

BRAC IT Services Limited

Auditors' report and financial statements

As at and for the year ended 31 December 2016

**Independent Auditors' Report
to the Shareholders of
BRAC IT Services Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of BRAC IT Services Limited (BITS), which comprise the statement of financial position as at 31 December 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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


Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BRAC IT Services Limited (BITS) as at 31 December 2016 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and other applicable laws and regulations.

We also report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books.
- (c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 26th February 2017


(A. Qasem & Co.)
Chartered Accountants

BRAC IT Services Limited
Statement of Financial Position
As at 31 December 2016

Assets	Notes	31-Dec-16 <u>Taka</u>	31-Dec-15 <u>Taka</u> <u>Restated</u>	1-Jan-15 <u>Taka</u> <u>Restated</u>
Non-current Assets				
Property, Plant and Equipment	Annex-A	55,098,093	62,362,973	50,160,991
Intangible Assets	Annex-B	257,873,963	33,653,265	6,647,210
Capital Work in progress	Annex-C	-	198,517,038	161,145,500
Total Non-Current Assets		312,972,056	294,533,276	217,953,701
Current Assets:				
Accounts Receivable	3	22,493,778	25,044,017	25,369,242
Advance, Deposits and Prepayments	4	9,079,477	14,139,891	10,668,748
Inventories		322,098	1,899,113	3,368,626
Cash and Cash Equivalents	5	52,682,974	9,455,641	7,872,872
Total Current Assets		84,578,327	50,538,662	47,279,488
Total Assets		397,550,383	345,071,938	265,233,189
Equity and Liabilities				
Shareholders' Equity:				
Share Capital- Paid up	6	61,224,000	61,224,000	61,224,000
Share Premium		937,215	937,215	937,215
Retained Earnings/(accumulated losses)	7	(118,297,886)	(166,216,323)	(100,537,898)
Total Shareholders' Equity		(56,136,671)	(104,055,108)	(38,376,683)
Non-current Liabilities:				
Loan from BRAC		108,705,372	36,249,000	36,249,000
Total Non-Current Liabilities		108,705,372	36,249,000	36,249,000
Current Liabilities:				
Accounts Payable	8	23,499,195	14,148,965	12,152,219
Provision and Other Liabilities	9	22,499,474	17,902,578	21,918,358
Unearned Revenue	10	298,983,013	380,826,502	233,290,295
Total Current Liabilities		344,981,682	412,878,045	267,360,872
Total Equity and Liabilities		397,550,383	345,071,938	265,233,189

These financial statements should be read in conjunction with annexed notes


Director


Chairman


Acting CEO

as per our report of same date

Dhaka, 26th February 2017


(A. Qasem & Co.)
Chartered Accountants

BRAC IT Services Limited
Statement of Comprehensive Income
For the year ended 31 December 2016

		2016	2015
		Taka	Taka
			<u>Restated</u>
Revenue	Notes		
Sales & Service Charges	11	293,073,849	211,156,842
Less: Sales VAT	12	12,113,919	8,887,494
Total Income		<u>280,959,930</u>	<u>202,269,348</u>
 Operating Expenses			
Staff Cost	13	137,743,870	166,378,611
Operating Expenses	14	88,193,491	101,363,433
Other Operating Expenses	15	56,432	205,729
Total Operating Expenses		<u>225,993,793</u>	<u>267,947,773</u>
Net Operating Profit/ (Loss)		<u>54,966,137</u>	<u>(65,678,425)</u>
 Finance Expenses	16	7,047,701	-
Net Profit/ (Loss) before income tax		<u>47,918,436</u>	<u>(65,678,425)</u>
Income Tax expenses		-	-
Net Profit/(Loss)		<u>47,918,436</u>	<u>(65,678,425)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>47,918,436</u>	<u>(65,678,425)</u>
Earning Per Share		<u>783</u>	<u>(1,073)</u>

These financial statements should be read in conjunction with annexed notes


Director


Chairman


Acting CEO

as per our report of same date

Dhaka, 26th February 2017


(A. Qasem & Co.)
Chartered Accountants

BRAC IT Services Limited
Statement of Changes in Equity
For the period ended 31 December 2016

Particulars	Paid up Capital	Share Premium	Retained Earnings / (Accumulated Losses)	Total
Balance at 01 January 2015	61,224,000	937,215	(100,537,898)	(38,376,683)
Net profit for the year 2015	-	-	(65,678,425)	(65,678,425)
Balance at 31 December 2015	61,224,000	937,215	(166,216,323)	(104,055,108)

