
BRAC (REGISTERED IN BANGLADESH UNDER THE SOCIETIES
REGISTRATION ACT 1860)
Audited Financial Statements
December 31, 2002

ERNST & YOUNG

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REGISTRATION ACT 1860)
Audited Financial Statements
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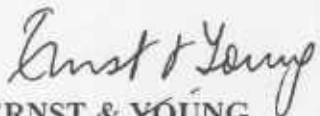
INDEPENDENT AUDITORS' REPORT

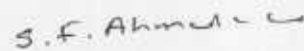
To The Governing Body of BRAC

We have audited the accompanying Balance Sheet of BRAC (registered in Bangladesh as a society under the Societies Registration Act 1860 and operating as a non-government development organisation) as of December 31, 2002 and the related Statements of Income and Expenditure and Cash Flows for the year then ended. These financial statements, which are set out on pages 1 to 32, are the responsibility of BRAC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards adopted in Bangladesh. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRAC as of December 31, 2002 and the results of its operations and its cash flows for the year then ended in conformity with the accounting policies summarized in Note 2 of the financial statements.


ERNST & YOUNG
Chartered Accountants
Kuala Lumpur, Malaysia

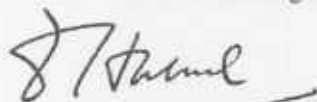

S. F. AHMED & CO
Chartered Accountants
Dhaka, Bangladesh

31 March, 2003

BRAC
 (Registered in Bangladesh under the Societies Registration Act, 1860)
Balance Sheet
 as at December 31, 2002

	Notes	2002 Taka	2001 Taka
ASSETS			
Property, plant and equipment	3	3,749,559,706	3,487,722,536
Investment in related undertakings	4	467,510,714	498,268,987
Investment in securities and others	5	314,474,853	85,897,901
Loans to Village Organisation members	6	8,599,032,470	7,711,317,218
Motor cycle loans		214,606,333	161,431,141
Inventories	7	791,174,834	916,591,320
Grants and accounts receivable	8	1,097,564,545	779,858,315
Advances, deposits and prepayments	9	600,005,624	482,171,503
Fixed deposits and PSPs	10	1,576,587,644	1,267,123,836
Cash in hand and at banks	11	375,703,955	458,593,865
TOTAL ASSETS		<u>17,786,220,678</u>	<u>15,848,976,622</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Deferred income	12	477,179,751	518,643,273
Term loans	13	3,725,747,360	3,251,646,323
VO members' savings deposits	14	4,983,956,968	4,304,996,584
Other long term liabilities	15	1,231,700,816	998,960,792
VO members' project and current account		40,888,528	52,424,285
Grants received in advance account	16	218,631,804	77,351,255
Other current liabilities	17	607,386,381	511,655,759
Provision for taxation		31,741,030	31,741,030
Bank overdrafts	18	284,557,455	355,996,810
Total liabilities		<u>11,601,790,093</u>	<u>10,103,416,111</u>
Net Assets:			
Capital fund			
- unrestricted		6,060,360,457	5,640,775,763
- temporarily restricted		124,070,128	104,784,748
		<u>6,184,430,585</u>	<u>5,745,560,511</u>
TOTAL LIABILITIES AND NET ASSETS		<u>17,786,220,678</u>	<u>15,848,976,622</u>

The annexed notes form an integral part of these statements.



Chairperson, Governing Body
 BRAC
 Dhaka, March 31, 2003



Executive Director
 BRAC

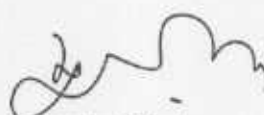
BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
for the year ended December 31, 2002

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2002 Taka
Income				
Donor grants	19	46,709,593	1,933,309,022	1,980,018,615
Revenue from:				
- Commercial projects		1,217,762,521	-	1,217,762,521
- Programme support enterprises		1,717,513,559	-	1,717,513,559
Service charge on loans to VO members		2,403,926,404	-	2,403,926,404
Investment income	20	136,150,718	2,521,939	138,672,657
Other income	21	98,780,890	42,474,115	141,255,005
Rental income from House property		89,356,811	-	89,356,811
Total income		5,710,200,496	1,978,305,076	7,688,505,572
Expenditure				
Commercial Projects		1,089,285,430	-	1,089,285,430
Program Support Enterprises		1,593,950,104	-	1,593,950,104
House property related expenses		76,173,241	-	76,173,241
Education Programme		13,581,259	1,176,417,937	1,189,999,196
Nutrition Programme		-	355,255,789	355,255,789
Health and Population Programme		4,880,925	128,996,941	133,877,866
Micro Finance Programme		2,156,961,769	126,000	2,157,087,769
Poultry Extension Programme		57,712,790	97,849,783	155,562,573
Fisheries Extension Programme		58,293,549	22,142,262	80,435,811
Agriculture Extension Programme		71,083,273	16,845,859	87,929,132
Sericulture and Silk Development Programme		61,490,980	-	61,490,980
Human Rights and Legal Education Programme		25,748,653	66,632,154	92,380,807
Rural Enterprise Development Programme		34,452,622	69,539,553	103,992,175
Training, Workshop and Seminars		34,515,054	7,876,853	42,391,907
Grant to BRAC Afghanistan		6,091,290	-	6,091,290
Research, Monitoring and Evaluation		6,394,863	17,336,565	23,731,428
Total expenses		5,290,615,802	1,959,019,696	7,249,635,498
Surplus of income over expenditure before taxation		419,584,694	19,285,380	438,870,074
Taxation	22	-	-	-
Net surplus for the year		419,584,694	19,285,380	438,870,074

The annexed notes form an integral part of this statement.



Chairperson, Governing Body
BRAC
Dhaka, March 31, 2003



Executive Director
BRAC

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
for the year ended December 31, 2001

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2001 Taka
Income				
Donor grants	19	50,745,399	1,485,106,528	1,535,851,927
Revenue from:				
- Commercial projects		1,135,225,461	-	1,135,225,461
- Programme support enterprises		1,568,593,864	-	1,568,593,864
Service charge on loans to VO members		2,195,038,399	-	2,195,038,399
Investment income	20	159,334,470	815,231	160,149,701
Other income	21	119,055,979	40,195,831	159,251,810
Rental income from House property		96,364,025	-	96,364,025
Total income		5,324,357,597	1,526,117,590	6,850,475,187
Expenditure				
Commercial Projects		1,029,150,649	-	1,029,150,649
Program Support Enterprises		1,380,256,787	-	1,380,256,787
House property related expenses		56,193,430	-	56,193,430
Education Programme		18,541,497	974,719,403	993,260,900
Nutrition Programme		-	289,959,610	289,959,610
Health and Population Programme		117,738,270	111,009,819	228,748,089
Micro Finance Programme		2,045,704,279	-	2,045,704,279
Relief and Rehabilitation Programme		148,722	23,754,164	23,902,886
Poultry Extension Programme		25,582,695	74,639,976	100,222,671
Fisheries Extension Programme		28,413,690	14,052,844	42,466,534
Agriculture Extension Programme		49,738,919	13,342,130	63,081,049
Sericulture and Silk Development Programme		27,793,497	-	27,793,497
Human Rights and Legal Education Programme		49,374,761	265,022	49,639,783
Rural Enterprise Development Programme		24,264,556	-	24,264,556
Training, Workshop and Seminars		37,791,565	18,110,616	55,902,181
Grant to BRAC University		50,000,000	-	50,000,000
Research, Monitoring and Evaluation		10,086,702	5,463,960	15,550,662
Total expenses		4,950,780,019	1,525,317,544	6,476,097,563
Surplus of income over expenditure before taxation		373,577,578	800,046	374,377,624
Taxation	22	-	-	-
Net surplus for the year		373,577,578	800,046	374,377,624

The annexed notes form an integral part of this statement.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Changes in Net Assets
for the year ended December 31, 2002

Note	Capital Fund		Total Net assets Taka
	Unrestricted	Temporarily restricted	
	Taka	Taka	
At 1 January 2001	5,225,886,788	145,296,099	5,371,182,887
Transfer following expiry of programmes	41,311,397	(41,311,397)	-
Net surplus for the year	<u>373,577,578</u>	<u>800,046</u>	<u>374,377,624</u>
At 31 December 2001	<u>5,640,775,763</u>	<u>104,784,748</u>	<u>5,745,560,511</u>
At 1 January 2002	5,640,775,763	104,784,748	5,745,560,511
Net surplus for the year	<u>419,584,694</u>	<u>19,285,380</u>	<u>438,870,074</u>
At 31 December 2002	<u>6,060,360,457</u>	<u>124,070,128</u>	<u>6,184,430,585</u>

