

Company number: 5802246

Charity number: 1115482

# BRAC UK

Report and financial statements

For the year ended 31 December 2019



This is the Trustee Report for BRAC UK, a registered charity (**1115482**) and company (**5802246**).

BRAC UK is the European affiliate of BRAC. BRAC UK works to raise resources for BRAC programmes in Africa and Asia by developing partnerships with local and global organisations, donor agencies, academic and research institutions and governments. BRAC UK also raises awareness about BRAC's cost-effective and evidence based poverty innovations which empower the poor in 12 countries.

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### **Trustees**

Simone Sultana (*Chair of Trustees*)  
Alex Manu (*Treasurer*)  
Kate Kuper  
Jane Cooper  
Peter Nicholas  
Shameran Abed

### **Principal staff**

Lewis Temple (Chief Executive)  
Nick Virr (Programme Director)  
Juliette Webb (Finance & Resources Director)

### **Bankers**

HSBC  
8 Victoria Street  
Westminster  
LONDON  
SW1H 0NJ

## **Solicitors**

Howells Solicitors  
Hallinans House  
22 Newport Road  
Cardiff  
CF24 0TD

## **Auditor**

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108-114 Golden Lane  
LONDON  
EC1Y 0TL

## A message from BRAC UK leadership

2019 ended with great sadness as our founder and chairperson, Sir Fazle Hasan Abed, or Abed Bhai as he preferred us to call him, passed away in December. Abed Bhai was an inspirational man who founded one of the most effective non-governmental organisations in the world, touching the lives of over 100 million people. All we can promise is to work unceasingly to continue his legacy and build a more equal world.

Abed Bhai was characteristically focused right until the very end. His dedication and leadership paved the way for our new global strategy that aligns with the 2030 Agenda for Sustainable Development. As a result, BRAC's goal is to create opportunities for 250 million people living in poverty around the world.

The BRAC UK team is excited to play an important part in ensuring BRAC achieves that objective. We have already made some great strides towards it by securing funding for a number of exciting interventions.

One such project is the Disability Inclusive Ultra-Poor Graduation programme, funded by the Department for International Development (DFID), National Lottery Community Fund, Medicor Foundation and Cartier Philanthropy. It will bring BRAC's tried and tested approach to alleviating extreme poverty to 2,700 people and their families in Central and Northern Uganda. This is a particularly exciting project as it is an example of a large service provider, like BRAC, working with Humanity & Inclusion and local Disabled People Organisations to adapt our programme to meet the needs of people with disabilities, who are so often left behind.

Whilst there were many exciting developments in 2019, it also ended in sorrow with not only the loss of Abed Bhai, but also our much loved colleague Helen Turner, Grants Officer at BRAC UK. She passed away in Kathmandu, Nepal, on the 19th December. She was only 27 years old. We were so proud to have her on our team and will miss her tremendously. Our thoughts continue to be with her loved ones.

Lewis Temple



Chief Executive  
BRAC UK

Simone Sultana



Chair of Trustees  
BRAC UK

## **About BRAC**

### **BRAC reaches 120 million people in 12 countries**

BRAC is a global leader in developing and implementing cost-effective, evidence based programmes to assist the most marginalised people in extremely poor, conflict prone, and post-disaster settings. These include initiatives in education, healthcare, microfinance, women's and girls' empowerment, agriculture, human and legal rights, and more.

BRAC employs more than 110,000 people in 11 countries, with a total global expenditure of more than £750 Million. More than 76% percent of its budget in Bangladesh is self-financed through its own activity, including social enterprises and microfinance. However, much of BRAC's most important work—including its schools, healthcare, ultra-poor graduation programme, and most of its programmes outside Bangladesh—remains reliant on outside donors.

## **About BRAC UK**

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For more details see [www.bracuk.net](http://www.bracuk.net).

## **Remembering Sir Fazle Hasan Abed**

BRAC's inspirational founder, Sir Fazle Hasan Abed, sadly passed away on December 20th 2019 while undergoing treatment at the Apollo Hospital in Dhaka, Bangladesh. He was battling a malignant tumour of the brain.

Ms Ameerah Haq, Chair, BRAC Global Board said in a statement, "Unflinching dedication, focus and work ethic are what we have always experienced in Sir Fazle, or Abed Bhai, as the BRAC family calls him lovingly. He always put others before himself and let his work speak for itself. Even when BRAC attained its global stature, his concern and focus were on the less fortunate in society and those whose potential needed nurturing. He embodied the highest level of integrity, humility and humanity, which continues to be the essential guiding spirit of BRAC."

Sir Fazle started BRAC in 1972, at the age of 36, as a small relief and rehabilitation project in north-eastern Bangladesh. Over the past 47 years, BRAC has grown to be one of the most effective non-governmental organisations in the world, touching the lives of over 100 million people worldwide. BRAC is a unique ecosystem comprising development programmes, microfinance, social enterprises, a university, bank and a range of mission-aligned investments. BRAC currently operates in 11 countries in Asia and Africa, with affiliate offices in the USA, UK and the Netherlands.

[Click here](#) to visit Abed Bhai's memorial website.

## **Remembering Helen Turner**

We mourned the tragic loss of our colleague Ms. Helen Turner, Grants Officer at BRAC UK. She passed away in Kathmandu, Nepal, during the early hours on the 19th December. She was only 27 years old.

Helen worked with BRAC UK since 29th July 2019, and was appointed to support grant management for Asia regional programmes. During her recent visit to BRAC Bangladesh, she also worked closely with the Anti Trafficking Programme team and took part in the kick-off workshop for the 'Decent employment for marginalised youth in retail' project in Dhaka.

Helen was a grant management professional working in the charity sector and had built up over four years of experience in high-level grant management. Though she was only with us for a short time, she was a hugely respected and popular member of the team with an outstanding work ethic and a relentlessly positive attitude. Working in international development and joining BRAC was her dream job as it enabled her to play a part in programmes helping so many people.

She was in Nepal conducting field visits to see BRAC projects including the empowering girls as lighting and electrical technicians' project. We were so proud to have her on our team and will miss her tremendously.

## **The impact of the COVID-19 pandemic**

The COVID-19 pandemic has had a major impact on BRAC globally and our work. BRAC has developed a global strategy to address the unprecedented challenges presented by the pandemic with a strong focus on using all the assets and capacities of BRAC to support the most vulnerable people in our programme countries deal with the health, social and economic impacts of the disease, whilst ensuring our staff and volunteers' health is protected to every extent possible.

The impact on BRAC UK is also significant. In line with Government guidelines, all staff have been instructed to work at home until Government advice changes. BRAC UK trustees and management have worked to promote the wellbeing of staff whilst working remotely.

We are planning for a major disruption to our programmes in Africa and Asia and have assessed the impact of the pandemic on each BRAC UK project and prepared plans that adjust activities and expectations to account for this impact and shared these with the project donors. The donors have so far indicated that we can continue to charge staffing and overhead costs to the projects, in-country and in the UK, during the lockdown period, which will reduce the financial impact on BRAC UK. We thank our donors for their understanding and support during this difficult time.

