



BRAC

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

**Independent Auditor's Report and
Audited Financial Statements**

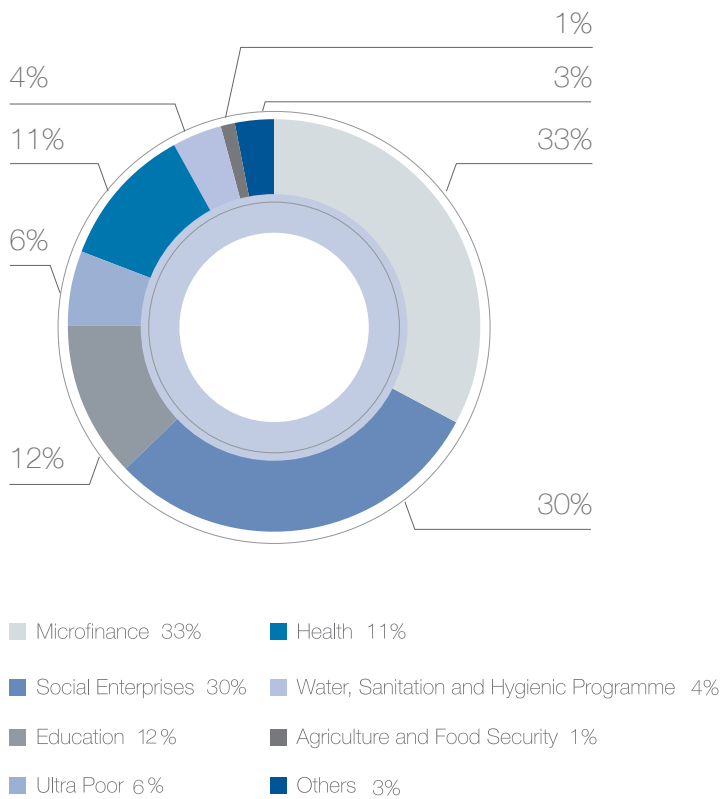
YEAR ENDED 31 DECEMBER 2012

Ernst & Young
Chartered Accountants
Kuala Lumpur, Malaysia

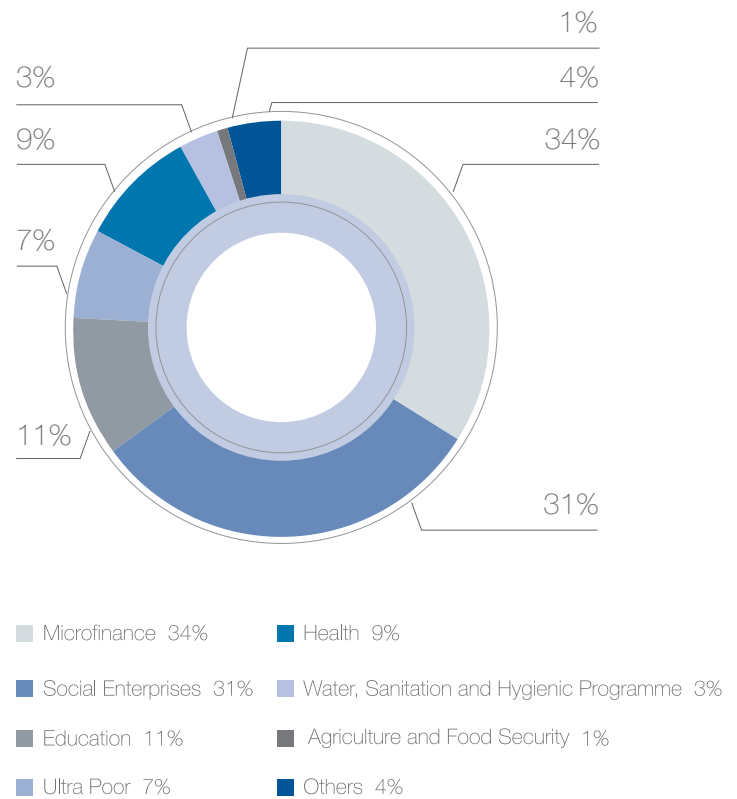
S.F. Ahmed & Co.
Chartered Accountants
Dhaka, Bangladesh

Revenue Expenditure

2012: Total US\$ 449m



2011: Total US\$ 395m



NOTES

- Social Enterprises include Income Generating Projects and Program Support Enterprises
- Other includes the following: House Property, Gender, Justice and Diversity, Community Empowerment Program, Human Rights and Legal Services Policy Advocacy and other development projects

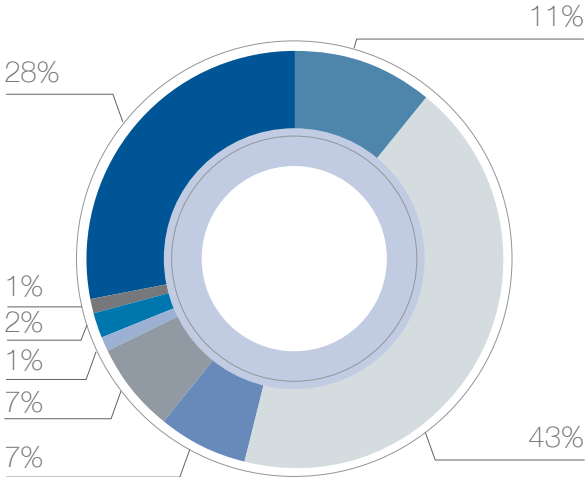
Contribution of BRAC to Government Exchequer

Income Year	2012		2011	
	BDT	USD	BDT	USD
Income Tax deduction at source by third parties	91,410,591	1,171,931	53,732,054	736,056
Tax deduction at source from third parties	85,301,237	1,093,606	65,433,712	896,352
Income Tax deduction at source from Staff salary	30,960,238	396,926	16,674,102	228,412
VAT collection from customers	415,245,894	5,323,665	359,819,472	4,929,034
Import Duty paid	3,083,795	39,536	3,583,198	49,085
Total	626,001,755	8,025,664	499,242,538	6,838,939

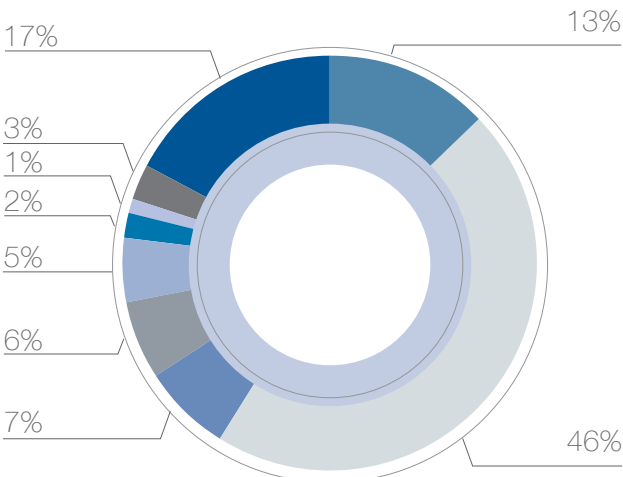
Grant Composition

Grants 2012: Total US\$ 194m

Grants 2011: Total US\$ 186m



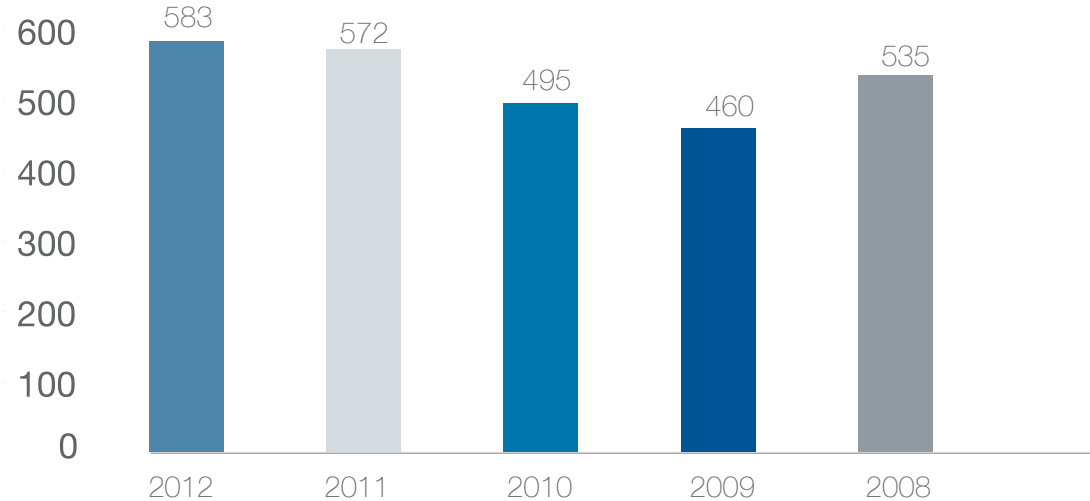
- NOVIB/EKN
- UNICEF
- DFID
- Gates Foundation
- The GlobalFund
- BRAC USA
- Others
- AusAID
- EC



- NOVIB/EKN
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Annual Expenditure

in Million USD



BALANCE SHEET CONVERTED TO USD

as at December 31, 2012

(NOT PART OF AUDITED FINANCIAL STATEMENTS)

	2012		2011	
	Taka	US \$	Taka	US \$
ASSETS				
Cash in hand and at banks	16,049,453,079	205,762,219	10,726,197,131	146,934,207
Advance, deposits and prepayments	2,222,130,860	28,488,857	2,257,580,907	30,925,766
Inventories	3,054,105,958	39,155,205	3,109,682,789	42,598,394
Grants and accounts receivable	1,309,451,932	16,787,845	1,522,043,694	20,849,914
Microfinance loans	56,297,005,220	721,756,477	48,399,046,115	663,000,632
Motorcycle loans	602,663,398	7,726,454	743,562,017	10,185,781
Investments in securities and others	232,100,000	2,975,641	235,000,000	3,219,178
Investments in related undertakings	8,098,697,120	103,829,450	7,399,808,731	101,367,243
Property, plant and equipment	9,916,899,837	127,139,742	7,838,616,600	107,378,310
TOTAL ASSETS	97,782,507,404	1,253,621,890	82,231,537,984	1,126,459,424
LIABILITIES AND NET ASSETS				
Liabilities:				
Liabilities for expenses and materials	4,788,834,426	61,395,313	4,046,695,193	55,434,181
Bank overdrafts	5,006,636,222	64,187,644	5,120,907,332	70,149,416
Term loans	12,940,746,146	165,907,002	11,165,623,568	152,953,748
Members' savings deposits	24,907,281,663	319,324,124	22,364,367,269	306,361,195
Grants received in advance account	8,697,918,904	111,511,781	5,762,859,156	78,943,276
Deferred income	250,895,452	3,216,608	216,957,532	2,972,021
Other long term liabilities	8,216,392,565	105,338,366	6,374,465,005	87,321,438
Provision for taxation	840,941,030	10,781,295	640,941,030	8,780,014
Total Liabilities	65,649,646,408	841,662,132	55,692,816,085	762,915,288
Net Assets:				
Capital fund				
-unrestricted	31,200,446,939	400,005,730	25,679,805,212	351,778,154
-temporarily restricted	932,414,057	11,954,026	858,916,687	11,765,982
	32,132,860,996	411,959,756	26,538,721,899	363,544,136
TOTAL LIABILITIES AND NET ASSETS	97,782,507,404	1,253,621,890	82,231,537,984	1,126,459,424