The annexed notes form an integral part of this statement.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
for the year ended December 31, 2002

Note	2002 Taka	2001 Taka
Cash flows from operating activities:		
Surplus of income over expenditure before taxation	438,870,074	374,377,624
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Loan loss provision	312,707,454	250,194,734
Depreciation	231,924,142	212,593,432
Gain on disposal of property, plant and equipment	(769,260)	(6,163,450)
Share of reserves in related undertakings during the year	26,843,381	(23,338,890)
Donor grants - amortisation of investment in property, plant and equipment	(42,344,564)	(43,849,676)
Donor grants - amortisation of motorcycle replacement funds	(7,440,156)	(11,980,297)
Service charge on loans to VO members	(2,403,926,404)	(2,195,038,399)
Interest on fixed deposits and bank accounts	(142,158,761)	(123,931,418)
Interest on VO members saving deposits	262,409,326	214,455,838
Interest on long term loans and overdraft facilities	213,485,996	247,433,906
Adjustments for other accounts:		
Decrease in service charge outstanding on loans to VO members	12,830,686	33,224,915
Decrease/(Increase) in inventories	125,416,486	(113,518,885)
Increase in advances, deposits and prepayments	(117,834,121)	(162,492,217)
(Increase)/Decrease in accounts receivable, net	(133,256,491)	37,180,176
Decrease in other current liabilities	95,730,622	6,595,250
Decrease in other long term liabilities	232,740,024	157,035,973
Decrease in deferred income	8,321,198	10,356,443
Increase in motorcycle loans	(53,175,192)	(28,221,988)
Net cash used in operating activities	(939,625,560)	(1,165,086,929)
Cash flows from investing activities:		
Increase in loans to VO members	(1,213,253,392)	(683,774,245)
Service charge received on loans to VO members	2,403,926,404	2,195,038,399
Interest received on fixed deposits and bank accounts	142,158,761	123,931,418
Interest paid on VO members saving deposits	(262,409,326)	(214,455,838)
Interest paid on long term loans and overdraft facilities	(213,485,996)	(247,433,906)
Purchase of property, plant and equipment	(493,761,312)	(693,520,358)
Proceeds from disposal of property, plant and equipment	769,260	19,384,105
Increase in fixed deposits and PSPs	(309,463,808)	(89,219,415)
Increase in investments in related undertakings	(2,897,605)	(272,669,499)
Dividends received from related undertakings	6,812,497	4,374,983
Increase in investment in securities and others	(228,576,952)	(8,591,932)
Net cash (used in)/provided by investing activities	(170,181,469)	133,063,712

Statement of Cash Flows
for the year ended December 31, 2002

Cash flows from financing activities:

Grants received during the year		1,895,385,903	1,607,633,045
Grants utilised during the year for:			
- operational expenditure & micro-finance		(1,930,233,895)	(1,480,021,954)
- investment in property, plant and equipment		(6,067,223)	(5,898,798)
- motorcycle replacement funds		(2,253,975)	(4,457,645)
Increase in term loans		474,101,037	300,083,643
Increase in VO members savings deposits		678,960,384	754,623,316
Decrease in VO members project and current accounts		(11,535,757)	(20,628,147)
Net cash provided by financing activities		<u>1,098,356,474</u>	<u>1,151,333,460</u>
Net (decrease)/increase in cash and cash equivalents		(11,450,555)	119,310,243
Cash and cash equivalents, beginning of the year		<u>102,597,055</u>	<u>(16,713,188)</u>
Cash and cash equivalents, end of the year	11	<u>91,146,500</u>	<u>102,597,055</u>

The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Notes to Financial Statements
December 31, 2002

1 Introduction:

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

2 Summary of Significant Accounting Policies:

BRAC prepares its financial statements under the historical cost convention on a going concern basis. BRAC generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items. The financial statements are expressed in Bangladesh Taka.

The significant accounting policies 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 4 in which BRAC has equity interests through which it exercises control or significant influence. As stated in Note 2.2, 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 to certain organisation that, in some instances may bear names with resemblance to BRAC, vis BRAC University and BRAC Afghanistan. However, no equity is held in these entities, and BRAC's financial statements therefore do not include the financial statements 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 through 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 includes amongst others, amounts designated by BRAC for commercial activities, programme support enterprises and micro-financing activities.

2.2 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 2.9, together with related undertakings in which the effective equity interests are between 20% and 50%.

2.3 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 at fair value as liabilities in the 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. 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.

2. Summary of Significant Accounting Policies (contd.)

2.3 Donor Grants (contd.)

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 consequent 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.

2.4 Revenue Recognition

Commercial projects - Aarong Rural Craft Centre, BRAC Printers and BRAC Dairy and Food Project.

Programme Support Enterprises - mainly comprising poultry farms, feedmills, seedmills, prawn hatcheries.

Revenue is recognized based on billings, net of discounts and allowances.

Service charge on loans to VO members

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

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

Interest on bank accounts, fixed deposits, PSPs and debentures

Revenue is recognized as the interest accrues unless collectibility is in doubt.

Other income

All other income are recognized when BRAC's right to receive such income has been reasonably determined and all conditions precedent are satisfied.

2.5 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 5% to 10% of their costs, based on agreement with Donors or management's judgement.

2. Summary of Significant Accounting Policies (contd.)

2.6 Property, plant and equipment (formerly 'Fixed Assets')

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided for on a straight-line basis over the estimated useful lives at the following annual rates:

<u>Item</u>	<u>Annual Depreciation Rate (%)</u>
Buildings	2.5 – 4
Furniture & Fixtures	10
Equipment	15
Vehicles	20
Bicycles	20
Machinery	20
Deep tube wells and tanks	20
Hatcheries	20
Motorcycles	20
Camp/Poultry/Livestock sheds	20
Crates/Mannequins/Samples	33.33

No depreciation is charged on freehold land and construction work-in-progress.

2.7 Loans to VO Members

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

2.8 Provision for Loan Losses

BRAC provides for loan losses based on 2% of loan disbursements made. Non-performing loans are monitored and service charges are not recorded. Such loans are written off against the loan loss provision when recovery is unlikely. Management regularly assesses the adequacy of the loan loss provision based on the age of the loan portfolio. Any collections received from loans previously written off are credited to the statement of income and expenditure.

2.9 Investment in Related Undertakings

Related undertakings refer to separately-established undertakings in which BRAC has effective equity interests of more than 20%. Details of these undertakings are disclosed in Note 4.

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.

2. Summary of Significant Accounting Policies (contd.)

2.10 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.

2.11 Accounts Receivable

Accounts receivable arise principally from BRAC's commercial activities and programme support enterprises, and are stated net of provision for doubtful debts.

2.12 Inventories

Retail inventories are stated at cost based on selling price less average mark-up, and other inventories are stated at cost. Provision is made for obsolete or slow moving items, to reduce their carrying amounts to net realizable value.

2.13 Motorcycle Replacement Fund

Applicable donor funds are utilized for providing motorcycles to project staff, and these funds are held in a replacement fund. BRAC provides motorcycles to staff, the cost of which 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 5 years, being the average estimated useful life of the motorcycles.

2.14 Foreign Currency Translations

BRAC maintains its books of account in Bangladesh Taka. Transactions in foreign currencies are translated into Taka at the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Bangladesh Taka at exchange rates prevailing at that date and any gain or loss is recognized in the statement of income and expenditure. BRAC's foreign currency denominated monetary assets and liabilities are outlined in Note 23 below.

2. Summary of Significant Accounting Policies (contd.)

2.15 Self - Insurance Funds

BRAC has created a self-insurance fund to cover the risk 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' (Note 15) and is not externally funded.

BRAC also sets aside monthly amounts equivalent to 3% 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 within 'Other long term liabilities' (Note 15) 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 immediately following financial periods have been determined based on actuarial valuations carried out in 2001 in respect of the funds, and are disclosed in Note 15 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 these funds.

2.16 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' (Note 15), 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 immediately following financial periods have been determined based on actuarial valuation carried out in 2001, and are disclosed in Note 15 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.

2.17 Deferred Taxation

Deferred taxation is provided for, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred taxation benefits are only recognised when their realisation is probable.

2. Summary of Significant Accounting Policies (contd.)

2.18 Borrowing Costs

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.

2.19 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the statement of cash flows comprise cash and bank balances, against which 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.

