

370,251 115,148 125,509 39,034

Total (A+B)

597,849 709,315 202,661 240,447

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

	2012	2011	2012	2011
	SSP	SSP	USD	USD
21 LOAN SECURITY FUND AT AMORTIZED COST				
Loan security fund (Microfinance)	240,535	1,021,008	81,537	346,104
Loan security fund (SDP)	87,997	-	29,829	-
	328,532	1,021,008	111,367	346,104

The Loan Security Fund acts as collateral for the customers' loan obligations to BRAC. This is computed at 15% (2011: 10%) of the customers' approved loan for first loan and subsequent loans are computed at 20%. In the event of any default, the clients forfeit all or part of the Loan Security Fund to the extent of the amount at risk.

22 RELATED PARTY DISCLOSURE

(a) RELATED PARTY RECEIVABLES

BRAC Uganda	3,658	-	1,240	-
Total	3,658	-	1,240	-

Related party receivables relate to advances to other BRAC international offices in different regions. These advances are recoverable by BRAC South Sudan.

(b) RELATED PARTY PAYABLES

BRAC Bangladesh	10,790,135	10,791,251	3,657,673	3,658,051
BRAC Stichting International	738,652	469,502	250,390	159,153
	11,528,787	11,260,753	3,908,063	3,817,204

Related party payables relate to amounts owing to BRAC Bangladesh for the settlement of staff costs and operating expenditures on behalf of BRAC South Sudan.

(c) OTHER RELATED PARTY TRANSACTIONS DURING THE YEAR:

i) Interest expense on related party loan

BRAC Foundation	283,200	283,200	96,000	96,000
Total	283,200	283,200	96,000	96,000

ii) Related party loans as disclosed in note 23

Non Current portion

BRAC Foundation	2,926,853	2,642,877	992,154	895,891
Total non-current loan	2,926,853	2,642,877	992,154	895,891

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Notes to the financial statements (continued)

	2012	2011	2012	2011
	SSP	SSP	USD	USD
iii) Donations received from related party companies/organizations				
Name of Donor				
BRAC USA-Education Program	-	177,000	-	60,000
BRAC USA-Health Program	448,400	-	152,000	-
BRAC USA-RED Program	177,000	-	60,000	-
BRAC UK-Education Program	760,401	721,057	257,763	244,426
BRAC UK-Health (Sanitary Latrines)	28,296	-	9,592	-
	1,414,097	898,057	479,355	304,426

iv) Cash balance

As at 31 December 2012, BRAC South Sudan held cash balance amounting to SSP 1,794,671 in Stanbic bank Uganda Limited. BRAC Uganda is the signatory to this account.

23 TERM LOANS AT AMORTIZED COST

Current portion

UNCDF	1,075,048	1,644,504	364,423	557,459
KIVA	-	257,006	-	87,121
BRAC Foundation	1,197,069	7,080,000	405,786	2,400,000
Total current loan	2,272,117	8,981,510	770,209	3,044,580

Non Current portion

UNCDF	561,495	1,051,122	190,337	356,312
KIVA	-	-	-	-
BRAC Foundation	2,926,853	2,642,877	992,153	895,890
Total non- current loan	3,488,348	3,693,999	1,182,490	1,252,202
Total Term Loans	5,760,465	12,675,509	1,952,699	4,296,782

Loan from KIVA Foundation US\$ 87,121 equivalent to South Sudanese Pound (SSP) 257,006 was obtained for support to Microfinance programme in October 2008. It was fully paid during the year.

Loan from United Nations Capital Development Fund (UNCDF) US\$ 1,292,798 equivalent to South Sudanese Pound (SSP) 3,193,212 was obtained for support to microfinance programme and bear interest at 3% per annum. It is repayable in semi-annual installments over a period of three years from the date of receipt of the fund after two years of grace period.

Loan from BRAC Foundation amounting to \$ 3,000,000 was obtained to support Microfinance Program in South Sudan. It is repayable within twelve months after five years of disbursement.