Exchange rate: 1 US \$ = Tk.78 (2011: 1 US \$ = Tk.73)

Statement of Income and Expenditure Converted to USD

for the year ended December 31, 2012
(NOT PART OF AUDITED FINANCIAL STATEMENTS)

	2012		2011	
	Taka	US \$	Taka	US \$
Income				
Donor grants	11,852,318,277	151,952,798	10,046,780,917	137,627,136
Revenue from:				
- Income Generating Projects	7,861,356,580	100,786,623	7,342,675,873	100,584,601
- Program Support Enterprises	4,124,249,679	52,874,996	3,372,806,327	46,202,826
Service charges on microfinance loans	14,774,933,599	189,422,226	11,851,912,448	162,354,965
Interest on bank accounts and fixed deposits	1,278,456,613	16,390,469	365,830,024	5,011,370
Investment income	126,946,311	1,627,517	545,994,809	7,479,381
Other income	550,365,696	7,055,970	518,711,087	7,105,631
Income from House Property	100,720,809	1,291,292	90,861,598	1,244,679
Total income	40,669,347,564	521,401,892	34,135,573,083	467,610,590
Expenditure				
Income Generating Projects	6,988,350,392	89,594,236	6,353,877,329	87,039,415
Program Support Enterprises	3,638,907,643	46,652,662	3,157,743,553	43,256,761
House Property	93,188,884	1,194,729	80,197,303	1,098,593
Education Programme	4,277,356,983	54,837,910	3,434,005,024	47,041,165
Ultra Poor Programme	2,045,763,985	26,227,743	2,137,337,116	29,278,591
Community Empowerment Programme	217,227,040	2,784,962	161,300,304	2,209,593
Human Rights and Legal Services	195,539,238	2,506,913	136,546,758	1,870,504
Policy Adcocacy	39,777,955	509,974	31,822,364	435,923
Health Programme	3,710,271,278	47,567,580	2,741,737,287	37,558,045
Water, Sanitation and Hygienic Programme	1,339,321,154	17,170,784	829,577,150	11,364,071
Gender, Justice and Diversity Programme	138,151,582	1,771,174	99,839,611	1,367,666
Micro Finance Programme	11,714,555,867	150,186,614	10,497,901,219	143,806,866
Agriculture and Food Security	264,294,222	3,388,387	475,991,318	6,520,429
Other Development Projects	340,826,334	4,369,568	372,260,236	5,099,455
Grants	-	-	306,040,276	4,192,333
Total expenditure	35,003,532,557	448,763,238	30,816,176,848	422,139,409
Surplus of income over expenditure before taxation	5,665,815,007	72,638,654	3,319,396,235	45,471,181
Taxation	(200,000,000)	(2,564,103)	(150,000,000)	(2,054,795)
Net surplus for the year	5,465,815,007	70,074,551	3,169,396,235	43,416,387

Exchange rate: 1 US \$ = Tk.78 (2011: 1 US \$ = Tk.73)

Audited Financial Statements of BRAC in Bangladesh

For the year ended 31 December 2012

Ernst & Young
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF BRAC

Report on the Financial Statements

We have audited the financial statements of BRAC (registered in Bangladesh as a society under the Societies Registration Act, 1860 and operating as a non-government development organisation), which comprise the balance sheet as at 31 December 2012 and the statement of income and expenditure, statement of changes in net assets and statement of cash flows for the year ended 31 December 2012, and a summary of significant accounting policies and other explanatory information, as set out on pages 1 to 35.

Governing Body of BRAC's responsibility for the financial statements

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

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

Auditors' responsibility

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

Ernst & Young
Chartered Accountants

S. F. Ahmed & Co.
Chartered Accountants

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

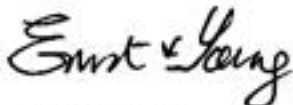
Auditors' responsibility (Contd.)

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

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

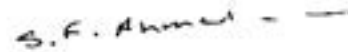
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BRAC as at 31 December 2012 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies summarised in Note 2 to the financial statements.



Ernst & Young
Chartered Accountants
Kuala Lumpur, Malaysia

March 14, 2013



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

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Balance Sheet
as at 31 December 2012

	Notes	2012 Taka	2011 Taka
ASSETS			
Cash and bank balances	3	16,049,453,079	10,726,197,131
Advance, deposits and prepayments	4	2,222,130,860	2,257,580,907
Inventories	5	3,054,105,958	3,109,682,789
Grants and accounts receivable	6	1,309,451,932	1,522,043,694
Microfinance loans	7	56,297,005,220	48,399,046,115
Motorcycle loans	8	602,663,398	743,562,017
Investments in securities and others	9	232,100,000	235,000,000
Investments in related undertakings	10	8,098,697,120	7,399,808,731
Property, plant and equipment	11	9,916,899,837	7,838,616,600
TOTAL ASSETS		97,782,507,404	82,231,537,984
LIABILITIES AND NET ASSETS			
Liabilities:			
Liabilities for expenses and materials	12	4,788,834,426	4,046,695,193
Bank overdrafts	13	5,006,636,222	5,120,907,332
Term loans	14	12,940,746,146	11,165,623,568
Members' savings deposits	15	24,907,281,663	22,364,367,269
Grants received in advance account	16	8,697,918,904	5,762,859,156
Deferred income	17	250,895,452	216,957,532
Other long term liabilities	18	8,216,392,565	6,374,465,005
Provision for taxation		840,941,030	640,941,030
Total Liabilities		65,649,646,408	55,692,816,085
Net Assets:			
Unrestricted		31,200,446,939	25,679,805,212
Temporarily restricted		932,414,057	858,916,687
		32,132,860,996	26,538,721,899
TOTAL LIABILITIES AND NET ASSETS		97,782,507,404	82,231,537,984

The annexed notes form an integral part of these statements.



Chairperson, Governing Body
BRAC
Dhaka, March 14, 2013



Group CFO
BRAC




Executive Director
BRAC

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
for the year ended 31 December 2012

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2012 Taka
Income				
Donor grants	19	4,524,208	11,847,794,069	11,852,318,277
Revenue from:				
- Income Generating Projects		7,861,356,580	-	7,861,356,580
- Program Support Enterprises		4,124,249,679	-	4,124,249,679
Service charges on microfinance loans		14,774,933,599	-	14,774,933,599
Interest on bank accounts and fixed deposits	20	1,137,822,692	140,633,921	1,278,456,613
Investment income	21	126,946,311	-	126,946,311
Other income	22	535,221,235	15,144,461	550,365,696
Income from House Property		100,720,809	-	100,720,809
Total income		28,665,775,113	12,003,572,451	40,669,347,564
Expenditure				
Income Generating Projects		6,988,350,392	-	6,988,350,392
Program Support Enterprises		3,638,907,643	-	3,638,907,643
House property related expenses		93,188,884	-	93,188,884
Education Programme		191,083,781	4,086,273,202	4,277,356,983
Ultra Poor Programme		-	2,045,763,985	2,045,763,985
Community Empowerment Programme		2,912,978	214,314,062	217,227,040
Human Rights and Legal Aids Services		-	195,539,238	195,539,238
Policy Advocacy		-	39,777,955	39,777,955
Health Programme		170,093,323	3,540,177,955	3,710,271,278
Water, Sanitation and Hygiene Programme		-	1,339,321,154	1,339,321,154
Gender, Justice and Diversity		-	138,151,582	138,151,582
Micro Finance Programme		11,714,555,867	-	11,714,555,867
Agriculture and Food Security		10,089,482	254,204,740	264,294,222
Other Development Projects		264,275,126	76,551,208	340,826,334
Total expenditure		23,073,457,476	11,930,075,081	35,003,532,557
Surplus of income over expenditure before taxation		5,592,317,637	73,497,370	5,665,815,007
Taxation	24	(200,000,000)	-	(200,000,000)
Net surplus for the year		5,392,317,637	73,497,370	5,465,815,007

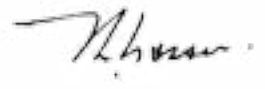
The annexed notes form an integral part of these statements.



Chairperson, Governing Body
BRAC
Dhaka, March 14, 2013



Group CFO
BRAC



Executive Director
BRAC

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
for the year ended 31 December 2011

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2011 Taka
Income				
Donor grants	19	2,297,640	10,044,483,277	10,046,780,917
Revenue from:				
-Income Generating Projects		7,342,675,873	-	7,342,675,873
-Program Support Enterprises		3,372,806,327	-	3,372,806,327
Service charge on microfinance loans		11,851,912,448	-	11,851,912,448
Interest on bank accounts and fixed deposits	20	230,537,415	135,292,609	365,830,024
Investment income	21	545,994,809	-	545,994,809
Other income	22	517,944,253	766,834	518,711,087
Income from House Property		90,861,598	-	90,861,598
Total income		23,955,030,363	10,180,542,720	34,135,573,083
Expenditure				
Income Generating Projects		6,353,877,329	-	6,353,877,329
Program Support Enterprises		3,157,743,553	-	3,157,743,553
House Property		80,197,303	-	80,197,303
Education Programme		73,051,304	3,360,953,720	3,434,005,024
Ultra Poor Programme		54,188,500	2,083,148,616	2,137,337,116
Community Empowerment Programme		3,681,981	157,618,323	161,300,304
Human Rights and Legal Aids Services		-	136,546,758	136,546,758
Health Programme		94,751,304	2,646,985,983	2,741,737,287
Water, Sanitation and Hygiene Programme		-	829,577,150	829,577,150
Gender, Justice and Diversity		9,776,923	90,062,688	99,839,611
Micro Finance Programme		10,497,901,219	-	10,497,901,219
Agriculture and Food Security		38,901,638	437,089,680	475,991,318
Other Development Projects		8,212,534	395,870,066	404,082,600
Grants		306,040,276	-	306,040,276
Total expenditure		20,678,323,864	10,137,852,984	30,816,176,848
Surplus of income over expenditure before taxation		3,276,706,499	42,689,736	3,319,396,235
Taxation	24	(150,000,000)	-	(150,000,000)
Net surplus for the year		3,126,706,499	42,689,736	3,169,396,235

The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Changes in Net Assets
for the year ended 31 December 2012

	Net Assets		Total Net Assets Taka
	Unrestricted Taka	Temporarily Restricted Taka	
At 1 January 2011	22,812,130,179	798,174,743	23,610,304,922
Net surplus for the year	3,126,706,499	42,689,736	3,169,396,235
Transferred to relief and rehabilitation fund	(50,000,000)	-	(50,000,000)
Share of non operating changes in net assets in related undertakings	(209,433,929)	-	(209,433,929)
Transferred from Motorcycle Replacement Fund	402,463	18,052,208	18,454,671
At 31 December 2011	25,679,805,212	858,916,687	26,538,721,899
At 1 January 2012	25,679,805,212	858,916,687	26,538,721,899
Net surplus for the year	5,392,317,637	73,497,370	5,465,815,007
Share of non operating changes in net assets in related undertakings	128,324,090	-	128,324,090
At 31 December 2012	31,200,446,939	932,414,057	32,132,860,996

The annexed notes form an integral part of these statements.

