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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, 2008 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 37, are the responsibility of BRAC's Governing Body.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, 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.

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, 2008 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

ERNST & YOUNG
Chartered Accountants
Kuala Lumpur, Malaysia

March 17, 2009

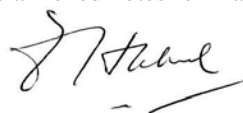
S. F. Ahmed

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Chartered Accountants
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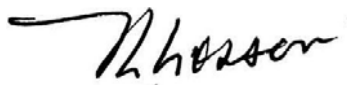
BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Balance Sheet
as at December 31, 2008

	Notes	2008 Taka	2007 Taka
ASSETS			
Property, plant and equipment	3	5,607,339,327	5,468,612,685
Investments in related undertakings	4	2,878,210,799	1,806,369,952
Investments in securities and others	5	59,140,000	44,285,706
Loans to Village Organization (VO) members	6	41,542,182,420	33,986,290,977
Motorcycle loans		684,439,580	566,378,307
Inventories	7	1,716,963,574	1,636,657,415
Grants and accounts receivable	8	1,054,292,357	826,085,804
Advance, deposits and prepayments	9	2,269,911,533	1,915,282,147
Fixed deposits	10	6,616,102,277	9,318,975,818
Cash in hand and at banks	11	4,880,055,354	4,594,103,724
TOTAL ASSETS		67,308,637,221	60,163,042,535
LIABILITIES AND NET ASSETS			
Liabilities:			
Deferred income	12	422,422,160	425,549,866
Term loans	13	22,704,437,727	20,142,007,672
VO members' savings deposits	14	15,764,569,644	13,467,188,019
Securitized financing	15	345,083,404	71,785,351
Other long term liabilities	16	3,819,825,051	3,145,191,876
VO members project & current account		27,540,740	25,059,115
Grants received in advance account	17	1,834,102,592	1,623,732,366
Other current liabilities	18	1,245,272,326	745,080,907
Provision for taxation		191,941,030	171,441,030
Bank overdrafts	19	5,657,677,143	6,881,999,845
Total Liabilities		52,012,871,817	46,699,036,047
Net Assets:			
Capital fund			
-unrestricted		14,766,605,071	13,074,137,119
-temporarily restricted		529,160,333	389,869,369
		15,295,765,404	13,464,006,488
TOTAL LIABILITIES AND NET ASSETS		67,308,637,221	60,163,042,535

The annexed notes form an integral part of these statements.



Chairperson, Governing Body
BRAC
Dhaka, March 17, 2009

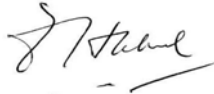


Executive Director
BRAC

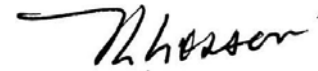
BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
for the year ended December 31, 2008

Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2008 Taka	
Income				
Donor grants	20	39,542,877	9,818,812,688	9,858,355,565
Revenue from:				
- Income Generating Projects	4,541,369,528	-	4,541,369,528	
- Program Support Enterprises	2,649,039,605	-	2,649,039,605	
Service charge on loans to VO members	10,265,858,263	-	10,265,858,263	
Investment income	21	1,003,691,788	20,723,622	1,024,415,410
Other income	22	589,262,413	10,326,492	599,588,905
Income from House Property		93,577,802	-	93,577,802
Total income		19,182,342,276	9,849,862,802	29,032,205,078
Expenditure				
Income Generating Projects		3,947,828,653	-	3,947,828,653
Program Support Enterprises		2,628,845,524	-	2,628,845,524
House Property		87,894,145	-	87,894,145
Education Programme		486,519,266	3,908,998,159	4,395,517,425
Challenging the Frontiers of Poverty Reduction Programme		209,717,000	2,505,065,550	2,714,782,550
Health and Population Programme		88,034,303	1,955,962,779	2,043,997,082
Micro Finance Programme		9,696,673,450	-	9,696,673,450
Relief and Rehabilitation		14,662,345	1,224,795,990	1,239,458,335
Poultry & Livestock Extension Programme		31,365,838	-	31,365,838
Fisheries Extension Programme		29,850,378	1,033,314	30,883,692
Agriculture & Sericulture Extension Programme		42,748,731	7,272,202	50,020,933
Livelihood Development Programme		189,309,925	39,890,972	229,200,897
Grant to BRAC University		15,924,766	-	15,924,766
Research, Monitoring and Evaluation		-	67,552,872	67,552,872
Total expenditure		17,469,374,324	9,710,571,838	27,179,946,162
Surplus of income over expenditure before taxation		1,712,967,952	139,290,964	1,852,258,916
Taxation	23	(20,500,000)	-	(20,500,000)
Net surplus for the year		1,692,467,952	139,290,964	1,831,758,916

The annexed notes form an integral part of these statements.



Chairperson, Governing Body
BRAC
Dhaka, March 17, 2009



Executive Director
BRAC

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
for the year ended December 31, 2007

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2007 Taka
Income				
Donor grants	20	47,078,310	6,323,377,081	6,370,455,391
Revenue from:				
- Income Generating Projects		3,678,296,771	-	3,678,296,771
- Program Support Enterprises		2,422,283,380	-	2,422,283,380
Service charge on loans to VO members		7,913,031,873	-	7,913,031,873
Investment income	21	770,520,047	15,230,406	785,750,453
Other income	22	268,822,612	2,975,995	271,798,607
Income from House property		88,653,948	-	88,653,948
Total income		15,188,686,941	6,341,583,482	21,530,270,423
Expenditure				
Income Generating Projects		3,195,421,927	-	3,195,421,927
Program Support Enterprises		2,365,301,995	-	2,365,301,995
House Property		76,656,553	-	76,656,553
Education Programme		267,485,014	3,054,846,592	3,322,331,606
Challenging the Frontiers of Poverty Reduction Programme		152,463,655	1,782,673,230	1,935,136,885
Nutrition Programme		-	1,785,204	1,785,204
Health and Population Programme		30,096,979	1,133,549,247	1,163,646,226
Micro Finance Programme		7,664,833,109	-	7,664,833,109
Relief and Rehabilitation		98,844,190	69,488,790	168,332,980
Poultry & Livestock Extension Programme		29,507,430	-	29,507,430
Fisheries Extension Programme		27,006,930	1,886,854	28,893,784
Agriculture & Sericulture Extension Programme		25,636,956	9,970,304	35,607,260
Livelihood Development Programme		68,988,834	106,130,763	175,119,597
Research, Monitoring and Evaluation		-	41,793,637	41,793,637
Total expenditure		14,002,243,572	6,202,124,621	20,204,368,193
Surplus of income over expenditure before taxation		1,186,443,369	139,458,861	1,325,902,230
Taxation	23	(44,700,000)	-	(44,700,000)
Net surplus for the year		1,141,743,369	139,458,861	1,281,202,230

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 December 31, 2008

	Capital Fund		Total Net assets
	Unrestricted	Temporarily restricted	
	Taka	Taka	
At 1 January 2007	11,932,393,750	250,410,508	12,182,804,258
Net surplus for the year	1,141,743,369	139,458,861	1,281,202,230
At 31 December 2007	13,074,137,119	389,869,369	13,464,006,488
At 1 January 2008	13,074,137,119	389,869,369	13,464,006,488
Net surplus for the year	1,692,467,952	139,290,964	1,831,758,916
At 31 December 2008	14,766,605,071	529,160,333	15,295,765,404

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 December 31, 2008

Note	2008 Taka	2007 Taka
Cash flows from operating activities:		
Surplus of income over expenditure before taxation	1,852,258,916	1,325,902,230
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Loan loss provision	1,588,589,068	1,080,766,652
Depreciation	396,550,703	356,428,893
Gain on disposal of property, plant and equipment	(5,041,476)	(4,652,997)
Loss on dilution of related undertakings	(1,852,489)	-
Share of results in related undertakings	(220,767,071)	(159,602,792)
Reversal of impairment in value of investment in related undertakings	796,022	3,607,078
Donor grants - amortisation of investment in property, plant and equipment	(60,861,600)	(61,438,112)
Donor grants - amortisation of motorcycle replacement funds	(36,231,203)	(25,479,472)
Service charge on loans to VO members	(10,265,858,263)	(7,913,031,873)
Interest on fixed deposits and bank accounts	(804,170,268)	(621,505,176)
Interest on VO members saving deposits	691,516,942	568,664,709
Interest on long term loans and overdraft facilities	3,668,881,956	2,022,417,078
Adjustments for other accounts:		
Decrease/(Increase) in service charge outstanding on loans to VO members	129,373,281	(29,516,870)
Increase in inventories	(80,306,159)	(252,056,030)
Increase in advances, deposits and prepayments	(354,629,386)	(756,493,219)
(Increase)/Decrease in accounts receivable, net	(123,579,888)	93,932,797
Increase/(Decrease) in other current liabilities	500,191,419	(197,348,689)
Increase in other long term liabilities	674,633,175	752,401,058
Increase in deferred income	93,965,098	93,926,818
(Decrease)/Increase in motorcycle loans	(118,061,273)	19,359,924
Net cash used in operating activities	(2,474,602,496)	(3,703,717,993)
Cash flows from investing activities:		
Increase in loans to VO members	(9,273,853,792)	(12,367,872,718)
Service charge received on loans to VO members	10,265,858,263	7,913,031,873
Interest received on fixed deposits and bank accounts	804,170,268	621,505,176
Interest paid on VO members saving deposits	(691,516,942)	(568,664,709)
Interest paid on long term loans and overdraft facilities	(3,668,881,956)	(2,022,417,078)
Purchase of property, plant and equipment	(535,277,345)	(641,655,838)
Proceeds from disposal of property, plant and equipment	5,041,476	4,652,997
Increase in fixed deposits pledged with financial institutions	(697,914,380)	(642,604,192)
Increase in investments in related undertakings	(852,517,299)	(142,583,604)
Dividends received from related undertakings	2,499,990	15,974,946
(Investments in)/Realisation of investment in securities and others	(14,854,294)	94,389,966
Net cash used in investing activities	(4,657,246,011)	(7,736,243,181)