Particulars	Paid up Capital	Share Premium	Retained Earnings / (Accumulated Losses)	Total
Balance at 01 January 2016	61,224,000	937,215	(166,216,323)	(104,055,108)
Net profit for the year 2016	-	-	47,918,436	47,918,436
Balance at 31 December 2016	61,224,000	937,215	(118,297,886)	(56,136,671)

These financial statements should be read in conjunction with annexed notes


Director


Chairman


Acting CEO

BRAC IT Services Limited
Statement of Cash Flows
For the period ended 31 December 2016

	2016 Taka	2015 Taka
Cash flows from operating activities		
Cash payments to employees	(188,009,355)	(250,589,290)
Cash payments to suppliers	(38,541,565)	(71,069,350)
Receipts from customers	196,228,942	242,276,841
Net cash flows from/(used in) operating activities	(30,321,979)	(79,381,798)
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,750,410)	(25,712,884)
Disposal of Fixed Assets	89,990	275,000
Net cash used in investing activities	(8,660,420)	(25,437,884)
Cash flows from financing activities		
Advance Received from BRAC	69,770,000	52,456,372
Advanced Received from BRAC Bank Ltd	12,439,732	53,946,079
Net cash flows from financing activities	82,209,732	106,402,451
Net increase in cash and cash equivalents	43,227,333	1,582,769
Cash and cash equivalents at beginning of year	9,455,641	7,872,872
Cash and cash equivalents at end of the year	52,682,974	9,455,641


Director


Chairman


Acting CEO

BRAC IT Services Limited
Notes to the financial statements
As at & for the year ended 31 December 2016

1.0 Corporate information

BRAC IT Services Ltd. (biTS or the "Company") is a private company limited by shares and initially founded as DocumentaTM Ltd, a Digital Archiving Firm in 1999. Subsequently DocumentaTM Ltd spread its activities to other areas like software development and successfully executed some local and overseas software development projects.

biTS was then formed in April 2013 through the merger of DocumentaTM Ltd, a subsidiary IT Company owned by BRAC and the IT Division of BRAC Bank Limited. The Company is currently conducting its operation as an IT Solution and Services provider. The objectives of biTS are to become one of the most trustworthy IT Company in Bangladesh providing IT Solutions and Services.

biTS provides end-to-end solutions for industries like Bank, Financial Institution, FMCG & Consumer Durables, NGO etc. biTS has a team of capable and professional individuals committed to deliver best value solutions and services to its clients.

2.0 Summary of Significant Accounting Policies

2.1 Basis of accounting

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standard (BAS), the Companies Act 1994 and other applicable laws & regulations.

The financial statements except for cash flow information are prepared on accrual basis of accounting.

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards (BFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

2.2 Property, plant and equipment

2.2.1 Recognition and measurement

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the assets.

2.2.2 Subsequent costs

The costs of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its costs can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognised in the income statement as incurred.

2.2.3 Depreciation

Depreciation is recognised in income statement on straight line basis over the estimated useful lives of each item of property, plant and equipment except land which is not depreciated. Depreciation on property, plant and equipment is charged from the date the assets are put into commercial operations. Depreciation on disposal of assets is made up to the day prior to the day of the disposal. Depreciation is calculated and charged on all other property, plant and equipment at the following rates on cost or valuation, considering the estimated useful lives of the assets:

<u>Category</u>	<u>Rate-%</u>
Furniture & Fixture	10%
Furniture & Fixture (Interior)	10%
Air-Conditioner	20%
Generator	20%
Multimedia Projector	20%
Computer & Others	33%
Server	20%
Motor Vehicle	20%
Office Equipment	10%
Fire, Alarm & CCTV System	20%
Hardware (Cisco Networking)	20%

2.2.4 Impairment

The carrying value of the company's assets other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the income statement. For the assets that have indefinite useful life, if any, the recoverable amount is estimated at each reporting date. In the current year no impairment loss has been assessed.

2.3 Intangible Asset

(a) Initial Measurement

There are internally generated Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are recognised when all the conditions for recognition as per BAS 38: Intangible assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

(b) Subsequent cost

Subsequent costs are capitalise only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognised in the profit or loss as incurred.

(c) Amortization

Amortisation is recognised in profit or loss using the straight line method over the useful lives of intangible assets, from the date they are available for use. Amortization methods, useful lives and values reviewed yearly and adjusted, if appropriate.

2.4 Trade receivables

Trade and other receivables represent the amounts due from customers for developing software or rendering services. Trade and other receivables are initially recognised at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to the uncollectibility of any amount so recognised.

