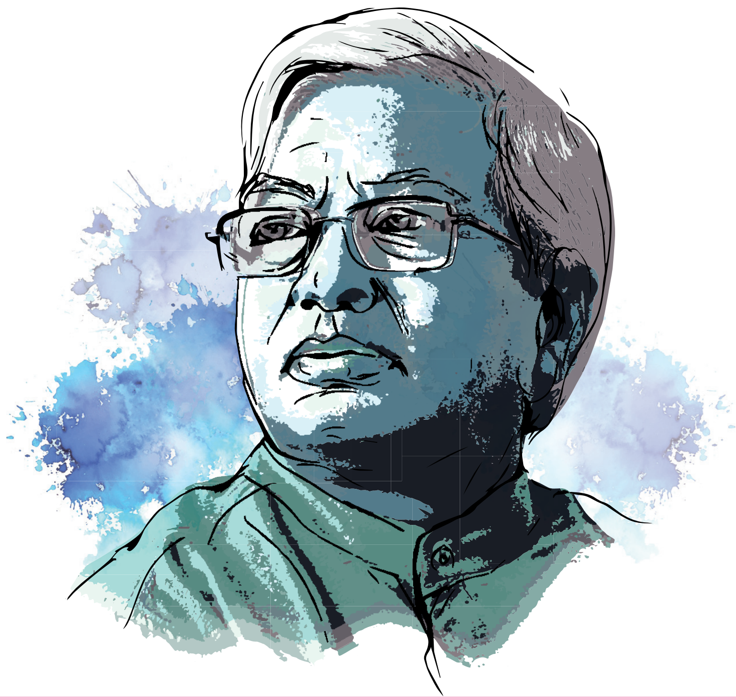
brac

ANNUAL REPORT 2019

BRAC UGANDA



Sir Fazle Hasan Abed KCMG
1936 - 2019

We will not say ‘rest’ in peace.

Thank you, Abed bhai.

Thank you for showing us how meaningful one’s life can be.

Thank you for instilling the courage in us to take on the impossible.

Thank you for showing us how to listen and learn,
to fail and to get up again in the service of others.

Thank you for making us see that no one is ordinary and
to seek potential in everyone.

We will not say ‘rest’ in peace.

The Abed bhai we know would not rest until we build an equal world.

We know you would not want us to lament your loss for long.

You would want us to tirelessly fight poverty and inequality,
like you did the last 47 years.

We promise to rise to that responsibility.

We promise to be worthy of your legacy.

CONTENT

LETTER FROM THE EXECUTIVE DIRECTOR

STRONGER TOGETHER IN TIMES OF TRANSITION

2019 was a year of great change and transition for BRAC International. First and foremost in our hearts, we lost our dear founder, Sir Fazle Hasan Abed. Abed Bhai's guidance, vision, and spirit are irreplaceable and deeply missed. Before his passing, Abed Bhai spearheaded the creation of a new Global Board to lead us in the post-founder era. This body is guided by the new BRAC Global Strategy which sets a bold vision for BRAC over the next decade. This strategy not only helped bring the BRAC family together but provides an enormous amount of guidance for our work, outlining a path to reach at least 250 million people by 2030.

In this spirit of transition, we began 2019 working to build a strong base for the years to come by consolidating and strengthening our programme and organisational management. Our core focus areas included improving our programme quality, both in design and implementation, by developing new program quality standards and improving our front line supervision and monitoring, evaluation, and learning (MEL) systems through targeted in-country pilots.

We also took several steps to build BI's capacity to achieve impact at scale. We developed a Microfinance Growth for Impact Plan: a strategy for converging Microfinance operations with other social development programmes, while opening a new Africa Regional Office in Nairobi, Kenya, to build leadership and greater supervision at the field level. Steps were taken to improve our grants management capacity at all levels to respond to the needs of our donors and those we serve.

While our management focus was on strengthening internal capacity, on the ground we continued to deliver innovative programs to support those living in situations of poverty and inequality. In 2019, we reached a total

of 6.6 million people, predominantly women and girls, across 10 countries in Asia and Africa. BI Microfinance, our signature financial inclusion programme, provided 650,000 program participants and their families access to basic financial services and support in six countries, five in Africa and one in Asia.

The COVID-19 pandemic has emerged as a major challenge while continuing our organisational strengthening work and programming. Building on our existing capacity, we have been working with governments through National Coordination Committees and Task Forces in each of our countries of operation to quickly meet the needs of those affected by the virus. To date, BI has reached over 45 million people through our COVID-19 response programming. We have also worked to develop innovative ways to continue our existing programmes safely and effectively. For example, our early childhood education team has been utilising local radio stations to deliver play-based learning to children stuck in their homes in Uganda and Tanzania.