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Notes to the Financial Statements
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Notes to the financial statements (continued)

	2012	2011	2012	2011
	SSP	SSP	USD	USD
24 DONOR FUNDS				
Donor Grants Microfinance (Note-24.1(a))	586,910	479,998	198,953	162,712
Donor Grants SDP (Note-24.2(a))	3,976,082	3,297,417	1,347,824	1,117,768
	4,562,992	3,777,415	1,546,777	1,280,480
24.1(a) Donor Grants Microfinance				
Grants received in advance (Note-24.1(b))	-	-	-	-
Deferred Income (Note-24.1(d))	586,910	479,998	198,953	162,712
	586,910	479,998	198,953	162,712
24.1(b) Grants received in advance				
Donations received (Note-24.1(c))	1,880,675	2,198,670	637,517	745,312
Transferred to deferred income - investment in fixed assets	(233,615)	(172,406)	(79,192)	(58,443)
Transferred to Statement of Income and Expenditure	(1,647,060)	(2,026,264)	(558,325)	(686,869)
	-	-	-	-
24.1(c) Donations received				
NORAD	1,880,675	2,021,670	637,517	685,312
BRAC USA	-	177,000	-	60,000
	1,880,675	2,198,670	637,517	745,312
24.1(d) Deferred Income-fixed assets				
Opening balance	479,998	428,213	162,711	145,157
Transferred from grants received in advance	233,615	172,406	79,192	58,443
Amortization during the period (Note 19(a))	(126,703)	(120,621)	(42,950)	(40,888)
	586,910	479,998	198,953	162,712
24.2(a) Donor Grants SDP				
Grants received in advance (Note-24.2(b))	3,652,852	3,087,986	1,238,255	1,046,774
Deferred Income (Note-24.2(d))	323,230	209,431	109,569	70,994
	3,976,082	3,297,417	1,347,824	1,117,768

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Notes to the financial statements (continued)

	2012	2011	2012	2011
	SSP	SSP	USD	USD
24.2(b) Grants received in advance-SDP				
Balance as on 1st January	1,716,574	(248,948)	581,889	(84,389)
Donations received (Note-24.2(c))	11,369,280	8,865,532	3,853,993	3,005,265
Transferred to deferred income - investment in fixed assets	(162,674)	(78,316)	(55,143)	(26,548)
Transferred to Statement of Income and Expenditure	(8,820,419)	(6,821,694)	(2,989,973)	(2,312,439)
Transferred unspent to donor	(652,197)	-	(221,084)	-
Transferred to statement of Loan revolving fund	(103,927)	-	(35,229)	-
	3,346,637	1,716,574	1,134,453	581,889
Grants receivable from donors	306,215	1,371,412	103,802	464,885
	3,652,852	3,087,986	1,238,255	1,046,774
24.2(c) Donations received-SDP				
Food For Recovery (BRAC)	666,228	-	225,840	-
Food For Recovery (Agriculture)	50,076	251,957	16,975	85,409
Purchase for Progress (WFP)	-	254,036	-	86,114
Demobilization Disarmament and Reintegration (FAO)	236,885	164,020	80,300	55,600
Demobilization Disarmament and Reintegration (UNDP)	144,594	-	49,015	-
UNESCO	-	74,414	-	25,225
Oxfam Novib (Agriculture)	449,580	928,043	152,400	314,591
BRAC USA (Education)	274,391	843,786	93,014	286,029
BRAC UK (Education)	-	761,908	-	258,274
Comic Relief (Education)	760,401	721,057	257,763	244,426
Stromme Foundation (Education)	341,940	314,154	115,912	106,493
World bank	2,573,855	2,131,206	872,493	722,443
RESERCH	256,721	-	87,024	-
Youth Lead project	1,057,280	-	358,400	-
United Nations Office for Project Services (UNOPS) Zone-1	582,896	-	197,592	-
United Nations Office for Project Services (UNOPS) Zone-2	494,686	-	167,690	-
Sanitary Latrines	28,296	-	9,592	-
BRAC USA (Health)	448,400	-	152,000	-
Food security (Stromme Foundation)	44,162	44,250	14,970	15,000
PSI (Malaria)	963,163	933,327	326,496	316,382
Sudan Recovery Fund (UNDP)	1,111,705	959,724	376,849	325,330
BRAC USA (RED)	177,000	-	60,000	-
Common Humanitarian Fund (Nutrition)	707,021	483,650	239,668	163,949
	11,369,280	8,865,532	3,853,993	3,005,265

