

Company number: 5802246

Charity number: 1115482

BRAC UK

Report and financial statements

For the year ended 31 December 2020



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 11 countries.

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Trustees

Simone Sultana (Chair of Trustees)
Alex Manu (Treasurer - term ended 12/20)
Richard Nartey (Treasurer - appointed 04/07/2020)
Kate Kuper
Jane Cooper
Peter Nicholas (Term ended 31/12/2020)
Shameran Abed

Principal staff

Lewis Temple (Chief Executive)
Nick Virr (Programme Director - employment ended 31/12/2020)
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

2020 was an extremely challenging year by any possible measurement. The COVID-19 pandemic has had multiple effects on our operations both in the UK and overseas.

COVID-19 has exacerbated pre-existing inequalities amongst marginalised communities, meaning the people we help need our services more than ever. As a global organisation, BRAC has met this challenge full-on, preventing the spread of the pandemic by adjusting our programmes to deliver vital social distancing and health messaging to communities in hard to reach areas. The sheer scale of the operations at the frontline is indicative of BRAC's ability to respond quickly to large crises and these lessons have been rolled out to its programmes globally.

In Bangladesh, BRAC proved a key part of the country's overall response, providing over 350,000 families with cash transfers to purchase vital food and supplies. Our large network of Community Health Workers also supported the Bangladesh Government by operating testing centres and community health services. Next year BRAC will also play a key role in the distribution of the COVID-19 vaccine through our health centres across Bangladesh.

BRAC UK has supported these efforts through raising dedicated funds to allow BRAC programmes to make this pivot to the challenges thrown up by the pandemic and by engaging in critical advocacy around the impact of COVID-19 on livelihoods and awareness around the increasing numbers of people entering extreme poverty.

In the UK, our staff have been working from home since March, as per Government guidelines. Much like other organisations in the UK, we have been relying on various online communication tools to collaborate with colleagues in multiple locations. The team have found new and innovative ways to strengthen the organisation's ability to work remotely with colleagues on the ground which will undoubtedly survive this pandemic period.

Raising vital funds to support BRAC's response to the pandemic and continuing to operate our projects when faced with the multiple COVID-19 prevention restrictions across all our operational countries in this environment has been particularly challenging. We would like to thank our staff for their commitment and dedication to support BRAC's work during these uniquely difficult times. Finally, we thank our partners for their agility and ability in re-thinking together how to support and strengthen our programmes in uncharted waters.

In the midst of all of this, BRAC has continued our drive to fulfill our global strategic target of creating 250 Million opportunities for people around the world. Following the example and ethos of our beloved founder Sir Fazle Hasan Abed, who passed away in December 2019, we strive to build a more equal world for everyone, no matter what challenges we may face. At the end of the year, BRAC UK signed a compact with and will be represented on the BRAC Global Board on an ambitious mission to scale BRAC's global work.

At the end of the year, BRAC UK signed a compact with the newly established BRAC Global Board and nominated the BRAC UK Chair of Trustees as a member of this Board to support and guide the ambitious mission to scale BRAC's global work.



Lewis Temple,
Chief Executive
BRAC UK



Simone Sultana
Chair of Trustees
BRAC UK

About BRAC

BRAC reaches 120 million people in 11 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 100,000 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

Based in London, BRAC UK was founded in 2006 and is one of the four members of the BRAC Global group – also including BRAC Bangladesh, BRAC International and BRAC USA. 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, governments and individuals. BRAC UK also raises awareness about BRAC's cost-effective and evidence-based poverty innovations which empower the poor in 11 countries. .

For more details see www.bracuk.net.

Our Response to COVID-19

In addition to causing fatalities on a massive scale, COVID-19 severely overwhelmed health care systems, significantly disrupting daily life, negatively affecting livelihoods, and causing enormous damage to the economies in the countries in which BRAC works. These all had a disproportionately negative impact on the lives and livelihoods of those living in situations of poverty, inequality, and exploitation in 2020 and will continue to do so in 2021.

BRAC is responding to the pandemic in 4 stages;

1. **Ensuring the safety of our staff** who are delivering services within communities by adhering to the principles of social distancing and the use of Personal Protective Equipment (PPE).
2. **Working with communities to help prevent the spread of the virus** by promoting practices that limit the spread of the virus, such as handwashing training and social distancing.
3. **Developing key partnerships** with like-minded organisations and governments. For example, BRAC leadership engaged in National COVID-19 task forces and co-ordinated with key stakeholders including Government and community leaders. BRAC adapted all

of our programmes to enable them to operate within the new realities brought about by the pandemic.

4. **Supporting recovery** when the outbreak has passed by working with affected communities to rebuild and emerge stronger than before. Each Country Office is commissioning and undertaking assessments of economic hardships including income loss and other challenges to livelihoods that communities and beneficiaries are facing both immediately and in the longer term.

In 2020 BRAC reached over 102 Million people with awareness raising activities, distributed 1.7 Million hygiene products, distributed over 1 Million items of PPE within communities and gave 350,000 families in Bangladesh direct cash support.