Our innovative spirit was not limited to fighting COVID, but also fighting the other great challenge of our time: climate change. We see how the changing climate is affecting the people we serve, decimating livelihoods, health, food security, and pushing people into poverty. We are acting now to build and deploy tools that will enable us to fight climate change-induced disasters by strengthening early warning systems and supporting locally-led climate adaptation programmes.

It is through these challenging times that we see the true spirit of BRAC. Abed Bhai always believed in the power of collective action and effort to meet the challenges that face us. It is through the support, compassion, and generosity of our partners, peers, host governments, and donors that we are able to continue fulfilling his vision to protect, help, and uplift vulnerable people everywhere.

We believe that those living in poverty and inequality are not only resilient but that they are able to take control of their own lives. Together we can build towards an even brighter future.

Dr Muhammad Musa
Executive Director
BRAC International

MESSAGE FROM THE COUNTRY DIRECTOR

This report comes at a unique time following the demise of BRAC's founding father and chairperson, Sir Fazle Hasan Abed (KCMG). We remember our beloved Abed Bhai and his legacy of visionary pragmatism that prepared us to continue his remarkable work in the social development sector through BRAC global and BRAC Uganda.

In 2019, BRAC Uganda successfully transformed the Microfinance programme into the now BRAC Uganda Bank Limited (BUBL); regulated by the Central Bank of Uganda. Further, BRAC Uganda with funding from the United Kingdom, partnered with our UK affiliates to launch the Disability Inclusion Graduation in partnership with Humanity & Inclusion and National Union of Women with Disabilities of Uganda (NUWODU). This project is ongoing in Kiryandongo, Gulu, Nwoya, and Oyam districts of Uganda. The project forms part of a broader global partnership between BRAC and Humanity & Inclusion to test, replicate, adapt and scale contextually appropriate models for disability-inclusive graduation. The project will help 2,700 people, including women and people with disabilities living in poverty.

Since the start of BRAC Uganda, our strategy is to support the Government of Uganda's efforts to achieve the Millennium Development Goals (MDGs), Vision 2040, and the Sustainable Development Goals (SDGs). Our focus in 2019 was: i) Education and Youth Empowerment: Contributing to robust learning outcomes through Early Childhood Development (ECD), and increasing access to quality of secondary education; addressing youth unemployment through training, ii) Health programme: Reducing maternal mortality, and improving access to family planning, capacity building on preventing communicable diseases, particularly malaria and tuberculosis, and improving nutritional outcomes of young children and expectant women. iii) Ultra Poor Graduation (UPG) and Disability Inclusive Graduation (DIG): A livelihood approach for economic and social progress in ending extreme poverty. And iv) Empowerment and Livelihood for adolescents (ELA): Social-economic empowerment of the youth. Additionally, the in-house Independent Evaluation and Research Cell (IERC) keenly monitors project implementation to ensure that our programs are dynamic and responsive to the needs of beneficiaries.