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
for the year ended December 31, 2008

Note	2008 Taka	2007 Taka
Cash flows from financing activities:		
Grants received during the year	9,960,971,420	7,157,836,141
Grants utilised during the year for:		
-operational expenditure & micro-finance	(9,761,262,762)	(6,283,537,807)
-investment in property, plant and equipment	(43,660,839)	(59,038,561)
-motorcycle replacement funds	(50,304,259)	(34,888,257)
Net increase/(decrease) in securitised financing	273,298,053	(583,944,162)
Increase in term loans	2,562,430,055	13,187,736,726
Increase in VO members savings deposits	2,297,381,625	2,872,094,253
Increase/(decrease) in VO members project and current accounts	2,481,625	(10,509,318)
Net cash provided by financing activities	5,241,334,918	16,245,749,015
Net (decrease)/increase in cash and cash equivalents	(1,890,513,589)	4,805,787,841
Cash and cash equivalents, beginning of the year	2,231,875,101	(2,573,912,740)
Cash and cash equivalents, end of the year	11 341,361,512	2,231,875,101

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, 2008

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 Printing Pack and BRAC Dairy and Food project, BRAC Tea Estates, 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 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, as disclosed in the Summary of Significant Accounting Policies. 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 or provides donor liaison assistance to certain organisations that, in some instances may bear names with resemblance to BRAC, viz BRAC University, 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 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 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 includes amongst others, amounts designated by BRAC for income generating activities, programme support enterprises, micro-financing activities and self-financing social development 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 2.12, 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 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.

2 Summary of Significant Accounting Policies (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

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

Programme Support Enterprises - mainly comprising poultry farms, feedmills, seedmills, fish and prawn hatcheries, horticulture nurseries, chilling centres, broiler rearing and meat marketing, salt production and marketing recycle paper production and health product related activities.

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

Service charge on loans to VO members

Service charges on loans to VO members 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 2.9. 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, 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

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

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

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

2.7 Loans to VO Members

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

2.8 Provision for Loan Losses

BRAC generally provides for loan losses based on 2% of loan disbursements made. Management regularly assesses the adequacy of the loan loss provision based on the age of the loan portfolio. At the year end, BRAC calculates the required provision for loan losses based on the loan classification and provisioning methodology which is shown below and any adjustments, if required, are made and accounted for in the financial statements for the year.

Loan Classification	Days in Arrears	Provision required
Standard	Current (no arrears)	2%
Watchlist	1 - 30	5%
Substandard	31 - 180	20%
Doubtful	181 - 350	75%
Loss	Over 350	100%

2.9 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 Summary of Significant Accounting Policies (contd.) :

2.10 Securitisation of Micro Finance Loans

BRAC has entered into an asset securitization financing arrangement involving the sale of a designated pool of micro finance loan receivables (“Designated Loans”) originating from its micro finance programme, in return for financing through a trust formed for this purpose, known as the BRAC Micro Credit Securitisation Trust (“the Trust”).

Under this arrangement, the Trust purchases the Designated Loans from BRAC and in turn, finances the purchase of the Designated Loans by issuing asset backed securities.

BRAC retains the responsibility for collections and administering of the Designated Loans from VO members. Cash flows from the loan collections are remitted, based on agreed terms, to the Trustee according to the repayment patterns as per the VO loan agreements. Under the current arrangement, all the Designated Loans sold are for a maturity period of not more than 12 months.

Apart from the sale of the Designated Loans, BRAC is also obligated to ensure that collateral represented by other microfinance loan receivables (“Collateral Loans”) valued at not less than 50% of the Designated Loan outstanding balance, is maintained as additional security for the financing arrangement. In addition, BRAC is required to make a security deposit to the Trustee which may be applied towards payments for any amounts due to the Trustee in the event of insufficient funds.

In the event of default by the VO members, BRAC is obliged to replace, substitute or reassign the Designated Loans or Collateral Loans in accordance with agreed pre-set criteria. As a result, the Designated Loans do not meet the derecognition requirements and are therefore recognized in the financial statements even though they have been legally sold.

Funds received from the sale of the Designated Loans are recorded as a liability in the Securitised Financing Account, as depicted in Note 15. Upon collection from VO members, BRAC is required to remit the collections based on the agreed terms to the Trustee, and this is accounted for through the Securitised Financing Account. Any prepayment of loans are separately accounted for, and applied as payments against the Securitised Financing Account as the loans mature.

2.11 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. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

2 Summary of Significant Accounting Policies (contd.) :

2.12 Investments 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. 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. Provision is also made for any impairment if the carrying amount of an investment exceeds its recoverable amount.

2.13 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.

2.14 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.

2.15 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.

2.16 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. 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 Summary of Significant Accounting Policies (contd.) :

2.17 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 disclosed in Note 24 below.

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

	Dec. 2008 Taka	Dec. 2007 Taka
United States Dollars	68.45	68.00
Euro	94.57	98.22
Great Britain Pound	97.01	133.50

2.18 Self - Insurance Funds

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 16, 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, 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 2008 in respect of the funds, and are disclosed in Note 16 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.

2.19 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 16, 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 2008, and are disclosed in Note 16 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 Summary of Significant Accounting Policies (contd.) :

2.20 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.

2.21 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.

2.22 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 when the impairment losses recognised for the asset no longer exists or have decreased.

2.23 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 2.22 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.

2.24 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 2.22.

2.24 Financial Instruments (Contd).

b) 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.

c) 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.

d) 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 drawdown from that borrowing facility.

All borrowing costs are recognized as an expense in the income statement 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.

2.25 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the statement of cash flows comprise cash and bank balances and unpledged fixed deposits, 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	Amount in Taka										
	Cost					Depreciation				Written down value 31-12-2008	Written down value 31-12-2007
	Opening balance 01-01-2008	Additions during the year	Transferred during the year	Disposals during the year	Closing balance 31-12-2008	Opening balance 01-01-2008	Charged during the year	Adjustment for disposals during the year	Closing Balance 31-12-2008		
Freehold land	2,347,311,823	27,421,358	-	-	2,374,733,181	-	-	-	-	2,374,733,181	2,347,311,823
Buildings	2,646,177,172	-	165,744,153	-	2,811,921,325	756,016,903	106,779,246	1,530,450	864,326,599	1,947,594,726	1,890,160,269
Furniture & fixtures	535,982,708	68,176,893	-	-	604,159,601	341,080,127	43,027,581	-	384,107,708	220,051,893	194,902,581
Equipment	1,188,242,450	103,613,769	-	-	1,291,856,219	841,287,996	98,750,677	-	940,038,673	351,817,546	346,954,454
Vehicles	369,226,235	56,911,956	-	(6,211,669)	419,926,522	248,572,383	41,080,577	(6,211,669)	283,441,291	136,485,231	120,653,852
Bicycles	30,887,817	4,635,786	-	-	35,523,603	18,127,261	3,795,873	-	21,923,134	13,600,469	12,760,556
Machineries	777,878,310	50,313,405	-	-	828,191,715	386,366,627	82,500,176	-	468,866,803	359,324,912	391,511,683
Deep tubewells and tanks	10,102,372	1,531,181	-	-	11,633,553	7,095,488	859,902	-	7,955,390	3,678,163	3,006,884
Hatcheries	11,262,065	293,360	-	-	11,555,425	8,820,080	466,162	(1,530,450)	7,755,792	3,799,633	2,441,985
Camp/Poultry/Livestock sheds	201,178,168	111,627	-	-	201,289,795	66,617,571	14,090,286	-	80,707,857	120,581,938	134,560,597
Motorcycles	5,716,128	144,747	-	(1,354,530)	4,506,345	2,507,965	201,052	(1,354,530)	1,354,487	3,151,858	3,208,163
Construction work-in-progress	3,374,495	196,630,176	(165,744,153)	-	34,260,518	-	-	-	-	34,260,518	3,374,495
Crates/Mannequins/Samples/Antiques	75,975,853	25,493,087	-	-	101,468,940	58,210,510	4,999,171	-	63,209,681	38,259,259	17,765,343
Total 2008	8,203,315,596	535,277,345	-	(7,566,199)	8,731,026,742	2,734,702,911	396,550,703	(7,566,199)	3,123,687,415	5,607,339,327	5,468,612,685
Total 2007	7,573,046,908	641,655,838	-	(11,387,150)	8,203,315,596	2,389,661,168	356,428,893	(11,387,150)	2,734,702,911	5,468,612,685	

Allocation of depreciation:

	Dec. 2008	Dec.2007
i) included in cost of sales of commercial projects	29,462,830	16,298,163
ii) included in programme related expenses	367,087,873	340,130,730
	396,550,703	356,428,893

An amount of Tk.60,861,600 (2007: 61,438,112) 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 & 20.

Landed properties with an aggregate net book value of Tk. 1,024,045,904 (2007: 989,227,437) have been pledged to secure term loans and overdraft facilities as disclosed in Notes 13 and 19 to the financial statements.