3. Property, plant and equipment

Group of fixed assets	Cost					Depreciation				Net book value 31-12-2002 Taka	Net book value 31-12-2001 Taka
	Opening balance Taka	Additions during the year Taka	Transferred during the year Taka	Disposals during the year Taka	Closing balance Taka	Opening balance Taka	Charged during the year Taka	Adjustment for disposals/transfer during the year Taka	Closing balance Taka		
Freehold land	1,290,754,198	82,988,089	-	-	1,373,742,287	-	-	-	-	1,373,742,287	1,290,754,198
Buildings	1,633,101,624	-	183,707,332	-	1,816,808,956	266,323,429	58,431,157	-	324,754,586	1,492,054,370	1,366,778,195
Furniture and fixtures	294,342,392	25,416,154	-	-	319,758,546	166,242,587	29,603,142	-	195,845,729	123,912,817	128,099,805
Equipment	665,675,975	84,852,886	-	-	750,528,861	334,323,703	93,696,479	-	428,020,182	322,508,679	331,352,272
Vehicles	190,987,001	10,351,364	-	(2,819,000)	198,519,365	148,425,885	17,901,649	(2,819,000)	163,508,534	35,010,831	42,561,116
Bicycles	12,157,362	1,729,083	-	-	13,886,445	9,273,136	1,029,224	-	10,302,360	3,584,085	2,884,226
Machinery	272,933,862	8,840,485	-	-	281,774,347	125,535,740	24,896,167	-	150,431,907	131,342,440	147,398,122
Deep tubewell and tank	4,841,263	3,010,193	-	-	7,851,456	3,431,462	694,551	-	4,126,013	3,725,443	1,409,801
Hatchery	2,144,779	2,078,025	-	-	4,222,804	1,216,355	110,091	-	1,326,446	2,896,358	928,424
Camp/poultry/livestock sheds	105,012,472	38,476,782	-	-	143,489,254	5,382,857	2,661,428	-	8,044,285	135,444,969	99,629,615
Motorcycles	1,863,784	259,827	-	-	2,123,611	1,078,260	177,264	-	1,255,524	868,087	785,524
Construction work in progress	67,238,865	221,644,742	(183,707,332)	-	105,176,275	-	-	-	-	105,176,275	67,238,865
Crates/mannequins/samples	39,398,403	14,113,682	-	-	53,512,085	31,496,030	2,722,990	-	34,219,020	19,293,065	7,902,373
Total 2002	4,580,451,980	493,761,312	-	(2,819,000)	5,071,394,292	1,092,729,444	231,924,142	(2,819,000)	1,321,834,586	3,749,559,706	3,487,722,536
Total 2001	3,900,152,277	693,520,358	-	(13,220,655)	4,580,451,980	880,136,012	212,593,432	-	1,092,729,444	3,487,722,536	

Allocation of depreciation:

i) included in cost of sales of commercial projects	Note 26	2002 Taka	2001 Taka
ii) reflected in programme related expenses	Note 26	6,482,931	6,934,210
		225,441,211	205,659,222
		<u>231,924,142</u>	<u>212,593,432</u>

An amount of TK.42,344,564 (2001: Tk.43,849,676) 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 12 & 19

Landed properties with an aggregate net book value of Tk.648,695,160 (2001: Tk. 396,769,679) have been pledged to secure term loans and overdraft facilities as disclosed in Notes 13 and 18 to the financial statements.

4. Investment in related undertakings

Related undertakings- unquoted	2002				
	Shares Taka	Deposit for shares Taka	Share of Reserves Taka	Loans Taka	Total Taka
BRAC Bank Ltd.	249,940,000	-	(39,361,933)	-	210,578,067
BRAC Industries Ltd.	24,999,900	-	1,877,690	-	26,877,590
BRAC BD Mail Network	9,250,000	-	(519,714)	-	8,730,286
BRAC Renata Argo Industries Ltd.	21,420,000	-	12,062,329	17,000,000	50,482,329
BRAC Services Ltd.	10,000,000	-	(23,799,256)	24,754,463	10,955,207
BRAC Concord Lands Ltd.	60,000,000	-	(4,915,020)	9,600,221	64,685,201
Delta BRAC Housing Finance Corp. Ltd.	50,000,000	-	32,209,293	-	82,209,293
Bangladesh Netting Factory	17,071,429	-	(5,098,052)	1,019,364	12,992,741
	<u>442,681,329</u>	<u>-</u>	<u>(27,544,663)</u>	<u>52,374,048</u>	<u>467,510,714</u>

Related undertakings- unquoted	2001				
	Shares Taka	Deposit for shares Taka	Share of Reserves Taka	Loans Taka	Total Taka
BRAC Bank Ltd.	249,940,000	-	(1,506,696)	-	248,433,304
BRAC Industries Ltd.	24,999,900	-	848,216	-	25,848,116
BRAC BD Mail Network	9,250,000	-	(847,748)	-	8,402,252
BRAC Renata Argo Industries Ltd.	21,420,000	-	3,525,098	17,632,320	42,577,418
BRAC Services Ltd.	-	10,000,000	(20,340,880)	24,692,038	14,351,158
BRAC Concord Lands Ltd.	-	60,000,000	-	24,223,514	84,223,514
Delta BRAC Housing Finance Corp. Ltd.	50,000,000	-	24,433,225	-	74,433,225
	<u>355,609,900</u>	<u>70,000,000</u>	<u>6,111,215</u>	<u>66,547,872</u>	<u>498,268,987</u>

Related undertakings	2002 %	2001 %	Principal activities
BRAC Bank Ltd. (Incorporated in Bangladesh)	99.9	99.9	Banking business
BRAC Industries Ltd. (Incorporated in Bangladesh)	99.9	99.9	Cold storage
BRAC BD Mail Network Ltd. (Incorporated in Bangladesh)	98.0	98.0	Internet service provider
BRAC Renata Agro Industries Ltd. (Incorporated in Bangladesh)	51.0	51.0	Poultry farm
BRAC Services Ltd. (Incorporated in Bangladesh)	100	100	Hospitality
BRAC Concord Lands Ltd. (Incorporated in Bangladesh)	50.0	50.0	Land and housing
Delta BRAC Housing Finance Corp. Ltd. (Incorporated in Bangladesh)	25.0	25.0	Housing finance
Bangladesh Netting Factory (Incorporated in Bangladesh)	94.0	-	Poultry processing

BRAC's investments in the related undertakings are represented by its share in the respective net tangible assets, and loan extended. Loans represent finance provided for working capital and earn 12% - 20% (2001: 12% - 20%) interest per annum. These loans have no fixed repayment terms.

Included in share of reserves in 2002 is a non-distributable portion amounting to Tk 15,488,734 (2001: Tk 10,349,875).

5. Investment in securities and others

	2002 Taka	2001 Taka
Original cost of shares in companies listed in Bangladesh	9,765,706	9,765,706
Provision for permanent diminution in value	(3,055,137)	(3,867,805)
	6,710,569	5,897,901
Debentures	307,764,284	80,000,000
	314,474,853	85,897,901
Market value of shares in companies listed in Bangladesh	6,710,569	5,897,901

Debentures amounting to Tk. 50,000,000 have been pledged as securities for borrowing facilities from BRAC Bank Ltd., which have not been utilised as at the end of the financial year. The debentures earned interest at 11.5% - 13.50% (2001: 11.5% - 13.50%) per annum during the year.

6. Loans to Village Organisation members

	Principal outstanding Taka	Service charge receivable Taka	Loan loss provision Taka	Total Taka
At January 1, 2002	8,255,412,528	90,143,610	(634,238,920)	7,711,317,218
Additions	17,065,904,000	2,403,926,404	(312,707,454)	19,157,122,950
Realisation	(15,852,650,608)	(2,383,193,121)	-	(18,235,843,729)
Write-off	(295,189,193)	(33,563,969)	295,189,193	(33,563,969)
At December 31, 2002	9,173,476,727	77,312,924	(651,757,181)	8,599,032,470

Loans to VO members bear annual service charges as follows:

Micro-credit	15% per annum on loan disbursed
Housing loans	10% per annum on loan disbursed

Repayments are made in weekly/monthly instalments.