2.5 Foreign currency

Foreign currency transactions are converted into equivalent Taka at the ruling exchange rates on the respective dates of such transactions as per BAS 21: "The Effects of Changes in Foreign Exchange Rates".

2.6 Revenue recognition

Revenues are recognised at fair value of the consideration received or receivable, net of discount and sales related taxes (e.g. VAT). Revenue are reported gross with separate recording of expenses to vendors of product and services. However, when the Company acts only as an agent or broker on behalf of supplier of products or services, revenue are reported on a net basis.

Sale of software

Revenue from the sale of software is recognised when significant risks and rewards associated with the software is transferred and the entity retains neither significant managerial involvement nor effective control over the software. The other criteria for revenue recognition, e.g. availability of reliable measure for revenue and associated costs and probable flow of economic benefits to the entity must also be met.

IT Service Revenue

Revenue from IT service is recognised on a percentage of completion of service is determine upon periodic review and usually evidenced by work completion certificate. Revenue is recognised only when it is probable that the economic benefits associated with the transaction with flow to the entity.

2.7 Trade creditors & other current liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services rendered to the company.

2.8 Provision

A provision is recognised in the statement of financial position when the Company has legal or constructive obligations as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

2.9 Taxation

As per provisions of Income Tax Ordinance 1984 (ITO), IT enabled services are subject to tax exemption until 30 June, 2024. However, income from other than IT enabled services is taxable as per Income Tax Ordinance 1984. Applicable income tax rate for such other income was 35 % (PY 37.5%) in the year under audit.

2.10 Responsibility of the preparation and presentation of the financial statements

The management of the company is responsible for the preparation and presentation of the financial statements.

2.11 Date of authorisation

The financial statements were authorized for issue by the board on 26th February 2017

2.12 Reporting Period and Currency

- a) The reporting period of the company covers one calendar year from 01 January to 31 December consistently.
- b) The figures in the financial statements represents Bangladeshi Taka currency.

2.13 General

- a) Previous year's figures have been rearranged where necessary to conform to current year's presentation.
- b) Figures appearing in the financial statements have been rounded off to the nearest Taka.

3 Accounts Receivable

BRAC Bank Limited
BRAC Finance & Accounts
BRAC University
BIGH(Brac University)
BRAC Store & Inventory
Sajida Foundation
BRAC Bank Internet Service
bKash Internet Service
BRAC EPL Stock Brokerage
BRAC EPL Investment Internet
BRAC EPL Brokerage Internet Service
BIT School Programme
BRAC Saajan Exchange Software (UK)
BRAC Procurement Department
IFS (Services Charges)
Singapore International School
Notre Dame University Bangladesh
bKash Limited
Total Accounts Receivable

2016 Taka	2015 Taka
5,772,800	-
225,000	215,000
300,000	3,600,000
11,485,000	13,650,000
75,000	25,000
35,000	35,000
287,975	201,348
39,585	175,304
1,569,800	1,719,800
23,800	-
23,800	23,800
60,000	60,000
-	5,109,747
53,000	-
60,000	60,000
19,018	19,018
-	150,000
2,464,000	-
22,493,778	25,044,017

4 Advance, Deposits and Prepayments

Advance To Employee Against Travel
Advance to Employee Against Training
Advance to Employee Against IOU/Salary
Advance to Employee Against Event
Advance to Vendors
Documenta Landlord Mr. Munir
Tribune architects Ltd
INFOTEL TECHNOLOGIES
Head Office Communication
Rahimafrooz Energy Services Ltd
Shurjomukhi Limited-
VENTI
ISMAT ARA ENTERPRISE LTD.
Business Consulting Services
Other Advances
Tech One Global (Pvt) Ltd
D.K. Associate
Guardian Life Insurance Limited
Prepaid Rent
Advance to Land Lord - 01 (HO)
Advance to Land Lord - 03 (Parveen Villa)
REIMBURSABLE EXPENSES RECEIVABLE- BBL
Total

29,000	-
13,280	-
-	516,770
-	13,500
150,000	150,000
-	498,758
-	546,615
34,500	34,500
-	402,598
-	26,125
-	3,226,306
-	1,239,485
50,000	-
1,179,254	-
225,000	225,000
501,223	-
2,202,690	5,312,370
999,999	1,947,864
3,694,531	-
9,079,477	14,139,891