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	2012	2011	2012	2011
	SSP	SSP	USD	USD
24.2(d) Deferred Income-fixed assets				
Opening balance	209,431	164,846	70,994	55,880
Transferred from grants received in advance	162,674	78,316	55,143	26,548
Amortization during the period	(48,875)	(33,731)	(16,568)	(11,434)
(Note 19(b))				
Total	323,230	209,431	109,569	70,994

25 BRAC CONTRIBUTION

This fund of SSP 5,015,000 (USD: 1,700,000) relates to the initial contribution towards the establishment of BRAC South Sudan and was used for starting up the Microfinance programme.

26 CASHFLOW FROM OPERATING ACTIVITIES

Excess of income over expenditure	(2,863,354)	(1,890,850)	(970,629)	(640,966)
Depreciation	175,578	154,352	59,518	52,322
Fluctuation adjustment of BRAC Contribution	-	816,000	-	276,610
Write-off of Interest receivable	509,000	-	172,542	-
Write-off of current account	2,315,012	-	784,750	-
Loan loss provision	249,787	1,011,081	84,674	342,739
Cash flow before changes in working capital	386,023	90,583	130,855	30,705
Changes in working capital				
Decrease in loans and advances at amortized cost	1,002,975	982,769	339,992	333,143
Decrease/(increase) in receivables and other current assets	119,141	(1,774,906)	40,387	(601,663)
Increase in receivable from related parties	(3,658)	-	(1,240)	-
(Decrease)/Increase in Other liabilities	(111,466)	2,988,321	(37,785)	1,012,990
Decrease in loan security fund	(692,476)	(353,026)	(234,738)	(119,670)
Increase in related party payables	268,034	-	90,859	-
Net cash from operations	968,573	1,933,741	328,330	655,505

BRAC SOUTH SUDAN
Notes to the Financial Statements
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Notes to the financial statements (continued)

27. FINANCIAL RISK MANAGEMENT

a) Introduction and overview

The Organization has exposure to the following risks from financial instruments:

- i) credit risk
- ii) interest rate risk
- iii) liquidity risk
- iv) market risk
- v) operational risk

This note presents information about the Organization's exposure to each of the above risks and the Organization's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Organization's risk management framework.

The Board of BRAC Bangladesh International, the parent Organization, has established the Group Audit and Risk Committee, Remuneration Committee, Investment Committee, Group Executive Committee and Subsidiary Companies Executive Committee which are responsible for developing and monitoring Group risk management policies in their respective areas. All Board committees have both executive and non-executive members, apart from the Group Executive Committee which comprises of executive directors and senior management and report regularly to the Board of Directors on their activities.

BRAC 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) Credit risk

Credit risk is the risk of financial loss to the Organisation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Organisation's loans and advances to customers. 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. For risk management reporting purposes, the Organisation considers and consolidates all elements of credit risk exposure.

BRAC does not have any significant exposure to any individual customer or counterparty.

The provision of unsecured loans to group members is the main aspect of the Organization's business. As such, exposure to credit risk and the management of this risk is a key consideration for the board.

The model that the Organization uses to mitigate this risk is arrangements with the respective Group members of BRAC customers to contribute for a group member who has defaulted the weekly loan repayment. This model is used exclusively by the Organization.

Management of credit risk

As set out above, the main activity of the Organization is the provision of unsecured loans to group members. The Board of Directors has delegated responsibility for the oversight of credit risk to the Country Program Coordinator (CPC) and the Monitoring department. However, this must be viewed in light of the overall framework of the exclusive use of "group guaranteed" loan repayment mechanism.