BRAC UK has started a major fundraising drive to support BRAC's teams in-country with funding to address the multiple challenges of the pandemic on people living in poverty. If this fundraising is successful, it will provide further support to enable BRAC UK to continue to fund staffing and operational costs in country and support costs in the UK.

The major impact in the medium to long term of the pandemic is expected to be on BRAC's Social Enterprise programmes around the world as surpluses from these businesses provide financial support to BRAC's social impact programmes. These businesses have largely stopped operating due to Government 'lockdown' restrictions and are forecast to have very much reduced revenues in 2020. BRAC UK is supported by BRAC for a significant portion of its core costs and a protracted lockdown could result in financial losses for BRAC that means it is more difficult to support BRAC UK in future years. The BRAC UK trustees and management will be reviewing the evolving situation regularly over the coming months. If the lockdown period is extended into 2021, BRAC UK is expected to have to make more substantial changes to its programme plans in country and support arrangements.

## **BRAC's Global Programmes**

### **Ultra Poverty**

We implement a large-scale poverty graduation programme to reach the poorest people and help them achieve a sustainable livelihood in two years. To address extreme poverty globally, we advise and train governments, nonprofits, and UN entities to adapt and implement our approach. Studies show BRAC's methodology significantly improves the income and well-being of participants for years after they complete the programme.

*1.9M households completed the programme in Bangladesh*

### **Education and Youth**

Our education and skills development programmes support youth from backgrounds of poverty from cradle through to career. We prepare them for fulfilling futures through early childhood development, pre-primary, primary, and secondary schools, adolescent empowerment, skills development, and higher education at BRAC University.

*1.1M children currently enrolled in BRAC schools*

### **Health**

To meet the needs of vulnerable communities, we developed our essential healthcare programme, facilitated through a network of community health workers. We deliver community-based services, with a focus on maternal and child health, infectious diseases, nutrition, family planning, mental health, non-communicable diseases, and much more.

*100M people receive health services*

## **Agriculture**

We provide inputs such as seeds and fertilizer, and training for farmers to improve their yields and profits. We link supply chains that enable farmers to access markets and sell their goods at a higher price, with the goal of improving food security and nutrition while also fostering economic growth.

*620K farmers trained and equipped*

## **Financial Inclusion**

With 7 million borrowers, we are one of the world's largest microfinance providers. Access to financial services is an essential tool, especially for women in poverty. Microfinance works in tandem with other programmes to increase clients' economic independence. Our mobile money platform, bKash, is one of the largest in the world, reaching more than 30 million clients.

*7M microfinance clients*

## **Social Enterprises**

Our social enterprises are designed to help people in poverty by creating access to markets. These businesses are also structured to be financially sustainable. Our enterprises include a high-end fashion retailer that sources from rural artisans and a dairy company that purchases milk from women smallholder farmers.

*76% of BRAC's budget in Bangladesh is self-financed*

## **BRAC UK's projects**

**Below is a summary of BRAC UK projects for which project activities were carried out in 2019. We received and made payments for other projects also, particularly those that ended activities in 2018. For a full list of these projects, please see the Financial Statement.**

*BD 003 - Bangladesh BEP Schools*

Donor(s): UBS Optimus Foundation

This low cost private school intervention will lead to the sustainable provision of affordable, quality education for children from low-income backgrounds across Bangladesh.

*BD 010 - Bangladesh Rohingya Crisis response*

Donor(s): Medicor Foundation, Cartier Foundation, World Memon Organisation



This funding has been received in response to the Rohingya crisis, and is supporting BRAC's programmes on the Bangladesh/Myanmar border.

*NP 002 - Nepal: Girls Empowerment Through Lighting Entrepreneurship*

Donor(s): Signify Foundation

This project addresses the social and economic marginalisation of adolescent girls in Kavrepalanchowk District, Nepal. Girls receive empowerment and employment opportunities through the holistic project approach and communities will receive access to lighting services and products.

*TZ 001/002- Tanzania: WE SOLVE*

Donor(s): DANIDA, Signify Foundation, Signify

'WE SOLVE' - Women Entrepreneurship through the Solar Value chain for Economic development in Tanzania. A partnership between BRAC, Solar Sisters and Signify to create inclusive and sustainable economic growth and productivity (SDG8), generation of new income (SDG1) and new decent, green and appropriate employment and livelihoods for women (SDG8,5) in rural Tanzania.

*TZ 001/002- Tanzania: Early Childhood Development (ECD)*

Donor(s): Vitol Foundation

The project aims to catalyse the ECD private sector in Tanzania, by developing a 'Hub & Spoke' business model for the provision of low-cost, high quality and scalable play-based ECD - improving the cognitive, physical, socio-emotional and language development of children aged 3-5 from low income families in Dar es Salaam.

*UGA 001/002- Uganda: Youth Focused Ultra-Poor Graduation pilot*

Donor(s): Cartier Philanthropy, Medicor Foundation

This project is reduced extreme poverty among youth (1500 direct beneficiaries - ages 18-35) in the Luwero District and Karamoja sub-region, Uganda, through agribusiness programming and sequenced set of interventions which include livelihood training, consumption stipends, asset transfers, savings and social integration.

*UGA 001/002- Uganda: Poverty Shift: Partnerships for Disability-Inclusive Ultra-Poor graduation*

Donor(s): UK aid, National Lottery Community Fund, Cartier Philanthropy, Medicor Foundation

This project contributes to the achieving of Sustainable Development Goals 1 and 10 through the expansion of socio-economic empowerment and social protection for some of most marginalised and vulnerable communities in Uganda.

## **Annual Report of the Board of Trustees**

The Trustees present their report and the audited financial statements for the year ended 31 December 2019. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015).

### **Structure, Governance and Management**

#### *Structure*

The organisation is a charitable company limited by guarantee, incorporated on 2 May 2006 and registered as a charity on 20 July 2006. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

#### *Governance*

BRAC UK is governed by a board of trustees, who are responsible for setting the strategy of the organisation and its governance. The board of trustees maintain a board skills matrix to identify skills and experience gaps. They then undertake the selection and appointment of new trustees to the board. The appointment of trustees is made on the basis of a vote of the board. All trustees are inducted in BRAC UK's projects and procedures. They are supported to attend BRAC International board meetings at least once in their term and to visit BRAC UK country programmes to become familiar with the work on the ground every 3 years. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

#### *Management*

The Chief Executive Officer (CEO) reports to the trustees and is responsible for the day-to-day management of the organisation. The staff management team that reports to the CEO consists of a Director of Programmes, Finance and Resources Director, Advocacy & Communications Manager and a Strategic Partnership Manager. Key decisions, such as approving the organisational strategy, annual budget and appointment of the CEO are made by the Trustees. The CEO appoints and manages the staff of the organisation and decides on the efficient use of resources to achieve plans and targets. These resources are detailed in BRAC UK's Annual Plans.