BRAC

(Registered in Bangladesh under the Societies Registration Act, 1860)

Statement of Cash Flows

for the year ended 31 December 2012

	Note	2012 Taka	2011 Taka
Cash flows from operating activities:			
Surplus of income over expenditure before taxation		5,665,815,007	3,319,396,235
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Loan loss provision	7	1,709,585,836	1,686,378,613
Depreciation	11	603,213,042	517,054,235
Gain on disposal of property, plant and equipment	22	(36,232,317)	(25,325,849)
Land gifted to BRAC University		-	246,040,276
Share of results in related undertakings	21	(144,346,311)	(552,653,565)
Reversal of impairment in value of investment in related undertakings	21	-	6,658,756
Donor grants - amortisation of investment in property, plant and equipment	19	(43,943,518)	(28,638,042)
Interest on fixed deposits and bank accounts	20	(1,278,456,613)	(365,830,024)
Adjustments for other accounts:			
Increase in service charge outstanding on microfinance loans		(172,340,060)	(164,794,331)
Decrease/(increase) in inventories		55,576,831	(492,196,012)
Decrease/(increase) in advances, deposits and prepayments		35,450,047	(250,530,589)
Increase in accounts receivable, net		(119,876,764)	(174,116,604)
Decrease in motorcycle loans		140,898,619	79,844,911
Increase in liabilities for expenses and materials		742,139,234	1,363,098,531
Increase in deferred income		77,881,438	9,491,522
Net cash provided by operating activities		7,235,364,471	5,173,878,063
Cash flows from investing activities:			
Increase in microfinance loans		(9,435,204,881)	(10,973,868,656)
Increase in fixed deposits pledged with financial institutions		(57,747,354)	(894,395,159)
Increase in investments in related undertakings		(447,274,178)	(215,633,107)
Interest received on fixed deposits and bank accounts		1,278,456,613	365,830,024
Purchase of property, plant and equipment		(2,836,261,904)	(1,176,979,162)
Proceeds from disposal of property, plant and equipment		190,997,941	92,362,847
Dividends received from related undertakings		21,056,190	119,177,492
(Realisation of)/ investment in securities and others		2,900,000	(64,450,000)
Net cash used in investing activities		(11,283,077,573)	(12,747,955,721)

BRAC

(Registered in Bangladesh under the Societies Registration Act, 1860)

Statement of Cash Flows

for the year ended 31 December 2012

Note	2012 Taka	2011 Taka
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Cash flows from financing activities:

Grants received during the year	15,153,784,471	14,476,226,186
Grants utilised during the year for:		
- operational expenditure & micro-finance	(11,808,374,759)	(10,018,142,875)
- investment in property, plant and equipment	(74,623,438)	(6,647,522)
- motorcycle replacement funds	(3,258,000)	(2,844,000)
Net decrease in securitised financing	-	(645,297,797)
Increase/ (Decrease) in term loans	1,775,122,578	(1,901,951,454)
Increase in members savings deposits	2,542,914,394	2,398,355,681
Increase in other long term liabilities	1,841,927,560	760,755,602
Increase in members project and current accounts	-	989,231
Net cash provided by financing activities	9,427,492,806	5,061,443,052
Net increase/(decrease) in cash and cash equivalents	5,379,779,704	(2,512,634,606)
Cash and cash equivalents, beginning of the year	2,381,514,543	4,894,149,149
Cash and cash equivalents, end of the year	3.3 7,761,294,247	2,381,514,543

The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Notes to Financial Statements
for the year ended 31 December 2012

1 Introduction:

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

2 Summary of Significant Accounting Policies:

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

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

2.1 Basis of preparation of financial statements

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

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

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

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

2 Summary of Significant Accounting Policies (contd.) :

2.1 Basis of preparation of financial statements (contd.)

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

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

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

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

2.2 Reporting period

These financial statements has been prepared for the period from 1 January 2012 to 31 December 2012.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

2.5 Non-consolidation

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

2 Summary of Significant Accounting Policies (contd.) :

2.6 Donor grants

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

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

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

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

2.7 Revenue recognition

Income generating projects

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

Programme support enterprises

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

Revenue from the sale of goods

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

Service charge on microfinance loans

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

Interest on bank accounts, fixed deposits, bonds

Interest income is recognised on an accrual basis

House property income

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

Other income

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

2 Summary of Significant Accounting Policies (contd.) :

2.8 Expenses

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

2.9 Property, plant and equipment

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

- a) It is probable that future economic benefits will flow to BRAC
- b) the cost of the item can be measured reliably and exceeds Tk2,000
- c) it is expected to be used for more than 3 years

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

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

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

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

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

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

2 Summary of Significant Accounting Policies (contd.) :

2.10 Microfinance loans

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

2.11 Provision for loan losses

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

<u>Loan Classification</u>	<u>Days in Arrears</u>	<u>Provision Required</u>
Standard	Current (no arrears)	2%
Watch list	1 - 30	5%
Substandard	31 - 180	25%
Doubtful	181 - 350	75%
Loss	Over 350	100%

2.12 Loans written off

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

2.13 Provision for liabilities

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

2.14 Investment in related undertakings

Related undertakings refer to separately-established undertakings in which BRAC has significant influence and /or effective equity interests of more than 20%. Details of these undertakings are disclosed in Note 10.

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

2 Summary of Significant Accounting Policies (contd.) :

2.15 Investment in securities and others

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

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

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

2.16 Accounts receivable

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

2.17 Inventories

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

2.18 Motorcycle replacement fund

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

2.19 Self-insurance fund

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

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

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

2 Summary of Significant Accounting Policies (contd.) :

2.20 Employee gratuity and redundancy fund

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

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

2.21 Employee provident fund

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

2.22 Foreign currencies

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

Monetary assets and liabilities denominated in foreign currencies as at 31 December 2012 have been converted into Taka at the exchange rates prevailing at that date

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

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

	Dec. 2012 Taka	Dec. 2011 Taka
United States Dollars	79.40	81.25
Euro	103.13	104.88
Great Britain Pound	128.17	124.55
Australian Dollars	81.55	81.20

BRAC's foreign currency denominated assets and liabilities are disclosed in Note 25.

2.23 Taxation

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

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

2 Summary of Significant Accounting Policies (contd.) :

2.24 Borrowing costs

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

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

2.25 Impairment of assets

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

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

2.26 Goodwill

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

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

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

2.27 Financial instruments

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

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

2 Summary of Significant Accounting Policies (contd.) :

2.27 Financial instruments (contd.)

e) Interest-bearing borrowings

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

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

2.28 Cash and cash equivalents

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

2.29 Contingent liabilities

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

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

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

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

2.30 Events after the balance sheet date

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

2.31 Segmental Reporting

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

The programme managers report directly to the management of BRAC who regularly review the segment results in order to assess segment performance. Additional disclosures on each of these segments are shown in notes 28 and 29 respectively. BRAC provides segment information voluntarily.

3. Cash and bank balances

	2012 Taka	2011 Taka
Cash in hand and at banks (Note 3.1)	5,670,916,384	4,381,435,703
Deposits (Note 3.2)	10,378,536,695	6,344,761,428
	16,049,453,079	10,726,197,131

3.1 Cash in hand and at banks

Cash in hand	369,880,631	269,683,303
Cash at banks	5,301,035,753	4,111,752,400
	5,670,916,384	4,381,435,703

3.2 Deposits:

Fixed deposits pledged with financial institutions (Notes 13 and 14)	3,281,522,610	3,223,775,256
Fixed deposits unpledged	5,524,353,608	1,729,256,459
Short term deposits unpledged	1,572,660,477	1,391,729,713
	10,378,536,695	6,344,761,428

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

No. Name of Related Party**Nature of balances**

No.	Name of Related Party	Nature of balances	2012 Taka	2011 Taka
1.	BRAC Bank Ltd.	Fixed deposits unpledged	4,841,838,437	1,081,747,855
		Short term deposits unpledged	1,572,660,477	1,391,729,713
		43 Bank Accounts (2011: 45)	4,023,121,210	2,742,239,584
2.	Delta BRAC Housing Finance Corp.Ltd.	Fixed deposits unpledged	589,963,600	540,573,446

3.3 Cash and cash equivalents

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

Cash in hand and at banks	5,670,916,384	4,381,435,703
Fixed deposits unpledged	5,524,353,608	1,729,256,459
Short term deposits unpledged	1,572,660,477	1,391,729,713
Bank overdrafts (Note 13)	(5,006,636,222)	(5,120,907,332)
	7,761,294,247	2,381,514,543

4. Advance, deposits and prepayments

Advances:

Employees	438,767,369	383,815,393
Suppliers	329,233,676	700,295,041
Advance for tax	997,225,170	774,388,509
	1,765,226,215	1,858,498,943

Deposits:

Deposits for facilities and utilities	13,596,362	8,994,318
Debt service reserve for securitised financing	-	128,341,644
Prepayments	443,308,283	261,746,002
	2,222,130,860	2,257,580,907

5. Inventories

Seeds and feed	531,214,239	513,470,947
Medical supplies and consumables	99,679,542	58,279,398
Printing and stationery	127,640,985	183,837,616
Handicraft goods	1,893,954,652	2,021,898,485
Dairy products	258,973,545	148,059,102
Programme materials	142,642,995	184,137,241
	3,054,105,958	3,109,682,789

6. Grants and accounts receivable

	2012 Taka	2011 Taka
Grants receivable (Note 16)	130,499,012	462,967,538
Interest receivable on fixed deposits and bank accounts	403,189,670	457,705,147
Other accounts receivable	855,514,762	634,636,109
	1,389,203,444	1,555,308,794
Provision for doubtful debts	(79,751,512)	(33,265,100)
	1,309,451,932	1,522,043,694

Included in interest receivable on fixed deposits is Tk. 395,650,347 (2011: Tk. 167,989,433) receivable after 12 months.

7. Microfinance loans

	Principal outstanding Taka	Service charge receivable Taka	Loan loss provision Taka	Total Taka
At January 1, 2012	52,635,581,150	201,997,281	(4,438,532,316)	48,399,046,115
Additions	104,221,991,000	14,774,933,599	(1,709,585,836)	117,287,338,763
Realisation	(94,786,786,119)	(14,602,593,539)	-	(109,389,379,658)
Write-off	(2,110,651,064)	(266,996,457)	2,377,647,521	-
At December 31, 2012	59,960,134,967	107,340,884	(3,770,470,631)	56,297,005,220

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

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

Loan Classification	Days in Arrears	Rate of Provision for 2012	Loan Outstanding 2012 Taka	Loan loss Provision 2012 Taka	Loan Principal 2011 Taka	Loan loss Provision 2011 Taka
Standard	Current (no arrears)	2%	55,343,920,316	1,106,878,406	47,461,369,150	949,227,383
Watch list	1 - 30	5%	1,091,943,320	54,597,166	998,687,552	49,934,378
Substandard	31 - 180	25%	1,183,471,953	295,867,988	959,179,375	239,794,844
Doubtful	181 - 350	75%	110,689,230	83,016,923	67,077,446	50,308,085
Loss	Over 350	100%	2,230,110,148	2,230,110,148	3,149,267,627	3,149,267,627
			59,960,134,967	3,770,470,631	52,635,581,150	4,438,532,316

8. Motorcycle loans

	2012 Taka	2011 Taka
Opening balance	743,562,017	823,406,928
Addition during the year	13,000,000	2,343,000
Realization during the year	(153,898,619)	(82,187,911)
	602,663,398	743,562,017

9. Investments in securities and others

DBH 1st Mutual Fund	42,600,000	60,000,000
Bangladesh Bank Bonds	189,500,000	175,000,000
	232,100,000	235,000,000

The Bangladesh Bank Bonds earned interest at 8.5% (2011: 8.5%) per annum respectively during the year.