Loan application process

The group loans are appraised by the Credit Officer (CO) in the field and these Loan application forms are brought before the Branch Managers for appraisals. The Branch Managers will visit the house of the potential borrower/ applicant before recommendation of the loan to the area manager for approval. A survey form containing 10 important points is filled.

The Branch Manager (BM) confirms that the VO was properly and appropriately trained and have assessed the feasibility of all member loan applications.

The Loan appraisal work is done by the credit officer (CO) and reviewed by the BM who; confirms that the applicant has provided all necessary information and that is complete, the loan application has been endorsed, verifies that the net income from the business is sufficient to allow for loan repayment, all guarantors have fully signed the loan application and also confirms that all borrowers in respective groups do not have past due repayment obligations or arrears.

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

After completion of the verification and other formal processes, the Area Manager will approve the loan or recommend i.e. to the final authority for approval.

All loans are repayable in equal weekly installments that are collected by the credit officers during the weekly group meetings through direct cash payments. The collections by the credit officers are subsequently paid directly to Branch Managers on a weekly basis. Loan proceeds are manually transferred to the employee's bank accounts to eliminate the risk of keeping cash.

The main criteria considered by the Organisation are the loan applicant's ability to meet his/her financial commitments and to remain with sufficient funds to fund household needs. The Organisation applies these criteria for all customers and this is complimentary to regulatory requirements.

Monitoring of weekly Collections

In the event that a customer does not have sufficient funds for their weekly installment, the group members contribute on behalf of the member.

If the customer has changed residence, the credit officer together with the Branch manager follow up with the local council chairperson about the whereabouts/ new place of residence.

If a customer dies, the branch manager follows up with the guarantor for any possibility of recovery.

Approval of new groups

The women form a group of 20-35 team members called the Village Organizations (VO) and co-guarantee each other to access the loans on individual basis. The Village Organization first meet for a month at the village area where they are trained by credit officers in regard to the loan application process and the Various programmes of BRAC.

Impaired loans

Impaired loans and securities are loans and advances on which the Organisation determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

Past due but not impaired loans

Past due but not impaired loans are those for where contractual repayments are past due date but the Organisation believes that impairment is not appropriate on the basis of the specific case

Allowances for impairment

The Organisation establishes an allowance for impairment losses on assets carried at amortized cost that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for collections of homogeneous assets in respect of losses that have been incurred but have not been identified on loans that are considered individually insignificant as well as individually significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

Write-off policy

The Organisation writes off a loan balance, and any related allowances for impairment losses, when Credit determines that the loan is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation or upon death of the borrower.

The determined Organisation's maximum expose to credit risk is as shown below;

	Gross advances SSP	Specific provision SSP	Portfolio provision SSP	Net advances SSP
At 31 December 2012	113,271	10,555	-	103,927
At 31 December 2011	1,735,298	448,036	-	1,356,689

An analysis of the categorization of the credit quality of the advances to customers according to the different credit risks characteristics displayed.

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Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

Advances to customers that are past due or impaired

	2012	2011
	SSP	SSP
Neither past due or impaired	102,346	1,107,715
Past due but not impaired	12,136	627,583
Impaired		
Total gross advances to customers	114,482	1,735,298
Impairment provision	10,555	448,036
Net advances to customers at 31 December	103,927	1,356,689

Cash and cash equivalents

All cash at banks is held with reputable financial institutions with good credit history and are regulated by the Bank of South Sudan and Central bank of Uganda (for cash at Stanbic bank Uganda Limited). As a result, the probability of loss of cash held at banks due to credit risk is assessed as low.

(c) Interest rate risk

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

The table below summarizes the exposure to interest rate risk through grouping of assets and liabilities into repricing categories, determined to be the earlier of the contractual repricing date or maturity.