#### *Remuneration Policy*

The Human Resources sub-committee is responsible for setting the pay and remuneration of the staff of BRAC UK and makes recommendations to the Board. A salary structure with 6 grades,

reviewed and updated in 2018, is used to set salary levels for staff. In November every year the HR Committee reviews the inflation rate as published by the Office for National Statistics and agrees any inflationary pay increase for the staff. The HR Committee undertakes benchmarking exercises of peer international charities of a similar size by reviewing reports prepared by charity specialist organisations.

### *Affiliations*

BRAC UK is part of the wider BRAC global family of organisations. The basis for BRAC UK using the BRAC brand in the European market is an agreement that defines the parameters for use of the brand. Whilst BRAC UK is an independent, self-governing organisation, it is closely integrated into the BRAC global family and devotes its support to funding projects that are implemented by BRAC and BRAC International. BRAC UK observes the BRAC and BRAC International board meetings and the BRAC UK staff closely cooperate with BRAC and BRAC International staff to agree priorities for programme activity and fundraising. BRAC UK has a Memorandum of Understanding (MOU) signed with BRAC International and BRAC which defines the funding support that will be provided towards the core costs of BRAC UK. This MOU also details the funding and programme activity targets that BRAC UK is expected to achieve each year.

### **Objectives and Activities**

The Trustees' review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work within the last twelve months. The Trustees' report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees' ensure the charity's aims, objectives and activities remained focused on its stated purposes. The Trustees' have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees' consider how planned activities will contribute to the aims and objectives that have been set.

### **Achievements and performance in the delivery of public benefit**

BRAC is committed to creating opportunities for people living in poverty. BRAC was founded in Bangladesh in 1972 by Sir Fazle Hasan Abed, and today is a global leader in developing cost-effective, evidence-based poverty innovations in extremely poor, conflict-prone and post-disaster settings. These include programmes in education, healthcare, microfinance, girls' empowerment, agriculture, human and legal rights, social enterprises, a bank, a university, and the world's largest mobile money platform. In 2019, BRAC employed more than 100,000 people in 11 countries, with a total global expenditure of about \$1.1 Billion. BRAC is also unique among the world's major non-profits in that its overall budget is largely self-financed. In Bangladesh, where BRAC was founded and the location of its global headquarters, BRAC financed 76% of its \$682 million average annual national budget from 2011 to 2015 from its own socially-responsible businesses.

BRAC UK works as part of the international BRAC family to raise awareness and funds for this low cost, high impact approach through developing partnerships in Europe with non-governmental organisations, academics, research institutes, the private sector and governments.

## **Fundraising Disclosures**

The below paragraphs are written in accordance with the Charities (Protection and Social Investment) Act of 2016. - BRAC UK raises the majority of its funds through engagement with institutions and foundations. The public fundraising activities undertaken are through online donations via the bracuk.net website, occasional events and appeals through media partners. BRAC UK does not use professional fundraisers or involve commercial participators. Any email newsletters with fundraising call to actions have a clearly marked method of unsubscribing. Any member of the public who unsubscribes is automatically removed from BRAC UK's subscription list. There have been no complaints about our fundraising activities in 2019. - BRAC UK has signed up to the Fundraising Regulator and adheres to the fundraising code of practice. We are committed to fundraising in a way that is respectful, open, honest and accountable to the public.

## **Financial Review**

The 2019 financial year was successful for BRAC UK, with 7 active projects running in six countries. Income overall has increased was in line with expected plans, as some new projects have commenced during the year. The total income for BRAC UK in the period to 31 December 2019 was £3.1m (2018 £2.6m). The breakdown of that income is as follows: £2.7m restricted and £0.4m unrestricted (2018 £2.1m: £0.5m respectively). BRAC and BRAC International continued to contribute to BRAC UK's core expenditure, investing in the capacity to raise more funding. The income received from BRAC International and BRAC was a major factor in BRAC UK's stability and ability to achieve its core operations. The total expenditure in 2019 was £1.6m (2018 £1.2m), of which £1.3m related to restricted funds and £0.3m to unrestricted funds (2018 £0.8m: £0.4m respectively). Total unrestricted expenditure in 2019 increased marginally compared to the previous financial period, in line with increased costs and additional funds received for project work. BRAC UK's organisational growth plan for the 5 year strategy incorporates investment for staff skills and capacity. The total funds held by BRAC UK at 31st December 2019 is £1.6m (2018 £1.2m), £1.3m relates to restricted funds and £0.3m unrestricted (2018 £0.9m: £0.4m).

## **Statement of the responsibilities of Trustees**

The Trustees (who are also directors of BRAC UK for the purposes of company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees' have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Risk Management**

The BRAC UK Board identifies the key risks facing the organisation, which are documented in a risk register and then discussed with and approved by the Trustees. The risk register is updated to reflect recent operational and financial developments, strategic annual organisational objectives and changes in the external environment. Each risk item is analysed according to its perceived potential impact and likelihood of occurrence, together with actions that either have been or will be taken in mitigation. It is reviewed quarterly and amended accordingly. The Trustees are satisfied that there are procedures in place commensurate with the size of these and other identified risks to prevent or manage their effects. These procedures include active review and improvement and investment in capacity, systems and processes, to ensure fundraising and grant management priorities are met and the acceptance of risks that cannot be avoided.

Key risks identified by the trustees in 2019 were:

*The financial sustainability of BRAC UK.* This will be mitigated through the careful building of reserves, developing a robust business plan and maintaining strong partnership with BRAC and BRAC International.

*Impact of Covid 19 pandemic.* The Trustees have assessed the risks arising to BRAC UK, based on their understanding of the possible impact for both our project work and our organisational revenue (see section on page 4 above for more details). The Trustees conclude that these risks do not affect the going concern status of BRAC UK.

*Safeguarding incidents.* This will be mitigated through improving the policy, processes and culture of safeguarding throughout BRAC UK's operations and partnerships.

*External economic and political environment in the context of the UK's exit from the EU.* This will be mitigated through the development of a range of new funding relationships in addition to DFID and the EU, including other UK government departments responsible for spending the UK's Official Development Assistance (ODA) budget.

*A merger between the Department for International Development (DFID) and the Foreign & Commonwealth Office (FCO) could mean the UK's focus on poverty alleviation is reduced and therefore less funding potentially available for BRAC entities. The key strategy being undertaken to mitigate this is to build relationships with other parts of Government that are spending Official Development Assistance budget.*

## **Reserves Policy**

The Board of Trustees has determined that BRAC UK requires unrestricted reserves to be held for the following purposes:

- to fund unexpected expenditure, e.g. if projects overrun, or unplanned events occur
- to fund shortfalls in income if expected levels are not reached
- to fund working capital
- to allow Trustees resources and time to act in an unforeseen emergency situation within BRAC UK.

This money will be held as unrestricted funds, and will be sufficient to enable the organisation to deal with any one or more of the above. BRAC UK will not accumulate a level of reserve funding that is greater than that which it judges necessary to provide financial security. The Board of Trustees have set an unrestricted reserves target of between two and three months of planned core operational costs, equivalent in 2019 to approximately £0.3m. The Trustees believe that this balances the need to apply funds to BRAC UK's mission, whilst ensuring there are sufficient funds to run our day to day business and to protect from the risk of unanticipated shocks. This target is reviewed at least annually to ensure it remains relevant to the realities of current operations and the associated risks. The unrestricted reserves at year end stood at £0.3m (2018 £0.4m), equating to just over 4 months' of our core operational costs for the year. The Trustees remain committed to spend donor funds in line with strategic priorities for BRAC UK and the wider BRAC family. These reserves will be used in accordance with plans for BRAC UK.