Market value of DBH 1st Mutual Fund at 31 December 2012 was Tk.7.10 per unit (2011 : Tk.8.30) and Tk.7.10 per unit (2011 : Tk.8.30) on the Dhaka "DSE" and Chittagong "CSE" stock exchanges respectively.

10. Investments in related undertakings

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

Related undertakings	2011				
	Shares Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in value Taka	Total Taka
BRAC Bank Ltd.	2,669,595,296	2,967,277,024	-	-	5,636,872,320
BRAC Industries Ltd.	24,999,900	3,888,441	-	-	28,888,341
BRAC BD Mail Network Ltd.	186,161,000	(96,763,884)	-	-	89,397,116
Documenta TM Ltd.	2,300,000	3,949,160	-	-	6,249,160
BRAC Services Ltd.	10,000,000	(67,169,523)	75,380,762	(18,211,239)	-
Delta BRAC Housing Finance Corp. Ltd.	40,000,000	220,457,982	-	-	260,457,982
BRAC Karnafuli Tea Company Ltd.	243,908,025	3,093,621	332,359,105	-	579,360,751
BRAC Kaiyachara Tea Company Ltd.	63,300,695	29,516,587	76,813,530	-	169,630,812
BRAC Banshkhali Tea Company Ltd.	27,719,870	(58,229,502)	280,300,033	-	249,790,401
BRAC Kodala Tea Company Ltd.	81,680,954	53,803,666	150,584,295	-	286,068,915
Bangladesh Netting Factory Ltd.	17,071,429	34,359,340	28,080,118	-	79,510,887
BRAC Assets Management Company Ltd.	13,000,000	582,046	-	-	13,582,046
	<u>3,379,737,169</u>	<u>3,094,764,958</u>	<u>943,517,843</u>	<u>(18,211,239)</u>	<u>7,399,808,731</u>

Represented by:

Share of net tangible assets

Goodwill on acquisition

Loans

	2012	2011
Share of net tangible assets	6,632,147,272	6,277,333,061
Goodwill on acquisition	178,957,827	178,957,827
Loans	1,287,592,021	943,517,843
	<u>8,098,697,120</u>	<u>7,399,808,731</u>

10. Investments in related undertakings (contd)

Related undertakings (All Incorporated in Bangladesh)	2012	2011	Principal activities
BRAC Bank Ltd.	43.77	43.77	Banking business, listed on the Dhaka and Chittagong Stock Exchanges
BRAC Industries Ltd.	99.9	99.9	Cold storage
BRAC BD Mail Network Ltd.	20.0	20.0	Internet service provider
BRAC Services Ltd.	100.0	100.0	Hospitality
Delta BRAC Housing Finance Corp.Ltd.	18.39	18.39	Housing finance, listed on the Dhaka and Chittagong Stock Exchanges
Documenta TM Ltd.	80.0	70.0	Software development
BRAC Karnafuli Tea Company Ltd.	99.9	99.9	Tea plantation
BRAC Kaiyachara Tea Company Ltd.	99.9	99.9	Tea plantation
BRAC Banshkhali Tea Company Ltd.	99.9	99.9	Tea plantation
BRAC Kodala Tea Company Ltd.	99.1	99.1	Tea plantation
Bangladesh Netting Factory Ltd.	94.0	94.0	Poultry Processing
BRAC Assets Management Company Ltd.	26.0	26.0	Management of Assets and Portfolio Investment
BRAC Impact Ventures Ltd	51.0	-	Sustainable conscious, green and ethical investment
BRAC Environmental Enterprises Ltd	90.0	-	Waste management service

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

Loans represent finance provided for working capital and earn 12% (2011: 12%) interest per annum. These loans are unsecured have no fixed repayment terms.

The market value of BRAC Bank Ltd. shares at 31 December 2012 was Tk. 34.8 per share (2011: Tk 45.7) and Tk.35.7 per share (2011: Tk.46 on the Dhaka ("DSE") and Chittagong ("CSE") Stock Exchanges respectively.

The market value of Delta BRAC Housing Finance Corporation Ltd. shares at 31 December 2012 was Tk. 56.0 per share (2011: Tk.91.60.) and Tk. 55.1 per share (2011: Tk.88) on the DSE and CSE respectively.

Significant transactions with related undertakings are as follows:

<u>Related undertakings</u>	<u>Nature of transaction</u>	2012	2011
BRAC Bank Ltd	Interest on fixed deposits and bank balance	55,194,632	47,600,220
Delta BRAC Housing Finance Corp. Ltd.	Interest on fixed deposits	49,590,162	39,989,846
BRAC Services Ltd	Service facilities	17,944,990	9,579,944

11. Property, plant and equipment

Group of fixed assets	Amount in Taka										
	Cost					Depreciation			Written down value		
	Opening balance 01-01-2012	Additions during the year	Transferred during the year	Disposals and written offs during the year	Closing balance 31-12-2012	Opening balance 01-01-2012	Charged during the year	Adjustment/ disposals and written offs during the year	Closing Balance 31-12-2012	Written down value 31-12-2012	Written down value 31-12-2011
Freehold land	4,118,770,064	1,843,236,902	-	(11,578,547)	5,950,428,419	-	-	-	1,430,991,207	5,950,428,419	4,118,770,064
Buildings	3,420,460,677	-	445,757,524	(128,334,397)	3,737,883,804	1,280,211,367	152,779,840	(2,000,000)	1,430,991,207	2,306,892,597	2,140,249,310
Furniture & fixtures	853,688,620	115,372,882	-	(41,860,351)	927,201,151	536,180,690	79,997,434	(80,889,623)	585,288,501	341,912,650	317,507,930
Equipment	1,334,009,988	181,801,546	-	(9,004,470)	1,506,807,064	982,577,325	120,859,351	(4,549,733)	1,098,886,943	407,920,121	351,432,663
Computer	342,670,270	80,856,502	-	(5,044,463)	418,482,309	279,999,696	44,033,649	(4,437,252)	319,596,093	98,886,216	62,670,574
Vehicles	549,896,172	80,673,167	-	(4,271,475)	626,297,864	393,889,891	66,991,582	(4,271,475)	456,609,998	169,687,866	156,006,281
Bicycles	33,221,690	1,222,975	-	(11,772,133)	22,672,532	24,997,015	4,795,910	(10,952,128)	18,840,797	3,831,735	8,224,675
Machineries	934,967,492	32,394,458	-	(12,089,930)	955,272,020	631,031,866	65,160,384	(12,089,930)	684,102,320	271,169,700	303,935,626
Deep tube wells and tanks	19,373,789	461,506	-	(831,203)	19,004,092	13,936,733	2,574,805	(831,203)	15,680,335	3,323,757	5,437,056
Hatcheries	13,025,792	2,030,637	-	(1,898,602)	13,157,827	13,025,792	898,602	(1,898,602)	12,025,792	1,132,035	-
Camp/Poultry/Livestock sheds	279,851,946	3,315,019	-	-	283,166,965	120,154,187	15,370,740	-	136,524,927	147,642,038	159,697,759
Motorcycles	1,547,745	-	-	-	1,547,745	1,466,494	-	-	1,466,494	81,251	81,251
Construction work-in-progress	100,929,975	468,339,048	(445,757,524)	-	123,511,499	127,863,166	49,750,745	-	177,613,911	123,511,499	100,929,975
Crates/Mannequins/Samples/Antiques	241,536,602	26,557,262	-	-	268,093,864	127,863,166	49,750,745	-	177,613,911	90,479,953	113,673,436
Total 2012	12,243,950,822	2,836,261,904	-	(226,685,571)	14,853,527,155	4,405,334,222	603,213,042	(71,919,946)	4,936,627,318	9,916,899,837	7,838,616,600
Total 2011	11,428,249,536	1,176,979,162	-	(361,277,876)	12,243,950,822	3,936,480,589	517,054,235	(48,200,602)	4,405,334,222	7,838,616,600	-

Allocation of depreciation:

	Dec. 2012	Dec. 2011
i) included in cost of sales of commercial projects	101,632,297	78,915,250
ii) included in programme related expenses	501,580,745	438,138,985
	603,213,042	517,054,235

An amount of Tk. 24,458,917 (2011 : Tk. 28,638,042) has been transferred to the statement of income and expenditure from deferred income - investment in fixed assets to cover the depreciation charge for donor funded fixed assets as disclosed in Notes 17 and 19.

Landed properties with an aggregate net book value of Tk. 1,419,806,191 (2011 : Tk. 1,136,850,570) have been pledged to secure overdraft facilities and term loans as disclosed in Notes 13 and 14 to the financial statements.

12. Liabilities for expenses and materials

	2012 Taka	2011 Taka
Liabilities for expenses	3,312,782,385	2,717,731,594
Liabilities for goods	454,984,032	406,267,962
Advances received for training, publications, supplies etc.	1,021,068,009	922,695,637
	4,788,834,426	4,046,695,193

13. Bank overdrafts

AB Bank Ltd.	41,174,130	29,547,466
* Agrani Bank Ltd.	76,548,707	25,229,525
* Bangladesh Krishi Bank (BKB)	173,834,054	234,356,307
Bank Alfalah Ltd.	119,688,826	16,851,418
Bank Asia Ltd.	82,179,886	4,760,839
Dhaka Bank Ltd.	-	139,891
Dutch Bangla Bank Ltd.	34,423,960	9,668,094
Eastern Bank Ltd.	22,051,879	21,530,133
HSBC Bank Ltd.	2,591,895	48,254
IFIC Bank Ltd.	7,961,188	351,448
Janata Bank Ltd.	19,744,458	16,471,629
Premier Bank Ltd.	-	3,335,451
Prime Bank Ltd.	399,936,796	963,316,518
* Pubali Bank Ltd.	3,247,175,540	2,897,403,458
Rupali Bank Ltd.	31,525,623	178,584,082
Sonali Bank Ltd.	21,840,656	227,682,743
South East Bank Ltd.	1,128,449	2,183,458
Standard Bank Ltd.	21,373,237	2,016,958
State Bank of India	4,810,272	169,809
The Trust Bank Ltd.	634,324,121	482,730,946
United Commercial Bank Ltd.	17,682,750	4,528,905
Uttara Bank Ltd.	46,639,795	-
	5,006,636,222	5,120,907,332

- * The bank overdrafts are secured by fixed deposits amounting to Tk. 2,252,497,422 (2011: Tk 2,026,607,549) and properties amounting in aggregate to Tk. 555,398,156 (2011 : 570,271,197).

The bank overdrafts were obtained for BRAC's micro-finance programme and to finance working capital requirements. The bank overdrafts bear interest at 14% - 18% (2011 : 11% -16%) per annum, and are repayable within 12 months.

