

Company number: 5802246

Charity number: 1115482

# BRAC UK

Report and financial statements

For the year ended 31 December 2022

This is the 2022 Trustee Report for BRAC UK, a registered charity (**1115482**) and company (**5802246**).

Based in London, BRAC UK was founded in 2006 and works to amplify BRAC's impact 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 and uses the practical knowledge BRAC has developed over 50 years to inform and influence the policy and practice of others.

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### **Trustees**

Ken Caldwell (Chair of Trustees)  
Richard Nartey (Treasurer)  
Kate Kuper (term ended 9 February 2022)  
Jane Cooper  
Shameran Abed (term ended 11 May 2022)  
Jack Lundie  
Anne-Marie Harris  
Deepali Sood  
Shanthi Flynn

### **Principal staff**

Lewis Temple (Chief Executive)  
Laura Griffin (Deputy Chief Executive & Director of Partnerships) (resigned 16 December 2022)  
Juliette Webb (Finance & Resources Director) (resigned 30 November 2022)  
Chris Lyne (Director of Communications and External Engagement) (appointed 1 January 2023)  
George Mukkath (Acting Director of Partnerships) (appointed 1 January 2023)  
Giles Totterdell (Finance & Operations Director) (appointed 3 January 2023)

### **Bankers**

HSBC, 8 Victoria Street, Westminster, LONDON, SW1H 0NJ

### **Solicitors**

Bates Wells & Braithwaite London LLP, 10 Queen Street Place, London, EC4R 1BE

## Auditor

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

## Statement from the Chair of Trustees

In 2022, BRAC celebrated our 50<sup>th</sup> birthday. It's a remarkable story of how our founder, Sir Fazle Hasan Abed, inspired a unique organisation that has changed the lives of tens of millions of poor and marginalised people in Bangladesh, and played an important part in Bangladesh's transformation from the second poorest country in the world at independence in 1971, to becoming a middle-income country, with significantly lower levels of inequality than most other countries at the same stage of development. In the last two decades, BRAC has taken that learning to ten other countries across Asia and Africa, and our distinctive ultra-poor graduation approach is now being taken up by a growing number of developing country governments around the world.

But our celebrations have been muted by the recognition that over the past three years, the combined effects of Covid, rapidly increasing global food and fuel prices, and more extreme weather events, have pushed over 70m people around the world back into extreme poverty, reversing the long term trend of reducing global extreme poverty, and making the global goal of ending extreme poverty by 2030 (UN Sustainable Development Goal 1) feel very hard to attain.

So, in BRAC we are determined to redouble our efforts around the world to help the poorest households recover from recent setbacks and get back on track to empower people to have sustainable livelihoods and access to decent health and education. In 2022, we worked with a growing range of partners who share our passion for these goals, and who see the benefits of our distinctive southern-led approach.

The role of BRAC UK within the BRAC global family is to support this global goal, through building partnerships with funders and global development actors based in Europe, and to contribute to our global advocacy on the causes and solutions of extreme poverty.

During the year under review, we welcomed the gradual recovery of our programmes around the world from Covid restrictions, but UK government funding for developing countries has been slow to recover from recent UK aid cutbacks. We have therefore focused over the past year on accelerating the diversification of our partners, building new relationships with bilateral and foundation funders across Europe, and exploring new forms of funding for social enterprises and impact investment. We are encouraged by the new relationships emerging and hope to further develop and extend these in 2023.

We have continued a wide range of discussions with global development actors based in Europe, bringing BRAC's experience to global policy discussions affecting those living in extreme poverty across the world. We also advocated around the 2022 climate change summit (COP27) to mobilise a greater share of climate change funding for locally led adaptation, drawing on our

experience of working with affected communities who are bearing the brunt of the consequences of climate change.

After refreshing our board in 2021, we focused in 2022 on clarifying and refining our board roles, committees, and processes; strengthening the engagement of our board members and staff with BRAC's global work; and making an active contribution to the work of BRAC's global governance. I would like on behalf of the organisation to take this opportunity to thank Kate Kuper and Shameran Abed, both of whom stood down from our Board in 2022, after playing key roles in shaping the development of BRAC in the UK over many years.

Ken Caldwell  
Chair of Trustees  
BRAC UK

## **A message from the Chief Executive**

It has been a truly historic year for BRAC, marking 50 years since Sir Fazle Hasan Abed founded the organisation in Bangladesh. This milestone would not have been possible without the contributions made by our staff, volunteers, partners, donors, and participants.

Advocacy has been a major focus of our work this last year. In 2021, we facilitated the creation of the UK's first All Party Parliamentary Group (APPG) on extreme poverty. Through this group we have shared BRAC's knowledge and experience of empowering women to secure sustainable livelihoods and escape the poverty trap through the Ultra Poor Graduation approach. The group was instrumental to the UK Parliamentary International Development Committee undertaking an Inquiry into Extreme Poverty and the Sustainable Development Goals in 2022, the Inquiry report was published on December 13th.

We were also proud to mark the successful conclusion of our Disability Inclusive Ultra Poor Graduation project in Uganda. Over three years, BRAC reached 2,700 ultra-poor households with disability inclusive services, including mentoring, financial support, and an asset for which they received training to turn into a regular income. 75% of the households were able to lift themselves out of extreme poverty and the project generated key learning on effectively targeting extremely poor households that are not reached by traditional development programmes, while overcoming barriers for people with disabilities. Building on the success of the project in Uganda, this year we launched the same model in Tanzania in partnership with Cartier Philanthropy, UBS Optimus Foundation, and the Whole Planet Foundation. While BRAC's ultra-poor graduation approach was developed and refined in Bangladesh, its success and continued growth in Africa signals a move towards a truly global impact.

Operating in Afghanistan has continued to prove a challenge for development organisations. In December 2022, BRAC suspended operations in Afghanistan following a directive from the Afghan government barring women from working in non-governmental organisations (NGOs). Over half of BRAC's staff in Afghanistan are women. Without them, we cannot reach women and

girls living in poverty, depriving those most at risk from accessing vital support. BRAC will continue to advocate for women in Afghanistan to be allowed to return to work safely.

As we celebrate BRAC's 50<sup>th</sup> anniversary on March 2<sup>nd</sup> 2023, at the Houses of Parliament in London, I would like to thank each and every one of our staff, volunteers, partners and donors for your support in helping us to continue our mission of improving the lives of people living in poverty around the world. Your commitment to transforming lives of those in need is truly inspiring and I am honoured to be a part of this incredible community.

Lewis Temple  
Chief Executive  
BRAC UK

## **About BRAC**

BRAC is an international development organisation founded in Bangladesh in 1972 that partners with over 100 million people living with inequality and poverty to create opportunities to realise their potential. BRAC is known for its community-led, holistic approach and delivering long-term impact at scale. BRAC works with communities in marginalised situations, hard-to-reach areas and post-disaster settings across Asia and Africa, with a particular focus on women and children. BRAC operates as a solutions ecosystem, including social development programmes, social enterprises, humanitarian response, a bank, and a university. BRAC is born and proven in the south and has become a world leader in developing and implementing cost-effective, evidence-based programmes.

## **About BRAC UK**

Based in London, BRAC UK was founded in 2006 and works to amplify BRAC's impact by developing partnerships with local and global organisations, donor agencies, academic and research institutions, governments and individuals in the UK and Europe. BRAC UK also raises awareness about BRAC's cost-effective and evidence-based poverty innovations and uses the practical knowledge BRAC has developed over 50 years to inform and influence the policy and practice of others.

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

## **BRAC's Global Programmes**

BRAC delivers services across 11 countries in Africa and Asia. We aim high and think big. BRAC's proven, practical solutions spark enterprise and lasting change. We equip people with the tools, opportunity, and skills to lift themselves out of poverty and reach their potential. Our programmes include:

## **Extreme Poverty**

Worldwide, over 700 million people experience extreme poverty, living on less than \$2.15 per day (£1.75). Extreme poverty disproportionately affects women, who often lack the resources, skills, and opportunities they need to escape the poverty trap. This has only been exacerbated by the COVID-19 pandemic, alongside a sharp rise in global food and fuel prices due to the Ukraine war. Due to these factors, the number of people living in extreme poverty is increasing for the first time in a generation.

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.

### *Key Facts*

- 2 million households have graduated out of extreme poverty in Bangladesh since 2002 with the help of BRAC
- BRAC has developed or assisted Ultra Poor Graduation programmes in 15 countries
- The programme results in a 37% average increase in earnings among participants in Bangladesh
- Participants experience sustained economic benefits for many years after graduating

## **Climate Change**

People living in poverty are adversely and disproportionately affected by climate change. Our integrated approach to addressing climate change impacts uses adaptation and mitigation measures through BRAC's development initiatives. Our work protects resources, improves quality of life, and builds awareness about the environment in rural and urban communities. We provide people with access to the tools and knowledge to adapt and respond to adverse climatic impacts and adopt sustainable practices to combat impending climatic impacts.

### *Key Facts*

- 3 million people living in climate vulnerability were holistically supported to tackle climate change impacts in 2022
- 17K farmers trained in climate-smart agriculture in Liberia in 2022

## Education

The effects of poverty and crises on children are profound and long-lasting, and 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 BRAC's work, enabling children to grow into active, engaged, and resilient adults capable of navigating shocks and overcoming adversity. 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 programme in Bangladesh, Tanzania, and Uganda, reaching more than 100,000 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.

