

Net Income

BRAC in Tanzania completed a profitable year in 2018 by registering pretax profit of USD 6,900,841 in 2018 compared to USD 6,571,041 in 2017. This is mainly due to increase in the number of borrowers from 183,103 in 2017 to 197,172 in 2018 an increase of 8%.

Operating Expenses

Total operating expenses for the year were USD 11,816,313 as against USD 10,365,788 in 2017.

Provisions for Impairment Losses

Total reserve as against impairment in 2018 was USD 2,377,559 as against USD 2,206,978 in 2017, an increment 8% and representing 6% of Gross portfolio. This year amount charged for impairment on loans was USD 768,128 as against USD 1,398,868 in 2017. Portfolio at Risk (PAR>30 days) has gone down to 2.69% in 2018 as against 3.56% in 2017.

Financial Position

In 2018, total assets grew up by 10% to USD 46,139,797. Loans Outstanding to customers increased by 8% and is now 86% of total assets. Security deposits increased by 12% and Net Equity increased by 34% to USD 25,497,217 from USD 18,510,626 in 2017. The growth of net equity is a direct result of increase in profitability.

FINANCIAL HIGHLIGHTS – NGO

BRAC in Tanzania received grants amounting to USD 1,809,804 in 2018 as against USD 1,976,010 in 2017. Total Project expenses for the year were USD 1,749,619 (USD 2,044,726 in 2017). Out of the total expenses majority is expensed in Education programme supported by NORAD & LEGO Foundation. All most 93% of total expenditure is being used for program service with only 7% being incurred for administrative expenses.

Expenditure and financial balance

To achieve its mission and ambitions, IRC works with partner organisations, associates and consultants. From the total gross revenue of € 11.08 million in 2018, 29% went to partner organisations and 12% to associates or consultants. An additional 16% was spent on other project costs including travel, meeting venues and equipment. In total, almost 57% of the gross revenue went to third parties.

IRC closed 2018 with a positive balance sheet of € 112,148. This reflects an encouraging gross operating result of € 181,580 against which a provision of approximately € 65,000 was made for a bad debt on a closed project in India. Half of the annual balance was allocated to the general reserves, the other half to the earmarked reserves. The latter are earmarked for unemployment benefits (IRC is own-risk bearer), investments in ICT and financial systems, major adjustments to the website, as well as necessary refurbishments to the office in The Hague.

During 2018, € 87,850 was taken from the earmarked reserves for unemployment benefits, updating the website and changes to the ICT system. IRC's total reserves on 31 December 2018 were € 1,175,561 – including € 110,319 in earmarked reserves.

IRC's liquidity had narrowed significantly over the last few years, with the amount of cash and cash equivalents decreasing by almost € 5 million during the period 2014-2016. This trend reversed during 2017 and 2018 due to early disbursements from DGIS, with the total cash and cash equivalents increasing by some € 0.9 million during 2018. IRC's liquidity remains satisfactory and IRC is able to fulfil its short and long-time financial obligations.

The table below shows the actual 2018 expenses per programme, against budget and goals, and includes the DGIS Programmatic Funding used.

Assets**Non-Current Assets**

Operating fixed assets
Security deposits

Current Assets

Loans, advances & other receivables
Short-term investments
Interfund balances
Cash and bank balances

Total Current Assets**Current Liabilities**

Interfund balances
Accrued and other liabilities

Deferred capital grants
Deferred liability - gratuity

Net Assets**Represented By:**

Restricted fund balances
Accumulated unrestricted surplus
Unrealized gain on short term investment

CONTINGENCIES AND COMMITMENTS**Income**

Restricted funds utilized
Deferred capital grants released
Other income

Total Income**Expenses**

Operating expenses
Program and project expenses
Total Expenses

Surplus / (deficit) for the Year

CASH FLOWS FROM OPERATING ACTIVITIES

Surplus / (deficit) for the year

Adjustments for:

- depreciation
- provision for gratuity
- gain on sale of investments

Decrease in current assets

- advances and other receivables

Increase in current liabilities

- accrued and other liabilities

Deferred capital grants - net

Restricted funds - net

Cash generated from /(used in) operations

Gratuity paid

Net cash generated from/(used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of tangible fixed assets

Investment in short term investments

Sale proceed from sale of short term investments

Net cash used in investing activities

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

The annexed notes 1 to 21 form an integral part of these financial statements.