14. Term loans

	2012 Taka	2011 Taka
AB Bank Ltd.	-	11,791,844
Agrani Bank Ltd.	-	52,400,000
Bangladesh Bank	2,781,252,000	1,885,465,000
Bangladesh Commerce Bank (BCB) Ltd.	77,670,320	-
Bangladesh Krishi Bank (BKB)	-	90,843,614
Bank Asia Ltd.	351,539,520	400,000,000
BASIC Bank Ltd.	376,730,251	227,499,357
Citi Bank NA [guaranteed by OPIC & IFC]	-	543,750,000
Citi Bank NA [local currency syndication]	33,000,000	190,000,000
Dutch Bangla Bank Ltd.	343,708,515	74,231,260
Eastern Bank Ltd.	464,913,739	299,785,929
Export Import Bank of Bangladesh (EXIM) Ltd.	167,171,512	-
FMO, Netherlands	489,071,430	733,607,144
* HSBC Bank Ltd.	500,000,000	1,200,000,000
Islamic Development Bank (IDB)	-	343,450,000
Jamuna Bank Ltd.	77,052,103	11,980,299
Janata Bank Ltd.	-	39,854,545
Norfund, Norwegian	195,628,570	293,442,856
Pubali Bank Ltd.	-	57,728,118
* Rajshahi Krishi Unnyon Bank (RAKUB)	345,000,000	260,000,000
* Rupali Bank Ltd.	450,000,000	100,000,000
Shahjalal Islami Bank Ltd.	131,555,140	42,044,973
Sonali Bank Ltd.	-	220,862,915
Southeast Bank Ltd.	429,977,100	-
* Standard Chartered Bank (SCB)	4,675,257,142	4,086,885,714
The City Bank Ltd.	517,931,390	-
Uttara Bank Ltd.	83,333,334	-
United Commercial Bank Ltd.	449,954,080	-
	12,940,746,146	11,165,623,568

Term Loans are analysed as follows:

Amount repayable within 12 months	9,998,006,400	7,008,824,533
Amount repayable after 12 months:		

-Repayable after 12 months and within 24 months	2,280,800,489	2,867,577,676
-Repayable after 24 months and within 36 months	637,263,277	771,958,362
-Repayable after 36 months and within 48 months	24,675,980	492,636,217
-Repayable after 48 months and within 60 months	-	24,626,780
	2,942,739,746	4,156,799,035
	12,940,746,146	11,165,623,568

All repayment obligations in respect of the term loans were met and no amounts were in arrears as at 31 December 2012.

- * Secured by fixed deposits amounting to Tk. 1,029,025,188 (2011: Tk.1,197,167,707) and properties amounting in aggregate to Tk. 594,408,035 (2011: Tk 566,579,373).

The term loans were obtained to support various micro finance and development projects undertaken by BRAC and for working capital purposes. The loans are repayable at various intervals, i.e., monthly, quarterly, half-yearly, biannually and annually and bear interest between 5% - 16% (2011: 6% - 16%) interest rates.

15. Members' savings deposits

	2012 Taka	2011 Taka
Opening balance	22,364,367,269	19,966,011,588
Deposits during the year	21,813,569,333	13,744,922,600
Withdrawals during the year	(19,270,654,939)	(11,346,566,919)
Closing balance	<u>24,907,281,663</u>	<u>22,364,367,269</u>
Compulsory savings	17,913,520,720	16,510,035,153
Voluntary savings	2,827,738,728	2,246,329,535
Term deposits	4,166,022,215	3,608,002,581
	<u>24,907,281,663</u>	<u>22,364,367,269</u>

The rate of interest paid in respect of savings deposits by members was 6% - 10% (2011: 6%-10%) per annum

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

(a) Compulsory saving

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

(b) Voluntary savings

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

(c) Term deposits

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

16. Grants received in advance account

	Note	2012 Taka	2011 Taka
At 1 January		5,762,859,156	1,507,216,363
Receivables as at 1 January		(462,967,538)	(655,916,534)
		<u>5,299,891,618</u>	<u>851,299,829</u>
Donations received during the year	27	15,153,784,471	14,476,226,186
Transferred to deferred income:			
- Investment in fixed assets	17	(74,623,438)	(6,647,522)
- Motorcycle replacement fund	17	(3,258,000)	(2,844,000)
Transfer to Statement of Income and Expenditure for expenditure during the year	19	(11,808,374,759)	(10,018,142,875)
		<u>8,567,419,892</u>	<u>5,299,891,618</u>
Receivables as at 31 December	6	130,499,012	462,967,538
At 31 December		<u>8,697,918,904</u>	<u>5,762,859,156</u>

17. Deferred income

Notes	Investment in Fixed Assets Taka	Motorcycle Replacement Fund Taka	Total Taka
At 1 January 2012	182,171,246	34,786,286	216,957,532
Transferred from Grants received in advance	16 74,623,438	3,258,000	77,881,438
Amortization to Statement of Income and Expenditure	(24,458,917)	(19,484,601)	(43,943,518)
At 31 December 2012	<u>232,335,767</u>	<u>18,559,685</u>	<u>250,895,452</u>

18. Other long term liabilities

	2012 Taka	2011 Taka
Employee gratuity and redundancy fund	6,533,622,393	4,989,404,275
Self-insurance fund		
- Employees	339,509,578	271,915,188
- BRAC properties and motorcycles	578,587,052	522,324,332
	918,096,630	794,239,520
Other funds		
- Special fund for scholarship	4,953,497	4,683,811
- Relief and rehabilitation fund	654,985,086	535,310,616
- Staff welfare fund	104,734,959	50,826,783
	<u>8,216,392,565</u>	<u>6,374,465,005</u>

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

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

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

BRAC also commissioned an investigation report by an independent professional actuary on the properties and motorcycles self-insurance fund as at 31 December 2011. The investigation report addressed BRAC's properties and motor cycles within and outside the Dhaka City Corporation areas. The investigation report set out a recommendation that to attain a satisfactory financial position required for the self-insurance fund, an additional provision of Tk 50,000,000 would be required. BRAC intends to accrete its properties and motorcycle self-insurance fund provision to attain the recommended additional Tk 50,000,000 over a period of two years commencing 2011. Accordingly, Tk 25,000,000 was accreted in financial year 2011 and Tk. 25,000,000 has been accreted in the financial year 2012.

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

18. Other long term liabilities (contd.)

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

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

Notes	2012 Taka	2011 Taka
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19. Donor grants

Donor grants recognised in the Statement of Income and Expenditure:

Transferred from grants received in advance	16	11,808,374,759	10,018,142,875
Transferred from deferred income:			
Amortisation of investment in fixed assets			
- unrestricted	17	1,044,245	2,297,640
- temporarily restricted	17	23,414,672	26,340,402
		24,458,917	28,638,042
Amortisation of motorcycle replacement fund			
- unrestricted	17	445,649	-
- temporarily restricted	17	19,038,952	-
		19,484,601	-
		11,852,318,277	10,046,780,917

20. Interest on bank accounts and fixed deposits

Microfinance Programme		442,117,939	178,049,516
Other Programmes		836,338,674	187,780,508
		1,278,456,613	365,830,024

21. Investment income

In respect of investments in related undertakings:			
- Share of profits less losses		144,346,311	552,653,565
- Increase in provision for impairment losses		-	(6,658,756)
- Impairment loss on investment in quoted securities		(17,400,000)	-
		126,946,311	545,994,809

22. Other income

Gain on disposal of property, plant and equipment		36,232,317	25,325,849
Partial reimbursements on cost of programme supplies		59,749,365	31,980,849
Training income		278,607,045	198,564,325
Sale of waste materials		80,704,076	81,121,504
Interest received on other loans and advances		104,869,364	97,097,363
Foreign exchange (loss)/ gain - unrealised		(9,796,471)	84,621,197
		550,365,696	518,711,087

23. Grants

	2012 Taka	2011 Taka
Grants to Aminul Alam Trust Fund	-	50,000,000
Grants to BRAC University	-	246,040,276
Grants to BRAC Foundation	-	10,000,000
	-	<u>306,040,276</u>

24. Taxation

	2012 Taka	2011 Taka
Income tax provision for the year	<u>200,000,000</u>	<u>150,000,000</u>

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

The tax change is in respect of taxable income arising from BRAC's taxable activities in 2012, and is subject to agreement with the tax authorities.

For years of assessment 1991-92 to 2009-10, BRAC has been issued directives requesting payment of taxes cumulatively amounting to approximately Tk. 4.5 billion. BRAC has disagreed with the basis of taxation, successfully obtaining stays of execution on the said directives, and has referred the matter to the High Court Division of the Supreme Court of Bangladesh. Similar directives for years of assessment 2010-11 and 2011-12 amounting to Tk. 1.2 billion in total have been issued by the Deputy Commissioner of Taxation (DCT) for which appeals are in progress as at the date of the financial statements.

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

BRAC continues to be of the view that the basis of taxation contained in the abovementioned directives are inappropriate, and therefore BRAC would not be liable to taxation. Accordingly, the amounts referred to above have not been provided for in the financial statements as at 31 December 2012.

25. Foreign currency denominated monetary assets and liabilities

	2012 Taka	2011 Taka
Resident Foreign Currency Deposits (in US\$)	592,640,592	663,475,774
Resident Foreign Currency Deposits (Euro)	19,567,776	19,868,009
Resident Foreign Currency Deposits (in GBP)	20,227,107	19,570,191
Cash at bank (in US\$)	26,334,592	12,683,395
Cash at bank (in Euro)	1,697,180	1,216,793
Cash at bank (AUD)	764,671	96,956
Cash at bank (in GBP)	79,817	340,425
	<u>79,817</u>	<u>340,425</u>