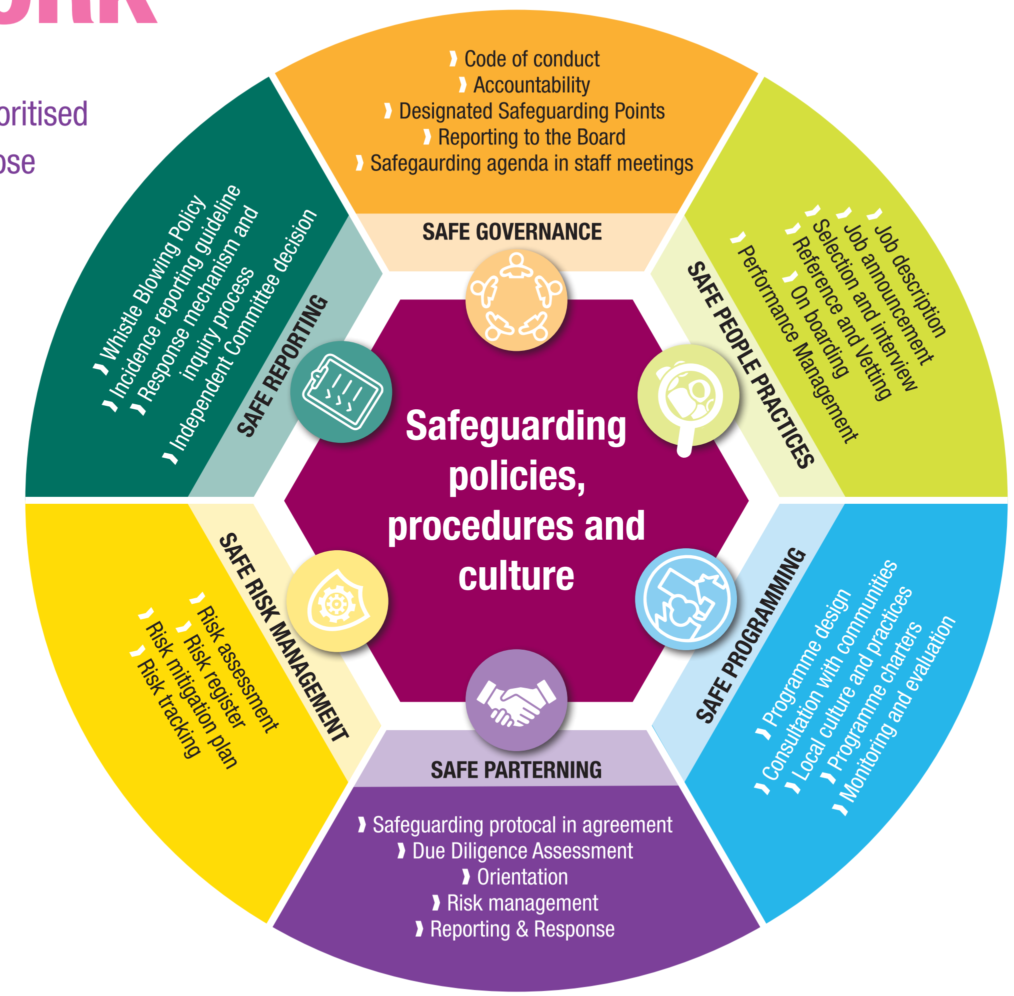
- In 2019, BRAC Uganda achieved the following milestones:
- 211,604 borrowers and 146,296 deposit accounts under BUBL.
- 1,153 scholars completed their secondary education.
- 272 scholars supported through the TVET project.
- 3,245 scholars joined the alumni association, and 85% have transitioned into university and tertiary education.
- 520 youth trained in soft and technical skills in Kiryandongo, Kotido, Moroto and Napak districts in Northern and North Eastern Uganda.
- 872 youth provided livelihood kits through 101 groups.
- 6935 children supported under ECD and 1077 mainstreamed into primary school.
- 19,122 teenage girls and 525 boys provided with social-economic empowerment skills

On behalf of the team at BRAC Uganda, I thank all our development partners, implementing partners, critical stakeholders, local district community leaders, the Country Management team and local advisory board members and the Government of Uganda. Without their invaluable support and an enabling environment, BRAC Uganda would not have achieved these milestones. We look forward to keeping working with you all.

George Owuor Matete (PHD)
Country Director
BRAC Uganda

BRAC SAFEGUARDING FRAMEWORK

Since its inception, BRAC has prioritised the safety and wellbeing of all those it works with – stakeholder of all programmes, members of staff and volunteers, and partners and donors. From the beginning of 2018, BRAC strengthened its safeguarding compliance, and has committed to ensure that safeguarding measures are incorporated across all levels of the organisation.



BRAC currently operates with six safeguarding standards: safe governance, safe people practices, safe programming, safe partnering, safe risk management and safe reporting. A safeguarding unit has been formed within BRAC Human Resources and Learning Department to provide technical support in strengthening safeguarding at organisational, programmatic and partnership levels.

BRAC has developed a standalone safeguarding policy as well as specialised policies to address sexual harassment, protection of children and adolescents, prevention of workplace bullying and violence, rights of persons with disabilities, and whistleblowing. All members of staff at BRAC are trained on safeguarding through classroom and online sessions. Different programmes and departments are in the process of developing risk mitigation plans to curb safeguarding risks associated with their work.

BRAC's overall strategy to safeguard people is firstly through means of prevention. If that fails, each case or incident violating the policy is addressed through a mechanism that is fair, transparent and objective. Our priority is to take safety measures for the complainant if and when an incident arises.

BRAC has a robust internal investigation process and unit with two separate streams to address safeguarding-related breaches, as well as two independent decision-making committees. A centralised 24/7 call centre has been established to lodge complaints. Additional emphasis is given on awareness and data management related to complaints regarding all forms of harassment and bullying. BRAC's safeguarding unit implements action plans jointly developed with DFID, and in collaboration with all its programmes and departments to build a strong safeguarding culture within the organisation.