4 Investments in related undertakings

Related undertakings	2008				
	Shares Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in value Taka	Total Taka
BRAC Bank Ltd.	954,821,142	732,231,767	-	-	1,687,052,909
BRAC Industries Ltd.	24,999,900	1,673,708	-	-	26,673,608
BRAC BD Mail Network	178,160,000	(84,202,976)	5,500,000	-	99,457,024
Documenta TM Ltd	2,400,000	3,040,088	-	-	5,440,088
BRAC Services Ltd.	10,000,000	(48,896,992)	50,632,871	(11,735,879)	-
Delta BRAC Housing Finance Corp. Ltd.	50,000,000	123,389,655	-	-	173,389,655
BRAC Karnafuli Tea Company Ltd	243,908,025	(22,074,170)	241,528,803	-	463,362,658
BRAC Kaiyachara Tea Company Ltd	63,300,695	(4,574,962)	45,196,387	-	103,922,120
BRAC Banskhali Tea Company Ltd	27,719,870	(36,850,837)	131,156,687	-	122,025,720
BRAC Kodala Tea Company Ltd	81,680,954	(21,498,964)	88,918,017	-	149,100,007
Bangladesh Netting Factory	17,071,429	(1,194,279)	31,909,860	-	47,787,010
	<u>1,654,062,015</u>	<u>641,042,038</u>	<u>594,842,625</u>	<u>(11,735,879)</u>	<u>2,878,210,799</u>

Related undertakings	2007				
	Shares Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in value Taka	Total Taka
BRAC Bank Ltd.	317,390,000	498,946,181	-	-	816,336,181
BRAC Industries Ltd.	24,999,900	2,590,850	-	-	27,590,750
BRAC BD Mail Network	116,200,000	(58,388,821)	5,500,000	-	63,311,179
Documenta TM Ltd	2,400,000	2,668,606	-	-	5,068,606
BRAC Services Ltd.	10,000,000	(45,233,763)	46,173,620	(10,939,857)	-
Delta BRAC Housing Finance Corp. Ltd.	50,000,000	83,845,121	-	-	133,845,121
BRAC Karnafuli Tea Company Ltd	243,908,025	(15,822,320)	183,136,161	-	411,221,866
BRAC Kaiyachara Tea Company Ltd	63,300,695	(5,870,323)	71,718,839	-	129,149,211
BRAC Banskhali Tea Company Ltd	27,719,870	(26,046,055)	57,887,879	-	59,561,694
BRAC Kodala Tea Company Ltd	81,680,954	(14,845,997)	44,920,124	-	111,755,081
Bangladesh Netting Factory	17,071,429	(921,011)	32,379,845	-	48,530,263
	<u>954,670,873</u>	<u>420,922,468</u>	<u>441,716,468</u>	<u>(10,939,857)</u>	<u>1,806,369,952</u>

	2008	2007
Represented by:		
Share of net tangible assets	2,104,410,347	1,313,799,715
Goodwill on acquisition	178,957,827	50,853,769
Loans	594,842,625	441,716,468
	<u>2,878,210,799</u>	<u>1,806,369,952</u>

4 Investments in related undertakings (contd)

Related undertakings (All Incorporated in Bangladesh)	2008	2007	Principal activities
BRAC Bank Ltd.	33.51	31.74	Banking business, listed on the Dhaka and Chittagong Stock Exchanges
BRAC Industries Ltd.	99.9	99.9	Cold storage
BRAC BD Mail Network Ltd.	39.7	39.6	Internet service provider
BRAC Services Ltd.	100.0	100.0	Hospitality
Delta BRAC Housing Finance Corp.Ltd.	20.37	25.0	Housing finance, listed on the Dhaka and Chittagong Stock Exchanges
Documenta TM Ltd.	80.0	80.0	Software development
BRAC Karnafuli Tea Company Ltd.	99.9	99.9	Tea plantation
BRAC Kaiyachara Tea Company Ltd.	99.9	99.9	Tea plantation
BRAC Banshkhali Tea Company Ltd.	99.9	99.9	Tea plantation
BRAC Kodala Tea Company Ltd.	99.1	99.1	Tea plantation
Bangladesh Netting Factory	94.0	94.0	Poultry Processing

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% (2007: 12%) interest per annum. These loans have no fixed repayment terms.

Included in share of reserves in 2008 is a non-distributable portion amounting to Tk 468,753,685 (2007: Tk 394,673,845).

The market value of BRAC Bank Ltd shares at 31 December 2008 was Tk. 828.00 and Tk. 825.75 on the Dhaka ("DSE") and Chittagong ("CSE") Stock Exchanges respectively.

Significant events during the year:

BRAC Bank Ltd.

On April 30, 2008, BRAC Bank Ltd. allotted 380,868 ordinary shares of Tk.100 each at a ratio of 1:10 to BRAC through a bonus issue exercise.

On September 2, 2008, BRAC Bank Ltd. allotted 837,900 ordinary shares of Tk.100 each at a rights issue price of Tk. 500 per share at a ratio of 1:5 to BRAC through a rights shares exercise.

On December 28, 2008, through a back to back Block Market sale and purchase arrangement, BRAC acquired 280,224 ordinary shares of Tk. 100 each in BRAC Bank Ltd from another shareholder, Shore Cap International Ltd at Tk. 775 per share. Following the acquisition, BRAC's equity interest in BRAC Bank Ltd. increased from 31.74% to 33.51%.

4 Investments in related undertakings (contd)

Significant events during the year (contd.):

BRAC BD Mail Network Ltd.

On November 23, 2008, BRAC BD Mail Network Ltd. allotted 693,750 ordinary shares of Tk. 100 each at the nominal value of Tk. 100 each. Following this, BRAC's equity interest in BRAC BD Mail Network Ltd. increased from 39.6% to 39.7%.

Delta BRAC Housing Finance Corp.Ltd.

On April 8, 2008, Delta BRAC Housing Finance Corp.Ltd. issued, through an Initial Public Offering ("IPO") exercise, 5,000,000 ordinary shares of Tk. 100 each at an issue price of Tk. 210 per share. Arising from the IPO, BRAC's interest in Delta BRAC Housing Finance Corp.Ltd. was reduced from 25% to 20.37%. Subsequently, on 24 April 2008, Delta BRAC Housing Finance Corp.Ltd. was successfully listed on the DSE and CSE respectively. The market value of Delta BRAC Housing Finance Corp.Ltd. shares at 31 December 2008 was Tk. 1,366.25 on DSE and Tk 1,350.00 on CSE respectively.

On December 14, 2008, Delta BRAC Housing Finance Corp.Ltd. allotted 165,000 ordinary shares of Tk. 100 each to BRAC at a ratio of 10:3 through a bonus issue exercise. Following this, equity interest in Delta BRAC Housing Finance Corp.Ltd. remains intact at 20.37%.

5. Investments in securities and others

2008 Taka	2007 Taka
59,140,000	44,285,706

Debentures and Bonds

The debentures and bonds earned interest at 8.5% (2007: 12.5%) per annum respectively during the year.

6. Loans to Village Organisation (VO) members

	Principal outstanding Taka	Service charge receivable Taka	Loan loss provision Taka	Total Taka
At January 1, 2008	36,116,164,251	227,422,196	(2,357,295,470)	33,986,290,977
Additions	84,286,347,150	10,265,858,263	(1,588,589,068)	92,963,616,345
Realisation	(75,012,493,358)	(10,329,863,582)	-	(85,342,356,940)
Write-off	(585,055,728)	(65,367,962)	585,055,728	(65,367,962)
At December 31, 2008	44,804,962,315	98,048,915	(3,360,828,810)	41,542,182,420

Loans to VO members bear annual service charges as follows:

Micro-credit	12.5% -15% (2007: 12.5%) per annum on loan disbursed
Housing loans	10% (2007: 10%) per annum on loan disbursed

Repayments are made in weekly/monthly instalments.

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

Loan Classification	Days in Arrears	Loan Principal 2008 Taka	Loan loss Provision 2008 Taka	Loan Principal 2007 Taka	Loan loss Provision 2007 Taka
Standard	Current (no arrears)	40,682,070,340	813,641,407	32,193,280,367	965,798,411
Watchlist	1 - 30	679,353,369	33,967,668	1,851,422,802	92,571,140
Substandard	31 - 180	1,131,725,168	226,345,034	945,253,720	189,050,744
Doubtful	181 - 350	99,754,946	74,816,210	65,328,747	48,996,560
Loss	Over 350	2,212,058,492	2,212,058,492	1,060,878,615	1,060,878,615
		44,804,962,315	3,360,828,810	36,116,164,251	2,357,295,470

Loans to VO members include certain securitised loan receivables as follows :

	2008 Taka		
	Principal	Interest	Total
Securitised VO Loans	3,432,576,372	240,836,147	3,673,412,519
Less : Collections from VO members in respect of securitised loans	3,057,795,016	215,266,368	3,273,061,384
	374,781,356	25,569,779	400,351,135

6. Loans to Village Organisation (VO) members (contd.)

On July 6, 2006, BRAC entered into an asset securitization financing arrangement involving the sale of a designated pool of micro finance loan receivables ("Designated Loans") to Eastern Bank Limited ("EBL" or "Trustee"), to raise funds of up to an aggregate of USD 180 million (approximately Taka 12.6 billion) over a period of 6.5 years. Under the arrangement, up to USD 15 million (approximately Taka 1 billion) will be disbursed in each of twelve tranches every six months to BRAC, with a maturity of one year for each tranche. We have drawn USD 15 million for Tranche 1 & 2 and Tranche size was reduced to USD 10 million for Tranche 3 & 4. Tranches that have been effected are as follows:

Tranche No.	Date	Amount in USD	Taka equivalent
Tranche 1	September 05, 2006	15,000,000	1,036,726,502
Tranche 2	March 07, 2007	15,000,000	1,025,178,237
Tranche 3	February 06, 2008	10,000,000	686,842,664
Tranche 4	August 05, 2008	10,000,000	683,828,969
Total		50,000,000	3,432,576,372

Designated Loans are assigned to BRAC MicroCredit Securitization Trust ("the Trust") set up for this purpose. Under this arrangement, the Trust purchases the Designated Loans from BRAC and in turn, finances the purchase of the Designated Loans by issuing asset backed securities, represented by the Designated Loans, to investors or beneficiaries of the Trust.

BRAC retains the responsibility for collections and administering of the Designated Loans from VO members. Cash flows from the loan collections are remitted, based on agreed terms, to the Trustee according to the repayment patterns as per the VO loan agreements. Under the current arrangement, all the Designated Loans sold are for a maturity period of not more than 12 months. In the event of default by the VO members, BRAC is obliged to replace, substitute or reassign the Designated Loans or Collateralised Loans in accordance with agreed pre-set criteria. As a result, the Designated Loans do not meet the derecognition requirements and are therefore recognized in the financial statements even though they have been legally sold.