5 Cash and Cash Equivalents

Cash in Hand
Cash at Bank with BRAC Bank Limited
Account number 1501200131959001
Account number 1501202588635001
Total Cash at Bank
Total Cash and Cash Equivalents

137,173	53,456
52,290,806	9,282,402
254,996	119,782
52,545,801	9,402,184
52,682,974	9,455,641

6 Share Capital

6.1 Authorised Capital

2,00,000 Ordinary shares @ Tk. 1,000 each

2016
Taka

2015
Taka

200,000,000

200,000,000

6.2 Paid up capital

61,224 Ordinary shares @ Tk. 1,000 each

61,224,000

61,224,000

61,224,000

61,224,000

6.3 The Company's shareholding position as at 31 December 2016 was as follows:

Name of shareholders	Number of shares		Value per share	Total Amount (BDT)		2016 Shareholding
	2016	2015		2016	2015	
BRAC Bank Limited	31,224	31,224	1000	31,224,000	31,224,000	51.00%
BRAC	29,800	29,800	1000	29,800,000	29,800,000	48.67%
Ayesha Abed Foundation	200	200	1000	200,000	200,000	0.33%
Total	61,224	61,224	1000	61,224,000	61,224,000	100.00%

7 Retained Earnings/(accumulated losses)

Opening Balance

7.1

(166,216,323)

(100,537,898)

Net profit/(loss) during the period

47,918,436

(65,678,425)

(118,297,886)

(166,216,323)

Explanatory note: The opening retained earnings balance was restated due to a rectification of error of Finance Expenses (Interest on Loan) upto 2015. As per BAS-8, Changes in accounting policy, estimates and error, the opening balance of retained earnings of 2015 is being restated.

7.1 Retained Earnings Adjustment

Opening Balance

-

(123,464,123)

Adjustment upto 2014 for Finance Expenses (Interest on Loan Payable)

-

22,926,225

Adjusted Opening Balance for 2015

(100,537,898)

8 Accounts Payable

Insurance Premium Payable

-

150,000

Interest on Loan Payable

7,047,701

28,001,085

REINBURSEABLE EXPENSES BBL

13,460,788

13,265,095

Payable for Materials

2,000,117

274,082

MOBILE BILL PAYABLE

139,539

291,032

INTERNET BILL PAYABLE

513,835

-

ELECTRICITY BILL PAYABLE

330,634

282,177

REINBURSEABLE FROM OTHERS

6,581

(113,421)

23,499,195

42,150,050

Accounts Payable Adjustment for 2015

8.1

-

(28,001,085)

23,499,195

14,148,965

Explanatory note: Upto 2015 errors occurred with regard to wrongly interest expense charged and creates payable Interest on Loan in absence of Loan agreement. Management has now become aware of the errors, and rectifying adjustments are being made to show the fair presentation.

8.1 Accounts Payable Adjustment for 2015

Interest on Loan Payable-Opening Balance 2015

-

22,926,225

Interest on Loan Payable (Expense charged on Loan for 2015)

-

5,074,860

Total Interest on Loan Payable

-

28,001,085

	2016 Taka	2015 Taka
9 Provision and Others		
Welfare Fund	456,960	349,890
Project Bonus	15,041,384	15,041,384
Leave Encashment	3,855,886	1,581,060
Provision for Services	365,000	150,000
Provision for Bad and Doubtful Debt	2,780,244	780,244
Total	22,499,474	17,902,578
9.1 Provision for Bad and Doubtful Debt		
Opening Balance	780,244	780,244
Additional Provision	2,000,000	-
Adjustment during the year	-	-
Closing Balance	2,780,244	780,244
10 Unearned Revenue		
Opening Balance	380,826,502	233,290,295
Add: Advance received during the year from BBL	101,645,421	175,400,000
Add: Advance received/(Adjust) during the year from other parties	(74,831,427)	86,968,742
Less: Adjustment against BBL service charges during the year	(108,657,483)	(114,832,535)
Closing Balance	298,983,013	380,826,502
11 Sales & Services Charges		
BRAC Bank Limited	119,053,961	120,000,000
BRAC International(Tanzania)	14,859,742	-
BRAC International(Srilanka)	20,024,389	-
BRAC International (Myanmar)	3,068,036	-
BRAC International (Afghanistan)	8,300,979	-
BRAC International (Philippines)	2,464,862	-
BRAC International (South Sudan)	1,936,634	-
BRAC International (Pakistan)	11,667,981	-
BRAC International (Uganda)	10,776,941	-
BRAC sbiCloud (Bangladesh)	26,004,825	526,680
BRAC International (Others)	6,931,527	-
BRAC Micro Finance	771,210	558,030
BRAC Finance & Accounts	3,170,530	3,429,899
BRAC University	21,504,876	41,297,100
BRAC University (BUSMS)	1,959,784	2,909,974
BRAC Procurement Department	970,806	455,620
BRAC Store & Inventory	313,500	313,500
Sajida Foundation	438,890	438,900
BRAC BanK Internet Service	1,413,180	1,385,256
bKash Internet Service	1,122,768	1,167,861
BRAC EPL Brokerage Internet Service	336,000	323,610
BRAC EPL Investment Internet	336,000	328,440
BRAC EPL Stock Brokerage	6,087,685	4,822,134
BIT School Programme	180,000	720,000
Bangladesh Insurance Academy	57,998	73,673
Sir John Wilson School	-	27,943
BRAC Advocacy Unit	40,619	21,600
GRG Project (ATM Maintenance)	4,744,907	11,113,312