Year ended 31 December 2012

	Up to 1 month	From 1 to 12 months	From 1 year to 2 years	From 2 years and above	Non- interest bearing	Total
	SSP	SSP	SSP	SSP	SSP	SSP
Assets						
Cash and cash equivalents	-	-	-	-	17,193,141	17,193,141
Investments in short term deposits	-	100,700	-	-	-	100,700
Receivables and other Current Assets	-	-	-	-	109,430	109,430
Loans and advances to customers	103,927	-	-	-	-	103,927
Property, plant and equipment	-	-	-	-	833,341	833,341
Grant receivable	-	-	-	-	306,215	306,215
Related party receivables	-	-	-	-	3,658	3,658
Total Assets	103,927	100,700	-	-	18,445,785	18,650,412
Capital Fund and Liabilities						
Other Current Liabilities	-	-	-	-	597,849	597,849
Loan Security Fund	-	-	-	-	328,532	328,532
Related party payables	-	-	-	-	11,528,787	11,528,787
Term Loans	-	1,096,336	548,168	1,715,961	2,400,000	5,760,465
Capital Fund	-	-	-	-	434,779	434,779
Total Liabilities	-	1,096,336	548,168	1,715,961	15,289,947	18,650,412
Net (liabilities)/assets	103,927	(995,636)	(548,168)	1,715,961	3,155,838	-

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Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

Year ended 31 December 2011

	Up to 1 month	From 1 to 12 months	From 1 year to 2 years	From 2 years and above	Non- interest bearing	Total
	SSP	SSP	SSP	SSP	SSP	SSP
ASSETS						
Cash and cash equivalents	-	-	-	-	11,644,868	11,644,868
Investments in short term deposits	-	9,500,000	-	-	-	9,500,000
Receivables and other Current Assets	-	-	-	-	3,584,282	3,584,282
Loans and advances to customers	1,356,689	-	-	-	-	1,356,689
Property, plant and equipment	-	-	-	-	721,891	721,891
Related Party receivables	-	-	-	-	1,371,412	1,371,412
	1,356,689	9,500,000	-	-	17,322,453	28,179,142
Capital Fund and Liabilities						
Other Current Liabilities	-	-	-	-	1,632,773	1,632,773
Loan Security Fund	-	-	-	-	1,021,008	1,021,008
Related party payables	-	-	-	-	11,260,753	11,260,753
Term loans	-	1,096,336	1,096,336	7,159,379	2,400,000	11,752,051
Capital fund	-	-	-	-	2,512,557	2,512,557
Total liabilities	-	1,096,336	1,096,336	7,159,379	18,827,091	28,179,142
Net (liabilities)/assets	1,356,689	8,403,664	(1,096,336)	(7,159,379)	(1,504,638)	-

The previous tables show the undiscounted cash flows on the Organisation's financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity. The Organisation's expected cash flows on these instruments may vary from this analysis.

(d) Liquidity risk

Liquidity risk is the risk that operations cannot be funded and financial commitments cannot be met timeously and cost effectively. The risk arises from both the difference between the magnitude of assets and liabilities and the disproportion in their maturities. Liquidity risk management deals with the overall profile of the balance sheet, the funding requirements of the Organisation and cash flows. In quantifying the liquidity risk, future cash flow projections are simulated and necessary arrangements are put in place in order to ensure that all future cash flow commitments are met from the working capital generated by the Organisation and also from available financial institutions facilities.

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.

Exposure to Liquidity risk

The table below analyses assets and liabilities into relevant maturity groupings based on the remaining period at 31 December 2012 to the contractual maturity date.

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Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

	Matured	Less than 3	3 months	1 to 5 years	Above 5	Total
	SSP	months	to 1 year		years	
		SSP	SSP	SSP	SSP	SSP
ASSETS						
Cash and cash equivalents	17,193,141	-	-	-	-	17,193,141
Investments in short term deposits	-	100,700	-	-	-	100,700
Receivables and other Current Assets	-	-	109,430	-	-	109,430
Loans and advances to customers	103,927	-	-	-	-	103,927
Property, plant and equipment	-	-	-	833,341	-	833,341
Grant receivable	-	-	306,215	-	-	306,215
Related Party receivables	-	-	3,658	-	-	3,658
Total Assets	17,297,068	100,700	419,303	833,341	-	18,650,412
Capital Fund and Liabilities						
Other Current Liabilities	-	597,849	-	-	-	597,849
Loan Security Fund	240,535	87,997	-	-	-	328,532
Related party payables	-	-	-	11,528,787	-	11,528,787
Term Loans	-	548,168	548,168	4,664,129	-	5,760,465
Capital Fund	434,779	-	-	-	-	434,779
Total liabilities	675,314	1,234,014	548,168	16,192,916	-	18,650,412
Net (liabilities)/assets	16,621,754	(1,133,314)	(117,299)	(15,359,575)	-	-

e) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the fair value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both which are exposed to general and specific market movements and changes in the level of volatility.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risks