BRAC UK also holds restricted reserves, representing funds received for specific project work. At the end of 2019 restricted funds held was £1.3m (2018 0.9m). These funds will be disbursed in 2020 in line with donor restrictions. The report has been prepared in accordance with the duty set out in the Charities Act 2006.

The Trustees have assessed the Reserves Policy and conclude that it currently provides sufficient cover for the financial risks that may arise from the Covid 19 pandemic. However, the position will be reviewed quarterly and reassessed.

### **Auditor**

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity. The report of the Trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime. Approved by the Trustees on 6th May 2020 and signed on their behalf by

**Simone Sultana**  
**Director and Trustee (Chair)**

to the members of

BRAC UK

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## Opinion

We have audited the financial statements of BRAC UK (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:



## Independent auditor's report

to the members of

BRAC UK

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- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

## Independent auditor's report

to the members of

BRAC UK

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## **Independent auditor's report**

**to the members of**

**BRAC UK**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

2 June 2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

## BRAC UK

## Statement of financial activities (incorporating an income and expenditure account)

## For the period ended 31 December 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<b>Income from:</b>							
Donations and legacies	2	8,730	6,740	15,470	16,586	14,810	31,396
Charitable activities							
BRAC UK Core	3	361,796	-	361,796	477,646	-	477,646
Bangladesh	3	-	1,600,271	1,600,271	-	1,135,221	1,135,221
Nepal	3	-	76,725	76,725	-	106,423	106,423
Sierra Leone	3	-	62,806	62,806	-	5,000	5,000
South Sudan	3	-	-	-	-	30,726	30,726
Tanzania	3	-	238,762	238,762	-	346,936	346,936
Uganda	3	-	738,267	738,267	-	420,027	420,027
BRAC global initiatives	3	-	-	-	-	74,418	74,418
Investments		-	-	-	-	-	-
<b>Total income</b>		<b>370,526</b>	<b>2,723,571</b>	<b>3,094,097</b>	<b>494,232</b>	<b>2,133,561</b>	<b>2,627,793</b>
<b>Expenditure on:</b>							
Raising funds	4	33,400	-	33,400	31,458	-	31,458
Charitable activities							
BRAC UK Core	4	287,105	-	287,105	285,618	-	285,618
Bangladesh	4	58,583	1,210,670	1,269,253	101,454	672,490	773,944
Nepal	4	44,084	83,451	127,535	42,512	97,368	139,880
Sierra Leone	4	18,430	62,806	81,236	18,793	18,754	37,547
South Sudan	4	-	-	-	7,893	143,284	151,177
Tanzania	4	25,168	361,543	386,711	17,502	232,125	249,627
Uganda	4	23,022	488,795	511,817	43,215	302,262	345,477
BRAC global initiatives	4	1	27,466	27,467	14,594	134,317	148,911
<b>Total expenditure</b>		<b>489,793</b>	<b>2,234,731</b>	<b>2,724,524</b>	<b>563,038</b>	<b>1,600,600</b>	<b>2,163,638</b>
<b>Net income / (expenditure) for the year</b>		<b>(119,267)</b>	<b>488,840</b>	<b>369,573</b>	<b>(68,806)</b>	<b>532,961</b>	<b>464,155</b>
Transfers between funds	15	(9,911)	9,911	-	15	(15)	-
Other gains/losses	15	11,968	-	11,968	42,623	-	42,623
<b>Net income / (expenditure)</b>		<b>(117,210)</b>	<b>498,751</b>	<b>381,541</b>	<b>(26,168)</b>	<b>532,946</b>	<b>506,778</b>
<b>Net movement in funds</b>		<b>(117,210)</b>	<b>498,751</b>	<b>381,541</b>	<b>(26,168)</b>	<b>532,946</b>	<b>506,778</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		393,487	819,999	1,213,486	419,655	287,053	706,708
<b>Total funds carried forward</b>		<b>276,277</b>	<b>1,318,750</b>	<b>1,595,027</b>	<b>393,487</b>	<b>819,999</b>	<b>1,213,486</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the financial statements.

## Balance sheet

Company no. 5802246

**As at 31 December 2019**

	Note	£	2019 £	£	2018 £
<b>Fixed assets:</b>					
Tangible assets	11		<u>1,277</u>		<u>4,710</u>
			1,277		4,710
<b>Current assets:</b>					
Debtors	12	65,797		210,727	
Cash at bank and in hand		<u>2,351,913</u>		<u>1,187,793</u>	
		2,417,710		1,398,520	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	<u>823,960</u>		<u>189,743</u>	
<b>Net current assets</b>			<u>1,593,750</u>		<u>1,208,776</u>
<b>Total assets less current liabilities</b>			<u>1,595,027</u>		<u>1,213,486</u>
<b>Total net assets</b>			<u>1,595,027</u>		<u>1,213,486</u>
<b>The funds of the charity:</b>	15				
Restricted income funds			1,318,750		819,999
Unrestricted income funds:					
General funds		<u>276,277</u>		<u>393,487</u>	
Total unrestricted funds			<u>276,277</u>		<u>393,487</u>
<b>Total charity funds</b>			<u>1,595,027</u>		<u>1,213,486</u>

Approved by the trustees on 6 May 2020 and signed on their behalf by

Simone Sultana  
Chair

## Statement of cash flows

For the period ended 31 December 2019

## Reconciliation of net income to net cash flow from operating activities

	2019	2018
	£	£
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>369,573</b>	464,155
Depreciation charges	3,433	4,227
Dividends, interest and rent from investments	(2,313)	(537)
(Increase)/decrease in debtors	144,930	(24,416)
Increase/(decrease) in creditors	634,217	(244,611)
<b>Net cash provided by operating activities</b>	<b>1,149,840</b>	198,819

	Note	2019		2018	
		£	£	£	£
<b>Cash flows from operating activities</b>					
<b>Net cash provided by operating activities</b>	16		1,149,840		198,819
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		2,313		537	
Purchase of fixed assets		-		(1,380)	
<b>Net cash provided used in investing activities</b>			<b>2,313</b>		<b>(843)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>1,152,153</b>		197,976
Cash and cash equivalents at the beginning of the year			1,187,793		947,194
Change in cash and cash equivalents due to exchange rate movements			11,967		42,623
<b>Cash and cash equivalents at the end of the year</b>			<b>2,351,913</b>		<b>1,187,793</b>

**1 Accounting policies**

**a) Statutory information**

BRAC UK is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is 19 Wootton Street, LONDON, SE1 8TG.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees have considered the impact of the ongoing COVID-19 pandemic and address this in the trustees' report. The Trustees have assessed the potential financial risks from the Covid 19 pandemic, and conclude that the Reserves Policy currently provides sufficient cover for the organisation to remain a going concern. This position will be reviewed quarterly and reassessed.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**g) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and other international development activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.