It is within this context that BRAC UK have had to adapt a number of our projects to respond to the pandemic. For example, funding from the Inclusive Futures consortium, led by SightSavers, was redirected to implement disability inclusive responses to the pandemic in Bangladesh and Nepal. In other projects, such as the Disability Inclusive Graduation (DIG) project in Uganda, we had to pause implementation whilst the country was in lockdown and have since established protocols to ensure the project is being implemented in a way that adheres to social distancing principles. To support that process, the UK Government provided funding through it's COVID-19 Rapid Response Fund. We would like to thank our partners for their flexibility, patience and understanding throughout what has been a uniquely difficult year for project implementation.

BRAC's Global Programmes

Ultra Poverty

While the world has made significant progress reducing poverty in recent decades, extremely poor families are now concentrated in places where poverty remains intractable, including sub-Saharan Africa and fragile, conflict-affected states. This has only been exacerbated by the COVID-19 pandemic, with the UN estimating that over 700 Million people lived in extreme poverty at the end of 2020.

BRAC's Ultra-Poor Graduation approach, a holistic intervention that integrates the transfer of an asset such as a cow or goat, financial and savings education, technical and life skills training, and ongoing support and mentorship, supports households stuck in this poverty trap by providing a pathway out of destitution in just two years. BRAC also works to amplify its impact globally by supporting governments and others to adapt the Graduation approach and conducting complementary advocacy efforts.

*2 Million households graduated out of poverty in Bangladesh
13 Countries where BRAC has developed Ultra Poor Graduation programmes*

Education

The poorest and most vulnerable children are the least likely to access quality learning opportunities. Delivering education to marginalised communities is at the heart of our work. We reach thousands of learners who would not otherwise receive an education, including girls, children with disabilities, and remote communities. Through joyful, community-driven approaches, all BRAC students have the opportunity to learn and grow.

BRAC also implements a groundbreaking Play Lab program in Bangladesh, Tanzania, and Uganda, reaching more than 10,000 children. Play Labs offer high quality, low-cost, playful learning opportunities to children ages three to five in underserved communities. Play Leaders, who are young women from the local community trained in play-based pedagogies, facilitate activities and child-led play that support children's physical development, language development, and critical socio-emotional skills such as self-regulation, empathy, and critical thinking. Play Labs also engage caretakers and communities in parenting sessions and play material development workshops, bringing the core elements of the model into the home to ensure learning happens outside the classroom, too.

*12M children graduated from BRAC schools
Children access a BRAC education in 7 countries*

Youth

Young people across the developing world face disproportionate risks and barriers during adolescence that prevent them from making healthy transitions into adulthood. This is particularly prevalent in Africa, the youngest and fastest growing continent. In sub-Saharan Africa, adolescent girls are more vulnerable to poverty, exploitation, and gender-based violence, while all young people face limited job prospects. Without clear economic opportunities, there is less incentive to invest in education and skills training.

To address these challenges, BRAC has updated its youth strategy to reflect the unique demographics of younger, more diverse, and tech-savvy communities, including modernising our flagship adolescent girls' empowerment programme. The Empowerment and Livelihoods for Adolescents (ELA) programme provides safe spaces in communities where adolescent girls and young women can come together to learn, play sports and games, and socialise. ELA clubs are led by peer mentors, who facilitate training on life skills, sexual and reproductive health, financial literacy, and more.

*48% increased involvement in income-generating activities for girls in youth empowerment clubs
8 countries reached with youth programmes*

Health

For decades, BRAC's network of community health workers have reached millions of people with lifesaving, door-to-door health services. Women are trained to provide basic preventative and curative care in their communities and to diagnose and refer patients with complications. They focus on maternal and child health, infectious disease prevention, family planning, and nutrition promotion, and earn a modest income from the sale of basic health goods.

BRAC's network of Community Health Workers were key to BRAC's global response to the COVID-19 pandemic, being ideally placed to both understand the needs of the communities and to provide healthcare services on site, adhering to social distancing distances. We anticipate that Community Health Workers will continue to play a key role in recovering from the pandemic and in the roll-out of vaccinations in 2021 and beyond.

*50K
5* *Community
countries* *Health
reached* *Workers
with* *delivering
health* *health
services
programmes*

Agriculture

Smallholder farmers produce 80% of the food consumed in South Asia and sub-Saharan Africa, but they remain one of the most vulnerable groups in the world, on the frontlines of climate change and economic shocks. BRAC's agriculture programmes link farmers to markets, build their resilience to climate change, and boost their productivity, helping smallholders to lift their families out of poverty and improve food security across their communities.

6 *countries* *reached* *with* *agriculture* *programmes*
60% of farmers trained are women

Financial Inclusion

Around the world, people who live in poverty are disproportionately excluded from the formal financial system, which creates compounding costs in their day-to-day lives. This is particularly true for women, who often cannot make financial decisions for their households, but must live with them. To save, weather tough times, and expand their businesses, they must rely on informal loans and cash savings, which are risky, unreliable, and expensive.