26. Financial Instruments

a) Financial risk management objectives and policies

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

b) Interest rate risk

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

c) Foreign exchange risk

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

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

d) Liquidity risk

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

e) Credit risk

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

27. Schedule of donation received

Name of the projects	Donor	2012 Taka	2011 Taka
BRAC Education Program (BEP-II)	EKN	563,858,741	523,512,500
	DFID	-	1,168,358,000
	AusAID	-	1,143,833,045
	CIDA	494,316,960	647,000,490
	Sub total	1,058,175,701	3,482,704,035
Challenging the Frontiers of Poverty Reduction Programme (Phase-II)	AusAID	-	775,912,850
	DFID	-	1,813,062,248
	CIDA	31,126,000	-
	Sub total	31,126,000	2,588,975,098
BRAC University Institute of Education Development	EKN	125,606,670	116,266,228
	SDC	-	1,227,157
	Institute of Dev. Studies-Sussex	-	(2,048,046)
	Sub total	125,606,670	115,445,339
Improving Maternal Neonatal & Child Survival Program (MNCS-Rural)	AusAID	-	349,298,850
	EKN	168,826,324	93,044,859
	DFID	128,001,172	260,335,411
	Sub total	296,827,496	702,679,120
BRAC New Initiative of HRLS	GTZ	846,200	1,920,591
	UNHCR	-	216,890
	Sub total	846,200	2,137,481
Vision Bangladesh Project	Sight Saver-UK	34,717,056	46,295,224
	BRAC-USA	-	279,326
	BRAC-UK	5,512,933	3,366,505
	Sub total	40,229,989	49,941,055
Community Based Maternal, Newborn and Child Health (MNCH) -Program for Urban Bangladesh	Bill and Melinda Gates Foundation	-	74,448,511
	AusAID	-	173,428,850
	Sub total	-	247,877,361
Char Development and Settlement Program	EKN	-	3,123,282
	Euroconsult Mott Mac Donald	16,678,766	3,068,434
	Sub total	16,678,766	6,191,716
Improving Incomes, Nutrition and Health in Bangladesh through Potato, -Sweet potato and Vegetables	AVRDC (The World Vegetable Centre)	8,994,470	-
Strategic Partnership Arrangement (SPA)	DFID	6,387,884,049	3,335,205,500
	AusAID	4,264,942,700	-
		10,652,826,749	3,335,205,500
BRAC Water, Sanitation and Hygiene Program (WASH-I & II)	EKN	748,196,612	1,208,946,480
	The Global Fund	885,684,836	852,132,369
TB Control Program	University Research Company LLC.	30,747,925	-
TB Care-II	Engender Health-USA	-	14,000,644
m.Health for improving Maternal, Neonatal & Child Health project	World Bank	-	9,919,579
MA in Governance and Development Program	AKF	6,200,000	6,653,244
Early Childhood Development Support Program	WFP	-	18,824,133
Atta Fortification Program			
Social Protection Package for Retrenched State Owned -Enterprise Workers	DFID	-	12,105,745
Tree Improvement project	Inter Co-operation Bangladesh	-	1,788,372
Pathway of Women Empowerment of research project	Institute of Dev. Studies-Sussex	-	1,099,366
Malaria Control Program	The Global Fund	244,479,408	214,164,501
Safe Migration Facilities	Manusher Jonno Foundation	1,299,720	11,466,577
BRAC Non-formal Primary Education Program	EC	2,747,332	77,533,092
Vitamin A Captul Supplementation (VAS) for Unreached -Children in Hard to Reach areas	Micro-Nutrient Initiative	-	223,642
Early Learning for Child Development Project (ELCDP)	UNICEF	200,000,000	194,961,580
Community Safety Pilot project	Safer World	-	1,000,000
Post SIDR Livelihood Rehabilitation Program	EC	-	(6,743,436)
Pro-Poor Growth for South Africa and Asia	Oxford University	899,848	1,268,892

Name of the projects	Donor	2012 Taka	2011 Taka
Adolescent Development Program	UNICEF	-	2,616,448
VCT Services BRAC TB Centre	Family Health International	5,033,000	3,990,000
TQI-SEP Innovation and Development	GOB	1,075,000	1,729,892
Alive and Thrive Project	FHI Solutions	235,552,446	-
Social and Financial Empowerment of Adolescents (SoFEA)	BRAC-USA	23,482,667	2,403,492
Active Citizen and Accountable Local Government Project	United Nations Democracy Fund	-	17,544,222
Advocacy for Safe Migration and Abating Labour Trafficking	Winrock International-USA	-	721,131
Bangladesh Springles Program	The Global Alliance for Improved Nutrition (GAIN)	12,708,027	27,054,156
Crop Intesification for Achieving Food Self-Sufficiency Program	EC	69,882,596	178,146,114
Developing BRAC's Emergency Response Capacity in Bangladesh	BRAC-USA	85,241,833	6,604,207
Technology Dissemination of Aquaculture for Poverty Reduction - economic growth in Bangladesh	AIDA-Spain	-	8,305,514
The effect of micronutrient powder and hand hygiene on linear -growth faltering and treating iron deficiency anemia and -preventing calcium deficiency among Bangladeshi infants	Hospital For Sick Children	5,190,831	3,590,299
Restoring Socio-Economic Stability and Strengthening Community -in areas affected by Cyclone AILA	EC	52,625,863	357,006,398
Situation Analysis Study on Core Issues related to Food Security and -Poverty in Bangladesh	International Union for Conservation of Nature and Natural resources (IUCN)	-	350,000
Accelerating Water, Sanitation & Hygiene (WASH) coverage in - Ukhiya Upazilla under Cox's Bazar District	UNICEF	4,208,592	6,250,393
BRAC HRLS Property Rights Program	BRAC-USA	-	42,703,830
C4D-Promoting Sustainable Behaviours and Social Development -Changes in Cox's Bazar	UNICEF	-	26,907,839
National Food Security Nutritional Surveillance Project	EC	71,947,338	75,733,515
Support to Agricultural Research for Climate Change Adaptation in Bangladesh	IRRI	1,198,500	1,051,500
Supporting Adolescent Empowerment	UNICEF	-	24,457,592
Community Sensitization on CEDAW	UN Women	232,530	1,090,116
Creating Awareness on RTI law for Community	World Bank	2,087,163	1,391,441
Joint Program on Gender based Violence	UNDP	12,124,438	6,722,862
Spreading Awarness to Prevent, Promote and Protect Domestic Workers - and female Migrant workers at work place from violence	International Labour Office (ILO)	1,419,619	1,298,638
Community Based Digital Bangladesh Project	Care-Bangladesh	5,113,968	4,244,700
Gendered Impact of Ultra Poor Program	International Food Policy Research Institute	1,811,981	1,682,651
BRAC Limb Centre and Brace Centre	BRAC-USA	-	143,491
BRAC International Conference on Scaling Health Innovations	BRAC-USA	-	1,036,992
Innovation in Sustainable Sanitation in Bangladesh	BRAC-USA	-	424,785,800
Coordination and Change Enabling Project	World Fish	7,431,909	2,225,924
Assessment of Patient Costs and Patient Perspectives of TB Treatment	Liverpool School of Tropical Medicine	3,333,930	1,100,894
BRAC Project Laser Beam (PLB)	Unilever-UK	-	40,625,000
Impact Assessment of Credit Program for the Tenant Farmers	Global Development Network Inc. (GDN)	-	21,809,880
Improved Rice Crop Management for Raising Productivity	IRRI	-	219,450
BRAC Health care Innovations Programme (B-HIP)	Rockefeller Foundation	31,360,722	30,180,320
BRAC HRLS Child Domestic Worker Project	BRAC-USA	2,165,940	-
Enjoyment of the Socio Economic Rights of Bangladeshi women fish farmers -farmers through their economic and social empowerment in Comilla and Chandpur	AIDA-Spain	12,906,614	-
Changing Social Norms and Supporting Adolescent Empowerment	UNICEF	19,425,675	-
Vocational Skill Training for Urban Working Children	UNICEF	44,796,144	-
BRAC Education Watch	Campaign for Popular Education	5,173,093	-
Productive, profitable and resilient agriculture and aquaculture systems	IRRI	1,211,686	-
Monitoring and Evaluation of the School Nutrition	The Global Alliance for Improved Nutrition	11,223,810	-
Sexual and Reproductive Health Rights Education Program in Bangladesh	NOVIB	18,216,000	-
South Asia Legal Empowerment Practitioner fair	Foundation Open Society Institute	1,351,224	-
Sustainable Human Development and Empowerment of Vulnerable Women affected	UN Women	10,747,310	-
Urban School Nutrition Programme	The Global Alliance for Improved Nutrition	20,720,880	-
Bangladesh Youth Parliament Project	British Council	1,925,787	-
Engaging Communities for Behaviour Social Change in Cox's Bazar District	UNICEF	5,117,949	-
COMDIS-HSD	University of Leeds	517,995	-
Marketing Innovation for Health (MIH) Program	Social Marketing Company (SMC)	8,000,000	-
Technology (ex-ante) assessment and farm House hold Segmentation for Inclusive Poverty Reduction and Sustainable Growth in Agriculture	Center for Development Research	3,228,000	-
Value Chain Scoping Assessment	AVRDC (The World Vegetable Centre)	1,568,140	-
Mental Health and Psychosocial Support (MHPPS)	Asian Disaster Preparedness Center	857,549	-
TOTAL		15,153,784,471	14,476,226,186

28. Segmental financial information

	Unrestricted										Temporarily restricted	
	Unrestricted					Unrestricted					Temporarily restricted	
	Aarong Rural Craft Centre Taka	BRAC Printers & Printing Pack Taka	BRAC Dairy and Food Project Taka	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Project Taka	House Property (Building) Taka	Total Unrestricted Taka	Development Projects Taka	Total 2012 Taka	
Assets:												
Cash in hand and at banks	129,524,735	51,336,352	52,892,399	331,974,532	37,918,749	2,400,313,385	3,014,106,293	736,748,252	6,754,814,697	9,294,638,382	16,049,453,079	
Advance, deposits and prepayments	55,779,153	250,445,594	40,009,047	109,411,497	921,479	182,684,600	1,408,065,360	25,678,863	2,072,995,593	149,135,267	2,222,130,860	
Inventories	1,893,954,652	118,897,516	259,897,906	617,271,049	14,621,124	45,589,623	100,508,146	-	3,050,740,016	3,365,942	3,054,105,958	
Grants and accounts receivable	76,346,896	69,324,099	31,191,712	379,387,163	15,178,701	343,632,453	255,438,115	2,955,117	1,173,454,256	135,997,676	1,309,451,932	
Inter-programme current account	264,083,953	(265,165,561)	74,482,452	8,042,244	5,082,795	84,814,726	(160,964,747)	-	10,375,862	(10,375,862)	-	
Microfinance loans	-	-	-	-	-	56,297,005,220	-	-	56,297,005,220	-	56,297,005,220	
Motor cycle loans	350,987	-	3,316,790	7,504,813	40,900	308,243,783	9,616,097	-	329,073,370	273,690,028	602,663,398	
Investments in securities and others	-	-	-	-	-	-	232,100,000	-	232,100,000	-	232,100,000	
Investments in related undertakings	-	-	-	-	-	-	8,098,697,120	-	8,098,697,120	-	8,098,697,120	
Property, plant and equipments	574,175,480	63,676,312	526,407,389	794,533,699	3,984,208	3,200,844,943	4,401,726,206	145,094,551	9,710,442,788	206,457,049	9,916,899,837	
Total Assets	2,994,215,856	288,514,312	988,197,695	2,248,124,997	77,747,956	62,863,128,733	17,359,292,590	910,476,783	87,729,698,922	10,052,808,482	97,782,507,404	
Liabilities and Net Assets												
Liabilities:												
Liabilities for expenses and materials	199,979,819	30,737,487	148,312,216	286,437,179	12,316,387	2,611,151,285	1,224,072,576	1,184,560	4,514,191,509	274,642,917	4,788,834,426	
Bank overdrafts	72,479,975	-	-	-	-	4,179,176,412	754,979,835	-	5,006,636,222	-	5,006,636,222	
Term loans	-	-	-	200,000,000	-	12,540,746,146	200,000,000	-	12,940,746,146	-	12,940,746,146	
Members savings deposits	-	-	-	-	-	24,907,281,663	-	-	24,907,281,663	-	24,907,281,663	
Grants received in advance account	-	-	-	-	-	-	-	-	-	8,697,918,904	8,697,918,904	
Deferred income	-	-	-	-	-	678,799	102,384,049	-	103,062,848	147,832,604	250,895,452	
Other long term liabilities	268,109,849	41,536,808	-	-	-	348,929,316	7,557,816,592	-	8,216,392,565	-	8,216,392,565	
Provision for taxation	-	-	-	5,969,245	-	-	834,971,785	-	840,941,030	-	840,941,030	
Total Liabilities	540,569,643	72,274,295	148,312,216	492,406,424	12,316,387	44,587,963,621	10,674,224,837	1,184,560	56,529,251,983	9,120,394,425	65,649,646,408	
Net assets	2,453,646,213	216,240,017	839,885,479	1,755,718,573	65,431,569	18,275,165,112	6,685,067,753	909,292,223	31,200,446,939	932,414,057	32,132,860,996	
Total Liabilities and Net Assets	2,994,215,856	288,514,312	988,197,695	2,248,124,997	77,747,956	62,863,128,733	17,359,292,590	910,476,783	87,729,698,922	10,052,808,482	97,782,507,404	