BRAC Saajan Internet (BD)	
BRAC Saajan Exchange Software (UK)	
Mercantile Bank	
IFS (Services Charges)	
Singapore International School	
Notre Dame University Bangladesh Software	
Notre Dame University Bangladesh Internet	
BIGH(Brac University)	
IFS Software	
The Daily Ittefaq	
Association Of Bankers Bangladesh Limited	
BRAC BANK Nesses Vulnerability Assessment Tools License	
Pedrollo N.K Limited	
bKash Limited	
Total Sales & Services Charges	

2016 Taka	2015 Taka
-	32,240
339,753	8,224,683
316,106	-
-	360,000
-	9,510
-	1,443,048
-	150,000
7,928,480	9,781,200
-	399,328
-	135,000
-	3,000
-	705,303
501,600	-
15,449,280	-
293,073,849	211,156,842

12 VAT on Sales

BRAC Bank Limited	
BRAC International(Tanzania)	
BRAC International (Myanmar)	
BRAC International (Afghanistan)	
BRAC International (Philippines)	
BRAC International (South Sudan)	
BRAC International (Pakistan)	
BRAC International (Uganda)	
BRAC sbiCloud (Bangladesh)	
BRAC International (Others)	
BRAC Micro Finance	
BRAC Finance & Accounts	
BRAC University	
BRAC University (BUSMS)	
BRAC Procurement Department	
BRAC Store & Inventory	
Sajida Foundation	
BRAC Bank Internet Service	
bKash Internet Service	
BRAC EPL Brokerage Internet Service	
BRAC EPL Investment Internet	
BRAC EPL Stock Brokerage	
Bangladesh Insurance Academy	
Sir John Wilson School	
BRAC Advocacy Unit	
GRG Project (ATM Maintenance)	
BRAC Saajan Internet (BD)	
Mercantile Bank	
Singapore International School	
BIGH(Brac University)	
BRAC BANK Nesses Vulnerability Assessment Tools License	
Pedrollo N.K Limited	
bKash Limited	

5,126,726	5,167,464
639,894	-
132,116	-
357,459	-
106,142	-
83,395	-
502,449	-
464,064	-
1,119,825	22,680
298,486	-
33,210	24,030
136,530	147,699
926,047	1,778,344
84,358	125,310
41,806	19,620
13,500	13,500
18,900	18,900
221,760	180,686
150,566	159,748
50,400	42,210
50,400	42,840
262,149	207,652
2,498	3,173
-	1,203
1,749	930
204,324	478,564
-	4,205
13,806	-
-	410
384,480	421,200
-	27,127
21,600	-
665,280	-
12,113,919	8,887,494

13 Staff Cost

Salaries & Benefit (Regular)
PF (Employers)
Gratuity
Salaries & Benefit (Contractual)
Salaries & Benefit (Intern)
Festival Bonus
Overtime & Night Allowances
LFA
LEAVE ENCASHMENT
FINAL SETTLEMENT
Staff Loan Overhead

Salary Allocation to Projects
Total Staff Cost

2016 Taka	2015 Taka
132,503,906	175,108,451
7,541,512	9,381,825
4,065,176	5,457,920
3,910,569	12,838,421
29,990	1,120,343
12,919,413	19,091,594
2,012,999	2,238,665
7,103,359	3,125,483
4,000,000	1,200,000
8,800,568	4,818,553
652,436	1,528,894
183,539,928	235,910,150
(45,796,058)	(69,531,538)
137,743,870	166,378,611