Overall responsibility for managing market risk rests with the Country Program Coordinator. Management is responsible for the development of detailed risk management policies and for the day to day implementation of those policies.

Currency risk

BRAC foreign exchange risks comprise transactions 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 Cash flow and budget forecasts and are kept to an acceptable level.

(f) Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Organization's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

The Organization's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Organization's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each BRAC Program. This responsibility is supported by the development of overall Organizational standards for the management of operational risk in the following areas:

- i. Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- ii. Requirements for the reconciliation and monitoring of transactions
- iii. Compliance with regulatory and other legal requirements
- iv. Documentation of controls and procedures
- v. Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified
- vi. Requirements for the reporting of operational losses and proposed remedial action
- vii. Development of contingency plans
- viii. training and professional development
- ix. Ethical and business standards

Compliance with Organization standards is supported by a programme of periodic reviews undertaken by the monitoring department. The results of reviews are discussed with the management of the programs to which they relate, with summaries submitted to the senior management of the Organization.

(g) Financial assets and liabilities

Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of the Organization's financial assets and financial liabilities:

2012	Loans and receivables SSP	Other amortized cost SSP	Total carrying amount SSP	Fair value SSP
Assets				
Cash and cash equivalents	-	17,193,141	17,193,141	17,193,141
Investment in short term deposits	-	100,700	100,700	100,700
Loans and advances to customers	103,927	-	103,927	103,927
Receivables and other current assets	-	109,430	109,430	109,430
	103,927	17,403,271	17,507,198	17,507,198
Liabilities				
Trade and other payables	-	597,849	597,849	597,849
Borrowings	-	5,760,465	5,760,465	5,760,465
	-	6,358,314	6,358,314	6,358,314
2011	Loans and receivables SSP	Other amortized cost SSP	Total carrying amount SSP	Fair value SSP
Assets				
Cash and cash equivalents	-	11,644,868	11,644,868	11,644,868
Investment in short term deposits	-	9,500,000	9,500,000	9,500,000
Loans and advances to customers	1,356,689	-	1,356,689	1,356,689
Receivables and other current assets	-	3,584,282	3,584,282	3,584,282
	1,356,689	24,729,150	26,085,839	26,085,839
Liabilities				
Trade and other payables	-	1,632,773	1,632,773	1,632,773
Borrowings	-	11,752,051	11,752,051	11,752,051
		13,384,824	13,384,824	13,384,824

The fair value of the Organization's financial assets and liabilities is equal to the carrying book values at the balance sheet date.

BRAC SOUTH SUDAN
Notes to the Financial Statements
For the year ended 31 December 2012

Notes to the financial statements (continued)

28. SUBSEQUENT EVENTS

There were no significant subsequent events occurring in periods after the report date that came to our attention with a material effect on the financial statements at 31 December 2012.

29. CURRENCY

The financial statements are expressed in South Sudan Pounds which is the entities functional currency.

30. USE OF ESTIMATES AND JUDGMENT

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

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

BRAC makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management identifies all significant accounting policies and those that involve high judgment and in particular the significant areas of estimation and un-certainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:

(i) Impairment

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(ii) Provisions and contingencies

A provision is recognized if as a result of past events, the Organization has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. For provisions included in the financial statements see note 20.

31. CONTINGENT LIABILITIES

There are no any known contingent liabilities as at 31 December 2012 (2011: nil).