6. Loans to Village Organisation members (contd.)

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

Loan Classification	Days in Arrears	Loan Principal 2002 Taka	Loan loss Provision 2002 Taka	Loan Principal 2001 Taka	Loan loss Provision 2001 Taka
Standard	Current (no arrears)	8,485,159,775	169,703,190	7,326,300,528	146,526,020
Watchlist	1 - 30	64,025,820	3,201,291	127,448,000	6,372,400
Substandard	31 - 180	99,730,126	19,946,025	345,420,000	69,084,000
Doubtful	181 - 350	262,617,323	196,962,992	175,950,000	131,962,500
Loss	Over 350	261,943,683	261,943,683	280,294,000	280,294,000
		<u>9,173,476,727</u>	<u>651,757,181</u>	<u>8,255,412,528</u>	<u>634,238,920</u>

7. Inventories

	2002 Taka	2001 Taka
Seeds and feeds	228,942,579	385,649,323
Medical supplies and consumables	46,554,555	50,507,777
Printing and stationery	109,657,673	73,261,602
Handicraft goods	259,715,990	197,657,374
Dairy products	42,228,037	31,709,781
Programme materials	104,076,000	177,805,463
	<u>791,174,834</u>	<u>916,591,320</u>

8. Grants and accounts receivable

Grants receivable (Note 16)	427,380,049	242,930,310
Interest receivable on fixed deposits and PSPs	106,373,784	184,811,311
Other accounts receivable	573,611,510	364,730,436
	<u>1,107,365,343</u>	<u>792,472,057</u>
Provision for doubtful debts	(9,800,798)	(12,613,742)
	<u>1,097,564,545</u>	<u>779,858,315</u>

Included in interest receivable on fixed deposits and PSPs is Tk. 50,020,847 (2001: Tk. 17,469,157) receivable after 12 months.

9. Advances, deposits and prepayments

	2002 Taka	2001 Taka
Advances:		
Employees	33,626,689	38,596,197
Suppliers	444,445,796	320,731,774
Advance for tax	73,686,987	62,043,545
	<u>551,759,472</u>	<u>421,371,516</u>
Deposits for facilities and utilities	15,195,857	16,587,714
Prepayments	33,050,295	44,212,273
	<u>600,005,624</u>	<u>482,171,503</u>

10. Fixed deposits and PSPs

	2002 Taka	2001 Taka
Fixed deposits	1,576,587,644	1,167,123,836
* Patirakhya Sanchya Patras (PSPs)	-	100,000,000
	<u>1,576,587,644</u>	<u>1,267,123,836</u>

* PSPs are Defence Savings Certificates issued by the Government of Bangladesh.

Fixed deposits amounting in aggregate to Tk.1,263,976,960 (2001: Tk.649,145,543) have been pledged to secure term loan and overdraft facilities as disclosed in Notes 13 and 18.

11. Cash in hand and at banks

	2002 Taka	2001 Taka
Cash in hand	41,449,315	28,255,674
Cash at banks	334,254,640	430,338,191
	<u>375,703,955</u>	<u>458,593,865</u>

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	375,703,955	458,593,865
Bank overdrafts (Note 18)	(284,557,455)	(355,996,810)
	<u>91,146,500</u>	<u>102,597,055</u>

12. Deferred income

	Note	Investment in Fixed Assets Taka	Motorcycle Replacement Fund Taka	Total Taka
At 1 January 2002		506,153,059	12,490,214	518,643,273
Transferred from				
Grants received in advance	16	6,067,223	2,253,975	8,321,198
Amortisation to Statement of Income and Expenditure	19	(42,344,564)	(7,440,156)	(49,784,720)
At 31 December 2002		<u>469,875,718</u>	<u>7,304,033</u>	<u>477,179,751</u>

13. Term loans

	Note	2002 Taka	2001 Taka
Government of Bangladesh	(a)	56,747,022	62,897,925
Palli Karma Shahayak Foundation (PKSF)	(b)	2,636,499,992	2,414,500,000
* Bangladesh Krishi Bank (BKB)	(c)	62,544,100	73,936,200
* Standard Chartered Bank	(d)	600,000,000	250,000,000
* Agrani Bank	(e)	72,000,000	125,000,000
BASIC Bank Ltd	(f)	20,150,000	22,400,000
* The Trust Bank Ltd	(g)	32,806,246	32,806,246
Sonali Bank	(h)	125,000,000	200,000,000
* Pubali Bank Ltd	(i)	120,000,000	-
Credit Agricole Indosuez		-	60,000,000
Unibank		-	10,105,952
		<u>3,725,747,360</u>	<u>3,251,646,323</u>

Term Loans are analysed as follows:

Amount repayable within 12 months	1,286,889,813	528,748,450
Amount repayable after 12 months	2,438,857,547	2,722,897,873
	<u>3,725,747,360</u>	<u>3,251,646,323</u>

* Secured by fixed deposits amounting to Tk.1,135,676,960 (2001: Tk. 348,583,043) and properties amounting in aggregate to Tk.268,495,160 (2001: Tk.114,341,573)

- (a) (i) Loan from the Government of Bangladesh of Tk. 32,810,000 is interest-free, and will be repaid until the completion of Poultry for Nutrition program expected to be beyond 2005.
- (a) (ii) Loan from the Government of Bangladesh of Tk. 36,000,000 was obtained to disburse among VO members as housing loans, and bears interest at 1% per annum. The loan is repayable in equal half yearly instalment in five years, starting from August 2000.
- (b) (i) Loan from PKSF of Tk.2,287,500,000 was obtained to support the credit program and bears service charge at 5% - 7% (2001: 5%) per annum. Each drawdown is repayable in ten equal half-yearly instalments.
- (b) (ii) Loan from PKSF of Tk.127,000,000 was obtained to support the Participatory Livestock Development Program and bears service charge 6.25% (2001: 6.25%) per annum. Each drawdown is repayable in ten equal quarterly instalments.
- (c) Loan from BKB bears interest at 8% (2001: 8%) per annum and is repayable in twenty equal half- yearly instalments, starting from January 01, 1998 and ending on July 01, 2007.
- (d) Loan from Standard Chartered Bank bears interest at 10% (2001: 9.5%) per annum and is to be fully repaid within 120 days from drawdown on November 24, 2002.

13. Term loans (contd.)

- (e) Loan from Agrani Bank bears interest at 9.5% (2001: 9.5%) per annum and is repayable in 9 equal half yearly instalments, starting from December 2000.
- (f) Loan from Bank of Small Industries and Commerce Bangladesh Ltd (BASIC Bank) bears interest at 12% (2001: 12%) per annum and is repayable in 60 equal monthly instalments, commencing after 12 months from the date of creation (creation June 12, 2001).
- (g) Loan from The Trust Bank Limited bears interest at 12% (2001: 12%) per annum and is repayable in 36 equal monthly instalments, starting from July 2003.
- (h) Loan from Sonali Bank bears interest at 10% (2001: 10%) per annum and is repayable in quarterly instalments with accrued interest within 3 years including 1 year moratorium at the beginning, starting from October 31, 2001
- (i) Loan from Pubali bank Ltd. bears interest at 11% per annum and is repayable on October 31, 2003.

14. VO members' savings deposits

	2002 Taka	2001 Taka
Opening balance	4,304,996,584	3,550,373,268
Deposits for the year	2,975,123,992	2,281,017,934
Withdrawals during the year	(2,296,163,608)	(1,526,394,618)
Closing balance	4,983,956,968	4,304,996,584

The average rate of interest paid in respect of savings deposits by VO members was 6% (2001: 6%) per annum.

15. Other long term liabilities

	2002 Taka	2001 Taka
Employee gratuity and redundancy fund	971,624,064	812,579,601
Self-insurance fund		
- Employees	64,133,309	67,623,198
- BRAC properties and motorcycles	75,701,920	32,407,657
	139,835,229	100,030,855
Other funds		
- Special fund for scholarship	3,187,949	2,734,900
- Flood rehabilitation fund	50,714,290	50,810,875
- Emergency fund	66,339,284	32,804,561
	1,231,700,816	998,960,792

15. Other long term liabilities (contd.)

An actuarial valuation of the self-insurance fund for employees was performed by an independent professional actuary in 2001. Based on the valuation, there was an excess provision of Tk 39,902,000. The principal assumptions applied in the actuarial valuation included official mortality rates in Bangladesh and an interest rate of 8%, which is the average long-term rate of interest expected to be applicable. In 2002, the excess provision has been considered in determining of the required provision for the year in respect of this fund of Tk 24,582,614, and accordingly, no further provision has been made. The resultant excess provision of Tk15,319,386 will be considered in determining future provisions.