14 Operating Expenses

Office Rent
Amortization
Electricity, Gas & Water
Telephone & Fax Bill
Internet Bill
Internet Bill (BU)
Office Maintenance
Printing & Stationery
Repair & Maintenance-Generator
Repair & Maintenance (GRG Support)

Travelling (Local)
Travelling (Foreign)
Fuel & Lubricants (Car)
Fuel & Lubricants (Generator)
Transport Maintenance (Pool)
Transport Maintenance (Others)
Outsourcing Salary & Benefit (Cleanco)
Outsourcing Salary & Benefit (G4 Security)
Tax Token
Director's remuneration
Business Promotional Expenses
Entertainment
Audit Fee
Legal & Professional Fees
Licence & Renewal
Fees and Subscription
Meeting and Seminar
Training
Postage & Courier
Newspaper & Periodicals

14.1

11,273,479	12,820,599
20,092,398	5,153,949
2,634,435	3,281,042
2,039,608	3,177,270
2,724,307	3,380,686
2,795,808	5,794,160
1,444,606	2,990,428
468,169	1,082,292
99,318	119,810
646,460	3,381,990
324,388	894,315
-	276,272
270,115	716,546
121,504	238,000
219,161	2,197,029
8,828,589	14,504,539
1,035,383	1,506,975
598,941	705,429
44,978	45,178
225,000	238,000
-	557,605
1,064,738	1,955,101
498,750	100,000
5,900,442	1,154,166
5,007,657	4,162,654
91,762	100,500
45,996	47,377
2,240,320	5,375,469
9,233	20,859
1,256	21,744

	2016 Taka	2015 Taka
Advertisement	-	693,620
RECRUITMENT	264,250	-
Insurance Premium	46,483	80,806
Insurance (Others)	35,780	42,542
COMPUTER ACCESSORIES	384,866	1,232,149
Networking Accessories	42,680	281,651
SMS Charges	60,531	195,700
EMPLOYEE EVENT	775,061	1,335,242
UNIFORM EXPENSES	28,751	58,968
EMPLOYEE INSURANCE	12,909	1,763,750
MEDICAL EXPENSES	-	3,480,000
CANTEEN EXPENSES	14,860	25,220
SOFTWARE MAINTENANCE FEES	60,000	240,000
OFFICE SUPPLIES	9,636	193,881
MISCELLANEOUS EXPENSES	-	4,350
BUSINESS DEVELOPMENT EXPENSE	94,050	1,965,087
Bank Charges	64,081	33,934
BRAC SBI CLOUD	-	490,638
ISO 20K	-	82,010
Bad Debt	2,000,000	-
Depreciation	13,552,751	13,163,902
Total Operating Expenses	88,193,491	101,363,433

14.1 Project Expenses

sbiCloud	9,709,674	-
Porua VMS	2,220,396	2,121,407
Porua SMS	339,882	-
Rongdhanu	914,499	-
Education Stock Mgt	416,352	310,782
Archiving	375,252	280,105
SDU Micro Finance	834,912	623,212
Custom Applications	1,991,196	1,818,442
Tohobil	293,020	-
Preron	2,172,850	-
Mobile Apps	446,460	-
Pay 24	377,904	-
Total Project Expenses/Amotization	20,092,398	5,153,949

15 Other operating expense/(income)

Loss on Lost of Fixed Assets	56,432	-
Loss on Sale of Fixed Assets	-	72,000
Loss on Dollar Exchange Rate	-	133,729
Total Other Operating expense	56,432	205,729

16 Finance Expenses

Interest on Loan

Total Finance Expenses

Finance Expenses Adjustment for 2015

Total Finance Expenses

2016 Taka	2015 Taka
7,047,701	5,074,860
7,047,701	5,074,860
-	(5,074,860)
<u>7,047,701</u>	<u>-</u>

T&C of Loan from BRAC. Interest is accrued @ 10% on loan from BRAC.

Explanatory note: During the year 2015 errors occurred in regard to wrongly Interest expense charged in absence of Loan agreement. Management has now become aware of the errors, and rectifying adjustments are being made to show the fair presentation.