## Notes to the financial statements

For the period ended 31 December 2019

**1 Accounting policies (continued)****i) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the support functions are apportioned on the following basis, which is an estimate of the amount attributable to each activity, based on the number of projects in each country of operation during the year.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

● BRAC UK core charitable activities	8%
● Bangladesh charitable activities	38%
● Nepal charitable activities	15%
● Sierra Leone charitable activities	8%
● Uganda charitable activities	15%
● Tanzania charitable activities	15%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**j) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Furniture, Fixtures and Equipment	25%
● Computer Equipment	25%
● Leasehold Improvements	25%
● Website	25%

**l) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**m) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**n) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**o) Pensions**

BRAC UK is dealing with its pension arrangements through the NEST pension scheme. After successful completion of a new staff member's probationary period, BRAC will contribute up to 6% per annum into our selected pension scheme, NEST, provided the employee will meet (or exceed) this amount.

The scheme is compatible with legislation introduced in October 2012 that requires all employers to offer a workplace pension scheme to its employees, which BRAC UK was required to comply with by February 2017.

**p) Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net incoming resources for the year.

## 2 Income from donations

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Individual Donations	8,730	6,740	15,470	16,586	14,810	31,396
Corporate Donations	-	-	-	-	-	-
	<u>8,730</u>	<u>6,740</u>	<u>15,470</u>	<u>16,586</u>	<u>14,810</u>	<u>31,396</u>

## 3 Income from charitable activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
BRAC	326,542	-	326,542	391,000	-	391,000
Project contributions for direct costs and overheads	32,903	-	32,903	86,068	-	86,068
Other	2,351	-	2,351	578	-	578
BRAC global initiatives	-	-	-	-	74,418	74,418
<b>Sub-total for BRAC UK core charitable activities</b>	<b>361,796</b>	<b>-</b>	<b>361,796</b>	<b>477,646</b>	<b>74,418</b>	<b>552,064</b>
Comic Relief	-	5,000	5,000	-	-	-
ESRC (Economic & Social Research Council)	-	-	-	-	30,589	30,589
MedicorFoundation	-	-	-	-	200,000	200,000
Cartier Foundation	-	-	-	-	395,225	395,225
Vitol Foundation and World Memon Organisation	-	-	-	-	152,620	152,620
British Asian Trust	-	-	-	-	82,100	82,100
UBS Optimus Foundation	-	409,070	409,070	-	252,740	252,740
CIFF (Childrens Investment Fund Foundation)	-	21,415	21,415	-	-	-
Other	-	-	-	-	8,559	8,559
IKEA Foundation	-	1,132,548	1,132,548	-	-	-
Income from DFID Disability Inclusive Development	-	32,238	32,238	-	13,388	13,388
<b>Sub-total for charitable activities in Bangladesh</b>	<b>-</b>	<b>1,600,271</b>	<b>1,600,271</b>	<b>-</b>	<b>1,135,221</b>	<b>1,135,221</b>
Income from DFAT	-	-	-	-	43,407	43,407
Income from DFID Disability Inclusive Development	-	22,712	22,712	-	-	-
Income from Signify Foundation	-	54,013	54,013	-	63,016	63,016
<b>Sub-total for charitable activities in Nepal</b>	<b>-</b>	<b>76,725</b>	<b>76,725</b>	<b>-</b>	<b>106,423</b>	<b>106,423</b>
Income from Comic Relief	-	62,806	62,806	-	5,000	5,000
<b>Sub-total for charitable activities in Sierra Leone</b>	<b>-</b>	<b>62,806</b>	<b>62,806</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>
Income from GPAF/UK Aid	-	-	-	-	30,726	30,726
<b>Sub-total for South Sudan charitable activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,726</b>	<b>30,726</b>
Income from Cartier Philanthropy	-	406,332	406,332	-	182,920	182,920
Income from Medicor Foundation	-	157,903	157,903	-	211,986	211,986
Income from NLCF (National Lottery Community Fund)	-	62,513	62,513	-	-	-
Income from DFID Disability Inclusive Development	-	111,519	111,519	-	-	-
Income from Nesta Foundation	-	-	-	-	10,891	10,891
Income from Big Lottery Fund	-	-	-	-	14,230	14,230
<b>Sub-total for charitable activities in Uganda</b>	<b>-</b>	<b>738,267</b>	<b>738,267</b>	<b>-</b>	<b>420,027</b>	<b>420,027</b>
Income from DFID Disability Inclusive Development	-	-	-	-	13,388	13,388
Income from Danida	-	201,718	201,718	-	195,358	195,358
Income from Signify Foundation	-	37,044	37,044	-	59,275	59,275
Income from Vitol Foundation	-	-	-	-	78,915	78,915
<b>Sub-total for charitable activities in Tanzania</b>	<b>-</b>	<b>238,762</b>	<b>238,762</b>	<b>-</b>	<b>346,936</b>	<b>346,936</b>
<b>Total income from charitable activities</b>	<b>361,796</b>	<b>2,716,831</b>	<b>3,078,627</b>	<b>477,646</b>	<b>2,118,751</b>	<b>2,596,397</b>

## 4a Analysis of expenditure (current year)

	Charitable activities											2019 Total £
	Cost of raising funds £	BRAC UK Core Charitable Activities £	Bangladesh Charitable Activities £	Nepal Charitable Activities £	Sierra Leone Charitable Activities £	South Sudan Charitable Activities £	Tanzania Charitable Activities £	Uganda Charitable Activities £	BRAC global initiatives £	Governance costs £	Support costs £	
Staff costs (note 7)	26,210	155,525	76,054	38,992	12,449	-	62,819	74,585	5,700	44,672	41,265	538,271
Training and recruitment	-	11,827	-	-	-	-	306	-	-	-	-	12,133
Grants payments (note 5)	-	-	1,147,822	67,212	61,149	-	255,183	399,439	21,767	-	-	1,952,572
Programme activities	-	20,311	7,994	6,164	350	-	10,509	18,267	-	-	-	63,595
Office management	-	92,171	683	624	17	-	37,951	4,983	-	-	-	136,429
Fundraising expenditure	7,190	-	343	-	-	-	-	-	-	-	-	7,533
Audit & legal fees	-	-	-	-	-	-	5,400	-	-	8,591	-	13,991
	33,400	279,834	1,232,896	112,992	73,965	-	372,168	497,274	27,467	53,263	41,265	2,724,524
Governance costs	-	4,097	20,486	8,194	4,097	-	8,194	8,194	-	(53,263)	-	-
Support costs	-	3,174	15,871	6,348	3,174	-	6,348	6,348	-	-	(41,265)	-
	-	7,271	36,357	14,543	7,271	-	14,543	14,543	-	-	-	-
<b>Total expenditure 2019</b>	<b>33,400</b>	<b>287,105</b>	<b>1,269,253</b>	<b>127,535</b>	<b>81,236</b>	<b>-</b>	<b>386,711</b>	<b>511,817</b>	<b>27,467</b>	<b>-</b>	<b>-</b>	<b>2,724,524</b>
Total expenditure 2018	31,458	285,618	773,944	139,880	37,547	151,177	249,627	345,477	148,911	-	-	2,163,638