An actuarial valuation of the employee gratuity and redundancy was performed by an independent professional actuary in 2001. Based on the valuation, there was an excess provision of Tk 12,705,000. The principal assumptions applied in the actuarial valuation were similar to those applied for the self-insurance fund for employees, and additionally a rate of salary increase of 7% per annum. In 2002, the excess provision has been considered in determining the required provision for the year in respect of this fund, and accordingly the required provision for the year of Tk189,985,495 has been reduced by this amount.

BRAC also commissioned an investigation report on the properties and motorcycles self-insurance fund by an independent professional actuary in 2001. Until 2001, the fund was only in respect of properties held within the Dhaka City Corporation area and motorcycles outside the area, calculated based on insurance premium rates that would be applicable for the properties concerned. However, the investigation report also addressed BRAC's intention to extend its self-insurance fund to cover its properties outside the Dhaka City Corporation area. The investigation report set out a recommendation that to meet this intention, a provision of Tk 200,000,000 would be required. BRAC intends to accrete its properties and motorcycle self-insurance fund provision to attain the recommended Tk 200,000,000 over a period of six years commencing 2002, subject to further periodic reviews. Accordingly, in 2002, Tk33,333,333 million has been accreted to this fund to meet this purpose in addition to the required provision for the year.

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

The Flood rehabilitation fund represents recoveries from prior disbursements of grants for flood rehabilitation, and is held as a provision.

The Emergency fund represents receipts from service charges from prior disbursements of grants under the donor funded Micro-credit Rehabilitation Project to assist micro-credit borrowers in the event of natural disasters such as floods, typhoons and cyclones. The fund is represented by a specific bank balance from which interest is added to the fund.

16. Grants received in advance account

	Note	2002 Taka	2001 Taka
At 1 January	8	77,351,255	18,189,531
Receivables as at 1 January		(242,930,310)	(301,023,234)
		<u>(165,579,055)</u>	<u>(282,833,703)</u>
Donations received	24	1,895,385,903	1,607,633,045
Transferred from / (to) deferred income:			
- Investment in fixed assets	12	(6,067,223)	(5,898,798)
- Motorcycle replacement fund	12	(2,253,975)	(4,457,645)
Transfer to Statement of Income and Expenditure for expenditure during the year	19	(1,930,233,895)	(1,480,021,954)
		<u>(208,748,245)</u>	<u>(165,579,055)</u>
Receivables as at 31 December	8	427,380,049	242,930,310
At 31 December		<u>218,631,804</u>	<u>77,351,255</u>

17. Other current liabilities

Liabilities for expenses	285,522,772	297,914,168
Liabilities for goods	114,092,372	55,437,921
Advances received for training, publications, supplies etc.	207,771,237	158,303,670
	<u>607,386,381</u>	<u>511,655,759</u>

18. Bank overdrafts

Pubali Bank Ltd	284,557,455	193,422,781
Credit Agricole Indosuez	-	5,427,492
American Express Bank	-	142,004,366
Standard Chartered Bank	-	15,142,171
	<u>284,557,455</u>	<u>355,996,810</u>

The bank overdraft from Pubali Bank Ltd was obtained for BRAC's micro-finance program, bears interest at 12% (2001: 12%) per annum, and is repayable on or before April 30, 2003. The overdraft is secured by fixed deposits amounting in aggregate to Tk. 128,300,000 (2001: Tk. 300,562,500) and by pledge of properties with a book value of Tk. 380,200,000 (2001: Tk. 282,428,106).

19. Donor grants

	Note	2002 Taka	2001 Taka
Transferred from grants received in advance	16	1,930,233,895	1,480,021,954
Transferred from deferred income:			
(a) amortisation of investment in fixed assets			
- unrestricted		40,322,418	39,565,148
- temporarily restricted		2,022,146	4,284,528
	12	42,344,564	43,849,676
(b) amortisation of motorcycle replacement fund			
- unrestricted		6,387,175	11,180,251
- temporarily restricted		1,052,981	800,046
	12	7,440,156	11,980,297
		<u>1,980,018,615</u>	<u>1,535,851,927</u>

20 Investment income

Interest on bank accounts, fixed deposits and PSPs	142,158,761	123,931,418
Share of profits less losses in related undertakings	(26,843,381)	23,338,890
Debenture interest	20,814,337	11,251,856
Others	2,542,940	1,627,537
	<u>138,672,657</u>	<u>160,149,701</u>

21. Other income

Sectoral income	-	11,908,622
Gain on disposal of assets	769,260	6,163,450
Partial reimbursements on cost of educational supplies	38,907,836	32,019,066
Training income	58,701,898	37,158,024
Sales revenue from Gonokendra Journal	1,263,525	312,530
Sales revenue from Printing and Publication	8,648,444	2,015,254
Interest received on loans and advances	16,085,207	34,913,131
Foreign exchange gain - unrealised	2,266,580	17,482,050
Others	14,612,255	17,279,683
	<u>141,255,005</u>	<u>159,251,810</u>

22 Taxation

2002 Taka	2001 Taka
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Income taxation charge for the year

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

There is no taxable income in respect of BRAC's taxable activities in 2002. As at 31 December 2002, BRAC has approximately Tk 118 million (2001: Tk 81 million) tax losses arising from these activities, of which Tk37 million (2001: Tk81 million) can be carried forward for a maximum period of 6 years to set-off against any future taxable income within this period, subject to the agreement of the tax authorities.

23. Foreign currency denominated monetary assets and liabilities :

2002 Taka	2001 Taka
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Residence Foreign Currency Deposits (in US\$)

274,492,291 316,803,777

Cash at bank (in US\$)

150,445 373,730

Term loan from Unibank for BRAC Dairy and Food Project
(in US\$)

- 10,105,952

24 Schedule of donations received

Name of the projects	Donor	2002 Taka	2001 Taka
Reproductive Health and Disease Control	DFID	-	48,877,500
		-	48,877,500
Rural Service Delivery Component of National Integrated Population and Health Programme	Pathfinder International	-	27,191,725
Community Based Fisheries Management Project	ICLARM	7,194,099	-
National Nutrition Project (NNP)	GOB	261,121,990	283,360,721
Arsenic Mitigation	UNICEF	15,605,074	14,676,316
Flood Relief and Rehabilitation Programme	DFID	-	5,829,922
	DANIDA	-	18,000,000
		-	23,829,922
Forth Fisheries Programme	GOB/DFID	9,950,081	5,241,525
Gender Training	UNICEF	519,000	-
Education for Under Aged Garment Workers	UNICEF	338,017	3,671,727
Implementation of Guidelines for Compensating Erosion Flood Affected Persons	GOB	-	204,682
BRAC Education Program (NFPE Phase III)	UNICEF	1,454,832	86,341,447
	DGIS	181,121,749	175,400,000
	NOVIB	40,404,590	34,918,387
	DFID	259,190,000	239,553,800
	AKF/CIDA	345,626,045	84,761,631
	EC	218,346,606	359,791,027
	Others	178,880	132,841
		1,046,322,702	980,899,133
Challenging the Frontiers and Poverty Reduction	NOVIB	20,364,300	18,519,164
	DFID	211,155,000	
	CIDA	55,840,828	
	EC	149,119,910	
		436,480,038	18,519,164
Implementation of Resettlement Action Plan (Mohakhali Flyover)	GOB	2,006,500	-
Adult Literacy Programme	GOB	1,916,622	792,706
Basic Education for Hard to Reach Urban Working Children	GOB	-	1,458,000
Early Childhood Development Project	UNICEF	1,761,765	-