Income Tax deduction at source by
third parties

Tax deduction at source from third parties

Income Tax deduction at source from
Staff salary

VAT collection from customers

Import Duty paid

ASSETS

Cash and bank balances
Advance, deposits and prepayments
Inventories
Grants and accounts receivable
Microfinance loans
Motor cycle loans
Investments in securities and others
Investments in related undertakings
Property, plant and equipment

TOTAL ASSETS**LIABILITIES AND NET ASSETS****LIABILITIES**

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

TOTAL LIABILITIES**NET ASSETS**

Unrestricted
Temporarily restricted

TOTAL LIABILITIES AND NET ASSETS

INCOME

Donor grants
Social Enterprises
Microfinance Programme
Self-financing Social Development Programme
Investment income
Community Contribution
House Property

TOTAL INCOME**EXPENDITURE**

Social Enterprises
Micro Finance Programme
House Property
Agriculture and Food Security
Community Empowerment Programme
Education Programme
Gender, Justice and Diversity
Health Programme
Human Rights and Legal Aids Services
Policy Advocacy
Water, Sanitation and Hygiene Programme
Ultra Poor Programme
Forcibly-displaced Myanmar Nationals
Disaster Management and Climate Change
Skills Development Programme
Other Development Projects
Grants

TOTAL EXPENDITURE

Surplus/(deficit) of income over expenditure before tax
before taxation

Taxation

NET SURPLUS FOR THE YEAR

Assets

Cash and bank balances
Advance, deposits and prepayments
Inventories
Grants and accounts receivable
Microfinance loans
Motor cycle loans
Investments in securities and others
Investments in related undertakings
Property, plant and equipment

Total assets**Liabilities and net assets****Liabilities**

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

Total liabilities**Net assets**

Unrestricted
Temporarily restricted

Total liabilities and net assets

Income

Donor grants
Social enterprises
Microfinance programme
Self-financing social development programme
Investment income
Community contribution
House property

Total income**Expenditure**

Social enterprises
Micro finance programme
House property
Agriculture and food security
Community empowerment programme
Education programme
Gender, justice and diversity
Health programme
Human rights and legal aids services
Policy advocacy
Water, sanitation and hygiene programme
Ultra poor programme
Forcibly-displaced myanmar nationals
Disaster management and climate change
Skills development programme
Other development projects
Grants

Total expenditure

Surplus/(deficit) of income over expenditure
BRAC contribution to support donor funded programme
Surplus of income over expenditure before taxation
Provision for taxation

Net surplus for the year

Cash flows from operating activities:

Surplus of income over expenditure before taxation

Adjustments to reconcile changes in net assets to net cash provided by operating activities:

Loan loss provision

Depreciation

Gain on disposal of property, plant and equipment

Cash dividend received

Donor grants - amortisation of investment in property, plant and equipment and motorcycle replacement fund

Interest on fixed deposits and bank accounts

Adjustments for other accounts:

Increase in service charge outstanding on microfinance loans

(Increase)/ decrease in inventories

(Increase) in advances, deposits and prepayments

Decrease/(increase) in accounts receivable

Increase in motorcycle loans

Decrease/(increase) in liabilities for expenses and materials

Increase in deferred income

Net cash provided by operating activities

Cash flows from investing activities:

Increase in microfinance loans

Decrease/(increase) in fixed deposits pledged with financial institutions

Increase in investments in related undertakings

Interest received on fixed deposits and bank accounts

Purchase of property, plant and equipment

Proceeds from disposal of property, plant and equipment

Dividends received from related undertakings

(Investments in)/realisation of investment in securities and others

Total operational headquarters expenses
(excluding exchange rate loss) / Total expenses
as per ACTED Income Statement
Dépenses opérationnelles totales du siège (sans
la perte du taux d'échange)/Dépenses totales
selon l'état des revenus d'ACTED