### *Key Facts*

- 14 million children have graduated from BRAC schools across 7 countries
- 80% of teachers at BRAC schools are women
- There are 115,000 children currently learning in early childhood Play Labs globally

## Youth

Young people across the Global South hold tremendous potential, but they face disproportionate risks and barriers that can create challenging transitions into adulthood. Across Asia and Africa, young people — particularly girls and young women — are vulnerable to poverty and exploitation and face limited job and livelihood prospects.

BRAC's youth programmes combine social empowerment, economic empowerment, and education to enable young people to reach their full potential. The Accelerating Impact for Young Women (AIM) programme, supported by the Mastercard Foundation, started in 2022 and over the next 5 years will equip 1.2 million adolescent girls and women across 7 African countries with learning opportunities, work and market-relevant skills, resources and network to start and scale businesses, and the confidence to act and advocate for the enabling environment they need to thrive.

### *Key Facts (Since 2014)*

- BRAC's Youth programmes are implemented across 11 countries

- Girls in villages with youth empowerment clubs were half as likely to drop out of school during the Ebola outbreak in Sierra Leone between 2014 and 2016
- There has been a 48% increase in involvement in income-generating activities for girls in youth empowerment clubs in Uganda
- Teen pregnancy rates for villages in Uganda with youth empowerment clubs reduced by 34%

## **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, nutrition promotion, and the prevention and diagnosis of non-communicable diseases. They also earn a modest income from the sale of basic health goods.

### *Key Facts*

- Over 50,000 community health workers currently deliver last-mile care across 5 countries
- BRAC serves over 80 million people in Bangladesh through health education and service delivery
- Community Health Workers in Bangladesh supported over 651,762 pregnant women during childbirth in 2020
- The health programme in Uganda has achieved a 27% reduction in child mortality under five between 2016 and 2019

## **Agriculture and Food Security**

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 tackle these challenges holistically by strengthening livelihoods, linking market systems, improving nutrition, and building resilience to climate change.

### *Key Facts*

- In total, BRAC has trained 900,000 farmers across 8 countries since 2002
- 78% of farmers supported are women and adolescent girls

## **Financial Inclusion**

People living in poverty are disproportionately excluded from formal financial systems, which creates compounding costs in their day-to-day lives. Ensuring access to financial services can enable families to weather shocks, increase consumption, invest in businesses, and build stable livelihoods.



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.

### *Key Facts*

- BRAC has 9 million borrowers across 7 countries
- 88% of borrowers are women
- 57 million people use BRAC's mobile money service bKash in Bangladesh

## **Humanitarian Response**

Today, more people than ever are in need of humanitarian assistance due to conflict and disaster. For nearly five decades, BRAC has supported communities in crisis. Whether human-made, a natural disaster, or a disease outbreak, BRAC rapidly meets basic needs, inspires resilience, and fosters self-sufficiency for those affected by crisis.

BRAC was founded as a small relief effort in the aftermath of a devastating war and cyclone that ravaged Bangladesh. We were built on the principle of standing with the most vulnerable in times of crisis, and remain committed to supporting communities affected by conflict, disease, and disaster.

In 2022, we continued to be the largest responder to the Rohingya refugee crisis, delivering lifesaving assistance and supporting refugees and host communities to build a better tomorrow. Our critical services for Rohingya families and host communities include food, water, shelter, sanitation, health care, education, protection, and more. BRAC also responded to extreme weather events, responding rapidly with food aid, shelter, and cash support for impacted families.

### *Key Facts*

- BRAC has provided services for more than 700,000 Rohingya refugees since 2017
- 722,00 people were reached through emergency relief during disasters across Asia and Africa in 2021
- 50,000 families were supplied with emergency relief during the 2021 monsoon season in Bangladesh

## **Social Enterprises**

Many low-income regions around the world face market gaps that limit people's ability to buy the essentials they need to run a business or sell the products they make. BRAC's social enterprises address these critical market gaps and enable people living in poverty to grow their businesses, boost their income, and become more self-reliant.

For decades, BRAC's social enterprises have met community needs and helped people grow their incomes and reach their potential. We also reinvest profits from our enterprises into our development programmes, making our work more sustainable and enabling us to deliver impact at scale.

### *Key Facts*

- BRAC operates 13 social enterprises in Bangladesh
- 80% of BRAC's budget in Bangladesh is self-financed through its own activities, including social enterprises and social impact investments
- Through Aarong, the number one lifestyle retailer in Bangladesh, 65,000 artisans have been linked to a market for their produce and talents
- Aarong Dairy has linked 28,000 smallholder dairy farmers to market, with an average number of dairy cattle of three.

### **Afghanistan update**

In December 2022, BRAC suspended operations in Afghanistan following a directive from the government barring women from working in NGOs. Over half of BRAC's staff in Afghanistan are women. Without them, we cannot reach women and girls living in poverty, depriving those most at risk from accessing vital support. The exclusion of women staff members obstructs the delivery of critical humanitarian and development interventions and undermines the fundamental right of women to work.

### **Asia Projects funded through BRAC UK in 2022**

BRAC UK forms partnerships, which provide resources for BRAC's work globally. Below is a summary of projects that BRAC UK funded through these partnerships in 2022. For a full list of projects, please see the Financial Statements.

*Project:* Progressing the Retail Sector by Increasing Decent Employment (PRIDE) (BD 012)

*Country:* Bangladesh

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

This pilot project is providing sustainable livelihood options for low-income youth in urban Bangladesh in partnership with the retail sector and the Government of Bangladesh. It is providing decent work opportunities for disadvantaged youth (particularly women and people with disabilities) and supporting the standardisation of recruitment and training practices in major cities in Bangladesh through an innovative approach to testing and scaling effective, efficient and sustainable training and employment models; one focusing on apprenticeships and the other on institute based training. After initial delays due to Covid lockdowns in 2021, the project has been extended by 1 year and is back on track to deliver the planned targets. In 2022, we provided training to 2,198 young people (overall: 2,976) and 1,576 graduates were placed in decent

employment (overall: 2,238). As the project will close in November 2023, a priority for this year is the design of a potential next phase and securing further funding.

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*Project:* Rehabilitation of Livelihood and Vulnerability Eradication (RELIVE) for flood affected population in Bangladesh (BD 021)

*Country:* Bangladesh

*Donor(s):* Vitol Foundation

RELIVE 2 built on the success of the original Relive project in 2021 which provided emergency relief to people affected by prolonged flooding in North and Northeast Bangladesh. It strengthened the resilience of vulnerable households to floods by adopting a build-back-better approach in the recovery and rehabilitation of affected communities, implemented community-based mitigation measures through systematic flood risk assessment, developed a risk reduction action plan and finally built the capacity of local government institutions, engaging them in implementation to foster long-term sustainability. The project ended in late November 2022, and we are aiming to apply the learning from this project to potential new programmes related to emergency relief and resilience.

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*Project:* Safe Water for All (BD 018)

*Country:* Bangladesh

*Donor(s):* Danish Ministry of Foreign Affairs

This project started in late 2021, aiming to create inclusive and sustainable economic growth, to increase income through 669 jobs and further employment opportunities in water treatment and distribution, and to increase access to safe and affordable drinking water for 204,000 people in Bangladesh. The project includes commercial partnerships, mainly with Danish pump company Grundfos, and aims to create a commercially viable business partnership model for cleaning industrial effluent, reducing the harmful impacts of effluent on people and the environment, and delivering safe drinking water through water treatment plants whilst creating green jobs and additional income for the sector in the process. Due to global supply chain issues and the nature of the project as a pilot, it is experiencing some delays that are currently being addressed working closely with the commercial partners.

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*Project:* Supporting Out of School Children in Northern Bangladesh (BD 020)

*Country:* Bangladesh

*Donor(s):* Hempel Foundation

This partnership with Hempel Foundation provides quality primary education to children who spent up to 18 months out of school in northern Bangladesh due to the COVID pandemic. It aims

to reach over 25,000 children through an accelerated learning programme, with access to trained teachers and technology, to support them to bridge learning gaps and transition to government primary schools. Many pupils need special curriculums and programmes to catch up with the national curriculum. The project has reached its targets for 2022, and if it continues to prove successful, BRAC plans to put it forward as a robust and effective method for helping pupils that have been left behind to catch up. In the event that this approach is proven effective, there is potential for replication, for example as a response to future pandemics.

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*Project:* Essential Primary Healthcare Support to the Rohingya Refugees in Cox's Bazar, Bangladesh (BD 022)  
*Country:* Bangladesh  
*Donor(s):* British Asian Trust

The British Asian Trust, using zakat funding, donated money to support BRAC's response to the Rohingya Crisis. Specifically, the funding went towards the running costs of five BRAC health facilities (one primary healthcare centre and four Health Posts) in five different refugee camps across Cox's Bazar. The centres improve access to a range of quality lifesaving health services, including sexual and reproductive health, maternal, neonatal, child and adolescent health, non-communicable diseases, and mental health.