BRAC uses a diverse range of financial products to support families to increase their incomes, manage and build assets, invest in small enterprises, and cope during emergencies. Our responsible, tailored financial products build financial literacy and ensure people living in poverty can access the opportunities and support they deserve.

7M *microfinance* *clients*
36 Million people use BRAC's mobile money service bKash

Humanitarian Response

BRAC has served communities in Cox's Bazar for nearly four decades. We responded rapidly when the Rohingya refugee crisis reignited in 2017. Our work began with a focus on life-saving interventions: health care, clean water, and food. As the crisis evolved, we developed an array of comprehensive services that build skills, resilience, and knowledge in everyone affected, in both camps and host communities. Today, we serve more than 700,000 people in the region.

BRAC remains the largest education provider in the camps and settlements, with more than 60,000 children and adolescents enrolled in 750 learning centers. Younger children access safe spaces where they learn, play, and can process trauma. Nearly 1,000 educators have been recruited and trained to provide quality learning focused on basic literacy and numeracy and psychosocial support. Our unique Humanitarian Play Lab model reaches an additional 100,000 vulnerable children.

*700K members of the Rohingya community served
160K children learning through Humanitarian PlayLabs and Learning Centres*

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 2020. We received and made payments for other projects also, particularly those that ended activities in 2019. 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.

BD 012- Bangladesh: Youth in Retail

Donor(s): *UBS Optimus Foundation, Ikea Foundation*

This pilot 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.

BD 013 - Bangladesh: Partnerships 4 Growth (P4G)

Donor(s): *Partnerships 4 Growth (P4G)*

A partnership between BRAC and Hydro Industries to pilot a sustainable social business (revenue and technology) model to deliver safe water, at high volumes, and an affordable price in areas of very high water contamination (arsenic, iron, salt, manganese, bacteria) in Bangladesh.

BD 014 - Bangladesh: Cross Border Trafficking

Donor(s): *Children's Investment Fund Foundation*

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. It will also support the repatriation and reintegration of 120 Bangladeshi child victims of sex trafficking in India.

MC 001 - Bangladesh and Nepal: Disability Inclusive Development

Donor(s): *Inclusive Futures Consortium*

A commercial contract to fund disability inclusive development projects across the World. BRAC UK received funding for disability inclusive skills and youth empowerment projects in Bangladesh and Nepal. These funds were repurposed to fund disability inclusive COVID-19 emergency support for communities in Bangladesh and Nepal.

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.

NP 003 - Nepal: Girls Empowerment Through Lighting Entrepreneurship (Phase 2)

Donor(s): Signify Foundation

This project expands on an existing BRAC pilot project, namely Empowering girls as lighting and electrical technicians, to provide social and economic empowerment to 100 disadvantaged girls from communities in Province 3 of Nepal.

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 Philips Lighting 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 005- 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: 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.

UGA 010- Uganda: Emergency Donation

Donor(s): Long Term Foundation

This emergency grant was allocated to strengthen the delivery of our Disability-inclusive graduation (DIG) programme in Uganda (UGA 001/002) during the COVID-19 pandemic.

UGA 011- Uganda: Disability-Inclusive Covid-19 Response & Recovery Project

Donor(s): UK Aid

This project responds to the neglected needs arising from the C-19 pandemic, aiming to fill the gaps in the existing responses of district government in four districts of Uganda. It aims to assist groups - the ultra-poor (women, men and Persons with Disabilities) that are most vulnerable to the impacts of C-19 and are currently excluded.

BRAC UK's Future Plans

During 2020 the BRAC UK team developed a three year strategic plan from 2021 to 2023 which articulates how BRAC UK will support the achievement of the goals outlined in the BRAC Global Strategy 2030. The three year plan has the following objectives:

Objective 1 - Fundraising: through institutions and individuals BRAC UK's fundraising target is £40 million between 2021 and 2023 to support BRAC to deliver on its mission. BRAC UK targets to support BRAC to raise a further £36 million through technical support to other parts of BRAC, but funding will not come via BRAC UK.

Objective 2 - Partnership Development: BRAC UK will support BRAC to develop partnerships to build high quality, innovative, sustainable and scale-ready programmes across 11 countries in Africa and Asia.

Objective 3 - Grant and Contract Management: Provide high quality grant and contract management services for BRAC to ensure accountability towards donors and Investors

Objective 4 - Thought Leadership and Communications: Influence the policy and decisions in international development and poverty alleviation.

The Trustees approved this plan in November 2020 and it has been discussed and reviewed by the BRAC Global Board. On the basis of this plan the BRAC Bangladesh board have approved core cost funding support to BRAC UK of £600,000.

Annual Report of the Board of Trustees

The Trustees present their report and the audited financial statements for the year ended 31 December 2020. 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 a year. In December 2020, BRAC UK, together with BRAC Bangladesh, BRAC International and BRAC USA, signed a compact with the BRAC Global Board (BRAC Global has been registered in the UK and applied for charity status) and will be nominating a trustee to sit on this board. The entity boards will remain autonomous but the structure will allow the entities to forge a common *One BRAC* mission and vision and develop a global strategy to scale and deepen BRAC's global work whilst retaining its southern lens. When possible, BRAC UK Trustees are also urged to visit BRAC UK country programmes to become familiar with the work and are invited as observers to the BRAC Bangladesh Board on an annual basis and for field visits. 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. In 2020, 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 periodically with the last review taking place 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 Bangladesh 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.