## 4b Analysis of expenditure (prior year)

	Charitable activities										2018 Total £	
	Cost of raising funds £	BRAC UK Core Charitable Activities £	Bangladesh Charitable Activities £	Nepal Charitable Activities £	Sierra Leone Charitable Activities £	South Sudan Charitable Activities £	Tanzania Charitable Activities £	Uganda Charitable Activities £	BRAC global initiatives £	Governance costs £		Support costs £
Staff costs (note 7)	28,554	155,658	94,546	34,125	15,566	11,940	50,571	69,622	65,272	47,188	41,101	614,143
Training and recruitment	-	4,374	-	-	-	-	-	-	-	-	-	4,374
Grants payments (note 5)	-	-	627,987	84,525	18,705	115,366	156,224	235,513	-	-	-	1,238,320
Programme activities	-	31,807	11,788	8,162	-	20,560	29,476	21,177	82,937	-	-	205,908
Office management	-	80,878	167	168	51	85	455	6,264	703	-	-	88,770
Fundraising expenditure	2,904	-	754	-	-	-	-	-	-	-	-	3,658
Audit & legal fees	-	-	-	-	-	-	-	-	-	8,466	-	8,466
	<b>31,458</b>	<b>272,717</b>	<b>735,242</b>	<b>126,979</b>	<b>34,321</b>	<b>147,951</b>	<b>236,727</b>	<b>332,576</b>	<b>148,911</b>	<b>55,654</b>	<b>41,101</b>	<b>2,163,638</b>
Governance costs	-	7,420	22,261	7,420	1,855	1,855	7,420	7,420	-	(55,654)	-	-
Support costs	-	5,480	16,440	5,480	1,370	1,370	5,480	5,480	-	-	(41,101)	-
	<b>-</b>	<b>12,901</b>	<b>38,702</b>	<b>12,901</b>	<b>3,225</b>	<b>3,225</b>	<b>12,901</b>	<b>12,901</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total expenditure 2018</b>	<b>31,458</b>	<b>285,618</b>	<b>773,944</b>	<b>139,880</b>	<b>37,547</b>	<b>151,177</b>	<b>249,627</b>	<b>345,477</b>	<b>148,911</b>	<b>-</b>	<b>-</b>	<b>2,163,638</b>

5	Grant-making	2019 Grants to institutions £	2018 Grants to institutions £
	BRAC Bangladesh	1,147,822	627,987
	BRAC Nepal	67,212	84,525
	BRAC Sierra Leone	61,149	18,705
	BRAC South Sudan	-	115,366
	BRAC Tanzania	192,852	76,390
	BRAC Uganda	344,887	235,513
	Solar Sister	62,331	76,164
	HI	32,522	-
	Nuwodu	22,030	-
	Others	21,766	3,670
		<u>1,952,571</u>	<u>1,238,320</u>
6	<b>Net incoming resources for the year</b>		
	This is stated after charging:	2019 £	2018 £
	Depreciation	3,433	4,227
	Operating lease rentals:		
	● Property	40,468	38,260
	Auditor's remuneration, excluding VAT :		
	● Audit of BRAC UK accounts	7,000	6,900
	● External audit of project funds	5,418	0
		<u>54,319</u>	<u>45,387</u>
7	<b>Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel</b>		
	Staff costs were as follows:	2019 £	2018 £
	Salaries and wages	432,078	501,669
	Social security costs	42,849	53,019
	Employer's contribution to defined contribution pension schemes	11,488	12,414
	Other staff costs	51,856	47,043
		<u>538,271</u>	<u>614,144</u>
		2019 No.	2018 No.
	£60,000 – £69,999	-	-
	£70,000 – £79,999	-	-
	£80,000 – £89,999	-	-
	£90,000 – £99,999	1	1

The total employee benefits including pension contributions of the key management personnel were £236,137(2018: £224,798).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £103 incurred by one member in 2019 (2018: £481, three members) relating to attendance at meetings of the trustees.

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2019 No.	2018 No.
Raising funds	0.5	0.6
BRAC UK Core Charitable Activities	5.6	5.6
Bangladesh Charitable Activities	0.7	0.7
BRAC global Charitable Activities	0.4	1.5
Liberia Charitable Activities	-	-
Nepal charitable activities	0.3	0.4
Sierra Leone Charitable Activities	0.1	0.3
South Sudan Charitable Activities	-	0.1
Tanzania charitable activities	0.4	0.2
Uganda Charitable Activities	0.4	0.4
Support	1.3	1.2
Governance	0.6	0.8
	<b>10.3</b>	<b>11.8</b>

**9 Related party transactions**

The charity enjoys a close working relationship with BRAC and BRAC International who provide funding to enable the charity to carry out its Core Charitable Objectives (see the Trustees' Annual Report). The charity received £326,542 from BRAC and BRAC International during 2019 (2018:£391,000).

The funding was received to provide services, e.g. fundraising, BRAC profile raising globally and building capacity in other BRAC country offices, and has been included in the financial statements under incoming resources from charitable activities and global initiatives.

**10 Taxation**

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**11 Tangible fixed assets**

	Leasehold Improvements £	Fixtures and fittings £	Computer equipment £	Website £	Total £
<b>Cost</b>					
At the start of the year	6,480	4,036	14,577	5,400	30,493
Additions in year	-	-	-	-	-
At the end of the year	6,480	4,036	14,577	5,400	30,493
<b>Depreciation</b>					
At the start of the year	6,480	3,741	11,399	4,163	25,783
Charge for the year	-	295	1,901	1,237	3,433
At the end of the year	6,480	4,036	13,300	5,400	29,216
<b>Net book value</b>					
At the end of the year	-	-	1,277	-	1,277
At the start of the year	-	295	3,177	1,237	4,710

All of the above assets are used for charitable purposes.

**12 Debtors**

	2019 £	2018 £
Trade debtors	24,612	73,370
Other debtors	7,875	7,875
Prepayments	4,392	17,355
Accrued income	28,918	112,128
	<b>65,797</b>	<b>210,727</b>

13	Creditors: amounts falling due within one year	2019 £	2018 £
	Trade creditors	34,963	19,955
	Taxation and social security	15,173	1,788
	Other creditors	4,786	145
	Accruals	769,038	167,855
		<u>823,960</u>	<u>189,743</u>

  

14a	Analysis of net assets between funds (current year)	General unrestricted £	Restricted £	Total funds £
	Tangible fixed assets	1,277	-	1,277
	Net current assets	276,277	1,318,750	1,595,027
	<b>Net assets at the end of the year</b>	<u>277,553</u>	<u>1,318,750</u>	<u>1,596,303</u>

  

14b	Analysis of net assets between funds (prior year)	General unrestricted £	Restricted £	Total funds £
	Tangible fixed assets	4,710	-	4,710
	Net current assets	388,777	820,014	1,208,791
	<b>Net assets at the end of the year</b>	<u>393,487</u>	<u>820,014</u>	<u>1,213,501</u>