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*Project:* Supporting north-east flood affected households to ensure food security through cash transfers (BD 023)  
*Country:* Bangladesh  
*Donor(s):* UBS Philanthropy Foundation

Large portions of the Sylhet, Sunamgonj and Netrokona districts of Bangladesh were submerged by severe monsoon waters in June 2022. The flood was considered worse than previous ones, affecting over 4 million people out of which 1.4 million were women. UBS Philanthropy Services agreed that BRAC UK could repurpose funding remaining from a previous project (AF 001 Afghanistan Ed Tech Hub) towards the response, which supported 5,800 households in Sylhet with 1,500 Bangladesh Taka, which provided two weeks' worth of food baskets.

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*Project:* Supporting north-east flood affected households to ensure food security through cash transfer (BD 024)  
*Country:* Bangladesh  
*Donor(s):* Tik Tok

Large portions of the Sylhet, Sunamgonj and Netrokona districts of Bangladesh were submerged by severe monsoon waters in June 2022. The flood was considered worse than previous ones, affecting over 4 million people out of which 1.4 million were women. Tik Tok donated funds

towards BRAC's emergency response to the flood, which included cash transfers for 50,000 families affected by the floods.

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*Project:* Disability Inclusive Vocational Training and Youth Employment (BDTO 12)

*Country:* Bangladesh

*Donor(s):* Inclusive Futures

This project is being funded through the Disability Inclusive Development (DID) Programme; a FCDO-funded consortium programme led by Sightsavers, which sits within the FCDO-funded Inclusive Futures coalition. Working together with organisations providing expert support and knowledge around disability inclusion, we are aiming to explore the best ways to scale up BRAC's successful Skills Training for Advancing Resources (STAR) programme while integrating youth with disabilities, including severe disabilities such as deafblindness. A large focus is capturing and disseminating key learnings from this process, which will be finalised following the completion of the programme in early 2023.

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*Project:* Youth and Skills in the Philippines: Training for Marginalised Youth as lighting entrepreneurs in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) (PH 001)

*Country:* The Philippines

*Donor(s):* Signify Foundation

Still in its design phase, this project intends to provide meaningful and sustainable livelihood opportunities for young women and girls aged 16-30 from marginalised communities in BARMM by setting them up as trained lighting entrepreneurs and last mile distributors of lighting products. A market survey was completed in late 2022, which evaluated the capacity of local markets and reaffirmed the opportunities to involve women and girls in the lighting sector, and specifically solar lighting for remote regions. The project design will be finalised in early 2023, and activities are due to start soon after.

## **Africa Projects funded through BRAC UK in 2022**

*Project:* Women Entrepreneurship through the Solar Value chain for Economic development in Tanzania (TZ 001 and TZ 002)

*Country:* Tanzania

*Donor(s):* DANIDA, Signify Foundation, Signify

WE SOLVE (Women Entrepreneurship through the Solar Value chain for Economic development in Tanzania) is a partnership that generates new, decent, and green employment for women in Tanzania. Through a BRAC Microfinance solar loan product, people living in rural areas of Tanzania – many of whom are living off-grid – purchase solar lamps from female entrepreneurs

recruited by Solar Sister, an organisation that supports women in Africa to create clean energy businesses. This enables the entrepreneurs to generate an income whilst enabling customers to have light during the evening. Throughout 2022, the project expanded the redesigned loan product and welcomed d.light into the partnership. This was a period of growth and implementation of learnings from the previous years; the project expanded to 5 regions with an additional 13 microfinance branches, for a total of 23 branches overall. The project is due to conclude in March 2023. Partners will build on lessons learned to replicate similar models in other contexts as the initiative has demonstrated that consumer financing is essential for increasing access to electricity for last mile communities.

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*Project:* Playful Learning for Young Children in Tanzania (Early Childhood Development) (TZ 005)

*Country:* Tanzania

*Donor(s):* Vitol Foundation

Launched in 2021, this project pilots a high-quality play-based Early Childhood Development (ECD) social enterprise to improve the cognitive, physical, socio-emotional and language development of children aged 3 to 5 years in Dar es Salaam, Tanzania. BRAC aims to find a business model that is financially sustainable, scalable, and affordable for low to middle-income households through testing an innovative cross-subsidy “Hub and Spoke” approach. The “Hubs” (Bloom Academy) provide premium quality, affordable, play-based early learning to families and generate income through school fees targeting middle-income families, which are used to subsidize two lower-fee interventions targeting low and low-middle income households: “Spoke” schools (Angaza Academy) and a mobile ECD center (Angaza Wheels) which delivers mobile ECD lessons to existing daycares and low-income communities. At its peak in 2022, 175 students were enrolled in BRAC’s 2 Hub and 2 Spoke schools, with plans to increase enrolment in 2023 through hiring and training more teachers, expanding marketing to better reach parents, new school renovations, increasing flexibility in payments and launching a transport service for Hub schools.

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*Project:* Disability Inclusive Ultra-Poor Graduation Programme (DIG) (TZ 006)

*Country:* Tanzania

*Donor(s):* Cartier Philanthropy and UBS Optimus Foundation

As the design for the Disability Inclusive Graduation (DIG) project in Tanzania was finalised in 2021 using lessons learned from the DIG project in Uganda, a similar programme was designed in Tanzania, with funding also provided by Cartier Philanthropy and UBS Optimus Foundation agreed to provide an additional 10% co-funding. With the support of both funding partners, BRAC will introduce disability-inclusive ultra-poor graduation programming in Tanzania through leveraging its ongoing partnership with Humanity & Inclusion and SHIVYAWATA (a national organisation of persons with disabilities). The project entered its planning phase in November

2022 and will be launched in early 2023, reaching participants in two districts of Tanzania over a period of 30 months. The project will graduate ultra-poor households out of ultra-poverty and into sustainable livelihoods, targeting 70% women and 15% persons with disabilities.

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*Project:* Disability Inclusive Ultra-Poor Graduation Programme (DIG) (UG 007, UG 008, and UGTO 54)

*Country:* Uganda

*Donor(s):* UK Aid, Cartier Philanthropy, Medicor Foundation, Inclusive Futures

Together BRAC, Humanity & Inclusion and National Union of Women with Disabilities of Uganda (NUWODU) implemented a disability-inclusive ultra-poor graduation programme in Northern Uganda. The project formed part of a wider global partnership between BRAC and Humanity & Inclusion to test, replicate, adapt and scale contextually appropriate models for disability-inclusive graduation. Concluding in 2022, the project achieved its core objectives: 2,700 participants aged 15-64 and living in ultra-poverty (87% women and 17% persons with disabilities) were trained in enterprise development (small business management, livestock rearing, apiculture and crop production), given assets to diversify their income and linked up to social protection and financial inclusion, allowing them to better access social safety nets to ensure they do not fall back into poverty. By April 2022, 70% of the participants met the graduation score prerequisites, with a 74.4% graduation rate for participants with disabilities. The project team is developing learning materials to share the knowledge gained with other stakeholders working in disability-inclusive graduation.

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*Project:* Digital Health Innovations: Tools and Services to improve essential healthcare (UG 012)

*Country:* Uganda

*Donor(s):* Global Innovation Fund

In Uganda, using Viamo's Interactive Voice Response (IVR) platform via mobile phones, BRAC remotely trained 6,000 Community Health Workers (CHWs) and government Village Health Teams on COVID-19 behaviour change and integrated community case management. CHW response rates were positive, with 98% starting and 76% completing at least one lesson. BRAC and the Ministry of Health jointly created behaviour change messaging on COVID-19 and COVID vaccinations, which were disseminated to the wider population via two-way IVR. Over 2 million contacts were dialed with 49% picking up the calls, and about a quarter listening to the message in full. All BRAC Community Health Workers (CHW's) were equipped with Medic Mobile's Community Health Toolkit (CHT), a mobile-based decision support application that collects data on patients, households, and visits; 93% of CHWs and 100% of supervisors are using the platform. BRAC together with Medic completed the testing of integrating the CHT with the Ministry of Health district information system (DHIS2), with full integration expected to take place after the project lifetime.

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*Note: Individual Donations*

Alongside the projects that were funded through partnerships with like-minded organisations, BRAC UK also received some restricted donations from members of the public for specific campaigns. Specifically, we received donations for our work in responding to the Rohingya Crisis in Bangladesh (BD 010).

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*Note: Unrestricted Donations*

BRAC UK received unrestricted donations from both members of the public and private organisations. Most notably, we received 47,000 Euros from Union Bancaire Privée, who donated a portion of their profits gained from socially oriented investments. Unrestricted donations are transformative for BRAC UK as they allow us to invest in our capacity and increase our ability to innovate and test project concepts to get them to the point where institutional donors will be interested in investing to help them reach more people.

## **Advocacy and Thought Leadership**

BRAC UK has been developing our advocacy programme over the past three years, with two primary objectives - working to end extreme poverty by 2030 and raising BRAC's profile in the UK as a leading Global South voice on development.

We have worked to develop our political and parliamentary networks, as well as strengthening our civil society networks in the UK.

BRAC UK provides secretariat support to the All Party Parliamentary Group (APPG) on Extreme Poverty, which is chaired by Chris Law MP. The Group was launched in October 2021, and in 2022 held two sessions in Parliament. The APPG includes 12 parliamentarians from across the political spectrum. You can find out more about the APPG by visiting the website [www.appgextremepoverty.org](http://www.appgextremepoverty.org).