In 2019 the BRAC family of organisations came together to chart the future of BRAC globally, during the last few months of the life of the founder, Sir Fazle Hasan Abed. As a result of this process a Global Strategy was developed, together with a Global Board to oversee the delivery of this strategy, as well as to oversee the entities worldwide that are part of BRAC. During 2020 the Global Board worked together with the BRAC entities - including BRAC UK - to produce a Global BRAC Compact that defines the role and remit of the Global Board in relation to the four entities that make up BRAC Global - BRAC Bangladesh, BRAC International, BRAC USA and BRAC UK. This Global Compact was approved by all the Boards of the entities in December 2020.

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 2020, 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 average annual national budget from its own socially-responsible businesses.

BRAC UK works as part of the global 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 2020. - 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 2020 financial year was successful for BRAC UK, with 14 active projects running in five countries. Income overall has increased 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 2020 was £3.9m (2019 3.1m). The breakdown of that income is as follows: £3.3m restricted and £0.6m unrestricted (2019 £2.7m: £0.4m 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 and BRAC International was a major factor in BRAC UK's stability and ability to achieve its core operations. The total expenditure in 2020 was £3.2m (2019 £1.6m), of which £2.9m related to restricted funds and £0.3m to unrestricted funds (2019 £1.3m: £0.3m respectively). Total unrestricted expenditure in 2020 increased compared to the previous financial period, in line with additional funds received for project work and paid to overseas partners. BRAC UK's organisational growth plan for the 3 year strategy incorporates investment for staff skills and capacity. The total funds held by BRAC UK at 31st December 2020 is £2.3m (2019 £1.6m), £1.8m relates to restricted funds and £0.5m unrestricted (2019 £1.3m: £0.3m).

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 2020 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.

Financial misconduct in BRAC: This is being mitigated through supporting BRAC to develop robust policies, to socialise staff to understand and comply with these policies and to undertake thorough and independent (as appropriate) investigations into any allegations of financial misconduct.

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 and diversify income from other donors.

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 2020 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 £0.5m (2019 £0.3m), equating to 7 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 2020 restricted funds held was £1.8m (2019 1.3m). These funds will be disbursed in 2021 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.

Auditors

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 2021 and signed on their behalf by

A handwritten signature in cursive script that reads "Simone Sultana".

Simone Sultana Director and Trustee (Chair)

Independent auditor's report

to the members of

BRAC UK

Opinion

We have audited the financial statements of BRAC UK (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on BRAC UK's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditor's report

to the members of

BRAC UK

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

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 directors 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

Independent auditor's report

to the members of

BRAC UK

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent auditor's report

to the members of

BRAC UK

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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)

22 June 2021

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 year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	13,855	11,199	25,054	8,730	6,740	15,470
Charitable activities							
BRAC UK Core	3	517,524	-	517,524	361,796	-	361,796
BRAC global initiatives	3	28,830	-	28,830	-	-	-
Afghanistan	3	-	107,405	107,405	-	-	-
Bangladesh	3	-	1,306,373	1,306,373	-	1,600,271	1,600,271
Nepal	3	-	208,138	208,138	-	76,725	76,725
Sierra Leone	3	-	-	-	-	62,806	62,806
Tanzania	3	-	383,173	383,173	-	238,762	238,762
Uganda	3	-	1,388,996	1,388,996	-	738,267	738,267
Investments		-	-	-	-	-	-
Total income		560,209	3,405,284	3,965,493	370,526	2,723,571	3,094,097
Expenditure on:							
Raising funds	4	37,923	-	37,923	40,671	-	40,671
Charitable activities							
BRAC UK Core	4	-	-	-	-	-	-
BRAC global initiatives	4	37,972	-	37,972	1	27,466	54,933
Afghanistan	4	17,146	25,000	42,146	-	-	-
Bangladesh	4	85,431	1,057,363	1,142,794	175,180	1,210,670	2,596,520
Nepal	4	34,294	168,870	203,164	90,723	83,451	257,625
Sierra Leone	4	-	-	-	41,750	62,806	167,362
Tanzania	4	52,316	340,888	393,204	71,807	361,543	794,893
Uganda	4	33,415	1,125,607	1,159,022	69,661	488,795	1,047,251
Total expenditure		298,497	2,717,728	3,016,225	489,793	2,234,731	4,959,255
Net income / (expenditure) for the year		261,712	687,556	949,268	(119,267)	488,840	369,573
Other gains/losses	15	(21,009)	-	(21,009)	11,968	-	11,968
Transfers between funds	15	-	-	-	(9,911)	9,911	-
Net income / (expenditure)		240,703	687,556	928,259	(117,210)	498,751	381,541
Net movement in funds		240,703	687,556	928,259	(117,210)	498,751	381,541
Reconciliation of funds:							
Total funds brought forward		276,277	1,318,750	1,595,027	393,487	819,999	1,213,486
Total funds carried forward		516,980	2,006,306	2,523,286	276,277	1,318,750	1,595,027

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.