BRAC INTERNATIONAL PROGRAMMES

Our **Education programme** focuses on raising awareness on gender and child rights and developing a child-friendly learning atmosphere. Our programme complements the mainstream schooling system by supporting government primary and secondary schools to improve quality and strengthen capacity. We also provide training with support from local vocational and technical institutes.

Our **Early Childhood Development programme** is an investment towards breaking intergenerational cycles of poverty and facilitating economic growth. We provide early learning opportunities through our Play Labs to 3 to 6 year olds, with a low cost and play-based early learning model. Our Play Labs are safe play spaces, providing cost effective local learning materials to children in marginalised communities.

The **Agriculture, Food Security and Livelihood programme** focuses on four strategic directions - a) Strengthen pro-poor market systems, b) Make agriculture systems more resilient to climate change, c) Improve food and nutrition security, and d) Empower women and youth across the value chain.

Through our **Health programme** we partner with respective governments to reduce child mortality, improve maternal and child health, and combat diseases. We work at the community and facility level to strengthen the capacity of female community health volunteers, health workers, and doctors so that they can provide educational, preventive, and curative health services.

Through our **Youth Empowerment programme** we provide life-saving and life-transforming services to adolescent girls to prevent unintended pregnancies, improve their awareness on harmful practices, and empower them financially. We create safe spaces by establishing clubhouses for girls aged 10-21, especially those who are vulnerable, dropped out of school, and at the risk of early marriage and pregnancy.

The **Ultra-Poor Graduation** approach is a comprehensive, time-bound, integrated and sequenced set of interventions that aim to enable extreme and ultra-poor households to achieve key milestones towards sustainable livelihoods and socio-economic resilience, in order to progress along a pathway out of extreme poverty.

Through our **Emergency Preparedness and Response programme** we build local emergency preparedness and response capacities in communities, schools, and local governments. Using a participatory and inclusive approach, our interventions in urban, rural, and refugee settings prioritise the equitable participation of all groups, particularly women and youth, to ensure that they are able to mitigate risks, save lives, protect livelihoods, and build back better from disasters and crises.

With the help of **Microfinance**, we provide a range of financial services responsibly to people at the bottom of the pyramid. We particularly focus on women living in poverty in rural and hard to reach areas, to create self-employment opportunities, build financial resilience, and harness women's entrepreneurial spirit by empowering them economically.

OUR COUNTRY-WISE REACH IN 2019

532,265 people reached in TANZANIA	86,125 people reached in LIBERIA	131,949 people reached in SIERRA LEONE
5,433 people reached in RWANDA	2,206,531 people reached in UGANDA	32,100 people reached in SOUTH SUDAN
1,914 people reached in PHILIPPINES	3,668,788 people reached in AFGHANISTAN	130,056 people reached in MYANMAR
1,366 people reached in NEPAL	A total of 6,599,435 people reached in Africa and Asia in 2019	

PROGRAMMATIC REACH OF BRAC INTERNATIONAL IN 2019

833,921
people through the **Education programme** in Afghanistan, Philippines, Uganda, and Liberia

100,313
people through the **Agriculture, Food Security and Livelihood programme** in Myanmar, Nepal, South Sudan, Uganda, Liberia, and Sierra Leone

7,725
people reached through the **Emergency Preparedness and Response programme** in Myanmar, Uganda, and Sierra Leone

2,401
people reached through the **Ultra-Poor Graduation programme** in Uganda and Liberia

16,623
people through the **Early Childhood Development programme** in Tanzania and Uganda

59,359
people through the **Youth Empowerment programme** in Nepal, Tanzania, Uganda, Liberia, and Sierra Leone

3,307,849
people reached through the **Health programme** in Afghanistan, Nepal, Liberia, Uganda, and Sierra Leone

646,442
borrowers and **150,231** depositors through the **Microfinance programme** in Myanmar, Uganda, Liberia, Tanzania, Sierra Leone, and Rwanda