24 Schedule of donations received (contd.)

Name of the projects	Donor	2002 Taka	2001 Taka
Char Development Programme	DGIS	8,540,999	10,659,469
Strategies to Improve the Proportion of Deliveries with Skill Attendants	Aberdeen University	235,999	681,867
Community Health Program under Public Private Partnership	British Council	367,472	-
Participatory Livestock Development Programme	DANIDA	-	14,269,620
Homestead Poultry as the Means of Generating Earnings for and Improving Nutritional Status of the Poor Households of the Selected Thana (Poultry for Nutrition)	GOB	1,313,769	2,266,000
BRAC Limb and Brace Centre (BLBC)	Jaipur Limb Centre	2,672,767	2,776,437
	International Red Crescent Society	2,136,515	-
		4,809,282	2,776,437
Popular Theater	AusAID	-	1,227,040
Strengthening BRAC Staff Capacity	Rockfeler Foundation	-	13,457,500
International Network of Alternative Financial Inst. (INAFI)	NOVIB	3,832,073	8,948,546
Adolescent Peer Organised Network (APON)	UNICEF	12,574,144	6,282,500
Global Nutrition Program	Upsala University	-	1,126,103
Management Training of NNP Managers	GOB	-	311,649
Atta Fortification Program	WFP	1,537,000	565,000
Sundarban Biodiversity Conservation Project	GOB	3,758,660	2,110,820
Training of Shasthya Sebika and Program Organisers	NOVIB	-	1,826,011
Identification of Gaps and Needed Interventions to Promote Health Equity in Rural Bangladesh	Indepth Network	-	953,438
Kangaroo Mother Care to Prevent Neonatal and Infant Mortality Project	Population Council	363,293	486,691
Thematic Workshop on Microfinance	Imp-Act	91,092	508,002
Income Generating Vulnerable Group Dev. Program (Transferred from Term Loan - Govt. of Bangladesh)	GOB	-	129,250,000
Micro Health Insurance Program for Rural Poor	ILO	3,787,074	-
Northwest Crops Diversification Project	GOB	3,898,125	-
Newborn Care initiatives	Save the Children	3,243,130	-
Northwest Microfinance Expansion Project	AusAID	40,062,312	-
Primary Health Care for Later Life	EC	4,752,095	-
Reproductive Health Service Program	GOB	2,980,000	-
Routine Maintainance	GOB	739,500	-
School Feeding Program	Land O' Lakes	1,853,572	-
Pilot Program on Skill Training for Employment of Retrenched Garment Worker	AusAID	933,086	-
WFCL Program in Haragachi	ILO	7,907,448	-
An Anthrophology Study on	WHO	733,892	-
Reproductive Health of Married Adolescents			-
Gender Barriers to TB Control Program	WHO	1,584,814	-
National Survey Program	UNICEF	2,271,184	-
MNT Campaygn	Save the Children	-	1,203,231
Total Received		1,895,385,903	1,607,633,045

15. Segmental financial information

	Unrestricted								Temporarily restricted	Total 2002	
	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted		Development Projects
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Balance Sheet as at December 31, 2002											
Assets											
Property, plant and equipment	39,502,443	22,233,174	181,423,343	679,114,357	8,569,245	1,385,235,328	1,140,552,886	258,630,520	3,715,261,296	34,298,410	3,749,559,706
Investment in related undertakings	-	-	-	-	-	-	467,510,714	-	467,510,714	-	467,510,714
Investment in securities and others	-	-	-	-	-	-	314,474,853	-	314,474,853	-	314,474,853
Loans to Village Organisation members	-	-	-	-	-	8,579,909,314	-	-	8,579,909,314	19,123,156	8,599,032,470
Motor cycle loans	-	-	907,081	9,700,832	2,322,853	133,736,079	12,991,293	-	159,658,138	54,948,195	214,606,333
Inventories	259,715,990	22,571,343	45,892,212	222,834,756	15,938,732	18,239,374	168,731,288	-	753,923,695	37,251,139	791,174,834
Grants and accounts receivable	11,605,673	37,952,213	10,579,624	335,630,494	16,283,528	122,322,705	123,026,559	10,717,767	668,118,563	429,445,982	1,097,564,545
Advances, deposits and prepayments	92,616,738	5,558,697	31,153,032	164,007,526	7,072,433	32,208,993	196,252,560	5,882,498	534,752,477	65,253,147	600,005,624
Term loan -internal	(68,569,841)	(61,074,353)	-	-	-	24,713,832	102,025,826	-	(2,904,536)	2,904,536	-
Fixed deposits and PSPs	-	-	-	-	-	1,388,785,800	187,801,844	-	1,576,587,644	-	1,576,587,644
Cash in hand and at banks	29,265,056	7,629,313	(140,278,730)	(610,180,734)	(24,753,100)	803,971,705	398,744,165	141,173,206	605,570,881	(229,866,926)	375,703,955
Total Assets	364,136,059	34,870,387	129,676,562	801,107,231	25,433,691	12,489,123,130	3,112,111,988	416,403,991	17,372,863,039	413,357,639	17,786,220,678
Liabilities and Net Assets											
Liabilities:											
Deferred income	-	-	-	-	-	2,640,058	461,192,945	-	463,833,003	13,346,748	477,179,751
Term loans	120,000,000	-	-	352,956,247	-	3,252,791,113	-	-	3,725,747,360	-	3,725,747,360
VO members' savings deposits	-	-	-	-	-	4,983,956,968	-	-	4,983,956,968	-	4,983,956,968
Other long term liabilities	39,111,627	13,817,082	-	-	-	66,339,284	1,112,432,823	-	1,231,700,816	-	1,231,700,816
Vo members project and current account	-	-	-	-	-	30,576,742	-	-	30,576,742	10,311,786	40,888,528
Grants received in advance account	-	-	-	-	-	-	-	-	-	218,631,804	218,631,804
Other current liabilities	41,902,436	8,938,081	39,139,699	57,686,112	7,662,820	241,054,682	158,616,652	4,488,726	560,389,208	46,997,173	607,386,381
Provision for taxation	-	-	-	-	-	-	31,741,030	-	31,741,030	-	31,741,030
Bank overdrafts	-	-	-	-	-	-	284,557,455	-	284,557,455	-	284,557,455
Total Liabilities	201,014,063	22,755,163	39,139,699	410,642,359	7,662,820	8,578,258,847	2,048,540,905	4,488,726	11,312,502,582	289,287,511	11,601,790,093
Net assets -Capital fund	163,121,996	12,115,224	90,536,863	390,464,872	17,770,871	3,910,864,283	1,063,571,083	411,915,265	6,060,360,457	124,070,128	6,184,430,585
Total Liabilities and Net assets	364,136,059	34,870,387	129,676,562	801,107,231	25,433,691	12,489,123,130	3,112,111,988	416,403,991	17,372,863,039	413,357,639	17,786,220,678

25. Segmental financial information (contd.)

	Unrestricted								Temporarily restricted	Total 2001	
	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted		Development Projects
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Balance Sheet as at December 31, 2001											
Assets											
Property, plant and equipment	23,237,548	19,383,304	197,890,934	635,310,994	4,099,398	998,821,574	1,286,045,916	293,632,719	3,458,422,387	29,300,149	3,487,722,536
Investment in related undertakings	-	-	-	-	-	-	498,268,987	-	498,268,987	-	498,268,987
Investment in securities and others	-	-	-	-	-	-	85,897,901	-	85,897,901	-	85,897,901
Loans to Village Organisation members	-	-	-	-	-	7,711,317,218	-	-	7,711,317,218	-	7,711,317,218
Motor cycle loans	-	-	728,746	3,355,893	972,398	114,336,643	14,139,233	-	135,532,913	25,898,228	161,431,141
Inventories	197,657,374	28,405,271	31,138,425	427,107,238	44,258,992	12,833,370	175,014,938	-	916,415,608	175,712	916,591,320
Grants and accounts receivable	29,311,824	43,648,352	6,613,912	235,298,340	10,048,621	184,531,343	33,499,934	2,975,479	536,928,005	242,930,310	779,858,315
Advances, deposits and prepayments	21,475,335	14,143,387	14,499,451	89,168,444	2,294,827	85,337,734	242,434,561	4,625,909	473,979,648	8,191,855	482,171,503
Term loan -internal	(183,131,885)	(79,354,074)	-	-	-	-	262,485,959	-	-	-	-
Fixed deposits and PSPs	-	-	-	-	-	1,088,785,800	178,338,036	-	1,267,123,836	-	1,267,123,836
Cash in hand and at banks	27,228,299	2,026,694	(157,076,181)	(842,937,160)	(41,988,894)	1,108,313,509	373,663,811	50,043,313	519,273,391	(60,679,526)	458,593,865
Total Assets	106,778,495	28,252,934	93,795,287	549,303,949	19,685,342	11,304,277,191	3,149,789,276	351,277,420	15,603,159,894	245,816,728	15,848,976,622
Liabilities and Net Assets											
Liabilities:											
Deferred income	-	-	-	-	-	-	510,542,594	-	510,542,594	8,100,679	518,643,273
Term loans	-	-	10,105,952	55,206,247	-	3,186,334,124	-	-	3,251,646,323	-	3,251,646,323
VO members' savings deposits	-	-	-	-	-	4,304,996,584	-	-	4,304,996,584	-	4,304,996,584
Other long term liabilities	-	12,103,635	-	-	-	-	954,052,596	-	966,156,231	32,804,561	998,960,792
Vo members project and current account	-	-	-	-	-	40,273,220	-	-	40,273,220	12,151,065	52,424,285
Grants received in advance account	-	-	-	-	-	-	-	-	-	77,351,255	77,351,255
Other current liabilities	38,905,262	4,034,075	12,511,693	15,539,837	1,951,742	243,509,230	175,632,256	8,948,044	501,031,339	10,624,420	511,655,759
Provision for taxation	-	-	-	-	-	-	31,741,030	-	31,741,030	-	31,741,030
Bank overdrafts	-	-	-	-	-	-	355,996,810	-	355,996,810	-	355,996,810
Total Liabilities	38,905,262	16,137,710	22,617,645	70,745,284	1,951,742	7,775,113,158	2,027,965,286	8,948,044	9,962,384,131	141,031,980	10,103,416,111
Net assets -Capital fund	67,873,233	12,115,224	71,177,642	478,558,665	17,733,600	3,529,164,033	1,121,823,990	342,329,376	5,640,775,763	104,784,748	5,745,560,511
Total Liabilities and Net assets	106,778,495	28,252,934	93,795,287	549,303,949	19,685,342	11,304,277,191	3,149,789,276	351,277,420	15,603,159,894	245,816,728	15,848,976,622