Apart from the sale of the Designated Loans, BRAC is also obligated to ensure that collateral represented by other microfinance loan receivables ("Collateral Loans") valued at not less than 50% of the Designated Loan outstanding balance is maintained as additional security for the financing arrangement. In addition, BRAC is required to make a security deposit to the Trustee which may be applied towards payments for any amounts due to the Trustee in the event of insufficient funds. At 31 December 2008, the Collateral Loans amount to Taka 223,249,436 in relation to the nominal value of the Designated Loans of Taka 400,351,135.

7. Inventories

	2008 Taka	2007 Taka
Seeds and feed	627,949,563	526,684,023
Medical supplies and consumables	50,546,711	23,832,755
Printing and stationery	168,882,773	166,988,480
Handicraft goods	666,238,260	784,025,496
Dairy products	82,675,479	39,636,529
Programme materials	120,670,788	95,490,132
	<u>1,716,963,574</u>	<u>1,636,657,415</u>

8. Grants and accounts receivable

Grants receivable (Note 17)	204,730,963	100,104,297
Interest receivable on fixed deposits and bank accounts	326,567,912	340,160,859
Other accounts receivable	535,447,544	404,243,229
	<u>1,066,746,419</u>	<u>844,508,385</u>
Provision for doubtful debts	(12,454,062)	(18,422,581)
	<u>1,054,292,357</u>	<u>826,085,804</u>

Included in interest receivable on fixed deposits is Tk 308,328,417 (2007: Tk. 178,608,835) receivable after 12 months.

	2008 Taka	2007 Taka
9. Advance, deposits and prepayments		
Advances:		
Employees	275,753,204	131,753,743
Suppliers	1,021,794,382	1,088,455,778
Advance for tax	352,127,337	220,704,083
	1,649,674,923	1,440,913,604
Deposits for facilities and utilities	100,597,734	80,664,522
Debt service reserve for securitised financing	262,911,071	194,708,766
Prepayments	256,727,805	198,995,255
	2,269,911,533	1,915,282,147
10. Fixed deposits		
Fixed deposits pledged with financial institutions (Notes 13 and 19)	5,497,118,976	4,799,204,596
Fixed deposits unpledged	1,118,983,301	4,519,771,222
	6,616,102,277	9,318,975,818
11. Cash in hand and at banks		
Cash in hand	242,973,757	105,441,592
Cash at banks	4,637,081,597	4,488,662,132
	4,880,055,354	4,594,103,724

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

Cash in hand and at banks	4,880,055,354	4,594,103,724
Fixed deposits unpledged (Note 10)	1,118,983,301	4,519,771,222
Bank overdrafts (Note 19)	(5,657,677,143)	(6,881,999,845)
	341,361,512	2,231,875,101

	Note	Investment in Fixed Assets Taka	Motorcycle Replacement Fund Taka	Total Taka
12. Deferred income				
At 1 January 2008		346,147,253	79,402,613	425,549,866
Transferred from				
Grants received in advance	17	43,660,839	50,304,259	93,965,098
Amortisation to Statement of Income and Expenditure	20	(60,861,600)	(36,231,203)	(97,092,803)
At December 31, 2008		328,946,492	93,475,668	422,422,160

13. Term loans

	2008 Taka	2007 Taka
* Standard Chartered Bank (SCB)	3,173,771,428	3,369,400,000
Citi Bank NA [guaranted by OPIC & IFC]	2,718,750,000	-
* Pubali Bank Ltd (PBL)	1,577,397,275	25,081,088
FMO, Netherlands	1,467,214,286	1,711,750,000
Mercantile Bank Ltd.	1,300,000,000	1,700,000,000
Palli Karma Shahayak Foundation (PKSF)	1,296,666,636	1,249,999,952
* Agrani Bank Ltd	1,126,800,000	1,236,000,000
IIDFC Ltd	950,000,000	1,000,000,000
The Trust Bank Ltd.	846,423,781	40,000,000
Citi Bank NA [local currency syndication]	646,000,000	640,000,000
AB Bank Ltd	620,812,761	807,956,038
Prime Bank Ltd	607,142,856	1,178,571,429
Norfund, Norwegian	586,885,714	684,700,000
* HSBC Bank Ltd	562,500,000	769,166,667
Eastern Bank Ltd.	482,735,404	459,154,169
Shahjalal Islami Bank Ltd	460,760,445	326,432,903
National Bank Ltd	398,268,287	185,655,876
* Bangladesh Krishi Bank (BKB)	383,333,331	597,500,000
Bank Asia Ltd.	317,055,510	436,148,667
Janata Bank Ltd	243,101,811	96,854,648
Mutual Trust Bank Ltd	235,552,701	145,519,629
Commercial Bank of Ceylon Ltd.	234,400,000	112,760,000
Bangladesh Commerce Bank (BCB) Ltd	216,665,085	76,334,400
Rajshahi Krishi Unnyon Bank (RAKUB)	210,025,000	351,726,000
Dutch Bangla Bank Ltd	202,210,076	120,000,000
Uttara Finance & Investment Ltd	189,030,224	316,405,844
Southeast Bank Ltd	187,501,259	200,000,000
NCC Bank Ltd	181,748,077	272,217,692
Sonali Bank Ltd	156,498,563	300,000,000
BASIC Bank Ltd	150,432,443	115,696,000
Rupali Bank Ltd	150,000,000	-
IPDC of Bangladesh Ltd	116,970,734	177,430,421
MIDAS Financing Ltd.	116,666,665	183,333,333
Jamuna Bank Ltd	99,378,126	154,528,994
Uttara Bank Ltd	91,666,667	-
State Bank of India	90,000,000	120,000,000
IDLC Finance Ltd	89,506,636	166,017,292
Export Import Bank of Bangladesh (EXIM) Ltd	70,435,163	118,087,854
Premier Leasing and Finance Ltd.	45,554,175	92,824,860
Phonix Financing and Investments Ltd.	41,102,820	89,098,785
Standard Bank Ltd.	38,473,788	60,180,673
United Commercial Bank Ltd (UCBL)	25,000,000	50,000,000
Government of Bangladesh (GOB)	-	2,111,979
One Bank Ltd.	-	35,000,000
Social Investment Bank	-	68,362,479
The City Bank Ltd.	-	300,000,000
	<u>22,704,437,727</u>	<u>20,142,007,672</u>

13. Term loans (contd.)

Term Loans are analysed as follows:

Amount repayable within 12 months

13,091,359,002 10,358,334,797

Amount repayable after 12 months:

- Repayable after 12 months but less than 24 months
- Repayable after 24 months but less than 36 months
- Repayable after 36 months but less than 48 months
- Repayable after 48 months but less than 60 months
- Repayable after 60 months

2008 Taka	2007 Taka
4,324,990,297	4,594,892,622
2,580,610,984	2,327,749,554
1,515,872,178	1,114,838,427
653,626,705	670,235,129
537,978,561	1,075,957,143
9,613,078,725	9,783,672,875
22,704,437,727	20,142,007,672

All repayment obligations in respect of the term loans were met and no amounts were in arrears as at 31 December 2008.

- * Secured by fixed deposits amounting to Tk.1,580,173,721 (2007: Tk.1,483,826,560) and properties amounting in aggregate to Tk. 472,498,556 (2007: Tk.459,418,819)

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, annually and biannually and bear the following interest rates:

Government of Bangladesh
PKSF
Other financial institutions

2008	2007
-	1%
5%-7%	5%-7%
6%-16%	6%-14.5%

14. VO members' savings deposits

Opening balance

13,467,188,019 10,595,093,766

Deposits during the year

14,231,140,038 12,098,641,068

Withdrawals during the year

(11,933,758,413) (9,226,546,815)

Closing balance

15,764,569,644 13,467,188,019

VO members' savings deposits are analysed as follows:

Compulsory savings

5,675,245,072 4,753,602,995

Own savings

10,089,324,572 8,713,585,024

Total

15,764,569,644 13,467,188,019

The average rate of interest paid in respect of savings deposits by VO members was 5% (2007: 5%) per annum.

BRAC has two types of savings deposits initiatives, namely, Own savings and Compulsory savings, with a view to facilitating and encouraging savings by people in rural areas.

- (a) **Own savings:** Each VO member deposits a minimum amount of Tk.5 in a weekly meeting. The amount to be deposited weekly is fixed by the VO member at the inaugural meeting of the year up to a maximum amount of Tk.20 per week.
- (b) **Compulsory savings:** When loans are disbursed to VO members, 5% of the loan sanctioned is deducted at source at inception and recorded under "saving deposits" of the VO member loan. This deducted amount is considered as "deposit against loan disbursed".

14. VO members' savings deposits (contd.)

Rules for Savings withdrawals:

- (a) The entire amount of savings deposits of a VO member will be refunded when the member retires or is terminated from membership.
- (b) After one year of becoming a VO member 50% of savings deposits may be withdrawn to meet special requirements such as marriage of offspring, illness, etc.
- (c) Loan outstanding balance including service charge on loan is to be fully repaid by a VO member before withdrawal of the entire amount of savings deposits.
- (d) If the savings deposit balance of a VO member is less than Tk 2,000 after part withdrawals, no interest will be paid on the remaining balance. Moreover, if a VO member withdraws deposits more than twice in a year, no interest will be paid for that financial year.

15. Securitised financing

	2008 Taka	2007 Taka
Financing for securitised receivables	1,442,488,351	1,681,234,513
Interest Charge	58,570,026	70,731,742
	<hr/>	<hr/>
	1,501,058,377	1,751,966,255
Less: Repayments	1,155,974,973	1,680,180,904
	<hr/>	<hr/>
	345,083,404	71,785,351

The amounts financed are in return for the sale of an identified pool of microfinance loan receivables ("Designated Loans"). In addition BRAC is also obligated to ensure that collateral, represented by other microfinance loan receivables ("Collateral Loans") valued at not less than 50% of the Designated Loan balance, is maintained as additional security. At 31 December 2008, the value of Designated Loans and Collateralised Loans amounted to Taka 400,351,135 and Taka 223,249,436 respectively.