32. SEGMENTAL REPORTING

Statement of Comprehensive income for the year ended 31 December 2012 (Amount in SSP)

EXPENDITURE

[illegible]

BRAC SOUTH SUDAN

Notes to the Financial Statements

For the year ended 31 December 2012

Notes to the financial statements (continued)

Particular													Education				AGI	Youth Lead	UNOPS Zone-1	UNOPS Zone-2	Health	PSI	Nutration	FFTIG	SRF	Sanitary Letrins	RED	MF	Total																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
	FFR (WFP)	BRAC USA	DDR (Rum)	DDR (Yamb)	UNMIS	Food security (SF)	Oxfam Novib	BRAC USA	BRAC UK	Comic Relief	Stormee																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP</

BRAC SOUTH SUDAN

Statement of financial position

as at 31 December 2012 (Amount in SSP)

Notes to the financial statements (continued)

ASSETS	Agriculture										Education					AGI	Youth Lead	UNOPS Zone-1	UNOPS Zone-2	Health	PSI	Nutrition	FFTIG	SRF	Sanitary Latrins	RED	SDP Total	MF	Total				
	FFR (BRAC)	FFR (WFP)	BRAC USA	P4P	DDR (Rum)	DDR (Yamb)	UNESCO	UNMIS	Gender	Food security (SF)	Oxfam Novib	BRAC USA	BRAC UK	Comic Relief	Stormee																		
	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP	SSP																		
Fixed assets																																	
Loans to Village Organisation members	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103,927	103,927	
Grant Receivable	234,902	53,509	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	306,215	306,215	
Receivable and Other Assets	-	560	-	-	-	-	-	-	-	-	1,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,410	109,430	
Related Party Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,658	3,658	
Cash at Banks	(225,387)	(41,621)	10,460	223	5,938	5,266	284	-	33	1,393	490,934	54,463	135,811	487,054	91,155	1,278,857	345,311	177,122	251,423	121,219	151,604	62,897	(6,370)	181,283	(11,434)	121,630	3,689,548	13,503,593	17,193,141	-	17,193,141		
Short term deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,700	100,700	
Fixed assets	-	-	19,015	-	-	-	-	-	-	-	6,496	4,638	16,130	1,897	105,716	-	7,924	655	8,107	68,424	24,000	6,119	14,450	-	-	-	-	-	323,230	510,111	833,341	833,341	
TOTAL	9,515	12,448	29,475	223	5,938	5,266	284	39,659	33	1,393	492,034	60,959	140,449	512,934	93,052	1,488,500	345,311	185,046	252,078	129,326	220,028	86,897	6,119	195,733	-	121,630	4,434,330	14,216,082	18,650,412	-	18,650,412		
LIABILITIES AND CAPITAL FUND																																	
Liabilities:																																	
Term Loan at amortized cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,760,465	5,760,465
Loan security fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,997	240,535	328,532
Other Liabilities	9,515	12,448	10,460	223	818	2,474	284	-	33	-	7,868	13,453	6,357	16,927	6,338	49,754	30,392	7,566	10,871	6,790	53,986	10,967	-	112,727	-	-	-	-	370,251	227,598	597,849	597,849	
Related party payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,528,787	11,528,787	11,528,787
	9,515	12,448	10,460	223	818	2,474	284	-	33	-	7,868	13,453	6,357	16,927	6,338	137,751	30,392	7,566	10,871	6,790	53,986	10,967	-	112,727	-	-	458,248	17,757,385	18,215,633	-	18,215,633		
Capital Fund																																	
Donor Grants	-	-	19,015	-	-	-	-	-	39,659	-	-	6,496	4,638	16,130	1,897	105,716	-	7,924	655	8,107	68,424	24,000	6,119	14,450	-	-	-	-	323,230	586,910	910,140	910,140	
Donor Fund Investment in Fixed Assets	-	-	-	-	5,120	2,792	-	-	-	1,393	484,166	41,010	129,454	479,877	84,817	1,245,033	314,919	169,556	240,552	114,429	97,618	51,930	-	-	-	-	-	-	-	68,556	3,652,852	3,652,852	
Grants received in advance account	-	-	19,015	-	5,120	2,792	-	39,659	-	1,393	484,166	47,506	134,092	496,007	86,714	1,350,749	314,919	177,480	241,207	122,536	166,042	75,930	6,119	83,006	-	-	-	-	3,976,082	586,910	4,562,992	4,562,992	
BRAC Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,015,000	5,015,000	
Retained Surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,143,213)	9,143,213	9,143,213
	-	-	19,015	-	5,120	2,792	-	39,659	-	1,393	484,166	47,506	134,092	496,007	86,714	1,350,749	314,919	177,480	241,207	122,536	166,042	75,930	6,119	83,006	-	121,630	3,976,082	(3,541,303)	434,779	-	434,779		
TOTAL	9,515	12,448	29,475	223	5,938	5,266	284	39,659	33	1,393	492,034	60,959	140,449	512,934	93,052	1,488,500	345,311	185,046	252,078	129,326	220,028	86,897	6,119	195,733	-	121,630	4,434,330	14,216,082	18,650,412	-	18,650,412		