BRAC ACROSS THE WORLD

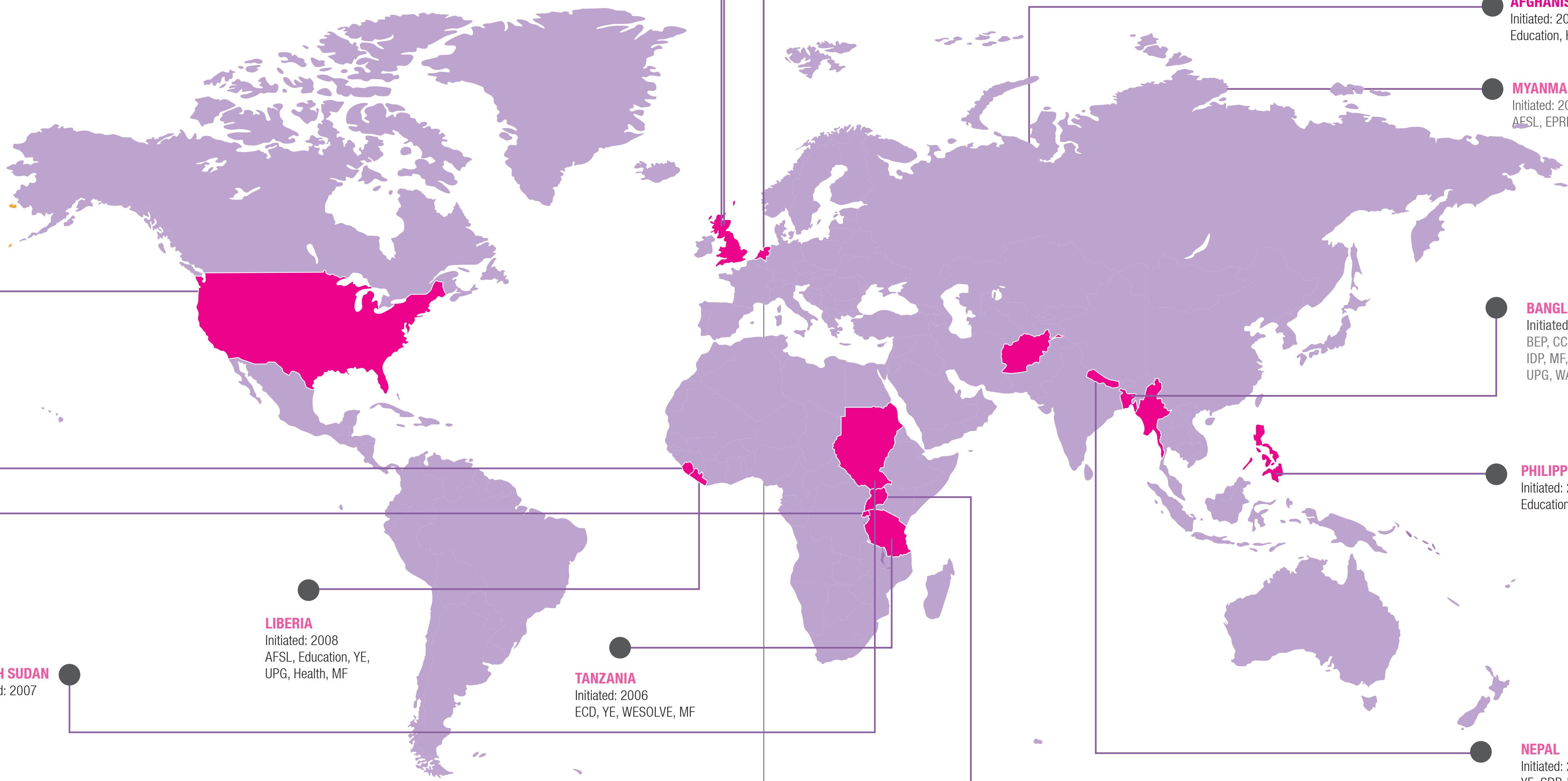
USA
Initiated: 2007
An independent charity to raise profile and funds for BRAC globally

UK
Initiated: 2006
An independent charity to raise profile and funds for BRAC globally

NETHERLANDS
Initiated: 2009
Stichting BRAC International registered as a foundation