15a	Movements in funds (current year)	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
<b>Restricted funds:</b>						
BD001	Bangladesh Education-Comic Relief	3,522	5,000	(8,522)	-	-
BD003	Bangladesh BEP Schools – UBS	58,295	176,786	(199,576)	-	35,505
BD010	Bangladesh donations/grants- Rohingya crisis Bangladesh Anti Trafficking project development – CIFF	475,436	6,740	(470,834)	-	11,342
BD011	CIFF	-	19,101	(19,101)	-	-
BD012	Bangladesh xxxxxxxxxxxx – IKEA/UBS	-	1,364,832	(478,085)	-	886,747
BD014	Bangladesh Anti Trafficking – CIFF	-	2,314	(2,314)	-	-
BDTO12	DFID	-	801	(801)	-	-
MC001	Multi country Sightsavers Disability Inclusive Development – DFID – proposal development	-	31,437	(31,437)	-	-
NP001	Nepal PRAGATI project proposal preparation– DFAT	5,890	-	(5,890)	-	-
NP002	Nepal Girls Empowerment through Lighting Entrepreneurship – Signify Foundation	3,165	54,013	(55,687)	-	1,491
NPT015	Nepal Disability Inclusive Development – DFID	-	22,712	(21,874)	-	838
SL005	Sierra Leone Stregthening PSPP – Comic Relief	-	62,806	(62,806)	-	-
TZ001	Tanzania WeSolve – Danida	14,168	201,718	(211,888)	-	3,998
TZ002	Tanzania WeSolve – Signify Foundation	35,117	37,044	(70,740)	-	1,421
TZ003	Tanzania ECD – Vitol Foundation	78,915	-	(78,915)	-	-
UGA001	Uganda TUP – Cartier Foundation	4,251	21,827	(29,087)	3,009	-
UGA002	Uganda TUP – Medicor Foundation	113,774	57,903	(178,579)	6,902	-
UGA005	Uganda – Disability Inclusive Graduation – DFID UK Aid	-	111,519	(91,478)	-	20,041
UGA006	Uganda – Disability Inclusive Graduation – National Lottery Community Fund (NLCF)	-	62,513	(49,978)	-	12,535
UGA007	Uganda – Disability Inclusive Graduation – Cartier Philanthropy	-	384,505	(113,482)	-	271,023
UGA008	Uganda – Disability Inclusive Graduation – Medicor Foundation	-	100,000	(26,191)	-	73,809
UPGI	Ultra Poor Graduation Global Initiative	27,466	-	(27,466)	-	-
<b>Total restricted funds</b>		<b>819,999</b>	<b>2,723,571</b>	<b>(2,234,731)</b>	<b>9,911</b>	<b>1,318,750</b>
		819,999	2,723,572	(2,234,732)	9,911	1,318,750
<b>Unrestricted funds:</b>						
		At 1 January 2019	Income & gains	Expenditure & losses	Transfers	At 31 December 2019
General funds		393,487	382,494	(489,793)	(9,911)	276,277
<b>Total unrestricted funds</b>		<b>393,487</b>	<b>382,494</b>	<b>(489,793)</b>	<b>(9,911)</b>	<b>276,277</b>
<b>Total funds</b>		<b>1,213,486</b>	<b>3,106,065</b>	<b>(2,724,524)</b>	<b>-</b>	<b>1,595,027</b>

**Foreign exchange gains/losses**

Funding for some projects is transacted through foreign currence bank accounts – namely US dollars, Australian dollars, Danish Krone, Euro, Swiss Francs – and therefore the project funds themselves do not suffer foreign exchange gains and losses. However, the bank balances are held in BRAC UK's accounts in the home currency of GBP and revalued on a monthly basis, and transactions are revalued at the exchange rate at the date of transaction as per the SORP requirements. This causes exchange gains and losses to be accounted for, and these are included in the unrestricted general funds.



15b	Movements in funds (prior year)	At 1 January 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2018 £
<b>Restricted funds:</b>						
BD001	Bangladesh Education-Comic Relief	36,229	-	(32,707)	-	3,522
BD002	Bangladesh Education – ESRC	3,635	30,589	(34,225)	-	(1)
BD003	Bangladesh BEP Schools – UBS	28,423	252,740	(222,868)	-	58,295
BD010	Bangladesh donations/grants- Rohingya crisis Multi country Sightsavers Disability Inclusive Development – DFID – proposal development	4,813	853,314	(382,690)	-	475,437
MC001	Nepal PRAGATI project proposal preparation- DFAT	-	26,777	(26,777)	-	-
NP001	Nepal Girls Empowerment through Lighting Entrepreneurship – Signify Foundation	-	43,407	(37,517)	-	5,890
NP002	Sierra Leone Health-Comic Relief	-	63,016	(59,851)	-	3,165
SL003	Sierra Leone Pig Value Chain – DFID/UKAid	8,344	5,000	(13,344)	-	-
SL004	Sierra Leone Health – Comic Relief	5,410	-	(5,410)	-	-
SS002	South Sudan Education 2 – Comic Relief	42,637	-	(42,637)	-	-
SS003	South Sudan Health – DFID/UK Aid	26,301	30,725	(57,026)	-	-
SS004	South Sudan Health – Big Lottery Fund	43,636	-	(43,621)	(15)	-
TZ001	Tanzania WeSolve – Danida	-	195,358	(181,190)	-	14,168
TZ002	Tanzania WeSolve – Signify Foundation	-	59,275	(24,158)	-	35,117
TZ003	Tanzania ECD – Vitol Foundation	-	78,915	-	-	78,915
UGA001	Uganda TUP – Cartier Foundation	260	182,920	(178,929)	-	4,251
UGA002	Uganda TUP – Medicor Foundation	-	211,986	(98,212)	-	113,774
UGA003	Foundation Uganda Disability Inclusive Graduation project preparation – Big Lottery Fund	-	10,891	(10,891)	-	-
UGA004	Ultra Poor Graduation Global Initiative	-	14,230	(14,230)	-	-
UPGI		87,365	74,418	(134,317)	-	27,466
<b>Total restricted funds</b>		<b>287,053</b>	<b>2,133,561</b>	<b>(1,600,600)</b>	<b>(15)</b>	<b>819,999</b>
<b>Unrestricted funds:</b>						
General funds		419,655	536,855	(563,038)	15	393,487
<b>Total unrestricted funds</b>		<b>419,655</b>	<b>536,855</b>	<b>(563,038)</b>	<b>15</b>	<b>393,487</b>
<b>Total funds</b>		<b>706,708</b>	<b>2,670,416</b>	<b>(2,163,638)</b>	<b>-</b>	<b>1,213,486</b>
<b>Purposes of restricted funds</b>						
BD001	<b>Bangladesh Education – Comic Relief</b> This programme improves the knowledge of, and access to, maternal neonatal and child health services for women and their children plus other family members through the provision of local delivery centres.					
BD002	<b>Bangladesh Education –Economic and Social Research Council</b> A research study to assess the progress of our targeting the ultra-poor programme in each of it's three dimensions, being material, social, and psychological well-being. How the programme contributes to the resilience of women and their households is measured through their ability to maintain and improve their livelihoods.					
BD003	<b>Bangladesh BEP Schools – UBS Optimus</b> Shishu Niketan – Low-cost fee paying schools in Bangladesh. The low cost private school intervention will lead to the sustainable provision of affordable, quality education for children from low-income backgrounds across Bangladesh.					
BD010	<b>Bangladesh – Rohingya crisis – Medicor Foundation, Cartier Foundation, World Memon Organistion and Individual donations:</b> This funding has been received in response to the Rohingya crisis, and is supporting BRAC's programmes on the Bangladesh/Myanmar					
BD011/BD014	<b>Disrupting Cross Border Trafficking Networks in Jashore, Bangladesh]</b> This project will reduce the vulnerability of children and women to trafficking for commercial sexual exploitation from Jashore to India through capacity building, service integration, awareness raising and advocacy.					
CIFF						
BD012	<b>Decent employment for marginalised youth in retail</b> This innovative project will create a model for scale, providing sustainable livelihoods for low-income urban youth in Bangladesh in partnership with the retail sector and the Government of Bangladesh.					
IKEA/UBS						
BDO12	<b>Disability inclusive vocational training and youth employment</b> Long term improved wellbeing and inclusion of young women and men with disabilities in Bangladesh through increased and equitable access to decent employment and increased income.					
DID Bangladesh						