As at 31 December 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	11		<u>3,912</u>		<u>1,277</u>
			3,912		1,277
Current assets:					
Debtors	12	58,508		65,797	
Cash at bank and in hand		<u>3,257,560</u>		<u>2,351,913</u>	
		3,316,068		2,417,710	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>796,694</u>		<u>823,960</u>	
Net current assets			<u>2,519,374</u>		<u>1,593,750</u>
Total assets less current liabilities			<u>2,523,286</u>		<u>1,595,027</u>
Total net assets			<u><u>2,523,286</u></u>		<u><u>1,595,027</u></u>
The funds of the charity:	15				
Restricted income funds			<u>2,006,306</u>		<u>1,318,750</u>
Unrestricted income funds:					
General funds		<u>516,980</u>		<u>276,277</u>	
Total unrestricted funds			<u>516,980</u>		<u>276,277</u>
Total charity funds			<u><u>2,523,286</u></u>		<u><u>1,595,027</u></u>

Approved by the trustees on 12 May 2021 and signed on their behalf by


Simone Sultana
Chair

Statement of cash flows

For the period ended 31 December 2020

Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£	£
Net income for the reporting period (as per the statement of financial activities)	949,268	369,573
Depreciation charges	626	3,433
Dividends, interest and rent from investments	(3,173)	(2,313)
Decrease in debtors	7,289	144,930
Increase in creditors	(27,266)	634,217
Net cash provided by operating activities	926,744	1,149,840

	Note	2020		2019
		£	£	£
Cash flows from operating activities				
Net cash provided by operating activities	16	926,744		1,149,840
Cash flows from investing activities:				
Dividends, interest and rents from investments		3,173		2,313
Purchase of fixed assets		(3,261)		-
Net cash provided used in investing activities			(88)	2,313
Change in cash and cash equivalents in the year		926,656		1,152,153
Cash and cash equivalents at the beginning of the year		2,351,913		1,187,793
Change in cash and cash equivalents due to exchange rate movements		(21,009)		11,967
Cash and cash equivalents at the end of the year		3,257,560		2,351,913

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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

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	6%	
● Afghanistan charitable activities	6%	
● Bangladesh charitable activities	38%	fed from cost allocations
● Nepal charitable activities	13%	
● Uganda charitable activities	13%	
● Tanzania charitable activities	19%	
● BRAC Global charitable activities	6%	

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.

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 £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Individual Donations	13,855	11,199	25,054	8,730	6,740	15,470
Corporate Donations	-	-	-	-	-	-
	<u>13,855</u>	<u>11,199</u>	<u>25,054</u>	<u>8,730</u>	<u>6,740</u>	<u>15,470</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
BRAC	506,000	-	506,000	326,542	-	326,542
Project contributions for direct costs and overheads	773	-	773	32,903	-	32,903
Other	10,751	-	10,751	2,351	-	2,351
BRAC global initiatives	28,830	-	28,830	-	-	-
Sub-total for BRAC UK core charitable activities	546,354	-	546,354	361,796	-	361,796
UBS Optimus Foundation	-	82,405	82,405	-	-	-
Overseas Development Institute (ODI)	-	25,000	25,000	-	-	-
Sub-total for charitable activities in Afghanistan	-	107,405	107,405	-	-	-
Comic Relief	-	-	-	-	5,000	5,000
Cartier Philanthropy	-	77,762	77,762	-	-	-
CIFF (Childrens Investment Fund Foundation)	-	757,227	757,227	-	21,415	21,415
UBS Optimus Foundation	-	116,371	116,371	-	409,070	409,070
IKEA Foundation	-	-	-	-	1,132,548	1,132,548
FCDO	-	355,013	355,013	-	32,238	32,238
Sub-total for charitable activities in Bangladesh	-	1,306,373	1,306,373	-	1,600,271	1,600,271
FCDO	-	121,100	121,100	-	22,712	22,712
Signify Foundation	-	87,038	87,038	-	54,013	54,013
Sub-total for charitable activities in Nepal	-	208,138	208,138	-	76,725	76,725
Comic Relief	-	-	-	-	62,806	62,806
Sub-total for charitable activities in Sierra Leone	-	-	-	-	62,806	62,806
Cartier Philanthropy	-	394,978	394,978	-	406,332	406,332
Medicor Foundation	-	100,000	100,000	-	157,903	157,903
NLCF (National Lottery Community Fund)	-	368,244	368,244	-	62,513	62,513
FCDO – UK Aid	-	500,178	500,178	-	111,519	111,519
Long Term Foundation	-	25,596	25,596	-	-	-
Sub-total for charitable activities in Uganda	-	1,388,996	1,388,996	-	738,267	738,267
Cartier Philanthropy	-	55,593	55,593	-	-	-
Danida DMDP	-	162,183	162,183	-	201,718	201,718
Signify Foundation	-	43,477	43,477	-	37,044	37,044
Vitol Foundation	-	121,920	121,920	-	-	-
Sub-total for charitable activities in Tanzania	-	383,173	383,173	-	238,762	238,762
Total income from charitable activities	546,354	3,394,085	3,940,439	361,796	2,716,831	3,078,627