The financing bears interest at effective rates ranging between 9.36% to 12.48% per annum.

All repayment obligations in respect of the above financing have been met and no amounts were in arrears as at 31 December 2008.

16. Other long term liabilities

	2008 Taka	2007 Taka
Employee gratuity and redundancy fund	2,993,355,591	2,361,198,203
Self-insurance fund		
- Employees	240,328,641	226,424,851
- BRAC properties and motorcycles	381,477,640	325,749,594
	621,806,281	552,174,445
Other funds		
- Special fund for scholarship	4,098,141	3,966,942
- Flood rehabilitation fund	2,835,360	3,684,639
- Emergency fund	182,528,033	213,871,168
- Staff welfare fund	15,201,645	10,296,479
	3,819,825,051	3,145,191,876

An actuarial valuation of the employee gratuity and redundancy fund as at 31 December 2008 was performed by an independent professional actuary. Based on the valuation, there was an excess provision of Tk 33,721,000. The principal assumptions applied in the actuarial valuation, which were consistent with a similar valuation carried out in 2005, included official mortality tables in Bangladesh, an interest rate of 8% which is the average rate of interest expected to be realised over the applicable period and a rate of salary increase of 7% per annum.

An actuarial valuation of the self-insurance fund for employees as at 31 December 2008 was performed by an independent professional actuary. Based on the valuation, there was an excess provision of Tk 46,418,000. The principal assumptions applied in the actuarial valuation, which were consistent with a similar valuation carried out in 2005, included official mortality rates in Bangladesh.

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 80,139,000, 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 2008. Similar to the valuation carried out in 2005, 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 55,000,000 would be required. BRAC intends to accrete its properties and motorcycle self-insurance fund provision to attain the recommended additional Tk 55,000,000 over a period of two years commencing 2008. Accordingly, Tk 27,500,000 has been accreted in the financial year 2008.

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 liability. This fund will be utilized to meet outgoings during natural disasters.

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.

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.

17. Grants received in advance account		2008	2007
	Note	Taka	Taka
At 1 January		1,623,732,366	862,514,483
Receivables as at 1 January		(100,104,297)	(119,257,930)
		<u>1,523,628,069</u>	<u>743,256,553</u>
Donations received during the year	26	9,960,971,420	7,157,836,141
Transferred to deferred income:			
- Investment in fixed assets	12	(43,660,839)	(59,038,561)
- Motorcycle replacement fund	12	(50,304,259)	(34,888,257)
Transfer to Statement of Income and Expenditure for expenditure during the year	20	(9,761,262,762)	(6,283,537,807)
		<u>1,629,371,629</u>	<u>1,523,628,069</u>
Receivables as at 31 December	8	204,730,963	100,104,297
At 31 December		<u>1,834,102,592</u>	<u>1,623,732,366</u>

18. Other current liabilities

Liabilities for expenses	551,993,353	260,970,608
Liabilities for goods	302,201,664	129,043,806
Advances received for training, publications, supplies etc.	391,077,309	355,066,493
	<u>1,245,272,326</u>	<u>745,080,907</u>

19. Bank overdrafts

Pubali Bank Ltd	2,219,964,603	3,449,841,719
Prime Bank Ltd	687,624,708	451,970,305
Bangladesh Krishi Bank (BKB)	559,299,084	221,360,806
IFIC Bank Ltd	368,977,360	154,669,384
State Bank of India	342,760,061	308,872,665
Dhaka Bank Ltd.	281,909,832	378,084,514
Standard Bank Ltd	187,820,954	33,352,610
National Bank Ltd.	180,029,011	162,226,391
United Commercial Bank Ltd.	175,753,450	208,548,517
Premier Bank Ltd	168,096,787	215,611,059
The Trust Bank Ltd	128,757,318	600,365,354
Uttara Bank Ltd	117,493,325	228,158,517
Bank Alfalah Ltd	106,148,640	72,702,090
Dutch Bangla Bank Ltd.	57,049,774	-
Sonali Bank Ltd	40,416,428	-
Bank Asia Ltd	33,432,470	16,510,096
Rupali Bank Ltd	1,301,374	-
Janata Bank Ltd	774,054	191,232,547
Agrani Bank Ltd	67,910	91,442,809
South East Bank Ltd	-	97,050,462
	<u>5,657,677,143</u>	<u>6,881,999,845</u>

The bank overdrafts are secured by fixed deposits amounting to Tk. 3,916,945,255 (2007: Tk. 3,315,378,036) and properties amounting in aggregate to Tk. 551,547,348 (2007: 529,808,528). In 2007, Tk 40,000,000 of debentures were also pledged as security for the overdraft.

The bank overdrafts were obtained for BRAC's micro-finance programme and to finance working capital requirements. The bank overdrafts bear interest at 9.25% -14.5% (2007: 9.25% -14.5%) per annum, and are repayable within 12 months.

20. Donor grants	Notes	2008 Taka	2007 Taka
Donor grants recognised in the Statement of Income and Expenditure:			
Transferred from grants received in advance	17	9,761,262,762	6,283,537,807
Transferred from deferred income:			
(a) amortisation of investment in fixed assets			
- unrestricted		38,706,037	46,241,470
- temporarily restricted		22,155,563	15,196,642
	12	60,861,600	61,438,112
(b) amortisation of motorcycle replacement fund			
- unrestricted		836,840	836,840
- temporarily restricted		35,394,363	24,642,632
	12	36,231,203	25,479,472
		<u>9,858,355,565</u>	<u>6,370,455,391</u>
21. Investment income			
Interest on bank accounts and fixed deposits		804,170,268	621,505,176
Debenture interest		921,594	8,246,352
In respect of investments in related undertakings:			
- Share of profits less losses		221,972,059	159,602,792
- Provision for impairment losses		(796,022)	(3,607,078)
- Dilution loss of Delta BRAC Housing Finance Corporation		(1,852,489)	-
		219,323,548	155,995,714
Gain on sale of shares in companies listed in Bangladesh		-	3,211
		<u>1,024,415,410</u>	<u>785,750,453</u>
22. Other income			
Gain on disposal of property, plant and equipment		5,041,476	4,102,997
Partial reimbursements on cost of programme supplies		52,679,727	37,222,614
Training income		404,440,029	136,035,621
Sale of waste materials		60,304,234	19,285,050
Interest received on loans and advances to VO members		66,670,621	58,426,384
Foreign exchange gain - unrealised		10,452,818	16,725,941
		<u>599,588,905</u>	<u>271,798,607</u>
23. Taxation			
Income taxation charge for the year		<u>20,500,000</u>	<u>44,700,000</u>

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

The tax charge is in respect of taxable income arising from BRAC's taxable activities in 2008 and is subject to agreement with the tax authorities.

In 2004 and 2008 respectively, the office of the Deputy Commissioner of Taxation (DCT) had issued directives requesting for payment of taxes in respect of years of assessment 2000 to 2006 cumulatively amounting to Taka 556,589,080. BRAC has successfully obtained a stay of execution on these directives, and has referred this matter to the High Court Division of the Supreme Court of Bangladesh. A similar directive for year of assessment 2007 amounting to Taka 215,545,964 was also raised by the DCT in 2008, for which an appeal by BRAC is still in progress as at the date of the financial statements. BRAC is of the view that the basis of taxation of the above-mentioned directives are inappropriate, and therefore BRAC will not be liable to taxation. Accordingly, the amounts have not been provided for in the financial statements as at 31 December 2008.

24. Foreign currency denominated monetary assets and liabilities

	2008 Taka	2007 Taka
Resident Foreign Currency Deposits (in US\$)	392,568,551	472,152,827
Resident Foreign Currency Deposits (Euro)	17,613,374	16,521,844
Resident Foreign Currency Deposits (in GBP)	14,950,373	19,509,844
Cash at bank (in US\$)	14,453,323	12,129,656
Cash at bank (in Euro)	1,451,632	539,405
Cash at bank (Japan YEN)	-	52,000
Cash at bank (Indian Rupee)	174	174
Cash at bank (in GBP)	401,178	131,956

25. 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 VO members. 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 Britian 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.

26. Schedule of donation received

Name of the projects	Donor	2008 Taka	2007 Taka
BRAC Education Program	EKN	1,563,706,880	1,363,957,236
	NOVIB	53,416,100	50,189,095
	DFID	775,413,019	835,679,246
	CIDA	331,750,003	404,529,609
	AKF	-	21,420,884
	NORAD	192,963,488	232,733,185
	Sub total	2,917,249,490	2,908,509,255
Challenging the Frontiers of Poverty Reduction Programme	NOVIB	37,206,901	44,633,906
	AusAID	498,012,555	119,889,000
	DFID	1,372,231,786	1,095,464,493
	CIDA	752,157,586	485,458,767
	Sub Total	2,659,608,828	1,745,446,166
Road Safety Awareness Campaign	Embassy of Denmark	-	5,286,036
	GITAC Consult GmbH	-	350,273
		-	5,636,309
BRAC University Institute of Education Development	EKN	12,782,240	15,854,621
	NORAD	(6,967,923)	13,217,143
	SDC	21,390,078	7,523,558
		27,204,395	36,595,322
BRAC University Institute of Education	Plan Bangladesh	9,945,299	11,986,017
	Institute of Dev. Studies-Sussex	1,745,382	2,414,881
	World Bank	-	554,876
		11,690,681	14,955,774
MA in Governance and Development Program	EKN	50,397,584	13,673,640
	World Bank	2,082,000	5,899,000
		52,479,584	19,572,640
Cyclone Relief and Rehabilitation Activities	NOVIB	46,874,788	59,523,990
	Australian High Commission	-	1,100,000
	Charities Aid Foundation-America	-	4,763,108
	Conrad N. Hilton Foundation	409,859	13,608,880
	The Johanniter	-	8,179,096
	Ford Foundation	34,154,900	-
	AusAID	94,815,000	-
	DFID	398,788,738	-
	BRAC USA	150,713,477	-
	WFP	772,562	-
	Local contribution	6,123,504	11,777,180
		732,652,828	98,952,254
Flood Relief and Rehabilitation Activities	Plan Bangladesh	14,356,296	6,950,078
	UNICEF	14,811,060	411,000
	United Way International	-	1,712,562
	CIDA	-	6,393,359
	NOVIB	43,971,772	-
	Local contribution	-	9,875,383
	73,139,128	25,342,382	
Improving Maternal Neonatal & Child Survival Program (MNCS)	AusAID	191,698,310	-
	EKN	68,196,876	-
		259,895,186	-
Pilot project of distributing reading glass in Manikganj Nutrition Facilitation Program (NNP) Early Childhood Development Support Program	Scojo Foundation Incorporation	1,315,559	-
	GOB	-	26,539,281
	AKF	1,975,000	-