In 2022, BRAC UK supported the UK's International Development Committee, which oversees UK government spending on development, with their inquiry into Extreme Poverty and the Sustainable Development Goals. The APPG on Extreme Poverty was instrumental in establishing the inquiry, and we used our expanding network of contacts to ensure the Committee received a wide variety of evidence from different development actors.



## Future Activities – Our 3 Year Plan

BRAC UK has four priorities in 2023:

- 1) **Securing high value, and multi-year funding** by building strong and purposeful partnerships with a targeted number of bi-lateral and foundation donors.
- 2) **Progression of our new Major Donor Programme** with the aim of securing more flexible, strategic funding through individuals able to make large donations. Much of the ground-work was prepared for this in 2022 and we expect to raise some significant funds in 2023.
- 3) **Advocating for extreme poverty to be at the centre of the UK's aid programme.** Specifically, we expect to have intensive engagement with both the Government and opposition parties to ensure that eradicating extreme poverty is a priority in both their aid policy and election manifestos.
- 4) **Increasing the visibility of BRAC in the UK and Europe** among target audiences, to facilitate fundraising for BRAC. There will be a targeted focus on publishing opinion pieces and securing mentions and interviews in the media, production of marketing materials to support fundraising and ensuring BRAC is visible at global events and conferences.

2023 is the last year of BRAC UK's 3-year plan and so during the year a new strategy and plan will be developed to outline BRAC UK's objectives for 2024 to 2027.

## Annual Report of the Board of Trustees

The Trustees present their report and the audited financial statements for the year ended 31 December 2022. 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. When possible, BRAC UK Trustees are also urged to visit BRAC UK country programmes to become familiar with the work and are invited to go on 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 7 to the accounts.

The Board conducted an internal governance review during 2022, to clarify and refine our governance processes and our board committees and roles. We now have three formal Board committees, with terms of reference approved by the Board.

- Finance, Audit, and Risk
- Board and Organisational Development
- Remuneration

Members of the Board of Trustees provide additional support to staff through different advisory committees on Fundraising, and on Advocacy & Communications. We also have lead trustees to guide our oversight of safeguarding and human resources policies and practices.

### *Global Governance*

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 Bangladesh and BRAC International. 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 funds a strategy that BRAC UK is expected to implement.

In December 2020, BRAC UK, together with BRAC Bangladesh, BRAC International and BRAC USA, signed a compact with other BRAC entities to create the BRAC Global Board (BRAC Global). The Compact is a document which reaffirms the collective BRAC commitment to continue to strive towards becoming a global driver of social change and a thought leader on global development. It is a guiding document for BRAC entities, reaffirming a common vision and shared values, a culture of mutual accountability and respect, commitment to collaboration and a Global South identity, under the leadership and stewardship of the BRAC Global Board. BRAC UK nominated its Chair of Trustees Ken Caldwell to sit on this board.

BRAC Global also has a small Executive Team which provides reinforcing leadership, oversight, and support to all BRAC entities, ensuring that BRAC has the strategies, resources, and governance in place to achieve its shared vision, which was set out in its Global Strategy published in 2020. A Global Executive Director started work in early 2022.

## *Management*

The Chief Executive Officer (CEO) reports to the Chair of trustees and is responsible for the day-to-day management of the organisation. In 2022, the staff management team that reports to the CEO consists of a Deputy Chief Executive and Director of Partnerships, Finance and Resources Director and an Advocacy & Communications 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 Remuneration Committee oversees the overall remuneration policies of BRAC UK and agrees the remuneration of the CEO and executive leadership team.

## **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 review also helps the trustees ensure the charity's aims, objectives and activities remain 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 2022, 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 which is the location of its global headquarters, BRAC financed 80% of its average annual national budget from the profits made by 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. BRAC UK also raises awareness about BRAC's cost-effective and evidence-based poverty innovations and uses the practical knowledge BRAC has developed over 50 years to inform and influence the policy and practice of others.

## 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](http://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 2022. 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

BRAC UK receives income principally from three sources:

- Grants from governments, institutions and other major donors to fund specific projects (restricted funding);
- Donations from individuals and corporate bodies (unrestricted funding); and
- Funding from BRAC to support BRAC UK's fundraising, communications and advocacy work in the UK and Europe (unrestricted funding).

Total income in 2022 increased to £5.2m (2021: £3.4m). Project grants continue to represent the largest funding stream at £4.4m (2021: £2.5m). This figure included grants for new projects in 2022 such as the *Disability Inclusive Ultra-Poor Graduation Programme* in Tanzania, and grants to support relief efforts following floods in Bangladesh in June 2022. BRAC contributed £0.6m (2021: £0.6m) in unrestricted funding for BRAC UK core costs, and BRAC Global a further £0.1m (2021: £0.2m) to support global initiatives. A further £0.1m (2021: £0.1m) was received in unrestricted donations.

BRAC UK's expenditure falls in to two main categories:

- Direct costs of delivering projects, principally as grant disbursements to BRAC and BRAC International; and
- Project support and governance costs, including advocacy and costs associated with supporting BRAC's global initiatives.

Total expenditure in 2022 increased to £5.4m (2021: £4.1m). Spend on delivering projects rose to £4.8m (2021: £3.3m), in line with the increase in grant income. Project support and governance costs fell to £0.6m (2021: £0.8m) mainly due to lower costs incurred on supporting global initiatives following staffing changes.

The overall financial result for 2022 was positive for BRAC UK. We ended the year with a surplus on unrestricted funds of £0.2m (2021: surplus £0.1m), increasing the unrestricted reserve to £0.8m which is slightly above our target level (see "Reserves Policy" below). This result includes

the £0.6m funding from BRAC, and the financial support received from BRAC continues to be an important factor in BRAC UK's stability and ability to achieve its core operations. With regard to restricted funds total expenditure exceeded income by £0.4m; this was due to the disbursement of funds that had been received from donors in prior years and was in line with expectations. The aggregate value of all restricted funds at the end of 2022 was £0.8m (2021: £1.2m). Total funds at year-end were therefore £1.6m (2021: £1.8m).

### **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 by the Trustees 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 2022 that could affect the operating ability of BRAC UK were:

*Highly competitive grant funding landscape.* Competition for major grant funding from institutions and charitable trusts and foundations has increased in recent years, particularly in the UK following the UK Government's decision in 2021 to reduce its commitment to spend 0.7% of Gross National Income on Overseas Development Assistance to 0.5%. BRAC UK is mitigating this risk by diversifying our income streams and establishing relationships with new donors whose interests align with ours.

*Loss of expertise in the UK team due to staff turnover.* BRAC UK is a small, highly qualified and experienced team, and we face the ongoing challenges of retaining staff and ensuring that their expertise is replaced if they leave. BRAC UK is addressing this risk by ensuring that staff salaries remain competitive, and that adequate attention is paid to staff wellbeing and development.

*High inflation in the UK and internationally.* Over the last year inflation has risen to historically high levels in the UK and across much of Asia and Africa. Rising costs put pressure on project budgets and can necessitate reductions to the scope of our work, and high inflation in the UK has led to increased costs in running the UK office. BRAC UK has responded to this by reviewing and where necessary revising budgets on current projects, and ensuring that all new projects have appropriate inflation assumptions built in. UK office running costs have also been scrutinised to mitigate the impact of rising costs as much as possible.

*Occurrence and reporting of safeguarding incidents.* BRAC UK-supported projects involve working with a wide range of stakeholders and keeping these stakeholders safe continues to be our overwhelming priority. We mitigate this risk by improving the policy, processes and culture of safeguarding throughout BRAC UK's operations and partnerships.

*Staff safety and wellbeing whilst travelling overseas.* BRAC UK staff travel to locations where, for example, healthcare facilities or road safety standards increase the risks to their personal safety and wellbeing. BRAC UK addresses this through measures such as regular monitoring of security alerts and travel advisories, ensuring staff receive adequate training and briefings before travel, observance of communication protocols with the UK office, and having suitable travel insurance.

*Grant management and compliance.* Failure to complete projects to plan and budget, or to comply with the terms and conditions of grant agreements, would damage BRAC UK's reputation with donors and threaten to undermine our attempts to secure future funding. We mitigate this risk by working closely with our BRAC partners to design and monitor workplans, support project staff where necessary, and ensure that robust processes are in place to comply with grant conditions.

## **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 in response to unforeseen events
- to fund shortfalls in reserves if expected levels of income are not reached
- to fund working capital

Taking these into account, the Trustees set a target level for unrestricted reserves. The target balances the need to apply funds to BRAC UK's mission in the furtherance of our charitable objectives whilst ensuring there are sufficient funds to run our day-to-day business and to protect from the risk of unanticipated events. The target is reviewed at least annually to ensure it remains relevant to the realities of current operations and their associated risks. At the end of 2022 the Trustees determined that the target reserves level should be in a range of £0.45m to £0.55m. The actual unrestricted reserves at year end stood at £0.8m (2021: £0.6m). Based on current financial forecasts the level of unrestricted reserves is expected to reduce to £0.7m by the end of 2023 and the Trustees intend to bring reserves back within the target range over the next 3-4 years.

BRAC UK also holds restricted reserves, representing funds received for specific project work. At the end of 2022 restricted funds held was £0.8m (2021: £1.2m). These funds will be disbursed in 2023 in line with donor restrictions.

## **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.

This report has been prepared in accordance with the duty set out in the Charities Act 2006.