Notes to the financial statements

For the period ended 31 December 2020

4a Analysis of expenditure (current year)

	Cost of raising funds	Afghanistan Charitable Activities	Bangladesh Charitable Activities	Nepal Charitable Activities	Sierra Leone Charitable Activities	Tanzania Charitable Activities	Uganda Charitable Activities	BRAC Global initiatives	Governance costs	Support costs	2020 Total
	£	£	£	£	£	£	£	£	£	£	£
Staff costs (note 7)	26,924	9,346	116,658	31,578	-	51,069	81,690	30,172	48,175	208,063	603,675
Training and recruitment	-	-	-	-	-	-	-	-	-	26,288	26,288
Grants payments (note 5)	-	25,000	790,119	145,177	-	271,358	956,946	-	-	-	2,188,600
Programme activities	-	-	29,786	2,307	-	6,918	35,293	-	-	4,697	79,001
Office management	-	-	676	69	-	19,831	323	-	-	79,484	100,383
Fundraising expenditure	3,199	-	586	-	-	20	20	-	-	-	3,825
Audit & legal fees	-	-	-	-	-	5,700	-	-	8,753	-	14,453
	30,123	34,346	937,825	179,131	-	354,896	1,074,272	30,172	56,928	318,532	3,016,225
Governance costs	3,558	3,558	21,348	7,116	-	10,674	7,116	3,558	(56,928)	-	-
Support costs	4,242	4,242	183,621	16,917	-	27,634	77,634	4,242	-	(318,532)	-
	-	7,800	204,969	24,033	-	38,308	84,750	7,800	-	-	
Total expenditure 2020	37,923	42,146	1,142,794	203,164	-	393,204	1,159,022	37,972	-	-	3,016,225

Notes to the financial statements

For the period ended 31 December 2019

4b Analysis of expenditure (prior year)

	Cost of raising funds £	Bangladesh Charitable Activities £	Nepal Charitable Activities £	Sierra Leone Charitable Activities £	Tanzania Charitable Activities £	Uganda Charitable Activities £	BRAC global initiatives £	Governance costs £	Support costs £	2019 Total £
Staff costs (note 7)	26,210	76,054	38,992	12,449	62,819	74,585	5,700	44,672	196,790	538,271
Training and recruitment	-	-	-	-	306	-	-	-	11,827	12,133
Grants payments (note 5)	-	1,147,822	67,212	61,149	255,183	399,439	21,767	-	-	1,952,572
Programme activities	-	7,994	6,164	350	10,509	18,267	-	-	20,311	63,595
Office management	-	683	624	17	37,951	4,983	-	-	92,171	136,429
Fundraising expenditure	7,190	343	-	-	-	-	-	-	-	7,533
Audit & legal fees	-	-	-	-	5,400	-	-	8,591	-	13,991
	33,400	1,232,896	112,992	73,965	372,168	497,274	27,467	53,263	321,099	2,724,524
Governance costs	4,097	20,486	8,194	4,097	8,194	8,194	-	(53,263)	-	-
Support costs	3,174	132,469	52,987	26,494	52,987	52,987	-	-	(321,099)	-
	7,271	152,954	61,182	30,591	61,182	61,182	-	-	-	-
Total expenditure 2019	40,671	1,385,850	174,174	104,556	433,350	558,456	27,467	-	-	2,724,524

5	Grant-making	2020 Grants to institutions	2019 Grants to institutions
		£	£
	BRAC Afghanistan	25,000	–
	BRAC Bangladesh	790,119	1,147,822
	BRAC Nepal	145,177	67,212
	BRAC Sierra Leone	–	61,149
	BRAC Tanzania	184,849	192,852
	BRAC Uganda	691,771	344,887
	Solar Sister	86,509	62,331
	Humanity & Inclusion	146,586	32,522
	Nuwodu	78,073	22,030
	Others	40,516	21,766
		<u>2,188,600</u>	<u>1,952,571</u>
6	Net incoming resources for the year		
	This is stated after charging:	2020	2019
		£	£
	Depreciation	626	3,433
	Operating lease rentals:		
	● Property	33,548	40,468
	Auditor's remuneration, excluding VAT :		
	● Audit of BRAC UK accounts	7,150	7,000
	● External audit of project funds	4,750	5418
		<u>47,474</u>	<u>50,919</u>
7	Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel		
	Staff costs were as follows:	2020	2019
		£	£
	Salaries and wages	470,802	432,078
	Social security costs	48,822	42,849
	Employer's contribution to defined contribution pension schemes	20,547	11,488
	Other staff costs	63,502	51,856
		<u>603,673</u>	<u>538,271</u>
		2020	2019
		No.	No.
	£60,000 – £69,999	1	–
	£90,000 – £99,999	1	1

The headcount for 2020 was 9.5 (2019: 10.6)