AFGHANISTAN
Initiated: 2002
Education, Health, CCAP, CDP

MYANMAR
Initiated: 2013
AFSL, EPRP, MF



BANGLADESH
Initiated: 1972
BEP, CC, CEP, GJD, HNPP, HRLS, IDP, MF, MG, SDP, SE, UDP, Uni, UPG, WASH, HCMP

SIERRA LEONE
Initiated: 2008
AFSL, YE, Health, EPRP, MF

PHILIPPINES
Initiated: 2012
Education, UPG

RWANDA
Initiated: 2018
Microfinance

LIBERIA
Initiated: 2008
AFSL, Education, YE, UPG, Health, MF

SOUTH SUDAN
Initiated: 2007
AFSL

TANZANIA
Initiated: 2006
ECD, YE, WESOLVE, MF

NEPAL
Initiated: 2015
YE, SDP, Health, AFSL

UGANDA
Initiated: 2006
AFSL, Education, ECD, YE, EPRP, Health, UPG-DI, MF

AFSL–Agriculture, Food Security and Livelihood
BEP–BRAC Education Programme
CC–Climate Change
CCAP– Citizens' Charters Afghanistan Project
CEP–Community Empowerment Programme
CDP – Community Development Programme
ECD –Early Childhood Development
EPRP – Emergency Preparedness and Response Programme
GJD–Gender Justice and Diversity
HNPP–Health, Nutrition, and Population Programme
HRLS–Human Resources and Legal Aid Services
HCMP–Humanitarian Crisis Management Programme
IDP–Integrated Development Programme
MG–Migration
MF – Microfinance
SE–Social Enterprises
SDP – Skills Development Programme
UDP–Urban Development Programme
Uni–University
WASH–Water, Sanitation and Hygiene
UPG – Ultra–Poor Graduation
UPG–DI – Ultra–Poor Graduation–Disability Inclusive
WE SOLVE – Women Entrepreneurship through Solar Value chain for Economic development
YE – Youth Empowerment

STICHTING BRAC INTERNATIONAL MANAGEMENT AS OF 31 DECEMBER, 2019

MANAGEMENT BOARD

DR MUHAMMAD MUSA
EXECUTIVE DIRECTOR
BRAC International

SYED ABDUL MUNTAKIM
DIRECTOR
Finance
BRAC International

RUTH OKOWA
DIRECTOR
Africa Region
BRAC International

M ANOWAR HOSSAIN
DIRECTOR
Asia Region
BRAC International

SHARMIN SULTAN
DIRECTOR
Human Resources
BRAC International

DIRECTORS

SHAMERAN ABED
SENIOR DIRECTOR
Microfinance, Ultra Poor Graduation
BRAC and BRAC International

DIRK BROER BOOY
SENIOR DIRECTOR
Programme Development, Resource Mobilisation and Learning,
BRAC and BRAC International

HANS ESKES
DIRECTOR
BRAC International Holding B.V.

SONIA WALLMAN
DIRECTOR
Grant Management, Programme Development, Resource Mobilisation & Learning,
BRAC and BRAC International

KENNETH CAROL VAN TOLL
DIRECTOR
Institutional Fundraising and Partnership
BRAC International

MARJOLEIN VAN DEN HOVEN
DIRECTOR
Private Sector Fundraising
BRAC International

AUDREY AHWAN
DIRECTOR
Programme Development, Resource Mobilisation and Learning,
BRAC and BRAC International

MOUTUSHI KABIR
DIRECTOR
Communications and Outreach
BRAC and BRAC International

NANDA DULAL SAHA
DIRECTOR
Internal Audit
BRAC and BRAC International

MD SAJEDUL HASAN
DIRECTOR
Humanitarian Programme
BRAC and BRAC International

STICHTING BRAC INTERNATIONAL SUPERVISORY BOARD

Marilou van Golstein Brouwers
Chair (Appointed Chair to the Board on 7 April 2020, member since 28 March 2019)

Stichting BRAC International Supervisory Board
BRAC International Holdings B.V. Supervisory Board

Marilou van Golstein Brouwers is a former chair of the Management Board and founder of Triodos Investment Management BV, a subsidiary of Triodos Bank.

Ms Brouwers is an international entrepreneurial impact investment banker, with more than 30 years of experience in values-driven business and banking, with immense expertise on impact investing.

She started working for Triodos Bank in 1990 and was involved in the founding of Triodos Investment Management, of which she became the managing director in 2003. She was the chair of the Management Board from January 2015 to December 2018.

Ms Brouwers is currently active in a variety of roles. Within Triodos Bank, she is a member of several boards and involved in the start-up of the Triodos Regenerative Money Centre. She is also a member of the Board of Directors of the Global Impact Investing Network and the Special Working Group on impact economy by the Global Steering Group for Impact Investment. She is chair of the Supervisory Board of B Lab Europe and the Supervisory Board of Qredits, The Netherlands, one of the Women Entrepreneurs Finance Initiative Leadership Champions.

Ms Brouwers has served on the board of directors of banks in Uganda, Kenya, Tanzania, Russia, Afghanistan and Pakistan. She was a member of the Group of Advisors for the United Nations Year of Microcredit in 2004 and 2005, of the Executive Committee of CCAP (2003-2008), the Board of Trustees of Women's World Banking (2003-2012), the Advisory Committee of the Mastercard Foundation Fund for Rural Prosperity (2014-2017) and the Advisory Council on International Affairs Committee for Development Cooperation in The Netherlands. She was chair of SBI Limited (2011-2013), the Steering Committee of the Principles for Responsible Investment / Principles for Investors in Inclusive Finance (2011-2013) and the Advisory Board of Women in Financial Services in The Netherlands (2011-2016). She was also treasurer of the Max Havelaar Foundation (2008-2015).