Balance Sheet as at December 31, 2012

28. Segmental financial information (cont'd.)

	Unrestricted										Temporarily	
											restricted	
	Aarong Rural Craft Centre Taka	BRAC Printers & Printing Pack Taka	BRAC Dairy and Food Project Taka	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Project Taka	House Property (Building) Taka	Total Unrestricted Taka	Development Projects Taka	Total 2011 Taka	
Assets:												
Cash in hand and at banks	159,901,428	29,190,477	39,985,451	116,528,696	16,745,501	2,186,908,100	1,186,992,765	711,066,354	4,447,338,772	6,278,858,359	10,726,197,131	
Advance, deposits and prepayments	81,387,866	271,641,533	41,898,290	93,819,880	235,722	370,752,280	1,290,372,068	23,896,294	2,174,003,933	83,576,974	2,257,580,907	
Inventories	2,021,898,485	175,326,803	148,059,102	542,811,600	16,092,420	106,868,931	89,164,109	-	3,100,221,450	9,461,339	3,109,682,789	
Grants and accounts receivable	65,833,686	58,981,137	20,863,267	270,118,752	14,286,593	271,357,330	274,698,167	4,518,617	980,657,549	541,386,145	1,522,043,694	
Inter-programme current account	(603,718,077)	(358,045,429)	95,784,841	87,394,464	14,217,142	210,906,464	573,633,916	-	20,173,321	(20,173,321)	-	
Microfinance loans	-	-	-	-	-	48,399,046,115	-	-	48,399,046,115	-	48,399,046,115	
Motor cycle loans	312,507	-	2,458,485	7,139,473	48,368	372,245,545	7,017,916	-	389,222,294	354,339,723	743,562,017	
Investments in securities and others	-	-	-	-	-	-	235,000,000	-	235,000,000	-	235,000,000	
Investments in related undertakings	-	-	-	-	-	-	7,399,808,731	-	7,399,808,731	-	7,399,808,731	
Property, plant and equipments	847,968,815	97,754,054	510,329,524	731,215,161	4,217,617	3,104,694,974	2,220,299,289	164,948,668	7,681,428,102	157,188,498	7,838,616,600	
Total Assets	2,573,584,710	274,848,575	859,378,960	1,849,028,026	65,843,363	55,022,779,739	13,276,986,961	904,449,933	74,826,900,267	7,404,637,717	82,231,537,984	
Liabilities and Net Assets												
Liabilities:												
Liabilities for expenses and materials	184,167,364	26,007,273	116,898,368	268,499,425	18,126,784	2,077,431,677	682,467,356	2,689,635	3,376,287,882	670,407,311	4,046,695,193	
Bank overdrafts	-	-	-	-	-	4,794,260,987	326,646,345	-	5,120,907,332	-	5,120,907,332	
Term loans	57,728,118	-	-	200,000,000	-	10,707,895,450	200,000,000	-	11,165,623,568	-	11,165,623,568	
Members savings deposits	-	-	-	-	-	22,364,367,269	-	-	22,364,367,269	-	22,364,367,269	
Grants received in advance account	-	-	-	-	-	-	-	-	-	-	-	
Deferred income	-	-	-	-	-	719,483	103,783,486	-	104,502,969	5,762,859,156	5,762,859,156	
Other long term liabilities	216,163,776	34,600,543	-	-	-	308,050,697	5,815,649,989	-	6,374,465,005	112,454,563	216,957,532	
Provision for taxation	-	-	-	-	-	-	639,039,669	-	640,941,030	-	6,374,465,005	
Total Liabilities	488,059,258	60,607,816	116,898,368	470,400,786	18,126,784	40,252,725,563	7,767,586,845	2,689,635	49,147,095,055	6,545,721,030	55,692,816,085	
Net assets												
	2,115,525,452	214,240,759	742,480,592	1,378,627,240	47,716,579	14,770,054,176	5,509,400,116	901,760,298	25,679,805,212	858,916,687	26,538,721,899	
Total Liabilities and Net Assets	2,573,584,710	274,848,575	859,378,960	1,849,028,026	65,843,363	55,022,779,739	13,276,986,961	904,449,933	74,826,900,267	7,404,637,717	82,231,537,984	

Balance Sheet as at December 31, 2011

28. Segmental financial information (cont'd.)

	Unrestricted											Temporarily restricted		Total 2012 Taka			
	Along Rural Craft Centre Taka	BRAC Printers & Printing Pack Taka	BRAC Dairy and Food Project Taka	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Projects Taka	House Property (Building) Taka	Total Unrestricted		Development Projects						
									Taka	Taka	Taka	Taka					
Income																	
Donor grants Revenue from	-	-	-	-	-	2,615,265	1,908,943	-	4,524,208	-	11,847,794,069	-	-	-	-	-	11,852,318,277
- Income Generating Projects	4,529,861,669	861,739,364	2,469,755,547	-	-	-	-	-	7,861,356,550	-	-	-	-	-	-	-	7,861,356,550
- Program Support Enterprises	-	-	-	3,941,665,074	182,584,605	-	-	-	4,124,249,679	-	-	-	-	-	-	-	4,124,249,679
Service charge on microfinance loans	-	-	-	-	-	14,774,933,599	-	-	14,774,933,599	-	-	-	-	-	-	-	14,774,933,599
Interest on bank accounts and fixed deposits	-	-	-	-	-	442,117,939	695,704,753	-	1,137,822,692	-	140,633,921	-	-	-	-	-	1,278,456,613
Investment income	-	-	-	-	-	-	126,946,311	-	126,946,311	-	-	-	-	-	-	-	126,946,311
Other income -internal	-	(43,849,943)	-	-	-	-	43,849,943	-	-	-	-	-	-	-	-	-	-
Other income	27,897,751	10,568,603	10,557,197	8,200	-	-	486,189,484	-	535,221,235	-	15,144,461	-	-	-	-	-	550,365,696
Income from house property	-	-	-	-	-	-	-	100,720,809	100,720,809	-	-	-	-	-	-	-	100,720,809
Total income	4,557,759,420	828,458,024	2,480,312,744	3,941,673,274	182,584,605	15,219,666,803	1,354,599,434	100,720,809	28,665,775,113	12,003,572,451	40,669,347,564						
Expenditure																	
Income Generating Projects	3,881,517,898	821,329,525	2,285,502,969	-	-	-	-	-	6,988,350,392	-	-	-	-	-	-	-	6,988,350,392
Program Support Enterprises	-	-	-	3,474,442,045	164,465,598	-	-	-	3,638,907,643	-	-	-	-	-	-	-	3,638,907,643
House property related expenses	-	-	-	-	-	-	-	93,188,884	93,188,884	-	-	-	-	-	-	-	93,188,884
Education Programme	-	-	-	-	-	-	191,083,781	-	191,083,781	-	4,086,273,202	-	-	-	-	-	4,277,356,983
Ultra Poor Programme	-	-	-	-	-	-	-	-	-	-	2,045,763,985	-	-	-	-	-	2,045,763,985
Community Empowerment Programme	-	-	-	-	-	-	2,912,978	-	2,912,978	-	-	-	-	-	-	-	217,227,040
Human Rights and Legal Aids Services	-	-	-	-	-	-	-	-	-	-	195,539,238	-	-	-	-	-	195,539,238
Policy Advocacy	-	-	-	-	-	-	-	-	-	-	39,777,955	-	-	-	-	-	39,777,955
Health Programme	-	-	-	-	-	-	170,093,323	-	170,093,323	-	3,540,177,955	-	-	-	-	-	3,710,271,278
Water, Sanitation and Hygiene Programme	-	-	-	-	-	-	-	-	-	-	1,339,321,154	-	-	-	-	-	1,339,321,154
Gender, Justice and Diversity	-	-	-	-	-	-	-	-	-	-	138,151,582	-	-	-	-	-	138,151,582
Micro Finance Programme	-	-	-	-	-	11,714,555,867	-	-	11,714,555,867	-	254,204,740	-	-	-	-	-	11,714,555,867
Agriculture and Food Security	-	-	-	-	-	-	10,089,482	-	10,089,482	-	76,551,208	-	-	-	-	-	86,640,690
Other Development Projects	-	-	-	-	-	-	264,275,126	-	264,275,126	-	23,073,457,476	-	-	-	-	-	23,073,457,476
Total Expenses	3,881,517,898	821,329,525	2,285,502,969	3,474,442,045	164,465,598	11,714,555,867	638,454,690	93,188,884	23,073,457,476	11,930,075,081	35,003,532,557						
Surplus of income over expenditure before taxation	676,241,522	7,128,499	194,809,775	467,231,229	18,119,007	3,505,110,936	716,144,744	7,531,925	5,592,317,637	73,497,370	5,665,815,007						
Taxation	-	-	-	(4,067,884)	-	-	(195,932,116)	-	(200,000,000)	-	(200,000,000)						
Net surplus stated in statement of income & expenditure before inter-programme allocations	676,241,522	7,128,499	194,809,775	463,163,345	18,119,007	3,505,110,936	520,212,628	7,531,925	5,392,317,637	73,497,370	5,465,815,007						
Inter-programme allocations	(338,120,761)	(5,129,240)	(97,404,888)	(123,604,979)	-	-	564,259,868	-	-	-	-						
Net surplus for the year after inter-programme allocations	338,120,761	1,999,259	97,404,887	339,558,366	18,119,007	3,505,110,936	1,084,472,496	7,531,925	5,392,317,637	73,497,370	5,465,815,007						