Name of the projects	Donor	2008 Taka	2007 Taka
Inclusion of Visual Impaired Children in NFPE School	Sight savers	-	2,500,142
Char Development and Settlement Program	EKN	28,316,340	23,220,507
BRAC AKF Learning Partnership Project	AKF/CIDA	-	21,420,884
Adolescent Peer Organized Network (APON)	UNICEF	46,983,894	56,485,552
Community Based Fisheries Management Project	ICLARM/World Fish Centre	-	393,660
Atta Fortification Program	WFP	60,162,670	20,737,951
Northwest Crop Diversification Project	GOB	5,191,837	26,391,945
HIV/AIDS Prevention Project	UNICEF	3,047,620	9,989,304
School Feeding Program	Land O Lakes	5,227,200	5,184,000
Northwest Microfinance Expansion Program	AusAID	4,990,809	48,741,816
Sprinkles Study in Bangladesh	Hospital for Sick Children	-	622,655
TB Control Program	The Global Fund	425,191,291	460,097,085
Community Based TB Control Program in Rural Area	The Int.Union Against Tuberculosis and Lung Disease	-	1,145,934
Social Protection Package for Retrenched State Owned Enterprise Workers	DFID	25,989,125	63,355,085
Tree Improvement project	Inter Co-operation Bangladesh	5,863,960	9,404,455
Primary Health Care in Later Life (PHC)	EC	-	3,702,557
Improving Sexual and Reproductive Health	Institute of Dev. Studies-Sussex	8,229,467	8,085,421
Pathway of Women Empowerment of research project	Institute of Dev. Studies-Sussex	9,916,336	14,114,570
BRAC Water,Sanitation and Hygiene Program	EKN	829,597,069	462,260,295
Adouble-blinded placebo Controlled randomized trial	Hospital for Sick Children	-	1,845,837
Malaria Control Program	The Global Fund	181,329,195	211,873,269
Deepening Democracy, Building Citizenship and Promoting Participation	Institute of Dev. Studies-Sussex	3,956,556	4,086,639
Dissemination of Small Solar Home System	GTZ-Germany	-	4,136,578
Eurasia /South Asia Teaching Excellence and Achievement	International Research and Exchanges Board	2,281,335	1,779,783
Safe Migration Facilities	Manusher Jonno Foundation	20,713,974	8,069,007
Maternal, Neonatal and Child Health	Bill and Melinda Gates Foundation	496,489,089	372,307,992
Research Center on Chronic Poverty Phase-II	The University of Manchester	-	4,291,899
BRAC Non-Formal Primary Education Program	EC	219,357,003	93,047,070
Revealing the Challenges of Urban Bangladesh DOTS Program	University of Leeds	913,626	2,765,556
Targeting Vitamine A Capsule for the Unreached Children in Hard to Reach Areas	Micro-Nutrient Initiative	6,285,966	3,972,045
Early Learning for Child Development Project (ELCDP)	UNICEF	146,609,961	10,040,100
Meeting Basic Education Needs in Bangladesh	AusAID	212,218,555	291,647,555
BRAC Innovation Fund towards a new Dimension of Adolescent Development Program	NOVIB	6,150,249	24,624,575
BRAC Limb Centre and Brace Centre	International Committee of the Red Cross (ICRC)	898,346	1,793,653
Mainstreaming Nutrition in to BRAC Program	ICDDRDB	941,532	2,151,382
Mainstreaming Nutrition in Maternal and Child Health Program	ICDDRDB	2,484,851	-
Community Based Postnatal Care Study in Bangladesh	Save the Children	4,559,436	-
Prevention & Control of HIV among High Risk Population	Save the Children	32,698,950	-
Indoor Air Polution and Health in Developing Countries Survey	Standford University	2,266,917	-
Improving Recognition Prolonged Labor and Birth with Unsile Academic	Emory University	2,910,915	-
Impact of Oral Supplementation with Sprinkles on Infection morbidity	Hospital for Sick Children	1,909,396	-
HIV/AIDS Targeted Intervention among Clients of Sex Workers	UNICEF	12,602,823	-
BRAC Economic and Social Development Program in Aceh	NOVIB	25,911,247	-
Community Safety Pilot project	Safer World	958,757	-
Impact of Maternal Perinatal Depressive Symptom on Infant Development & Health in Bangladesh	Karolinska University-Sweden	728,124	-
Post SIDR Livelihood Rehabilitation Program	EC	341,564,392	-
Cyclone SIDR Emergency Health & Nutrition Response in Bangladesh	Save the Children	29,699,997	-
BRAC New Initiative of HRLS	GTZ	1,187,446	-
Pro-Poor Growth for South Africa and Asia	Oxford University	4,329,556	-
Distributing Essential Information over Mobile Phones	DIMAGI	2,464,200	-
Screening of Tube Well in Bangladesh Arsenic	The Rotary Foundation	630,729	-
TOTAL		9,960,971,420	7,157,836,141

27. Segmental financial information

Unrestricted									Temporarily restricted	Total 2008 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 Project Taka	House Property (Building) Taka	Total Unrestricted Taka	Development Projects Taka		
Balance Sheet as at December 31, 2008											
Assets:											
Property, plant and equipments	489,109,932	118,612,518	302,049,895	859,410,321	2,774,805	1,174,011,405	2,247,569,536	217,014,554	5,410,552,966	196,786,361	5,607,339,327
Investments in related undertakings	-	-	-	-	-	-	2,878,210,799	-	2,878,210,799	-	2,878,210,799
Investments in securities and others	-	-	-	-	-	-	59,140,000	-	59,140,000	-	59,140,000
Loans to Village Organization (VO) members	-	-	-	-	-	41,542,182,420	-	-	41,542,182,420	-	41,542,182,420
Motor cycle loans	-	-	2,314,038	9,266,280	21,354	231,908,700	40,869,324	-	284,379,696	400,059,884	684,439,580
Inventories	666,238,260	166,841,286	82,675,479	652,417,862	11,603,709	119,584,561	14,866,749	-	1,714,227,906	2,735,668	1,716,963,574
Grants and accounts receivable	46,116,263	44,621,085	8,415,530	393,872,800	12,857,500	127,142,401	275,703,466	6,425,357	915,154,402	139,137,955	1,054,292,357
Advance, deposits and prepayments	104,898,504	239,050,269	43,373,258	132,669,579	3,647,264	873,610,076	736,559,688	17,092,413	2,150,901,051	119,010,482	2,269,911,533
Inter-programme current account	23,797,983	(383,018,117)	95,023,096	(4,947,502)	-	-	269,144,540	-	-	-	-
Fixed deposits	-	-	-	-	-	1,274,404,467	5,341,697,810	-	6,616,102,277	-	6,616,102,277
Cash in hand and at banks	92,211,777	32,789,157	45,280,330	(840,130,899)	873,122	1,220,335,451	1,791,796,320	623,091,780	2,966,247,038	1,913,808,316	4,880,055,354
Total Assets	1,422,372,719	218,896,198	579,131,626	1,202,558,441	31,777,754	46,563,179,481	13,655,558,232	863,624,104	64,537,098,555	2,771,538,666	67,308,637,221
Liabilities and net Assets											
Liabilities:											
Deferred income	-	-	-	-	-	225,379	207,854,118	-	208,079,497	214,342,663	422,422,160
Term loans	120,000,000	-	79,999,995	320,000,000	-	20,229,152,784	1,955,284,948	-	22,704,437,727	-	22,704,437,727
VO members savings deposits	-	-	-	-	-	15,764,569,644	-	-	15,764,569,644	-	15,764,569,644
Securitized financing	-	-	-	-	-	345,083,404	-	-	345,083,404	-	345,083,404
Other long term liabilities	147,420,294	27,428,274	-	-	-	182,528,033	3,462,448,450	-	3,819,825,051	-	3,819,825,051
VO members project & current account	-	-	-	-	-	27,139,539	401,201	-	27,540,740	-	27,540,740
Grants received in advance account	-	-	-	-	-	-	-	-	-	1,834,102,592	1,834,102,592
Other current liabilities	118,596,998	14,114,388	68,597,197	305,635,981	17,726,861	244,237,115	265,592,369	16,838,339	1,051,339,248	193,933,078	1,245,272,326
Provision for taxation	-	-	-	-	-	-	191,941,030	-	191,941,030	-	191,941,030
Bank overdrafts	-	-	-	-	-	-	5,657,677,143	-	5,657,677,143	-	5,657,677,143
Total Liabilities	386,017,292	41,542,662	148,597,192	625,635,981	17,726,861	36,792,935,898	11,741,199,259	16,838,339	49,770,493,484	2,242,378,333	52,012,871,817
Net assets- Capital fund	1,036,355,427	177,353,536	430,534,434	576,922,460	14,050,893	9,770,243,583	1,914,358,973	846,785,765	14,766,605,071	529,160,333	15,295,765,404
Total Liabilities and Net assets	1,422,372,719	218,896,198	579,131,626	1,202,558,441	31,777,754	46,563,179,481	13,655,558,232	863,624,104	64,537,098,555	2,771,538,666	67,308,637,221