BRAC SOUTH SUDAN

Statement of comprehensive income
For the year ended 31 December 2012

Notes to the financial statements (continued)

(Amount in United States Dollars)

Particular	Education												Youth Lead	UNOPS Zone-1	UNOPS Zone-2	Health	PSI	Nutrition	FFTiG	SRF	Sanitary Latrines	RED	MF	Total
	FFR (WFP)	BRAC USA	DDR (Rum)	DDR (Yamb)	UNMIS	Food security (SF)	Oxfam Novib	BRAC USA	BRAC UK	Comic Relief	Stormee													
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD													
Research & evaluation	-	-	-	-	-	-	-	10,620	-	2,660	225	48,894	-	-	-	33,992	-	-	-	-	-	-	96,390	
Monitoring & Evaluation	-	-	-	-	-	-	-	-	-	-	1,085	31,779	-	-	-	-	-	-	-	-	-	-	32,864	
Depreciation on fixed assets	-	24	-	-	1,669	-	-	526	208	1,008	577	3,949	-	497	5,358	1,186	128	1,262	-	-	-	42,950	59,518	
H.O.Logistics & management support	-	-	-	-	-	-	-	4,634	1,072	-	7,569	55,335	12,343	7,832	10,831	27,701	13,531	-	6,783	-	2,448	61,848	224,414	
Write off of FD interest - NOB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	172,542	
Write off of transit account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	773,811	773,811	
Fund disbursement to NGO/ CBO'S	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	317,986	-	-	-	317,986	
Total expenses	13,478	24	64,553	22,638	1,669	29,498	127,198	69,534	19,871	194,958	127,191	847,807	137,429	85,925	74,379	415,209	207,997	128	354,441	13,468	18,769	1,793,064	4,807,899	
Net Surplus for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(970,629)	

Notes to the financial statements (continued)

(Amount in United States Dollars)

ASSETS	Agriculture										Education				AGI	Youth Lead	UNOPS Zone-1	UNOPS Zone-2	Health	PSI	Nutra- tion	FFTIG	SRF	Sanitary Letrins	RED	SDP Total	MF	Total										
	FFR (BRAC)		BRAC USA		DDR (Yamb) (Rum)		UNE-SCO		UNMIS		Gender		Food security (SF)																Oxfam Novib		BRAC UK		BRAC USA		Comic Relief		Stormee	
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD															USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Fixed assets																																						
Loans to Village																																						
Organization members																																						
Grant Receivable																																						
Receivable and Other																																						
Assets																																						
Related Party																																						
Receivable																																						
Cash at Banks																																						
Short term deposits																																						
Fixed assets																																						
TOTAL																																						
LIABILITIES AND CAPITAL FUND																																						
Liabilities:																																						
Term Loan at amortized cost																																						
Loan security fund																																						
Other Liabilities																																						
Related party payables																																						
Capital Fund																																						
Donor Grants																																						
Donor Fund investment in Fixed Assets																																						
Grants received in advance account																																						
BRAC Contribution																																						
Retained Surplus																																						
TOTAL																																						

Notes

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