Ms Brouwers studied business and economics at Erasmus University in Rotterdam.

Ameerah Haq
(Was appointed as the Board Chair on 6 August 2019 and resigned on 7 April 2020)

Stichting BRAC International Supervisory Board

Ms Ameerah Haq is the former UN under-secretary-general for the Department of Field Support. She held the position of under-secretary-general from 2009 till her retirement and was the senior-most Bangladeshi national in the United Nations during those years. She most recently served as the vice chair of the high-level independent panel on peace operations for the UN. She has over 39 years of UN experience including 19 years of field experience. She was the last special representative of the secretary-general (SRSG) in the UN Integrated Mission in Timor-Leste. She has also held the positions of deputy SRSG and UN resident coordinator in Sudan, as well as deputy SRSG and UN resident coordinator in Afghanistan. In addition, Ms Haq has held senior positions within the UN development programme and has served as UN resident coordinator in Malaysia and Laos.

Ms Haq currently serves on the Board for the Centre for Humanitarian Dialogue in Geneva, on the secretary-general's senior expert group on Human Rights Up Front, on the Board for the Peace Operations Training Institute, Williamsburg, Virginia. She is also a special advisor to the United Nations Foundation in Washington and a member of the Special Advisory Group of the Challenges Forum of the Folke Bernadette Academy of Sweden. Ms Haq lectures frequently at many universities and speaks at seminars hosted by think tanks and non-governmental organisations.

During her service in the UN, Ms Haq was awarded the highest Presidential Medal in East Timor by President Jose Ramos Horta, the highest civilian medal of the Lao People's Democratic Republic and the Malalai Medal of Honor from President Hamid Karzai of Afghanistan, which is among the highest civilian honors given for courage and dedication. She is also the recipient of the Julia Taft Outstanding Humanitarian Service Award during the time she served as humanitarian coordinator for her work in Darfur, Sudan.

Ms Haq received a bachelor of science degree in psychology from Western College for Women in Oxford, Ohio in 1969. She subsequently went on to receive a master of science degree in Community Organization and Planning from Columbia University, New York in 1972, and a master in business administration from New York University in 1974.

Sylvia Borren
Vice Chair

Stichting BRAC International Supervisory Board

Sylvia Borren has worked all her life within and for civil society organisations, both professionally and as a volunteer.

She was part of the Dutch and global women's and sexual rights movements (COC, ILGA, IWC for a just and sustainable Palestinian-Israeli peace) and is now advisor to the UN Women National Committee Netherlands and ATRIA (the Institute on gender equality and women's history). Ms Borren was part of the anti-poverty movement (director of Oxfam Novib 1994-2008, co-chair of the Global Call to Action against Poverty and EEN) and is now the Vice Chair of the Stichting BRAC International Supervisory Board.

She was on two national governmental advisory commissions (for Youth Policy and the Advisory Council on International Affairs), co-chair of the Worldconnectors (a Dutch think tank), on the board of a large mental health institute (Altrecht), worked as an organisational consultant with De Beuk for many years, led the project Quality Educators for All with the trade union Education International, and continues to be a member of the Worldconnectors.

Ms Borren was recently director of Greenpeace Netherlands (2011-2016), part of the Forest Stewardship Council Netherlands, and is now on the advisory commission of Staatsbosbeheer, which manages nature reserves.

She is now a freelance consultant at 'Working for Justice' and a senior adviser for Governance & Integrity.

Dr Debapriya Bhattacharya
Member

Stichting BRAC International Supervisory Board

Dr Debapriya Bhattacharya, a macroeconomist and public policy analyst, is a Distinguished Fellow at the Centre for Policy Dialogue (CPD), Dhaka, where he was its first Executive Director. He was the Ambassador and Permanent Representative of Bangladesh to WTO and UN Offices in Geneva and Vienna and former Special Advisor on LDCs to the Secretary General of UNCTAD. Earlier, he was a Senior Research Fellow at the Bangladesh Institute of Development Studies (BIDS).

He studied in Dhaka, Moscow, and Oxford. Visiting positions held include Senior Fulbright Fellow at the Center for Global Development, Washington DC. He serves on the boards and working groups of various leading institutions and editorial boards of reputed journals including Oxford Development Studies. He was General Secretary of the Bangladesh Economic Association for three consecutive terms.