The total employee benefits including pension contributions of the key management personnel were £262,752 (2019: £236,137).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £0 incurred by no members in 2020 (2019: £103, one member) 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 10.6 (2019: 9.5). The average number of staff on the FTE basis is as follows:

	2020 No.	2019 No.
Raising funds	0.5	0.5
BRAC UK Core Charitable Activities	5.9	5.6
Afghanistan Charitable Activities	0.1	–
Bangladesh Charitable Activities	0.5	0.7
BRAC global Charitable Activities	0.3	0.4
Nepal charitable activities	0.2	0.3
Sierra Leone Charitable Activities	0.1	0.1
Tanzania charitable activities	0.5	0.4
Uganda Charitable Activities	0.5	0.4
Support	0.8	1.3
Governance	0.6	0.6
	9.8	10.3

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 £506,000 from BRAC and BRAC International during 2020 (2019: £326,542).

The funding was received to provide services, e.g. fundraising, advocacy, 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 £
Cost					
At the start of the year	6,480	4,036	14,577	5,400	30,493
Additions in year	–	941	2,320	–	3,261
At the end of the year	6,480	4,977	16,897	5,400	33,754
Depreciation					
At the start of the year	6,480	4,036	13,300	5,400	29,216
Charge for the year	–	41	585	–	626
At the end of the year	6,480	4,077	13,885	5,400	29,842
Net book value					
At the end of the year	–	900	3,012	–	3,912
At the start of the year	–	–	1,277	–	1,277

All of the above assets are used for charitable purposes.

12 Debtors

	2020 £	2019 £
Trade debtors	6,398	24,612
Other debtors	12,150	7,875
Prepayments	2,659	4,392
Accrued income	37,301	28,918
	58,508	65,797

13	Creditors: amounts falling due within one year	2020 £	2019 £
	Trade creditors	125,186	34,963
	Taxation and social security	16,226	15,173
	Deferred Income	26,734	–
	Other creditors	–	4,786
	Accruals	628,548	769,038
		796,694	823,960

14a	Analysis of net assets between funds (current year)	General unrestricted £	Restricted £	Total funds £
	Tangible fixed assets	3,912	–	3,912
	Net current assets	513,068	2,006,306	2,519,374
	Net assets at the end of the year	516,980	2,006,306	2,523,286

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

15a	Movements in funds (current year)	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:						
AF001	Afghanistan Ed Tech Hub – UBS	-	82,405	-	-	82,405
AF002	Afghanistan Ed Tech Hub – ODI	-	25,000	(25,000)	-	-
BD003	Bangladesh BEP Schools – UBS	23,414	14,961	(38,078)	-	297
BD010	Bangladesh donations/grants– Rohingya crisis	11,342	3,844	(15,186)	-	-
BD011B	Bangladesh Education in Emergencies – UBS	12,091	101,410	(80,060)	-	33,441
BD012	Bangladesh Youth in Retail – IKEA/UBS	886,747	-	(80,034)	-	806,713
BD014	Bangladesh Anti Trafficking – CIFF	-	757,227	(514,313)	-	242,914
BD016	Bangladesh Covid 19 individual donations	-	5,600	(5,600)	-	-
BD017	Bangladesh Floods recovery – Cartier Philanthropy	-	77,762	-	-	77,762
BDTO12 /BDTO35	Bangladesh Disability Inclusive Development – FCDO	-	355,013	(324,092)	-	30,921
MC002	BI multi country Covid 19 individual donations	-	1,755	(1,755)	-	-
NP002	Nepal Girls Empowerment through Lighting Entrepreneurship Phase 1 – Signify Foundation	1,491	-	(1,491)	-	-
NP003	Nepal Girls Empowerment through Lighting Entrepreneurship Phase 2 – Signify Foundation	-	87,038	(45,891)	-	41,147
NPTO15 / NPTO36	Nepal Disability Inclusive Development – FCDO	838	121,100	(121,488)	-	450
TZ001	Tanzania WeSolve – Danida	3,998	162,183	(138,317)	-	27,864
TZ002	Tanzania WeSolve – Signify Foundation	1,421	43,477	(43,043)	-	1,855
TZ004	Tanzania DIG development – Cartier Philanthropy	-	55,593	(42,236)	-	13,357
TZ005	Tanzania ECD Vitof Foundation	-	121,920	(117,292)	-	4,628
UG005 / UG011	Uganda – Disability Inclusive Graduation – FCDO UK Aid	20,041	500,178	(484,822)	-	35,397
UG006	Uganda – Disability Inclusive Graduation – National Lottery Community Fund (NLCF)	12,535	368,244	(316,660)	-	64,119
UG007	Uganda – Disability Inclusive Graduation – Cartier Philanthropy	271,023	394,978	(205,265)	-	460,736
UG008	Uganda – Disability Inclusive Graduation – Medicor Foundation	73,809	100,000	(91,509)	-	82,300
UG010	Uganda – Disability Inclusive Graduation – Long Term Foundation	-	25,596	(25,596)	-	-
Total restricted funds		1,318,750	3,405,284	(2,717,728)	-	2,006,306
Unrestricted funds:						
General funds		276,277	560,209	(319,506)	-	516,980
Total unrestricted funds		276,277	560,209	(319,506)	-	516,980
Total funds		1,595,027	3,965,493	(3,037,234)	-	2,523,286

Foreign exchange gains/losses

Funding for some projects is transacted through foreign currency bank accounts – namely US 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.