MC001	<b>Bangladesh and Tanzania Sightsavers Disability Inclusive Development – DFID commercial contract</b> The Disability Inclusive Development Programme (DID) is DFID's single largest investment in disability inclusion, and its flagship global programme in this sector. Under DID, BRAC UK is engaging with Sight Savers International to develop programmes in Bangladesh, Tanzania and Nepal for a total of £1.6M.
NP001	<b>Nepal – PRAGATI project preparation – DFAT</b> The PRAGATI design phase from August to December 2018 involved field visits and workshops with partners to design and submit an investment proposal. Once approved, this programme will to deliver a AUD \$25 million adaptive hybrid programme, working with partners, which seeks to combine market service delivery and direct intervention approaches to provide pro-poor market development outcomes for the most marginalised households in Karnali Province, Western Nepal.
NP002	<b>Nepal – Girls Empowerment Through Lighting Entrepreneurship – Signify Foundation</b> This project addresses the social and economic marginalisation of adolescent girls in Kavrepalanchowk District, Nepal. Girls receive empowerment and employment opportunities through the holistic project approach and communities will receive access to lighting services
NPT015 DID Nepal	<b>Enhancing Inclusive Sexual and Reproductive Health and Rights (SRHR) and Livelihood Opportunities of Young People with Disabilities</b> This project improves the wellbeing and inclusion of young people with disabilities by enhancing their access to and uptake of quality and inclusive sexual reproductive health services and livelihood opportunities.
SL003	<b>Sierra Leone Health–Comic Relief (PSPP – Pull Slum Pan Pipul Project)</b> Improving sexual and reproductive health and creating sustainable livelihoods for youth in Freetown Slums in Sierra Leone.
SL004	<b>Sierra Leone livelihood–DFID/UKAid–GPAF–INN–075</b> Reducing Poverty and hunger of Vulnerable People (Majority Women) through Improved Pig Production, Processing, Marketing and Income Generation in 25 Rural Communities in Five Districts in Sierra Leone.
SL005 PSPP extension?	<b>Strengthening Pull Slum Pan Pipul (PSPP)</b> This project builds on the success of PSPP interventions, combining consortium members' collective expertise to deliver a joint initiative, aimed at strengthening and sustaining urban development structures/systems for improved living standards in Freetown's informal
SS002	<b>South Sudan Education 1 &amp; 2– Comic Relief</b> The programme addresses the acute lack of primary education right across South Sudan and gender discrimination that causes people, particularly women, to remain in poverty.
SS003	<b>South Sudan Health– DFID/UK Aid–IMP–128</b> Improving the Reproductive, Maternal, Newborn and Child Health of Vulnerable Women, Adolescent girls and Children in Central and Eastern Equatoria States in South Sudan.
SS004	<b>South Sudan Health–Big Lottery Fund</b> Reaching the most vulnerable beneficiaries (in Yei County) through doorstep services provided by community health promoters (CHPs) and mobile nurses. BRAC will provide quality information on mother and child health, check the health of mothers, new-borns and under-fives, review the immunisation records of children and refer pregnant women to health facilities.
TZ001 and TZ002	<b>Tanzania – WeSolve – Danida and Signify Foundation</b> 'WE SOLVE' – Women Entrepreneurship through the Solar Value chain for Economic development in Tanzania. A partnership between BRAC, Solar Sisters and Philips Lighting to create inclusive and sustainable economic growth and productivity (SDG8), generation of new income (SGD1) and new decent, green and appropriate employment and livelihoods for women (SDG8,5) in rural Tanzania.
TZ003	<b>Tanzania ECD – Vitol Foundation</b> The project aims to catalyse the ECD private sector in Tanzania, by developing a 'Hub & Spoke' business model for the provision of low-cost, high quality and scalable play-based ECD – improving the cognitive, physical, socio-emotional and language development of children aged 3–5 from low income families in Dar es Salaam.
UGA001	<b>Uganda TUP – Cartier Foundation</b> The aim of the project is to reduce extreme poverty among youth (1500 direct beneficiaries – ages 18–35) in the Luwero District and Karamaja sub-region, Uganda, through agribusiness programming and sequenced set of interventions which include livelihood training, consumption stipends, asset transfers, savings and social integration.
UGA002	<b>Uganda TUP – Medicor Foundation</b> Match funding for the Cartier Foundation project above
UGA003	<b>Uganda Fall Army Worm Challenge – Nesta Foundation</b> An innovation challenge fund, funded by the Nesta Foundation to respond to the Fall Army Worm Challenge in Africa. BRAC UK provided specific networking and facilitation services in Uganda to support the innovation challenge
UGA004	<b>Uganda Disability Inclusive Graduation project preparation – Big Lottery Fund</b> A partnership with BRAC, Humanity and Inclusion and NUWODU (a national Disability Persons Organisation) aimed at expanding socio-economic inclusion for 1500 ultra-poor beneficiaries, including people with disabilities, in Uganda.
UGA005 – UGA008	<b>Poverty Shift: Partnerships for Disability-Inclusive Ultra-Poor graduation, Uganda</b> This project contributes to the achieving of Sustainable Development Goals 1 and 10 through the expansion of socio-economic empowerment and social protection for some of most marginalised and vulnerable communities in Uganda
UPGI	<b>Ultra Poor Graduation Initiative</b> This funding is from BRAC International and is restricted to supporting the UPGI global branding initiative.

**16 Operating lease commitments**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	<b>Property</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
More than five years	-	-
1 – 5 years	180,000	-
Less than one year	33,750	12,753
	<u>213,750</u>	<u>12,753</u>

The figures for 2019 lease commitments are included on the basis of ongoing negotiations for a new lease which are expected to conclude shortly after the time of signing.

**17 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.