Approved by the Trustees on 2 May 2023 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Ken Caldwell', is written over a light blue horizontal line.

**Ken Caldwell Director and Trustee (Chair)**



## Opinion

We have audited the financial statements of BRAC UK (the 'charitable company') for the year ended 31 December 2022 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 2022 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.

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

## **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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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; 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 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.
- 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](http://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.

Sayer Vincent LLP

Jonathan Orchard (Senior statutory auditor)

16 May 2023

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 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
<b>Income from:</b>							
Donations and legacies	2	87,515	1,605	<b>89,120</b>	66,234	82,622	148,856
Charitable activities							
BRAC UK Core	3	603,344	-	<b>603,344</b>	603,341	-	603,341
BRAC global initiatives	3	108,886	-	<b>108,886</b>	243,021	-	243,021
Afghanistan	3	-	-	-	-	8,030	8,030
Bangladesh	3	-	2,728,650	<b>2,728,650</b>	-	608,692	608,692
Nepal	3	-	-	-	-	(84,585)	(84,585)
The Philippines	3	-	32,210	<b>32,210</b>	-	-	-
Sierra Leone	3	-	-	-	-	366,109	366,109
Tanzania	3	-	872,540	<b>872,540</b>	-	307,201	307,201
Uganda	3	-	798,946	<b>798,946</b>	-	1,184,356	1,184,356
<b>Total income</b>		<b>799,745</b>	<b>4,433,951</b>	<b>5,233,696</b>	<b>912,596</b>	<b>2,472,425</b>	<b>3,385,021</b>
<b>Expenditure on:</b>							
Raising funds	4	22,864	-	<b>22,864</b>	27,310	-	27,310
Charitable activities							
BRAC global initiatives	4	104,223	-	<b>104,223</b>	231,124	-	231,124
Afghanistan	4	-	-	-	4,908	8,030	12,938
Bangladesh	4	81,804	3,001,434	<b>3,083,238</b>	281,977	1,072,872	1,354,849
Nepal	4	-	-	-	(1,437)	(42,988)	(44,425)
The Philippines	4	-	30,249	<b>30,249</b>	-	-	-
Sierra Leone	4	-	-	-	(25,893)	366,109	340,216
Tanzania	4	69,650	834,757	<b>904,407</b>	93,652	188,892	282,544
Uganda	4	313,207	967,736	<b>1,280,943</b>	196,116	1,659,035	1,855,151
<b>Total expenditure</b>		<b>591,749</b>	<b>4,834,176</b>	<b>5,425,925</b>	<b>807,757</b>	<b>3,251,950</b>	<b>4,059,706</b>
<b>Net income / (expenditure) for the year</b>		<b>207,996</b>	<b>(400,225)</b>	<b>(192,229)</b>	<b>104,839</b>	<b>(779,525)</b>	<b>(674,686)</b>
Other gains/losses	15	-	-	-	-	-	-
Transfers between funds	15	-	-	-	-	-	-
<b>Net income / (expenditure)</b>		<b>207,996</b>	<b>(400,225)</b>	<b>(192,229)</b>	<b>104,839</b>	<b>(779,525)</b>	<b>(674,686)</b>
<b>Net movement in funds</b>		<b>207,996</b>	<b>(400,225)</b>	<b>(192,229)</b>	<b>104,839</b>	<b>(779,525)</b>	<b>(674,686)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		621,819	1,226,781	<b>1,848,600</b>	516,980	2,006,306	2,523,286
<b>Total funds carried forward</b>		<b>829,815</b>	<b>826,556</b>	<b>1,656,371</b>	<b>621,819</b>	<b>1,226,781</b>	<b>1,848,600</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 2022

	Note	£	2022 £	£	2021 £
<b>Fixed assets:</b>					
Tangible assets	11		<b>21,909</b>		20,040
			<b>21,909</b>		20,040
<b>Current assets:</b>					
Debtors	12	<b>291,450</b>		352,415	
Cash at bank and in hand		<b>2,301,128</b>		2,161,956	
			<b>2,592,578</b>	2,514,371	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	<b>958,116</b>		685,811	
<b>Net current assets</b>			<b>1,634,462</b>		1,828,560
<b>Total assets less current liabilities</b>			<b>1,656,371</b>		1,848,600
<b>Total net assets</b>			<b>1,656,371</b>		1,848,600
<b>The funds of the charity:</b>					
Restricted income funds	15		<b>826,556</b>		1,226,781
Unrestricted income funds:					
General funds		<b>829,815</b>		621,819	
Total unrestricted funds			<b>829,815</b>		621,819
<b>Total charity funds</b>			<b>1,656,371</b>		1,848,600

Approved by the trustees on 2 May 2023 and signed on their behalf by


Ken Caldwell  
Chair

## Statement of cash flows

For the period ended 31 December 2022

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

	2022 £	2021 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>(192,229)</b>	<b>(674,686)</b>
Depreciation charges	7,393	4,165
Dividends, interest and rent from investments	(3,126)	(1,692)
Loss on disposal of fixed assets	-	417
(Increase)/Decrease in debtors	60,965	(293,907)
Decrease in creditors	272,305	(110,883)
<b>Net cash provided by operating activities</b>	<b>145,307</b>	<b>(1,076,586)</b>

	Note	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
<b>Net cash provided by operating activities</b>	16		<b>145,307</b>		<b>(1,079,586)</b>
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		3,126		1,692	
Purchase of fixed assets		(9,261)		(20,710)	
<b>Net cash provided used in investing activities</b>			<b>(6,135)</b>		<b>(19,018)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>139,172</b>		<b>(1,095,604)</b>
Cash and cash equivalents at the beginning of the year			2,161,956		3,257,560
Change in cash and cash equivalents due to exchange rate movements			-		-
<b>Cash and cash equivalents at the end of the year</b>			<b>2,301,128</b>		<b>2,161,956</b>



## Notes to the financial statements

For the period ended 31 December 2022

**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 reviewed BRAC UK's financial forecasts for 2023 and 2024, and conducted sensitivity analysis to assess the impact of key risks including inflation and a lower than expected level of new business. They have concluded that even on a prudent 'low case' set of assumptions BRAC UK would maintain sufficient unrestricted reserves and liquidity to be able to operate until at least the end of this period.

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.

**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:

- Bangladesh charitable activities	34%
- Philippines charitable activities	0%
- Uganda charitable activities	53%
- Tanzania charitable activities	12%
- BRAC Global charitable activities	0%

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.

## Notes to the financial statements

## For the period ended 31 December 2022

## 1 Accounting policies (continued)

## 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 deals with its pension arrangements through a NEST money purchase pension scheme. Staff are enrolled in the NEST scheme from the commencement of their employment. BRAC UK matches staff contributions up to a maximum 6% of gross salary per annum.

## 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 and outgoing resources for the year.

## 2 Income from donations

	2022			2021		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Individual Donations	47,367	1,605	48,972	25,708	82,622	108,330
Corporate Donations	40,148	-	40,148	40,526	-	40,526
	87,515	1,605	89,120	66,234	82,622	148,856

## Notes to the financial statements

For the period ended 31 December 2022

## 3 Income from charitable activities

			2022			2021
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
BRAC	600,000	-	<b>600,000</b>	600,000	-	600,000
Other	3,344	-	<b>3,344</b>	3,341	-	3,341
BRAC global initiatives	108,886	-	<b>108,886</b>	243,021	-	243,021
<b>Sub-total for BRAC UK core charitable activities</b>	<b>712,230</b>	-	<b>712,230</b>	846,362	-	846,362
Overseas Development Institute (ODI)	-	-	-	-	8,030	8,030
<b>Sub-total for charitable activities in Afghanistan</b>	-	-	-	-	8,030	8,030
UBS Optimus Foundation	-	156,698	<b>156,698</b>	-	4,391	4,391
IKEA Foundation	-	700,603	<b>700,603</b>	-	-	-
Danida Danish Market Development Partnerships (DMDP)	-	286,461	<b>286,461</b>	-	169,674	169,674
Hempel Foundation	-	590,064	<b>590,064</b>	-	22,918	22,918
Vitol Foundation	-	-	-	-	100,298	100,298
Foreign & Commonwealth Development Office (FCDO)	-	716,226	<b>716,226</b>	-	311,411	311,411
British Asian Trust	-	73,940	<b>73,940</b>	-	-	-
Tik Tok	-	204,658	<b>204,658</b>	-	-	-
<b>Sub-total for charitable activities in Bangladesh</b>	-	<b>2,728,650</b>	<b>2,728,650</b>	-	608,692	608,692
FCDO	-	-	-	-	8,303	8,303
Signify Foundation	-	-	-	-	(92,888)	(92,888)
<b>Sub-total for charitable activities in Nepal</b>	-	-	-	-	(84,585)	(84,585)
Signify Foundation	-	32,210	<b>32,210</b>	-	-	-
<b>Sub-total for charitable activities in The Philippines</b>	-	<b>32,210</b>	<b>32,210</b>	-	-	-
Global Innovation Fund (GIF)	-	-	-	-	366,109	366,109
<b>Sub-total for charitable activities in Sierra Leone</b>	-	-	-	-	366,109	366,109
Cartier Philanthropy	-	41,533	<b>41,533</b>	-	113,251	113,251
Medicor Foundation	-	20,000	<b>20,000</b>	-	80,000	80,000
National Lottery Community Fund (NLCF)	-	-	-	-	(36,700)	(36,700)
FCDO	-	624,314	<b>624,314</b>	-	729,819	729,819
GIF	-	113,099	<b>113,099</b>	-	297,986	297,986
<b>Sub-total for charitable activities in Uganda</b>	-	<b>798,946</b>	<b>798,946</b>	-	1,184,356	1,184,356
Cartier Philanthropy	-	524,045	<b>524,045</b>	-	4,702	4,702
Danida DMDP	-	211,999	<b>211,999</b>	-	152,364	152,364
Signify Foundation	-	22,658	<b>22,658</b>	-	38,093	38,093
UBS Optimus Foundation	-	52,404	<b>52,404</b>	-	-	-
Vitol Foundation	-	61,434	<b>61,434</b>	-	112,042	112,042
<b>Sub-total for charitable activities in Tanzania</b>	-	<b>872,540</b>	<b>872,540</b>	-	307,201	307,201
<b>Total income from charitable activities</b>	<b>712,230</b>	<b>4,432,346</b>	<b>5,144,576</b>	846,362	2,389,803	3,236,165