For the period ended 31 December 2020

15b	Movements in funds (prior year)	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:						
BD001	Bangladesh Education-Comic Relief	3,522	5,000	(8,522)	-	-
BD003	Bangladesh BEP Schools – UBS	58,295	74,695	(109,576)	-	23,414
BD010	Bangladesh donations/grants- Rohingya crisis	475,436	6,740	(470,834)	-	11,342
BD011B	Bangladesh Education in Emergencies – UBS	-	102,091	(90,000)	-	12,091
BD011	Bangladesh Anti Trafficking project development – 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)	-	-
BDO12	Bangladesh Disability Inclusive Development – 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 Strengthening 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)	-	-
Total restricted funds		819,999	2,723,571	(2,234,731)	9,911	1,318,750
Unrestricted funds:						
General funds		393,487	382,494	(489,793)	(9,911)	276,277
Total unrestricted funds		393,487	382,494	(489,793)	(9,911)	276,277
Total funds		1,213,486	3,106,065	(2,724,524)	-	1,595,027

Purposes of restricted funds

AF002	Afghanistan Ed Tech Hub – ODI BRAC, Roshan Telecom, and EdTech Hub are collaborating to launch a telephone helpline to connect students and teachers in remote parts of Afghanistan
BD001	Bangladesh Education – Comic Relief 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	Bangladesh Education –Economic and Social Research Council A research study to assess the progress of our targeting the ultra-poor programme in each of its 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	Bangladesh BEP Schools – UBS Optimus 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	Bangladesh – Rohingya crisis – Medicor Foundation, Cartier Foundation, World Memon Organisation and Individual donations: This funding has been received in response to the Rohingya crisis, and is supporting BRAC's programmes on the Bangladesh/Myanmar border.
BD011B	Bangladesh Education in Emergencies – UBS This project draws on BRAC's extensive experience of providing highly effective low-cost learning solutions to directly reach vulnerable Rohingya children with the quality education they need
BD011/BD014	Disrupting Cross Border Trafficking Networks in Jashore, Bangladesh – CIFF 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.

BD012	Decent employment for marginalised youth in retail – IKEA/UBS 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.
BD016	Bangladesh Covid 19 individual donations Donations from members of the public to go towards BRAC Bangladesh's emergency COVID-19 response work including emergency cash transfers.
BD017	Bangladesh Floods recovery – Cartier Philanthropy Emergency funding for BRAC's response to flooding in Bangladesh as a result of torrential monsoon rain in June to August 2020
BDO12	Disability inclusive vocational training and youth employment 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.
BDO35	Bangladesh Sightsavers Disability Inclusive Development – DFID commercial contract A commercial contract to fund disability inclusive development projects across the World. BRAC UK received funding for disability inclusive skills and youth empowerment projects in Bangladesh and Nepal.
MC002	BI multi country Covid 19 individual donations Donations from members of the public to go towards BRAC International's emergency COVID-19 response work in countries outside of Bangladesh.
NP001	Nepal – PRAGATI project preparation – DFAT 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	Nepal – Girls Empowerment Through Lighting Entrepreneurship – Signify Foundation – Phase 1 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.
NP003	Nepal – Girls Empowerment Through Lighting Entrepreneurship – Signify Foundation – Phase 2 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.
NPT015	Enhancing Inclusive Sexual and Reproductive Health and Rights (SRHR) and Livelihood Opportunities of Young People with Disabilities 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.
NPT036	Bangladesh Sightsavers Disability Inclusive Development – DFID commercial contract This project seeks to provide immediate response activities to support People with Disabilities (PWD's) in Bangladesh facing increased levels of vulnerability and exclusion due to the Covid-19 pandemic and associated restrictions on movement and livelihoods.
SL005	Strengthening Pull Slum Pan Pipul (PSPP) 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 settlements.
SS002	South Sudan Education 1 & 2– Comic Relief 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.
TZ001 and TZ002	Tanzania – WeSolve – Danida and Signify Foundation '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 / TZ005	Tanzania ECD – 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.
TZ004	Tanzania DIG development – Cartier Philanthropy This project is contributing to the reduction of extreme poverty through the expansion of socio-economic empowerment and social protection for some of most marginalised and vulnerable communities in Uganda and Tanzania
UGA001	Uganda TUP – Cartier Philanthropy The aim of the project is to reduce 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.
UGA002	Uganda TUP – Medicor Foundation Match funding for the Cartier Foundation project above
UG005 – UG011	Poverty Shift: Partnerships for Disability-Inclusive Ultra-Poor graduation, Uganda 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

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:

		Property 2020	2019
		£	£
	More than five years	-	-
2022 – 2025	1 – 5 years	102,600	180,000
2021	Less than one year	49,163	33,750
		<u>151,763</u>	<u>213,750</u>

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.