27. Segmental financial information (cont'd.)

Unrestricted									Temporarily restricted	Total 2007 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 Project Taka	House Property (Building) Taka	Total Unrestricted Taka	Development Projects Taka	

Balance Sheet as at December 31, 2007

Assets:

Property, plant and equipments	380,227,300	141,667,665	298,593,951	838,571,656	2,453,783	1,345,709,895	2,095,088,999	214,489,158	5,316,802,407	151,810,278	5,468,612,685
Investments in related undertakings	-	-	-	-	-	-	1,806,369,952	-	1,806,369,952	-	1,806,369,952
Investments in securities and others	-	-	-	-	-	-	44,285,706	-	44,285,706	-	44,285,706
Loans to Village Organization members	-	-	-	-	-	33,986,290,977	-	-	33,986,290,977	-	33,986,290,977
Motor cycle loans	-	-	1,415,007	9,693,552	22,766	206,717,328	53,662,733	-	271,511,386	294,866,921	566,378,307
Inventories	784,025,496	145,312,703	39,636,529	543,377,694	8,956,510	82,334,800	32,313,935	-	1,635,957,667	699,748	1,636,657,415
Grants and accounts receivable	68,091,439	66,503,428	7,943,284	186,814,379	10,414,661	177,084,379	253,767,576	10,734,655	781,353,801	44,732,003	826,085,804
Advance, deposits and prepayments	94,671,977	142,074,203	38,987,935	123,432,135	-	490,034,420	908,426,232	15,524,658	1,813,151,560	102,130,587	1,915,282,147
Inter-programme current account	(326,375,856)	(321,502,189)	6,106,148	61,476,708	(3,722,788)	397,451,524	124,591,865	-	(61,974,588)	61,974,588	-
Fixed deposits	-	-	-	-	-	3,317,959,715	6,001,016,103	-	9,318,975,818	-	9,318,975,818
Cash in hand and at banks	90,824,246	9,047,436	59,715,774	(749,002,572)	8,348,127	2,301,371,927	611,063,268	627,018,931	2,958,387,137	1,635,716,587	4,594,103,724
Total Assets	1,091,464,602	183,103,246	452,398,628	1,014,363,552	26,473,059	42,304,954,965	11,930,586,369	867,767,402	57,871,111,823	2,291,930,712	60,163,042,535

Liabilities and net Assets

Liabilities:

Deferred income	-	-	-	-	-	624,107	246,127,271	-	246,751,378	178,798,488	425,549,866
Term loans	25,081,088	-	86,666,662	320,000,000	-	19,710,259,922	-	-	20,142,007,672	-	20,142,007,672
VO members savings deposits	-	-	-	-	-	13,467,188,019	-	-	13,467,188,019	-	13,467,188,019
Other long term liabilities	-	-	-	-	-	71,785,351	-	-	71,785,351	-	71,785,351
Securitized financing	122,496,077	24,493,559	-	-	-	213,871,168	2,784,331,072	-	3,145,191,876	-	3,145,191,876
VO members project & current account	-	-	-	-	-	25,059,115	-	-	25,059,115	-	25,059,115
Grants received in advance account	-	-	-	-	-	-	-	-	-	1,623,732,366	1,623,732,366
Other current liabilities	110,071,273	19,261,619	49,703,639	117,285,467	15,206,149	79,408,240	227,948,737	26,665,294	645,550,418	99,530,489	745,080,907
Provision for taxation	-	-	-	-	-	-	171,441,030	-	171,441,030	-	171,441,030
Bank overdrafts	-	-	-	-	-	-	6,881,999,845	-	6,881,999,845	-	6,881,999,845
Total Liabilities	257,648,438	43,755,178	136,370,301	437,285,467	15,206,149	33,568,195,922	10,311,847,955	26,665,294	44,796,974,704	1,902,061,343	46,699,036,047
Net assets- Capital fund	833,816,164	139,348,068	316,028,327	577,078,085	11,266,910	8,736,759,043	1,618,738,414	841,102,108	13,074,137,119	389,869,369	13,464,006,488
Total Liabilities and Net assets	1,091,464,602	183,103,246	452,398,628	1,014,363,552	26,473,059	42,304,954,965	11,930,586,369	867,767,402	57,871,111,823	2,291,930,712	60,163,042,535

27. Segmental financial information (cont'd.)

	Unrestricted								Temporarily restricted	Total 2008	
	Aarong Rural Craft Centre	BRAC Printers & Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted		Development Projects
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Statement of Income and Expenditure for the year ended December 31, 2008											
Income											
Donor grants	-	-	-	-	-	398,728	39,144,149	-	39,542,877	9,818,812,688	9,858,355,565
Revenue from											
Income generating projects	2,395,264,070	862,766,623	1,283,338,835	-	-	-	-	-	4,541,369,528	-	4,541,369,528
Agro-Industries and development enterprises	-	-	-	2,545,093,509	103,946,096	-	-	-	2,649,039,605	-	2,649,039,605
Service charge on loans to VO members	-	-	-	-	-	10,265,858,263	-	-	10,265,858,263	-	10,265,858,263
Investment income	-	-	-	-	-	281,171,629	722,520,159	-	1,003,691,788	20,723,622	1,024,415,410
Other income -internal	(20,510,322)	(35,899,662)	-	-	-	-	56,409,984	-	-	-	-
Other income	15,377,418	9,405,255	4,091,789	-	-	182,729,370	377,658,581	-	589,262,413	10,326,492	599,588,905
Income from house property	-	-	-	-	-	-	-	93,577,802	93,577,802	-	93,577,802
Total income	2,390,131,166	836,272,216	1,287,430,624	2,545,093,509	103,946,096	10,730,157,990	1,195,732,873	93,577,802	19,182,342,276	9,849,862,802	29,032,205,078
Expenditure											
Income generating projects	1,985,053,161	789,850,975	1,172,924,517	-	-	-	-	-	3,947,828,653	-	3,947,828,653
Agro-Industries and development enterprises	-	-	-	2,531,205,903	97,639,621	-	-	-	2,628,845,524	-	2,628,845,524
House property related expenses	-	-	-	-	-	-	-	87,894,145	87,894,145	-	87,894,145
Education Programme	-	-	-	-	-	-	486,519,266	-	486,519,266	3,908,998,159	4,395,517,425
Challenging the Frontiers of Poverty Reduction	-	-	-	-	-	-	209,717,000	-	209,717,000	2,505,065,550	2,714,782,550
Health and Population Programme	-	-	-	-	-	-	88,034,303	-	88,034,303	1,955,962,779	2,043,997,082
Micro Finance Programme	-	-	-	-	-	9,696,673,450	-	-	9,696,673,450	-	9,696,673,450
Relief and Rehabilitation	-	-	-	-	-	-	14,662,345	-	14,662,345	1,224,795,990	1,239,458,335
Poultry & Livestock Extension Programme	-	-	-	-	-	-	31,365,838	-	31,365,838	-	31,365,838
Fisheries Extension Programme	-	-	-	-	-	-	29,850,378	-	29,850,378	1,033,314	30,883,692
Agriculture & Sericulture Extension Programme	-	-	-	-	-	-	42,748,731	-	42,748,731	7,272,202	50,020,933
Livelihood Development Programme	-	-	-	-	-	-	189,309,925	-	189,309,925	39,890,972	229,200,897
Grants to BRAC University	-	-	-	-	-	-	15,924,766	-	15,924,766	-	15,924,766
Research, Monitoring and Evaluation	-	-	-	-	-	-	-	-	-	67,552,872	67,552,872
Total Expenses	1,985,053,161	789,850,975	1,172,924,517	2,531,205,903	97,639,621	9,696,673,450	1,108,132,552	87,894,145	17,469,374,324	9,710,571,838	27,179,946,162
Surplus of income over expenditure before taxation	405,078,005	46,421,241	114,506,107	13,887,606	6,306,475	1,033,484,540	87,600,321	5,683,657	1,712,967,952	139,290,964	1,852,258,916
Taxation	-	-	-	-	-	-	(20,500,000)	-	(20,500,000)	-	(20,500,000)
Net surplus for the year before inter-programme allocations	405,078,005	46,421,241	114,506,107	13,887,606	6,306,475	1,033,484,540	67,100,321	5,683,657	1,692,467,952	139,290,964	1,831,758,916
Inter-programme allocations	(202,538,742)	(8,415,773)	-	(14,043,231)	(3,522,492)	-	228,520,238	-	-	-	-
Net surplus/(deficit) for the year after inter-programme allocations	202,539,263	38,005,468	114,506,107	(155,625)	2,783,983	1,033,484,540	295,620,559	5,683,657	1,692,467,952	139,290,964	1,831,758,916