25. Segmental financial information (Contd.)

Statement of Income and Expenditure
for the year ended December 31, 2002

Income

	Unrestricted								Temporarily restricted	Total 2002	
	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted		Development Projects
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Donor grants	-	-	-	-	-	46,709,593	-	46,709,593	1,933,309,022	1,980,018,615	
Revenue from											
Commercial projects	669,034,910	189,783,522	358,944,089	-	-	-	-	1,217,762,521	-	1,217,762,521	
Program support enterprises	-	-	-	1,525,147,382	192,366,177	-	-	1,717,513,559	-	1,717,513,559	
Service charge on loans to VO members	-	-	-	-	-	2,403,926,404	-	2,403,926,404	-	2,403,926,404	
Investment income	-	-	-	-	-	112,756,406	23,394,312	136,150,718	2,521,939	138,672,657	
Other income - internal	(27,496,229)	(7,836,199)	(5,999,964)	(77,230,422)	(1,423,956)	-	119,980,770	-	-	-	
Other income	9,960,154	182,700	275,725	10,680,961	88,512	28,094,955	49,497,883	98,780,890	42,474,115	141,255,005	
Income from House property	-	-	-	-	-	-	-	89,356,811	89,356,811	89,356,811	
Total income	651,498,835	182,130,023	353,219,850	1,458,597,921	191,030,733	2,544,777,765	239,588,558	89,356,811	5,710,200,496	1,978,305,076	7,688,505,572

Expenditure

Commercial Projects	587,379,385	168,045,416	333,860,629	-	-	-	-	1,089,285,430	-	1,089,285,430	
Programme Support Enterprises	-	-	-	1,408,964,010	184,986,094	-	-	1,593,950,104	-	1,593,950,104	
House property related expenses	-	-	-	-	-	-	76,173,241	76,173,241	-	76,173,241	
Education Programme	-	-	-	-	-	13,581,259	-	13,581,259	1,176,417,937	1,189,999,196	
Nutrition Programme	-	-	-	-	-	-	-	-	355,255,789	355,255,789	
Health and Population Programme	-	-	-	-	-	4,880,925	-	4,880,925	128,996,941	133,877,866	
Micro Finance Programme	-	-	-	-	-	2,156,961,769	-	2,156,961,769	126,000	2,157,087,769	
Poultry Extension Programme	-	-	-	-	-	-	57,712,790	57,712,790	97,849,783	155,562,573	
Fisheries Extension Programme	-	-	-	-	-	-	58,293,549	58,293,549	22,142,262	80,435,811	
Agriculture Extension Programme	-	-	-	-	-	-	71,083,273	71,083,273	16,845,859	87,929,132	
Sericulture and Silk Development Programme	-	-	-	-	-	-	61,490,980	61,490,980	-	61,490,980	
Human Rights and Legal Education Programme	-	-	-	-	-	-	25,748,653	25,748,653	66,632,154	92,380,807	
Rural Enterprise Development Programme	-	-	-	-	-	-	34,452,622	34,452,622	69,539,553	103,992,175	
Training, workshop and seminars	-	-	-	-	-	-	34,515,054	34,515,054	7,876,853	42,391,907	
Grant to BRAC Afghanistan	-	-	-	-	-	-	6,091,290	6,091,290	-	6,091,290	
Research, Monitoring and Evaluation	-	-	-	-	-	-	6,394,863	6,394,863	17,336,565	23,731,428	
Total Expenses	587,379,385	168,045,416	333,860,629	1,408,964,010	184,986,094	2,156,961,769	374,243,258	76,173,241	5,290,615,802	1,959,019,696	7,249,635,498
Surplus/(deficit) of income over expenditure before taxation	64,119,450	14,084,607	19,359,221	49,633,911	6,044,639	387,815,996	(134,656,700)	13,183,570	419,584,694	19,285,380	438,870,074
Taxation	-	-	-	-	-	-	-	-	-	-	
Net surplus/(deficit) for the year	64,119,450	14,084,607	19,359,221	49,633,911	6,044,639	387,815,996	(134,656,700)	13,183,570	419,584,694	19,285,380	438,870,074

25. Segmental financial information (Contd.)

Statement of Income and Expenditure
for the year ended December 31, 2001

Income

	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Unrestricted Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Temporarily restricted Development Projects	Total 2001
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Donor grants	-	-	-	-	-	-	50,745,399	-	50,745,399	1,485,106,528	1,535,851,927
Revenue from											
Commercial projects	650,113,480	170,475,613	314,636,368	-	-	-	-	-	1,135,225,461	-	1,135,225,461
Program support enterprises	-	-	-	1,466,246,344	102,347,520	-	-	-	1,568,593,864	-	1,568,593,864
Service charge on loans to VO members	-	-	-	-	-	2,195,038,399	-	-	2,195,038,399	-	2,195,038,399
Investment income	-	-	-	-	-	89,027,192	70,307,278	-	159,334,470	815,231	160,149,701
Other income -internal	(25,086,621)	(7,973,430)	(5,999,964)	(64,947,792)	(1,737,389)	-	105,745,196	-	-	-	-
Other income	2,268,504	273,209	182,074	-	-	18,046,712	98,285,480	-	119,055,979	40,195,831	159,251,810
Income from House property	-	-	-	-	-	-	-	96,364,025	96,364,025	-	96,364,025
Total income	627,295,363	162,775,392	308,818,478	1,401,298,552	100,610,131	2,302,112,303	325,083,353	96,364,025	5,324,357,597	1,526,117,590	6,850,475,187

Expenditure

Commercial Projects	579,259,751	151,569,930	298,320,968	-	-	-	-	-	1,029,150,649	-	1,029,150,649
Programme Support Enterprises	-	-	-	1,287,112,340	93,144,447	-	-	-	1,380,256,787	-	1,380,256,787
House property related expenses	-	-	-	-	-	-	-	56,193,430	56,193,430	-	56,193,430
Education Programme	-	-	-	-	-	-	18,541,497	-	18,541,497	974,719,403	993,260,900
Nutrition Programme	-	-	-	-	-	-	-	-	-	289,959,610	289,959,610
Health and Population Programme	-	-	-	-	-	-	-	-	-	111,009,819	228,748,089
Micro Finance Programme	-	-	-	-	-	2,045,704,279	-	-	2,045,704,279	-	2,045,704,279
Relief and Rehabilitation Programme	-	-	-	-	-	-	148,722	-	148,722	23,754,164	23,902,886
Poultry Extension Programme	-	-	-	-	-	-	25,582,695	-	25,582,695	74,639,976	100,222,671
Fisheries Extension Programme	-	-	-	-	-	-	28,413,690	-	28,413,690	14,052,844	42,466,534
Agriculture Extension Programme	-	-	-	-	-	-	49,738,919	-	49,738,919	13,342,130	63,081,049
Sericulture and Silk Development Programme	-	-	-	-	-	-	27,793,497	-	27,793,497	-	27,793,497
Human Rights and Legal Education Programme	-	-	-	-	-	-	49,374,761	-	49,374,761	265,022	49,639,783
Rural Enterprise Development Programme	-	-	-	-	-	-	24,264,556	-	24,264,556	-	24,264,556
Training, workshop and seminars	-	-	-	-	-	-	37,791,565	-	37,791,565	18,110,616	55,902,181
Grant to BRAC University	-	-	-	-	-	-	50,000,000	-	50,000,000	-	50,000,000
Research, Monitoring and Evaluation	-	-	-	-	-	-	10,086,702	-	10,086,702	5,463,960	15,550,662
Total Expenses	579,259,751	151,569,930	298,320,968	1,287,112,340	93,144,447	2,045,704,279	439,474,874	56,193,430	4,950,780,019	1,525,317,544	6,476,097,563
Surplus/(deficit) of income over expenditure before taxation	48,035,612	11,205,462	10,497,510	114,186,212	7,465,684	256,408,024	(114,391,521)	40,170,595	373,577,578	800,046	374,377,624
Taxation	-	-	-	-	-	-	-	-	-	-	-
Net surplus/(deficit) for the year	48,035,612	11,205,462	10,497,510	114,186,212	7,465,684	256,408,024	(114,391,521)	40,170,595	373,577,578	800,046	374,377,624