## Notes to the financial statements

For the period ended 31 December 2022

## 4a Analysis of expenditure (current year)

	Cost of raising funds	Bangladesh Charitable Activities	Philippines Charitable Activities	Tanzania Charitable Activities	Uganda Charitable Activities	BRAC Global initiatives	Governance costs	Support costs	2022 Total
	£	£	£	£	£	£	£	£	£
Staff costs (note 7)	23,619	126,671	1,096	43,307	189,220	103,523	52,165	392,073	931,675
Training, recruitment, wellbeing (note 7)	-	-	-	-	-	-	-	18,710	18,710
Grants payments (note 5)	(3,121)	2,773,974	26,611	787,057	780,791	-	-	-	4,365,311
Programme activities	-	5,174	922	4,387	29,589	-	-	31,138	71,210
Office management	-	97	-	164	258	-	-	118,431	118,950
Fundraising expenditure	2,366	27	-	-	-	-	-	-	2,393
Audit & legal fees	-	5,460	-	5,460	-	700	17,889	-	29,509
Foreign exchange gains/losses	-	(8,101)	-	-	1,514	-	-	(105,246)	(111,833)
	<b>22,864</b>	<b>2,903,302</b>	<b>28,629</b>	<b>840,375</b>	<b>1,001,372</b>	<b>104,223</b>	<b>70,054</b>	<b>455,106</b>	<b>5,425,925</b>
Governance costs	-	24,003	216	8,542	37,294	-	(70,054)	-	-
Support costs	-	155,933	1,404	55,491	242,278	-	-	(455,106)	-
	-	<b>179,936</b>	<b>1,620</b>	<b>64,033</b>	<b>279,571</b>	-	-	-	-
<b>Total expenditure 2022</b>	<b>22,864</b>	<b>3,083,238</b>	<b>30,249</b>	<b>904,407</b>	<b>1,280,943</b>	<b>104,223</b>	-	-	<b>5,425,925</b>

## Notes to the financial statements

For the period ended 31 December 2022

## 4b Analysis of expenditure (prior 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 £	2021 Total £
Staff costs (note 7)	20,265	3,703	170,314	3,889	2,447	49,228	150,864	228,930	50,457	255,872	935,969
Training, recruitment, wellbeing	-	-	-	-	-	-	-	-	-	42,045	42,045
Grants payments (note 5)	-	3,864	956,846	(53,957)	321,892	134,063	1,465,285	-	-	-	2,827,993
Programme activities	-	-	(13,674)	-	12,328	6,262	37,985	-	-	3,711	46,612
Office management	-	-	-	-	-	14	98	-	-	117,714	117,826
Fundraising expenditure	4,851	-	52	-	-	-	-	-	-	-	4,903
Audit & legal fees	-	-	-	-	-	5,820	-	-	8,978	-	14,798
Foreign exchange gains/losses	-	-	-	-	-	-	-	-	-	69,561	69,561
	<b>25,116</b>	<b>7,567</b>	<b>1,113,538</b>	<b>(50,068)</b>	<b>336,667</b>	<b>195,387</b>	<b>1,654,232</b>	<b>228,930</b>	<b>59,435</b>	<b>488,903</b>	<b>4,059,707</b>
Governance costs	238	582	26,156	612	385	23,484	7,741	238	(59,436)	-	-
Support costs	1,956	4,789	215,156	5,030	3,165	63,673	193,178	1,956	-	(488,903)	-
	<b>2,194</b>	<b>5,371</b>	<b>241,311</b>	<b>5,642</b>	<b>3,550</b>	<b>87,157</b>	<b>200,919</b>	<b>2,194</b>	<b>(1)</b>	<b>-</b>	
<b>Total expenditure 2021</b>	<b>27,310</b>	<b>12,938</b>	<b>1,354,849</b>	<b>(44,425)</b>	<b>340,216</b>	<b>282,544</b>	<b>1,855,151</b>	<b>231,124</b>	<b>-</b>	<b>-</b>	<b>4,059,707</b>

## Notes to the financial statements

For the period ended 31 December 2022

## 5 Grant-making

	2022 Grants to institutions £	2021 Grants to institutions £
BRAC Afghanistan	-	3,864
BRAC Bangladesh	2,773,890	956,726
BRAC International	100,553	(45,434)
BRAC Sierra Leone	-	321,892
BRAC Tanzania	602,010	107,855
BRAC Uganda	701,028	1,185,867
Solar Sister	111,189	17,804
Humanity & Inclusion (HI)	5,036	104,268
Viamo	22,714	115,020
Nuwodu	51,980	59,064
Others	(3,089)	1,066
	<b>4,365,311</b>	<b>2,827,992</b>

## 6 Net incoming resources for the year

This is stated after charging:

	2022 £	2021 £
Depreciation	7,393	4,165
Operating lease rentals:		
I Property	52,385	55,010
Auditor's remuneration, excluding VAT :		
I Audit of BRAC UK accounts	8,200	7,450
I External audit of project funds	-	4,850
	<b>68,378</b>	<b>126,475</b>

## 7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	746,678	716,284
Social security costs (National insurance)	79,232	78,593
Employer's contribution to defined contribution pension schemes	37,206	38,380
Other staff costs	87,269	144,757
	<b>950,385</b>	<b>978,014</b>

	2022 No.	2021 No.
£60,000 - £69,999	1	1
£70,000 - £79,999	1	-
£90,000 - £99,999	1	-
£100,000 - £109,999	1	1
£120,000 - £129,999	-	1
	<b>4</b>	<b>3</b>

The total employee benefits including pension contributions of the key management personnel were £349,425 (2021: £484,140) of which in 2022 £79,053 were for staff seconded to and funded by BRAC and BRAC International.

Ex-gratia termination payments totalling £32,779 were made to two members of staff in 2022 (2021: none). Termination payments are recognised in full in the accounting period in which they fall due.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £10,269 incurred by 5 members in 2022 (2021: £25, no members) relating to attendance at meetings of the trustees and visits to BRAC Bangladesh.

## Notes to the financial statements

For the period ended 31 December 2022

## 8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 16.3 (2021: 13.6). The average number of staff on the FTE basis is as follows:

	2022 No.	2021 No.
Raising funds	0.4	0.3
BRAC UK Core Charitable Activities	11.4	7.5
Afghanistan Charitable Activities	-	0.1
Bangladesh Charitable Activities	0.8	0.9
BRAC global Charitable Activities	0.6	1.2
Nepal Charitable Activities	-	0.0
Philippines Charitable Activities	0.1	-
Sierra Leone Charitable Activities	-	0.1
Tanzania Charitable Activities	0.6	0.4
Uganda Charitable Activities	0.6	0.4
Support	0.5	0.4
Governance	0.7	0.7
	15.7	11.8

## 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 £708,886 from BRAC and BRAC International during 2022, of which £108,886 was for staff seconded to BRAC and BRAC International) (2021: £843,021).

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

There were no donations received from Trustees (2021: £300).

## 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	11,920	3,899	11,309	5,400	32,528
Additions in year	1,914	264	3,083	4,000	9,261
Disposals in year	-	-	-	(5,400)	(5,400)
At the end of the year	13,834	4,163	14,392	4,000	36,389
<b>Depreciation</b>					
At the start of the year	1,457	1,060	4,570	5,400	12,488
Disposals in year	-	-	-	(5,400)	(5,400)
Charge for the year	3,259	1,095	2,539	500	7,393
At the end of the year	4,717	2,155	7,109	500	14,481
<b>Net book value</b>					
At the end of the year	9,117	2,008	7,283	3,500	21,909
At the start of the year	10,462	2,839	6,739	-	20,040

All of the above assets are used for charitable purposes.