28. Segmental financial information (cont'd.)

	Unrestricted										Temporarily restricted		Total 2011 Taka
	Aarong Rural Craft Centre Taka	BRAC Printers & Printing Pack Taka	BRAC Dairy and Food Project Taka	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Projects Taka	House Property (Building) Taka	Total Unrestricted		Development Projects Taka		
									Taka	Taka			
Income													
Donor grants	-	-	-	-	-	40,684	2,256,956	-	2,297,640	10,044,483,277	-	10,046,780,917	
Revenue from													
- Income Generating Projects	4,150,032,990	807,377,783	2,385,265,100	-	-	-	-	-	7,342,675,873	-	-	7,342,675,873	
- Program Support Enterprises	-	-	-	3,223,834,061	148,972,266	-	-	-	3,372,806,327	-	-	3,372,806,327	
Service charge on microfinance loans	-	-	-	-	-	11,851,912,448	-	-	11,851,912,448	-	-	11,851,912,448	
Interest on bank accounts and fixed deposits	-	-	-	-	-	178,049,516	52,487,899	-	230,537,415	135,292,609	-	365,830,024	
Investment income	-	-	-	-	-	-	545,994,809	-	545,994,809	-	-	545,994,809	
Other income -internal	(72,423,958)	(40,040,443)	-	-	-	-	112,464,401	-	72,423,958	-	-	72,423,958	
Other income	59,193,589	13,279,665	14,649,237	32,954,995	343,525	-	397,446,242	77,000	517,944,253	766,834	-	518,711,087	
Income from house property	-	-	-	-	-	-	-	90,861,598	90,861,598	-	-	90,861,598	
Total income	4,136,802,621	780,617,005	2,399,914,337	3,256,789,056	149,315,791	12,030,002,648	1,110,650,307	90,938,598	23,955,030,363	10,180,542,720	-	34,135,573,083	
Expenditure													
Income generating projects	3,443,367,797	741,974,215	2,168,535,317	-	-	-	-	-	6,353,877,329	-	-	6,353,877,329	
Program Support Enterprise	-	-	-	3,021,048,244	136,685,309	-	-	-	3,157,743,553	-	-	3,157,743,553	
House Property	-	-	-	-	-	-	-	80,197,303	80,197,303	-	-	80,197,303	
Education Programme	-	-	-	-	-	-	73,051,304	-	73,051,304	3,360,953,720	-	3,434,005,024	
Ultra Poor Programme	-	-	-	-	-	-	54,188,500	-	54,188,500	2,083,148,616	-	2,137,337,116	
Community Empowerment Programme	-	-	-	-	-	-	3,681,981	-	3,681,981	157,618,323	-	161,300,304	
Human Rights and Legal Services	-	-	-	-	-	-	-	-	-	136,546,758	-	136,546,758	
Health Programme	-	-	-	-	-	-	94,751,304	-	94,751,304	2,646,985,983	-	2,741,737,287	
Water, Sanitation and Hygienic Programme	-	-	-	-	-	-	-	-	-	829,577,150	-	829,577,150	
Gender, Justice and Diversity Programme	-	-	-	-	-	-	9,776,923	-	9,776,923	99,839,611	-	109,616,534	
Micro Finance Programme	-	-	-	10,497,901,219	-	-	-	-	10,497,901,219	-	-	10,497,901,219	
Agriculture and Food Security	-	-	-	-	-	-	38,901,638	-	38,901,638	437,089,680	-	475,991,318	
Other Development Projects	-	-	-	-	-	-	8,212,534	-	8,212,534	395,870,066	-	404,082,600	
Grants	-	-	-	-	-	-	306,040,276	-	306,040,276	-	-	306,040,276	
Total Expenses	3,443,367,797	741,974,215	2,168,535,317	3,021,048,244	136,685,309	10,497,901,219	588,604,460	80,197,303	20,678,323,864	10,137,852,984	-	30,816,176,848	
Surplus of income over expenditure before taxation	693,434,824	38,642,790	231,379,020	235,740,812	12,620,482	1,532,101,429	522,045,847	10,741,295	3,276,706,499	42,689,736	-	3,319,396,235	
Taxation	-	-	-	(1,901,361)	-	-	(148,098,639)	-	(150,000,000)	-	-	(150,000,000)	
Net surplus stated in statement of income & expenditures before inter-programme allocations	693,434,824	38,642,790	231,379,020	233,839,451	12,620,482	1,532,101,429	373,947,208	10,741,295	3,126,706,499	42,689,736	-	3,169,396,235	
Inter-programme allocations	(346,717,412)	(34,073,396)	(114,842,908)	(47,120,970)	-	-	542,754,686	-	-	-	-	-	
Net surplus for the year after inter-programme allocations	346,717,412	4,569,394	116,536,112	186,718,481	12,620,482	1,532,101,429	916,701,894	10,741,295	3,126,706,499	42,689,736	-	3,169,396,235	

29. Statement of Functional Expenses

	Unrestricted											Temporarily restricted		Total 2012 Taka					
	Aarong Rural Craft Centre		BRAC Printers & Printing Pack		BRAC Dairy and Food		Agro based Programme Support Enterprise		Non-agro based Programme Support Enterprise		Micro Finance Programme		Self-financing Social Development Projects		House Property (Building)		Total Unrestricted		
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
Salaries and benefits	495,104,368	21,858,220	101,915,634	193,802,314	6,039,235	4,693,827,366	16,562,777	-	-	-	5,529,109,903	5,019,737,140	10,548,847,043						
Travelling and transportation	33,759,052	5,619,193	62,441,093	47,381,106	491,171	420,225,202	14,124,290	-	-	-	584,041,107	590,096,983	1,174,138,090						
Teachers' salaries	-	-	-	-	-	-	-	-	-	-	-	225,067,977	864,364,047						
Teachers' training	-	-	-	-	-	-	-	-	-	-	-	186,231,439	186,231,439						
School rent and maintenance	-	-	-	-	-	-	-	-	-	-	-	344,407,992	705,998,488						
Stationery, rent and utilities	124,956,507	4,239,881	10,980,745	11,979,939	1,030,631	179,042,304	16,191,027	13,169,462	-	-	361,590,496	344,407,992	705,998,488						
Maintenance and general expenses	78,381,600	5,842,901	41,409,943	19,782,449	1,117,377	138,425,353	18,006,277	1,840,227	-	-	304,806,127	142,098,853	446,904,980						
Members' training	-	-	-	-	-	2,495,842	34,281,408	-	-	-	36,757,250	488,542,527	525,299,777						
Staff training and development	2,243,455	-	2,246,362	6,702,606	-	38,689,574	28,982,676	-	-	-	78,864,673	488,517,347	567,382,020						
Programme supplies	-	-	-	3,009,621	57,075	259,754,682	193,214,461	-	-	-	456,035,739	3,538,307,798	3,994,343,537						
Interest on members' savings deposits	-	-	-	-	-	1,591,469,559	-	-	-	-	1,591,469,559	-	1,591,469,559						
Interest on long term loans	-	-	-	-	-	1,425,348,750	-	-	-	-	1,425,348,750	-	1,425,348,750						
Bank overdraft interest and charges	20,863,077	44,586,822	-	-	-	1,425,348,750	-	-	-	-	1,338,799,698	-	1,338,799,698						
Cost of goods sold of income generating projects	2,974,712,117	724,579,365	2,021,099,185	-	-	1,183,180,911	87,759,470	-	-	-	5,720,390,667	-	5,720,390,667						
Cost of goods sold of program support enterprises	-	-	-	2,998,249,111	153,919,261	-	-	-	-	-	3,152,168,372	-	3,152,168,372						
Publicity, advertisement and sales commissions	31,579,340	-	42,427,159	102,208,474	1,199,626	-	-	-	-	-	191,092,260	6,982,773	198,075,033						
Loan loss provision for microfinance loans	-	-	-	-	-	1,709,585,836	-	-	-	-	1,709,585,836	-	1,709,585,836						
Depreciation of property, plant and equipment	119,918,382	2,951,763	1,708,760	80,709,833	455,187	72,510,498	165,674,642	21,931,475	-	-	465,860,540	35,720,205	501,580,745						
Provision for bad and doubtful debts	-	11,651,380	1,274,088	8,207,274	156,036	-	-	-	-	-	21,288,778	-	21,288,778						
Allocation to self-insurance fund	-	-	-	-	-	-	-	-	-	-	56,247,720	-	56,247,720						
Allocation to -Relief and Rehabilitation fund	-	-	-	-	-	-	50,000,000	-	-	-	50,000,000	-	50,000,000						
	3,881,517,898	821,329,525	2,285,502,969	3,474,442,045	164,465,598	11,714,555,867	638,454,689	93,188,884	23,073,457,475	11,930,075,081	35,003,532,556								

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

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

	Unrestricted											Temporarily restricted		Total 2011 Taka
	Aarong Rural Craft Centre Taka	BRAC Printers & Printing Pack Taka	BRAC Dairy and Food Project Taka	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Projects Taka	House Property (Building) Taka	Total Unrestricted Taka	Temporarily restricted				
										Development Projects Taka	Taka			
Salaries and benefits	425,354,776	17,351,052	89,423,817	150,128,680	4,213,965	4,849,062,363	33,944,822	-	5,569,479,465	3,920,165,394	-	9,489,644,859		
Travelling and transportation	34,705,180	4,648,009	51,783,854	42,635,497	449,814	490,891,221	15,280,245	-	640,393,820	464,030,302	-	1,104,424,122		
Teachers' salaries	-	-	-	-	-	-	-	-	-	680,252,524	-	680,252,524		
Teachers' training	-	-	-	-	-	-	-	-	-	163,176,987	-	163,176,987		
School rent and maintenance	-	-	-	-	-	-	-	-	-	142,674,819	-	142,674,819		
Stationery, rent and utilities	105,230,272	3,923,331	12,262,349	11,080,369	964,473	171,038,788	3,281,123	1,162,911	308,943,616	290,590,773	-	599,534,389		
Maintenance and general expenses	73,731,568	6,072,580	30,732,205	16,320,477	767,968	147,436,370	3,754,659	2,045,945	280,861,772	31,335,913	-	312,197,685		
Members' training	-	-	-	-	-	8,108,493	9,772,251	-	17,880,744	488,076,825	-	505,957,569		
Staff training and development	5,774,141	-	2,449,505	1,516,612	-	38,412,281	6,842,831	-	54,995,370	425,932,614	-	480,927,984		
Programme supplies	-	-	-	1,639,328	46,382	225,587,263	30,363,081	-	257,616,064	3,450,239,264	-	3,707,855,308		
Interest on members' savings deposits	-	-	-	-	-	1,405,709,117	-	-	1,405,709,117	-	-	1,405,709,117		
Interest on long term loans	-	-	-	-	-	1,394,193,021	-	-	1,394,193,021	-	-	1,394,193,021		
Bank overdraft interest and charges	30,871,601	42,884,655	-	2,056,388	-	18,668,313	26,232,862	-	120,713,819	-	-	120,713,819		
Cost of goods sold- income generating projects	2,644,345,985	654,277,934	1,956,652,267	-	-	-	-	-	5,255,276,186	-	-	5,255,276,186		
Cost of goods sold- program support enterprise	-	-	-	2,655,125,956	128,945,733	-	-	-	2,784,071,689	-	-	2,784,071,689		
Publicity, advertisement and sales commissions	34,328,377	-	15,522,063	60,168,928	390,200	-	6,165,924	-	116,575,492	43,554,498	-	160,129,990		
Loan loss provision for microfinance loans	-	-	-	-	-	1,686,378,613	-	-	1,686,378,613	-	-	1,686,378,613		
Depreciation of property, plant and equipment	89,025,897	2,235,131	4,597,341	73,277,758	440,958	62,455,386	146,926,386	21,377,047	400,315,904	37,823,081	-	438,138,985		
Provision for bad and doubtful debts	-	10,581,523	5,111,916	7,098,251	475,816	-	-	-	23,267,506	-	-	23,267,506		
Allocation to self- insurance fund	-	-	-	-	-	-	-	55,611,400	55,611,400	-	-	55,611,400		
Grants	3,443,367,797	741,974,215	2,188,535,317	3,021,048,244	136,685,309	10,497,901,219	588,604,460	80,197,303	20,678,323,864	10,137,852,984	-	30,816,176,848		

Included in cost of goods sold of (Printers and Printing Pack) is depreciation of property, plant and equipment amounting to Tk. 78,915,250

30. Comparative figures

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

Notes