27. Segmental financial information (cont'd.)

	Unrestricted								Temporarily restricted	Total 2007	
	Aarong Rural Craft Centre	BRAC Printers & Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted		Development Projects
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Statement of Income and Expenditure for the year ended December 31, 2007											
Income											
Donor grants	-	-	-	-	-	398,729	46,679,581	-	47,078,310	6,323,377,081	6,370,455,391
Revenue from											
Income generating projects	1,977,517,098	790,101,246	910,678,427	-	-	-	-	-	3,678,296,771	-	3,678,296,771
Agro-Industries and development enterprises	-	-	-	2,342,651,886	79,631,494	-	-	-	2,422,283,380	-	2,422,283,380
Service charge on loans to VO members	-	-	-	-	-	7,913,031,873	-	-	7,913,031,873	-	7,913,031,873
Investment income	-	-	-	-	-	144,277,365	626,242,682	-	770,520,047	15,230,406	785,750,453
Other income -internal	(46,943,556)	(28,817,303)	-	-	-	-	75,760,859	-	-	-	-
Other income	15,225,614	6,986,400	3,922,076	1,745,503	363,876	117,164,893	123,414,250	-	268,822,612	2,975,995	271,798,607
Income from house property	-	-	-	-	-	-	-	88,653,948	88,653,948	-	88,653,948
Total income	1,945,799,156	768,270,343	914,600,503	2,344,397,389	79,995,370	8,174,872,860	872,097,372	88,653,948	15,188,686,941	6,341,583,482	21,530,270,423
Expenditure											
Income Generating Projects	1,630,207,656	729,419,445	835,794,826	-	-	-	-	-	3,195,421,927	-	3,195,421,927
Agro-Industries and development enterprises	-	-	-	2,289,198,859	76,103,136	-	-	-	2,365,301,995	-	2,365,301,995
House property related expenses	-	-	-	-	-	-	-	76,656,553	76,656,553	-	76,656,553
Education Programme	-	-	-	-	-	-	267,485,014	-	267,485,014	3,054,846,592	3,322,331,606
Challenging the Frontiers of Poverty Reduction	-	-	-	-	-	-	152,463,655	-	152,463,655	1,782,673,230	1,935,136,885
Nutrition Programme	-	-	-	-	-	-	-	-	-	1,785,204	1,785,204
Health and Population Programme	-	-	-	-	-	-	30,096,979	-	30,096,979	1,133,549,247	1,163,646,226
Micro Finance Programme	-	-	-	-	-	7,664,833,109	-	-	7,664,833,109	-	7,664,833,109
Relief and Rehabilitation	-	-	-	-	-	-	98,844,190	-	98,844,190	69,488,790	168,332,980
Poultry & Livestock Extension Programme	-	-	-	-	-	-	29,507,430	-	29,507,430	-	29,507,430
Fisheries Extension Programme	-	-	-	-	-	-	27,006,930	-	27,006,930	1,886,854	28,893,784
Agriculture & Sericulture Extension Programme	-	-	-	-	-	-	25,636,956	-	25,636,956	9,970,304	35,607,260
Livelihood Development Programme	-	-	-	-	-	-	68,988,834	-	68,988,834	106,130,763	175,119,597
Research, Monitoring and Evaluation	-	-	-	-	-	-	-	-	-	41,793,637	41,793,637
Total Expenses	1,630,207,656	729,419,445	835,794,826	2,289,198,859	76,103,136	7,664,833,109	700,029,988	76,656,553	14,002,243,572	6,202,124,621	20,204,368,193
Surplus of income over expenditure before taxation	315,591,500	38,850,898	78,805,677	55,198,530	3,892,234	510,039,751	172,067,384	11,997,395	1,186,443,369	139,458,861	1,325,902,230
Taxation	-	-	-	-	-	-	(44,700,000)	-	(44,700,000)	-	(44,700,000)
Net surplus for the year before inter-programme allocations	315,591,500	38,850,898	78,805,677	55,198,530	3,892,234	510,039,751	127,367,384	11,997,395	1,141,743,369	139,458,861	1,281,202,230
Inter-programme allocations	-	83,828,618	-	(22,515,607)	(2,186,198)	-	(59,126,813)	-	-	-	-
Net surplus for the year after inter-programme allocations	315,591,500	122,679,516	78,805,677	32,682,923	1,706,036	510,039,751	68,240,571	11,997,395	1,141,743,369	139,458,861	1,281,202,230

28. Statement of Functional Expenses

	Unrestricted								Temporarily restricted	Total 2008	
	Aarong Rural Craft Centre	BRAC Printers & Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted		Development Projects
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		Taka
Salaries and benefits	242,341,170	11,779,548	42,812,856	122,144,368	2,633,641	3,814,708,332	130,823,020	-	4,367,242,935	2,889,363,357	7,256,606,292
Travelling and transportation	16,310,489	2,216,866	28,492,033	34,473,831	302,964	215,975,219	58,521,220	-	356,292,622	422,704,225	778,996,847
Teachers' salaries	-	-	-	-	-	-	-	-	-	1,081,807,968	1,081,807,968
Teachers' training	-	-	-	-	-	-	-	-	-	392,449,463	392,449,463
School rent and maintenance	-	-	-	-	-	-	-	-	-	214,405,525	214,405,525
Stationery, rent and utilities	67,718,527	2,460,923	15,173,758	10,501,960	731,677	120,793,124	19,549,617	5,507,258	242,436,844	204,884,561	447,321,405
Maintenance and general expenses	35,533,049	2,605,569	11,426,887	20,633,319	275,246	144,339,055	51,777,654	8,112,321	274,703,100	101,371,954	376,075,054
VO members' training	-	-	-	-	-	-	20,050,000	-	20,050,000	486,753,201	506,803,201
Staff training and development	4,395,074	-	221,206	701,498	2,762	20,654,469	18,696,326	-	44,671,335	321,561,031	366,232,366
Programme supplies	-	-	-	-	-	77,585,773	98,145,244	-	175,731,017	3,514,297,483	3,690,028,500
Interest on VO members' savings deposits	-	-	-	-	-	691,516,942	-	-	691,516,942	-	691,516,942
Interest on long term loans	-	-	7,233,774	71,696,816	-	2,912,376,342	-	-	2,991,306,932	-	2,991,306,932
Bank overdraft interest and charges	38,247,426	5,508,563	-	-	712	44,084,678	589,733,645	-	677,575,024	-	677,575,024
Cost of goods sold of income generating projects	1,526,031,517	761,063,354	1,020,157,427	-	-	-	-	-	3,307,252,298	-	3,307,252,298
Cost of goods sold of agro-industries & dev. ent.	-	-	-	2,171,921,517	92,723,334	-	-	-	2,264,644,851	-	2,264,644,851
Publicity, advertisement and sales commissions	18,048,834	-	3,832,272	11,547,298	11,271	-	13,910,238	-	47,349,913	49,789,768	97,139,681
Loan loss provision for loans to VO members	-	-	-	-	-	1,588,589,068	-	-	1,588,589,068	-	1,588,589,068
Depreciation of property, plant and equipment	36,427,075	1,991,152	42,203,347	78,998,423	686,784	66,050,448	91,000,822	18,546,520	335,904,571	31,183,302	367,087,873
Provision for bad and doubtful debts	-	2,225,000	1,370,957	8,586,874	271,231	-	-	-	12,454,062	-	12,454,062
Grants to BRAC University	-	-	-	-	-	-	15,924,766	-	15,924,766	-	15,924,766
Allocation to self- insurance fund	-	-	-	-	-	-	-	55,728,046	55,728,046	-	55,728,046
	1,985,053,161	789,850,975	1,172,924,517	2,531,205,903	97,639,621	9,696,673,450	1,108,132,552	87,894,145	17,469,374,324	9,710,571,838	27,179,946,162

Included in cost of goods sold of commercial projects is depreciation of property, plant and equipment amounting to Tk. 29,462,830.

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

	Unrestricted								Temporarily restricted	Total 2007	
	Aarong Rural Craft Centre	BRAC Printers & Printing Pack	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted		Development Projects
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		Taka
Salaries and benefits	204,988,927	9,885,024	31,848,086	101,927,369	1,770,233	3,535,528,438	69,690,448	-	3,955,638,525	2,169,002,087	6,124,640,612
Travelling and transportation	14,953,249	2,421,167	22,373,075	24,602,171	334,802	263,811,056	36,605,519	-	365,101,039	244,853,951	609,954,990
Teachers' salaries	-	-	-	-	-	-	-	-	-	858,907,470	858,907,470
Teachers' training	-	-	-	-	-	-	-	-	-	283,159,534	283,159,534
School rent and maintenance	-	-	-	-	-	-	-	-	-	163,922,822	163,922,822
Stationery, rent and utilities	56,502,960	4,040,153	10,843,931	16,658,489	480,677	209,373,984	32,574,807	8,215,961	338,690,962	117,887,787	456,578,749
Maintenance and general expenses	29,620,602	1,503,260	11,887,661	18,273,693	287,165	186,275,184	21,537,186	6,584,810	275,969,561	58,936,745	334,906,306
VO members' training	-	-	-	-	-	-	25,073,351	-	25,073,351	282,869,100	307,942,451
Staff training and development	-	-	39,783	47,601	8,316	63,174,736	27,932,976	-	91,203,412	311,632,342	402,835,754
Programme supplies	-	-	-	-	-	100,640,925	46,302,992	-	146,943,917	1,658,421,558	1,805,365,475
Interest on VO members' savings deposits	-	-	-	-	-	568,664,709	-	-	568,664,709	-	568,664,709
Interest on long term loans	-	-	15,723,865	52,053,114	78,527	1,582,845,868	300,077	-	1,651,001,451	-	1,651,001,451
Bank overdraft interest and charges	10,447,094	11,111,737	-	-	-	-	349,856,796	-	371,415,627	-	371,415,627
Cost of goods sold of income generating projects	1,283,558,833	696,330,269	678,322,182	-	-	-	-	-	2,658,211,284	-	2,658,211,284
Cost of goods sold of agro-industries & dev. ent.	-	-	-	1,959,492,244	71,780,173	-	-	-	2,031,272,417	-	2,031,272,417
Publicity, advertisement and sales commissions	14,175,831	-	6,371,911	15,344,585	347,577	-	8,817,674	-	45,057,578	30,542,034	75,599,612
Loan loss provision for loans to VO members	-	-	-	-	-	1,080,766,652	-	-	1,080,766,652	-	1,080,766,652
Depreciation of property, plant and equipment	15,960,160	811,853	56,672,104	77,054,117	663,331	73,751,557	80,692,982	12,535,435	318,141,539	21,989,191	340,130,730
Provision for bad and doubtful debts	-	1,295,404	1,712,228	23,745,476	352,335	-	-	-	27,105,443	-	27,105,443
Allocation to self- insurance fund	-	-	-	-	-	-	-	49,320,347	49,320,347	-	49,320,347
Value Added Tax	-	2,020,578	-	-	-	-	645,180	-	2,665,758	-	2,665,758
	1,630,207,656	729,419,445	835,794,826	2,289,198,859	76,103,136	7,664,833,109	700,029,988	76,656,553	14,002,243,572	6,202,124,621	20,204,368,193

Included in cost of goods sold of commercial projects is depreciation of property, plant and equipment amounting to Tk. 16,298,163.

29. Comparative Figures

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