26. Statement of Functional Expenses

Expenditure Statement
for the year ended December 31, 2002

	Unrestricted								Temporarily	Total 2002	
	Airong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted		Development Projects
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Salaries and benefits	53,423,865	4,171,973	10,223,038	37,533,724	6,413,026	922,769,744	165,659,562	-	1,200,194,932	612,553,612	1,812,748,544
Travelling and transportation	5,789,573	831,234	10,765,601	8,580,691	2,113,524	95,837,916	27,958,746	-	151,877,285	85,479,096	237,356,381
Teachers' salaries	-	-	-	-	-	-	-	-	-	291,190,584	291,190,584
Teachers' training	-	-	-	-	-	-	-	-	-	44,127,888	44,127,888
School rent and maintenance	-	-	-	-	-	-	-	-	-	89,669,226	89,669,226
Stationery, rent and utilities	23,435,055	570,677	3,048,733	6,478,872	2,159,873	100,083,189	2,195,293	-	137,971,692	40,535,350	178,507,042
Maintenance and general expenses	14,854,609	274,378	1,755,135	7,955,558	582,558	79,097,080	3,391,729	2,894,158	110,805,205	33,174,471	143,979,676
VO members' training	-	-	-	-	-	1,333,092	38,731,953	-	40,065,045	82,653,541	122,718,586
Staff training and development	-	-	105,017	-	-	38,529,589	12,935,498	-	51,570,104	54,289,852	105,859,956
Programme supplies	-	600,000	-	-	157,783	78,270,084	51,600,265	-	130,028,132	598,692,672	729,320,804
Interest on VO members' savings deposits	-	-	-	-	-	262,409,326	-	-	262,409,326	-	262,409,326
Interest on long term loans	-	-	-	-	129,765	171,568,245	-	-	171,698,010	20,266,761	191,964,771
Bank overdraft interest and charges	5,191,628	-	-	-	-	-	16,329,597	-	21,521,225	-	21,521,225
Cost of goods sold of commercial projects	469,203,536	159,989,472	268,341,293	-	-	-	-	-	897,434,301	-	897,434,301
Cost of goods sold of programme support enterprises	-	-	-	1,288,725,328	170,732,614	-	-	-	1,459,457,842	-	1,459,457,842
Publicity, advertisement and sales commissions	5,916,421	-	4,827,741	10,986,970	2,420,534	-	1,966,169	-	26,117,835	-	26,117,835
Loan loss provision for loans to VO members	-	-	-	-	-	312,707,454	-	-	312,707,454	-	312,707,454
Depreciation of property, plant and equipment	9,564,698	184,356	31,167,487	39,787,736	163,498	60,821,327	47,380,646	29,984,820	219,034,568	6,386,643	225,441,211
Provision for bad and doubtful debts	-	749,805	-	8,915,231	112,919	-	-	-	9,777,955	-	9,777,955
Foreign exchange loss- unrealised	-	-	366,674	-	-	-	-	-	366,674	-	366,674
Allocation to self- insurance fund	-	-	-	-	-	-	-	43,294,263	43,294,263	-	43,294,263
Value Added Tax	-	673,321	3,359,910	-	-	-	4,510	-	4,037,941	-	4,037,941
Grant to BRAC Afghanistan	-	-	-	-	-	-	6,091,290	-	6,091,290	-	6,091,290
Provision for Emergency fund	-	-	-	-	-	33,534,723	-	-	33,534,723	-	33,534,723
	587,379,385	168,045,416	333,860,629	1,408,964,910	184,986,094	2,156,961,769	374,245,358	76,173,241	5,290,615,802	1,959,019,696	7,249,635,498

Included in cost of goods sold of commercial projects is depreciation of property, plant and equipment amounting to Tk. 6,482,931

26. Statement of Functional Expenses (contd.)

Expenditure Statement
for the year ended December 31, 2001

	Unrestricted								Temporarily	Total 2001	
	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted		Development Projects
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Salaries and benefits	39,410,337	4,622,014	9,396,910	30,623,120	3,877,579	923,848,626	247,637,504	-	1,259,416,110	411,405,138	1,670,821,248
Travelling and transportation	3,510,921	749,490	8,171,048	9,542,838	1,273,134	86,413,305	26,961,352	-	136,622,088	83,270,410	219,892,498
Teachers' salaries	-	-	-	-	-	-	-	-	-	262,512,202	262,512,202
Teachers' training	-	-	-	-	-	-	-	-	-	42,292,731	42,292,731
School rent and maintenance	-	-	-	-	-	-	-	-	-	90,116,562	90,116,562
Stationery, rent and utilities	29,189,493	2,527,826	2,894,776	7,413,283	-	131,689,240	18,422,961	5,723,823	197,861,402	52,668,550	250,529,952
Maintenance and general expenses	10,000,549	439,874	1,805,224	10,082,309	1,142,622	64,113,835	1,189,351	9,148,652	97,922,616	36,275,099	134,198,615
VO members' training	-	-	-	-	-	-	7,217,891	-	7,217,891	86,075,791	93,293,682
Staff training and development	-	3,000	31,504	31,720	-	41,696,138	286,012	-	42,048,374	30,026,648	72,075,022
Programme supplies	-	91,500	-	723,723	243,734	76,791,537	3,531,724	-	81,382,218	394,766,982	476,149,200
Interest on VO members' savings deposits	-	-	-	-	-	214,455,838	-	-	214,455,838	-	214,455,838
Interest on long term loans	-	-	2,371,000	-	-	172,299,842	-	2,025,000	176,895,842	31,622,004	208,517,846
Bank overdraft interest and charges	6,042,776	-	-	-	-	-	32,873,284	-	38,916,060	-	38,916,060
Cost of goods sold of commercial projects	468,789,669	140,940,273	229,034,289	-	-	-	-	-	838,764,231	-	838,764,231
Cost of goods sold of programme support enterprises	-	-	-	1,195,707,094	82,429,583	-	-	-	1,278,136,677	-	1,278,136,677
Publicity, advertisement and sales commissions	13,471,206	403,765	4,608,634	4,066,391	1,990,928	-	1,733,528	-	26,274,652	-	26,274,652
Loan loss provision for loans to VO members	-	-	-	-	-	250,194,734	-	-	250,194,734	-	250,194,734
Depreciation of property, plant and equipment	8,844,780	238,524	30,533,148	30,658,851	449,478	51,396,623	49,609,670	29,643,621	201,374,695	4,284,527	205,659,222
Provision for bad and doubtful debts	-	317,000	-	-	-	-	-	-	317,000	-	317,000
Foreign exchange loss- unrealized	-	-	1,222,563	-	-	-	-	-	1,222,563	-	1,222,563
Allocation to self- insurance fund	-	-	-	-	-	-	-	9,652,334	9,652,334	-	9,652,334
Value Added Tax	-	1,236,664	8,051,872	-	-	-	11,597	-	9,300,133	-	9,300,133
Grant to BRAC University	-	-	-	-	-	-	50,000,000	-	50,000,000	-	50,000,000
Provision for Emergency fund	-	-	-	-	-	32,804,561	-	-	32,804,561	-	32,804,561
	579,259,751	151,569,930	298,320,968	1,288,849,729	91,407,058	2,045,704,279	439,474,874	56,193,430	4,950,780,019	1,525,317,544	6,476,097,563

Included in cost of goods sold of commercial projects is depreciation of property, plant and equipment amounting to Tk. 6,934,210

27. Subsequent events

On March 31, 2003, the Governing Body approved the acquisition of three companies involved in tea plantation and production activities in southern Bangladesh, for gross cash consideration of approximately Tk. 380 million.