## Notes to the financial statements

For the period ended 31 December 2022

## 12 Debtors

	2022 £	2021 £
Trade debtors	156,032	147,874
Other debtors	12,150	12,150
Prepayments	22,933	19,472
Accrued income	100,335	172,919
	<u>291,450</u>	<u>352,415</u>

## 13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	318,148	153,848
Taxation and social security	17,485	24,995
Deferred Income	-	26,734
Accruals	622,483	480,234
	<u>958,116</u>	<u>685,811</u>

## 14a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	21,909	-	21,909
Net current assets	807,906	826,556	1,634,462
<b>Net assets at the end of the year</b>	<u>829,815</u>	<u>826,556</u>	<u>1,656,371</u>

## 14b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	20,040	-	20,040
Net current assets	601,779	1,226,781	1,828,560
<b>Net assets at the end of the year</b>	<u>621,818</u>	<u>1,226,781</u>	<u>1,848,600</u>



## Notes to the financial statements

For the period ended 31 December 2022

## 15a Movements in funds (current year)

		At 1 January 2022	Income & gains	Expenditure & losses	Transfers	At 31 December 2022
		£	£	£	£	£
<b>Restricted funds:</b>						
AF001	Afghanistan: Education Tech Hub (donor: UBS Foundation)	82,405	-	-	(82,405)	-
BD010	Bangladesh: Rohingya crisis (individual donations)	-	1,519	(1,519)	-	-
BD012	Bangladesh: Youth in Retail (donor: IKEA Foundation/UBS Foundation)	583,274	857,301	(817,141)	-	623,434
BD018	Bangladesh: Safe Water Development (donor: Danida)	102,288	286,461	(383,050)	-	5,699
BD020	Bangladesh: Education (donor: Hempel Foundation)	22,918	590,063	(620,123)	-	(7,142)
BD021	Bangladesh: Relive 2 (donor: Vitol Foundation)	100,298	-	(98,674)	-	1,624
BD022	Bangladesh: Essential Primary Healthcare Support to the Rohingya Refugees in Cox's Bazaar (donor: British Asian Trust)	-	73,940	(73,940)	-	-
BD023	Bangladesh: Supporting North-East Flood Affected Households to ensure Food Security through Cash Transfer (donor: UBS Foundation)	-	-	(84,304)	82,405	(1,899)
BD024	Bangladesh: Supporting North-East Flood Affected Households to ensure Food Security through Cash Transfer (donor: Tik Tok)	-	204,658	(204,658)	-	-
BDTO12 /BDTO35	Bangladesh: Disability Inclusive Development (donor: FCDO)	1,712	716,227	(717,939)	-	-
MC002	Bangladesh: Covid 19 response (individual donations)	-	86	(86)	-	-
PH001	Philippines: Youth Skills (donor: Signify Foundation)	-	32,210	(30,249)	-	1,961
TZ001	Tanzania: WE SOLVE (donor: Danida)	52,531	211,999	(212,558)	-	51,972
TZ002	Tanzania: WE SOLVE (donor: Signify Foundation)	15,852	22,658	(41,829)	-	(3,319)
TZ005	Tanzania: Early Childhood Development (ECD) (donor: Vitol Foundation)	97,630	61,434	(78,992)	-	80,072
TZ006	Tanzania: Disability Inclusive Ultra-Poor Graduation (donor: Cartier Philanthropy, UBS Foundation)	-	576,449	(501,378)	-	75,071
UG007	Uganda: Disability Inclusive Ultra-Poor Graduation (donor: Cartier Philanthropy)	108,935	41,533	(150,468)	-	-
UG008	Uganda: Disability Inclusive Ultra-Poor Graduation (donor: Medicor Foundation)	55,139	20,000	(74,312)	-	827
UG012	Uganda: Digital Health (donor: Global Innovation Fund)	3,799	113,098	(118,641)	-	(1,744)
UGTO54	Uganda: Disability Inclusive Ultra-Poor Graduation (donor: FCDO Inclusive Futures)	-	624,315	(624,315)	-	-
<b>Total restricted funds</b>		<b>1,226,781</b>	<b>4,433,951</b>	<b>(4,834,176)</b>	-	<b>826,556</b>
<b>Unrestricted funds</b>						
		At 1 January 2021	2021 Income & gains	2021 Expenditure & losses	Transfers	
General funds		621,819	799,745	(591,749)	-	829,815
<b>Total unrestricted funds</b>		<b>621,819</b>	<b>799,745</b>	<b>(591,749)</b>	-	<b>829,815</b>
<b>Total funds</b>		<b>1,848,600</b>	<b>5,233,696</b>	<b>(5,425,925)</b>	-	<b>1,656,371</b>

**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.

## Notes to the financial statements

For the period ended 31 December 2022

## 15b Movements in funds (prior year)

		At 1 January 2021	Income & gains	Expenditure & losses	Transfers	At 31 December 2021
		£	£	£	£	£
<b>Restricted funds:</b>						
AF001	Afghanistan: Education Tech Hub (donor: UBS Foundation)	82,405	-	-	-	82,405
AF002	Afghanistan: Education Tech Hub (donor: ODI)	-	8,030	(8,030)	-	-
BD003	Bangladesh: BEP Schools (donor: UBS Foundation)	297	-	(297)	-	-
BD010	Bangladesh: Rohingya crisis (individual donations)	-	2,498	(2,498)	-	-
BD011B	Bangladesh: Education in Emergencies (donor: UBS Foundation)	33,441	-	(33,441)	-	-
BD012	Bangladesh: Youth in Retail (donor: IKEA Foundation/UBS Foundation)	806,713	4,391	(227,830)	-	583,274
BD014	Bangladesh: Anti Trafficking (donor: ClIFF)	242,914	-	(242,914)	-	-
BD017	Bangladesh: Floods recovery (donor: Cartier Philanthropy)	77,762	-	(77,762)	-	-
BD018	Bangladesh: Safe Water Development (donor: Danida)	-	169,674	(67,386)	-	102,288
BD019	Bangladesh: WASH (donor: Charities Aid Foundation)	-	80,000	(80,000)	-	-
BD020	Bangladesh: Education (donor: Hempel Foundation)	-	22,918	-	-	22,918
BD021	Bangladesh: Relive 2 (donor: Vitol Foundation)	-	100,298	-	-	100,298
BDTO12 /BDTO35	Bangladesh: Disability Inclusive Development (donor: FCDO)	30,921	311,411	(340,620)	-	1,712
MC002	Bangladesh: Covid 19 response (individual donations)	-	124	(124)	-	-
NP003	Nepal: Girls Empowerment through Lighting Entrepreneurship Phase 2 (donor: Signify Foundation)	41,147	(92,888)	51,741	-	-
NPTO15 / NPTO36	Nepal: Disability Inclusive Development (donor: FCDO)	450	8,303	(8,753)	-	-
SL006	Sierra Leone: Health (donor: Global Innovation Fund)	-	366,109	(366,109)	-	-
TZ001	Tanzania: WE SOLVE (donor: Danida)	27,864	152,364	(127,697)	-	52,531
TZ002	Tanzania: WE SOLVE (donor: Signify Foundation)	1,855	38,093	(24,096)	-	15,852
TZ004	Tanzania: Disability Inclusive Graduation (donor: Cartier Philanthropy)	13,357	4,702	(18,059)	-	-
TZ005	Tanzania: Early Childhood Development (ECD) (donor: Vitol Foundation)	4,628	112,042	(19,040)	-	97,630
UG005 / UG011	Uganda: Disability Inclusive Graduation (donor: FCDO UK Aid)	35,397	729,819	(765,216)	-	-
UG006	Uganda: Disability Inclusive Graduation (donor: National Lottery Community Fund)	64,119	(36,700)	(27,419)	-	-
UG007	Uganda: Disability Inclusive Ultra-Poor Graduation (donor: Cartier Philanthropy)	460,736	113,251	(465,052)	-	108,935
UG008	Uganda: Disability Inclusive Ultra-Poor Graduation (donor: Medicor Foundation)	82,300	80,000	(107,161)	-	55,139
UG012	Uganda: Digital Health (donor: Global Innovation Fund)	-	297,986	(294,187)	-	3,799
<b>Total restricted funds</b>		<b>2,006,306</b>	<b>2,472,425</b>	<b>(3,251,949)</b>	-	<b>1,226,781</b>
<b>Unrestricted funds:</b>						
General funds		516,980	912,596	(807,757)	-	621,819
<b>Total unrestricted funds</b>		<b>516,980</b>	<b>912,596</b>	<b>(807,757)</b>	-	<b>621,819</b>
<b>Total funds</b>		<b>2,523,286</b>	<b>3,385,021</b>	<b>(4,059,706)</b>	-	<b>1,848,600</b>