Director


Chairman


Acting CEO

Annexure- A

BRAC IT Services Limited
FIXED ASSETS SCHEDULE
As on 31 December 2016

2016

Particulars	ASSET AT COST			Depreciation Rate (%)	ACCUMULATED DEPRECIATION				WDV as on 31.12.2016
	Balance as on 01.01.2016	Additions During the Year	Sale or Disposal	Balance as on 31.12.2016	Balance as on 01.01.2016	Addition during the year	Sale or Disposal	Balance as on 31.12.2016	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Furniture & Fixture	7,772,151	1,689,420	-	9,461,571	2,392,018	780,381	-	3,172,399	6,289,172
Furniture & Fixture (Interior)	26,330,528	4,263,530	-	30,594,058	4,458,980	2,576,940	-	7,035,920	23,558,138
Air-Conditioner	12,078,674	-	-	12,078,674	3,270,640	2,151,829	-	5,422,469	6,656,205
Generator	5,860,650	402,599	-	6,263,249	907,288	1,145,230	-	2,052,517	4,210,732
Electrical Fitting & Equipment	-	1,027,125	-	1,027,125	-	188,307	-	188,307	838,818
UPS	-	29,200	-	29,200	-	8,921	-	8,921	20,279
Multimedia Projector	394,170	-	-	394,170	124,399	70,839	-	195,238	198,932
Computer & Others	26,568,458	75,000	(89,990)	26,553,468	17,126,922	5,026,297	(33,558)	22,119,661	4,433,807
Server	6,808,522	192,000	-	7,000,522	2,813,260	2,020,178	-	4,833,438	2,167,084
Motor Vehicle	3,382,000	-	-	3,382,000	1,234,967	546,672	-	1,781,639	1,600,361
Office Equipment	529,068	204,174	-	733,242	78,543	60,122	-	138,665	594,577
Fire, Alarm & CCTV System	1,266,450	-	-	1,266,450	431,687	222,952	-	654,639	611,811
Hardware (Cisco Networking)	2,130,010	867,362	-	2,997,372	469,971	556,487	-	1,026,458	1,970,914
ATM Machine	3,018,500	-	-	3,018,500	467,533	603,703	-	1,071,236	1,947,264
Total	96,139,181	8,750,410	(89,990)	104,799,601	33,776,208	15,958,859	(33,558)	49,701,508	55,098,093

2015

Particulars	ASSET AT COST				Depreciation Rate (%)	ACCUMULATED DEPRECIATION			
	Balance as on 01.01.2015	Additions During the Year	Sale or Disposal	Balance as on 31.12.2015		Balance as on 01.01.2015	Addition during the year	Sale or Disposal	Balance as on 31.12.2015
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka
Furniture & Fixture	7,191,499	580,652	-	7,772,151	10%	1,812,556	579,462	-	2,392,018
Furniture & Fixture (Interior)	22,878,883	3,451,645	-	26,330,528	10%	2,113,528	2,345,452	-	4,458,980
Air-Conditioner	7,796,000	4,282,674	-	12,078,674	20%	1,554,033	1,716,607	-	3,270,640
Generator	1,648,650	4,212,000	-	5,860,650	20%	357,208	550,080	-	907,288
Multimedia Projector	328,320	65,850	-	394,170	20%	55,760	68,639	-	124,399
Computer & Others	19,343,507	7,224,951	-	26,568,458	33%	12,590,273	4,536,649	-	17,126,922
Server	5,162,000	1,646,522	-	6,808,522	20%	1,023,725	1,789,535	-	2,813,260
Motor Vehicle	3,772,000	-	(390,000)	3,382,000	20%	706,367	571,600	(43,000)	1,234,967
Office Equipment	406,178	122,890	-	529,068	10%	33,015	45,528	-	78,543
Fire, Alarm & CCTV System	1,219,250	47,200	-	1,266,450	20%	212,672	219,015	-	431,687
Hardware (Cisco Networking)	1,070,010	1,060,000	-	2,130,010	20%	196,169	273,802	-	469,971
ATM Machine	-	3,018,500	-	3,018,500	20%	-	467,533	-	467,533
Total	70,816,297	25,712,884	(390,000)	96,139,181		20,655,306	13,163,902	(43,000)	33,776,208
									62,362,973