## Notes to the financial statements

For the period ended 31 December 2022

## Purposes of restricted funds

<b>BD010</b>	<p><b>Bangladesh: Rohingya crisis (individual donations)</b></p> <p>Alongside the projects that were funded through partnerships with like minded organisations, BRAC UK also receives some restricted donations from members of the public for specific campaigns. Specifically, in 2022 we received donations for our work in responding to the Rohingya Crisis in Bangladesh (BD 010) and in support of our work in multiple countries outside of Bangladesh through BRAC International (MC 002).</p>
<b>BD012</b>	<p><b>Bangladesh: Youth in Retail (donor: IKEA Foundation/UBS Foundation)</b></p> <p>This pilot project is providing sustainable livelihoods for low-income urban youth in Bangladesh in partnership with the retail sector and the Government of Bangladesh. It will provide decent work opportunities for disadvantaged urban youth (particularly women and People With Disabilities (PwD)) and support industry standardisation in major cities in Bangladesh through an innovative approach to testing and scaling effective, efficient and sustainable training and employment models; one focusing on apprenticeships and the other on institute based training. Following delays due to the Covid-19 pandemic the project has been extended to November 2023.</p>
<b>BD018</b>	<p><b>Bangladesh: Safe Water Development (donor: Danida)</b></p> <p>This project creates inclusive and sustainable economic growth, increased income through 669 jobs and income opportunities in water treatment and distribution, and to increase access to safe and affordable drinking water for 204,000 people in Bangladesh - tackling the impact of COVID-19 and supporting economic recovery in the coming years. The business objective is for commercial partners Grundfos and Hydro Industries to create a commercially viable business partnership model for cleaning industrial effluent, reducing the harmful impacts of effluent on people and the environment, and delivering safe drinking water whilst creating green jobs and additional income for the sector in the process.</p>
<b>BD020</b>	<p><b>Bangladesh: Education (donor: Hempel Foundation)</b></p> <p>This project is providing quality primary education to children in northern Bangladesh who were not previously in the school system. It aims to reach over 25,000 children through an accelerated learning programme, with access to trained teachers and technology, to support them to bridge learning gaps and transition to government primary schools. This is sorely needed as Bangladeshi students were out of school for up to 18 months due to the Covid-19 pandemic restrictions in Bangladesh. As a result, many need special curriculums and programmes in order to catch up with the national curriculum.</p>
<b>BD021</b>	<p><b>Bangladesh: Relive 2 (donor: Vitol Foundation)</b></p> <p>This project builds on the success of the original Relive project in 2020 which provided emergency relief to people affected by prolonged flooding in North and Northeast Bangladesh. Starting in late 2021, it is strengthening the resilience of vulnerable households to floods by adopting a build-back-better approach in the recovery and rehabilitation of affected communities, implementing community-based mitigation measures through systematic flood risk assessment, developing a risk reduction action plan and finally building the capacity of local government institutions and engaging them in implementation to foster long-term sustainability.</p>
<b>BD022</b>	<p><b>Bangladesh: Health Cox's Bazaar (donor: British Asian Trust)</b></p> <p>This project, using zakat funding donated via the British Asian Trust, is supporting BRAC's response to the Rohingya Crisis. Specifically, the funding supports the work of five BRAC health facilities (one primary healthcare centre and four Health Posts) in refugee camps across Cox's Bazaar. The centres improve access to a range of quality lifesaving health services, including sexual and reproductive health, maternal, neonatal, child and adolescent health, non-communicable diseases, and mental health.</p>
<b>BD023</b>	<p><b>Bangladesh: Flood Emergency (donor: UBS Foundation)</b></p> <p>Large portions of the Sylhet, Sunamgonj and Netrokona districts of Bangladesh were submerged by severe monsoon waters in June 2022. The flood was considered worse than previous ones, affecting over 4 million people out of which 1.4 million were women. UBS Philanthropy Services agreed that BRAC UK could repurpose funding remaining from a previous project (AF 001 Afghanistan Tech Hub) towards the response, which supported 5,800 households in Sylhet with 1,500 Bangladesh Taka, which provided two weeks' worth of food baskets.</p>
<b>BD024</b>	<p><b>Bangladesh: Flood Appeal (donor: TikTok)</b></p> <p>Large portions of the Sylhet, Sunamgonj and Netrokona districts of Bangladesh were submerged by severe monsoon waters in June 2022. The flood was considered worse than previous ones, affecting over 4 million people out of which 1.4 million were women. Tik Tok donated funds towards BRAC's emergency response to the flood, which included cash transfers for 50,000 families affected by the floods.</p>
<b>BDT012</b>	<p><b>Bangladesh: Disability Inclusive Development (donor: FCDO)</b></p> <p>This project involves working with organisations providing expert support and knowledge around disability inclusion to explore the best ways to scale up BRAC's successful Skills Training for Advancing Resources (STAR) programme, integrating youth with disabilities including severe disabilities such as deafblindness. A large focus is capturing and disseminating key learnings from this process, which will be finalised following the completion of the programme in early 2023.</p>
<b>MC002</b>	<p><b>Bangladesh: Covid 19 response (individual donations)</b></p> <p>Alongside the projects that were funded through partnerships with like minded organisations, BRAC UK also receives some restricted donations from members of the public for specific campaigns. Specifically, in 2022 we received donations for our work in responding to the Rohingya Crisis in Bangladesh (BD 010) and in support of our work in multiple countries outside of Bangladesh through BRAC International (MC 002).</p>
<b>TZ001 and TZ002</b>	<p><b>Tanzania: Women Entrepreneurship through the Solar Value Chain for Economic development in Tanzania (WE SolVE) (donor: Danida)</b></p> <p>This project 'WE SolVE' is a partnership between BRAC, Solar Sisters and Philips Lighting. Through a BRAC Microfinance solar loan product people living in rural areas of Tanzania, many of whom are living off-grid, purchase solar lamps from female entrepreneurs recruited by Solar Sister, an organisation that supports women in Africa to create clean energy businesses. The project creates inclusive and sustainable economic growth and productivity (SDG8), enables generation of new income (SDG1) and creates new decent, green and appropriate employment and livelihoods for women (SDG8,5) in rural Tanzania.</p>

## Notes to the financial statements

For the period ended 31 December 2022

## Purposes of restricted funds (continued)

TZ005	<p><b>Tanzania: Early Childhood Development (ECD) (donor: Vitol Foundation)</b></p> <p>This project is piloting a high-quality play-based Early Childhood Development (ECD) business model to improve the cognitive, physical, socio-emotional and language development of 3-5-year-old children in Tanzania, that is financially sustainable, scalable and affordable for low to middle-income households. To achieve this we are testing an innovative cross-subsidy 'Hub and Spoke' business model. The 'Hubs' are BRAC-operated and provide premium quality, affordable, play-based early learning to middle-income families in Dar es Salaam. Hubs are generating an income through low-cost school fees targeting middle-income families, which are used to subsidize hubs that target low-income households.</p>
TZ006	<p><b>Tanzania: Disability Inclusive Graduation (donor: Cartier Philanthropy, UBS Foundation)</b></p> <p>This project is introducing disability-inclusive ultra-poor graduation programming in Tanzania through leveraging its ongoing partnership with Humanity &amp; Inclusion and SHIVYAWATA (a national organisation of persons with disabilities). The project entered its planning phase in November 2022 and will be launched in early 2023, reaching participants in two districts of Tanzania over a period of 30 months. The project will graduate ultra-poor households out of ultra-poverty and into sustainable livelihoods, targeting 70% women and 15% persons with disabilities.</p>
UG007 and UG008	<p><b>Uganda: Disability Inclusive Ultra-Poor Graduation (donor: Cartier Philanthropy)</b></p> <p>This project is implementing a disability inclusive ultra-poor graduation programme in Northern Uganda in partnership with Humanity &amp; Inclusion (HI) and the National Union of Women with Disabilities in Uganda (NUWODU). The project forms part of a wider global partnership between BRAC and HI to test, replicate, adapt and scale contextually appropriate models for disability inclusive graduation. Through building the capacity of existing poverty reduction and social protection actors and developing evidence and best practice, we can help catalyse ultra-poor graduation programming in Uganda and beyond. Specifically, the project is helping 2,700 people aged 15-64 who are living in ultra-poverty. Of those, over 400 (15%) are people with disabilities and 70% (1890) are women.</p>
UG012	<p><b>Uganda: Digital Health (donor: Global Innovation Fund)</b></p> <p>This project combines a number of initiatives on responding to the Covid-19 pandemic in Uganda. Through the project BRAC's network of over 4,000 Community Health Workers were equipped with Medic Mobile's Community Health Toolkit (CHT), a mobile-based application and platform that collects data on patients, households and visits for over two million people. BRAC has also engaged with Viamo, a for-profit social enterprise active in 25 countries (including Uganda), that delivers training content and lifesaving information via distance learning platforms and interactive voice response (IVR) technology. Remote-training for Community Health Workers is delivered through a distance learning platform which enables Community Health Workers to deliver care using an upgraded Community Health Toolkit via their mobile phones. Finally, the project has facilitated data-driven evidence and advocacy with the Ministry of Health and wider health stakeholders on the effectiveness and value for money of innovative health technologies.</p>
UGT054	<p><b>Uganda: Disability Inclusive Ultra-Poor Graduation (donor: FCDO Inclusive Futures)</b></p> <p>This project is implementing a disability inclusive ultra-poor graduation programme in Northern Uganda in partnership with Humanity &amp; Inclusion (HI) and the National Union of Women with Disabilities in Uganda (NUWODU). The project forms part of a wider global partnership between BRAC and HI to test, replicate, adapt and scale contextually appropriate models for disability inclusive graduation. Concluding in 2022, the project achieved its core objectives: 2,700 participants aged 15-64 and living in ultra-poverty (87% women and 17% persons with disabilities) were trained in enterprise development (small business management, livestock rearing, apiculture and crop production), given assets to diversify their income and linked up to social protection and financial inclusion, allowing them to better access social safety nets to ensure they do not fall back into poverty. By April 2022, 70% of the participants met the graduation score prerequisites, with a 74.4% graduation rate for participants with disabilities. The project team is developing learning materials to share the knowledge gained with other stakeholders working in disability-inclusive graduation.</p>

## 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	
	2022	2021
	£	£
More than five years	-	-
1 - 5 years	91,918	47,397
Less than one year	51,300	51,300
	143,218	98,697

## 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.