BRAC IT Services Limited
INTANGIBLE ASSETS SCHEDULE
As on 31 December 2016

2016

Particulars	ASSET AT COST			Amortization Rate	ACCUMULATED AMORTIZATION			Carrying Value as on 31.12.2016
	Opening Balance 01.01.2016	Additions During the Year	Disposal		Balance as on 01.01.2016	Amortization During the Year	Balance as on 31.12.2016	
	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
Education Stock Mgt	2,081,764.00	-	-	20%	691,011.00	416,352	1,107,363	974,401
Archiving	1,876,279.00	-	-	20%	622,804.00	375,252	998,056	878,223
SDU Micro Finance	4,174,572.00	-	-	20%	1,385,689.00	834,912	2,220,601	1,953,971
Custom Applications	9,955,994.00	-	-	20%	1,818,442.50	1,991,196	3,809,639	6,146,356
Porua VMS	22,204,009.00	-	-	10%	2,121,406.46	2,220,396	4,341,802	17,862,207
Tohobil	-	1,758,104	-	20%	1,758,104	293,020	293,020	1,465,084
Preron	-	13,037,101	-	20%	13,037,101	2,172,850	2,172,850	10,864,251
Mobile Apps	-	2,678,741	-	20%	2,678,741	446,460	446,460	2,232,281
sbiCloud	-	194,193,475	-	20%	194,193,475	9,709,674	9,709,674	184,483,801
Porua SMS	-	6,797,648	-	20%	6,797,648	339,882	339,882	6,457,766
Rongdhanu	-	18,289,953	-	20%	18,289,953	914,499	914,499	17,375,454
Pay 24	-	7,558,074	-	20%	7,558,074	377,904	377,904	7,180,170
Total	40,292,618	244,313,096	-		6,639,353	20,092,398	26,731,751	257,873,963

2015

Particulars	ASSET AT COST			Amortization Rate	ACCUMULATED AMORTIZATION			Carrying Value as on 31.12.2015
	Opening Balance 01.01.2015	Additions During the Year	Disposal		Balance as on 01.01.2015	Amortization During the Year	Balance as on 31.12.2015	
	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
Education Stock Mgt	2,081,764	-	-	20%	380,229	310,782	691,011	1,390,753
Archiving	1,876,279	-	-	20%	342,699	280,105	622,804	1,253,475
SDU Micro Finance	4,174,572	-	-	20%	762,477	623,212	1,385,689	2,788,883
Custom Applications	-	9,955,994	-	20%	-	1,818,442	1,818,442	8,137,552
Porua VMS	-	22,204,009	-	10%	-	2,121,406	2,121,406	20,082,603
Total	8,132,615	32,160,003	-		1,485,405	5,153,948	6,639,353	33,653,265

Annexure- C

BRAC IT Services Limited
CAPITAL WORK IN PROGRESS
As on 31 December 2016

2016

Particulars	Opening Balance 01.01.2016	Addition During the Year	Transferred to Intangible assets	Balance as on 31.12.2016
	Taka	Taka	Taka	Taka
sbiCloud	154,847,815	39,345,660	(194,193,475)	-
Porua SMS	6,215,760	581,888	(6,797,648)	-
Rongdhanu	14,251,739	4,038,214	(18,289,953)	-
Tohobil	1,590,485	167,619	(1,758,104)	-
Preron	11,902,355	1,134,746	(13,037,101)	-
Pay 24	7,354,821	203,253	(7,558,074)	-
Mobile Apps	2,354,063	324,678	(2,678,741)	-
Total	198,517,038	45,796,058	(244,313,096)	-

2015

Particulars	Opening Balance 01.01.2015	Addition During the Year	Transferred to Intangible assets	Balance as on 31.12.2015
	Taka	Taka	Taka	Taka
sbiCloud	105,589,360	49,258,454	-	154,847,815
Porua SMS	4,022,572	2,193,188	-	6,215,760
Rongdhanu	9,095,648	5,156,091	-	14,251,739
Tohobil	676,837	913,647	-	1,590,485
Preron	4,893,425	7,008,930	-	11,902,355
Pay 24	3,976,758	3,378,063	-	7,354,821
Mobile Apps	730,897	1,623,166	-	2,354,063
Customs application	9,955,994	-	(9,955,994)	-
Porua VMS	22,204,009	-	(22,204,009)	-
Total	161,145,500	69,531,540	(32,160,003)	198,517,038

BRAC IT Services (biTS) Limited
Statement of Share Holding Position
As at 31.12.2016

Name of the Share Holder's	As at 31.12.2012			Addition for 2013			Total as at 31.12.2016			%
	Share quantity	Value per share	Total Amount (BDT)	Share quantity	Value per share	Total Amount (BDT)	Share quantity	Value per share	Total Amount (BDT)	
BRAC Bank Limited	-	-	-	31,224	1,000	31,224,000	31,224	1,000	31,224,000	51.00
BRAC	800	1,000	800,000	29,000	1,000	29,000,000	29,800	1,000	29,800,000	48.67
Ayesha Abed Foundation	200	1,000	200,000	-	-	-	200	1,000	200,000	0.33
Total	1,000	2,000	1,000,000	60,224	1,000	60,224,000	61,224	1,000	61,224,000	100