Dr Bhattacharya chairs the Southern Voice, a network of 50 think tanks from Africa, Asia, and Latin America, dedicated to following up and reviewing the implementation of the Sustainable Development Goals (SDGs). He led the pioneering multi-country studies on shaping the 2030 Agenda of the United Nations, data deficits of SDG monitoring, and early signals of SDG implementation in the developing countries. He also chairs LDC IV Monitor, an independent partnership of eight international organisations and academic institutions engaged in monitoring the outcome of the fourth United Nations Conference on the Least Developed Countries.

He serves as the Convenor of the Citizen's Platform for SDGs, Bangladesh - a platform of more than 100 NGOs and private sector bodies, seeking to contribute to the delivery of the SDGs at the country level.

He recently edited the volume Bangladesh's Graduation from the Least Developed Countries Group: Pitfalls and Promises, Routledge (2018); Southern Perspectives on the Post-2015 International Development Agenda, Routledge, London (2017); team leader of the study Quest for Inclusive Transformation of Bangladesh: Who Not to be Left Behind (2017).

Parveen Mahmud FCA
Member

Stichting BRAC International Supervisory Board
BRAC International Holdings B.V. Supervisory Board

Parveen Mahmud, in her varied professional career has worked with social innovations, entrepreneurship, and sustainable development. Ms Mahmud started her career with BRAC, and has worked with international NGOs and development agencies. She was the deputy managing director of PKSF, Bangladesh's apex funding organisation for Microfinance Institutes. She is the founding managing director of Grameen Telecom Trust.

She was a partner in ACNABIN & Co, Chartered Accountants. She is the first female president of the Institute of Chartered Accountants of Bangladesh (ICAB), as well as the first female board member of the South Asian Federation of Accountants (SAFA), the apex accounting professional body of SAARC. She is the chairperson of CA Female Forum - Women in Leadership Committee, ICAB and is the vice chairperson of the Women in Leadership Committee of SAFA.

Ms Mahmud sits on numerous boards, including Stichting BRAC International, Apex Footwear Ltd, Grameenphone Ltd, Linde Bangladesh

Ltd, Manusher Jonnyo Foundation, Transparency International Bangladesh, and Centre for Policy Dialogue. She is the chairperson of UCEP Bangladesh, Shasha Foundation, and was chairperson of MIDAS, Shasha Denims Ltd, and Acid Survivors' Foundation. Ms Mahmud is also a member of the International Chamber of Commerce, Bangladesh. She was a member of the National Advisory Panel for SME Development of Bangladesh, founding board member of SME Foundation, and Convenor, SME Women's Forum.

Ms Mahmud is the recipient of Ananynna Top Ten Women - 2018 Award, Women at Work - 2017 Award from Bangladesh Association of Software and Information Services, and Women of Inspiration Awards 2017 from the Bangladesh Organisation for Learning & Development. She received the Begum Rokeya Shining Personality Award 2006 for women's empowerment from Narikantha Foundation.

Shabana Azmi
Member

Stichting BRAC International Supervisory Board

Shabana Azmi is an internationally celebrated film and theatre actress. She has won five national and five international awards for best actress.

She is a highly respected social activist and tireless campaigner for the rights of women, slum dwellers, and the underprivileged. She heads the Mijwan Welfare Society (MWS), an NGO that works for empowerment of the girl child in rural India. MWS works on education, primary health and sanitation, skill development, and employment generation.

Ms Azmi was nominated to The Rajya Sabha by the President of India in 1997. She is a recipient of the Padmashri and Padma Bhushan. She was awarded the Gandhi International Peace Prize in 2006. At the bicentennial celebrations of international human rights in Paris in 1989, she was honoured along with Mother Theresa by President Mitterand of France. She also won the Crystal Award at the World Economic Forum 2006. She has been conferred five Doctorates by renowned universities, both national and international. She has received the prestigious Martin Luther King, Rosa Park, and Chavez Awards and is a visiting professor at the University of Michigan. A former UN Goodwill Ambassador for Population and Development, she continues to work on issues of public health. She has recently been nominated as Global Leadership Ambassador for Women in Public Service Project initiated by Hillary Clinton.

Victoria Sekitoleko
Member

Stichting BRAC International Supervisory Board

Victoria Balyejusa Sekitoleko is a former Minister of Agriculture in the Ugandan government. She was a representative of the United Nations Food and Agriculture Organization (FAO) in China, Mongolia, and South Korea, and previously served as the FAO's representative in Ethiopia to the African Union and to the Economic Community for Africa.

Ms Sekitoleko is currently the chair of the governing board of the Uganda Agribusiness Alliance, which unites all those involved in the industry to optimise their ability to profitably and sustainably pursue the many global opportunities in the world's largest industry.

In 2010, Victoria founded the Uganda Community Cultural Center which trades as Speakers Forum. This trains professionals to become skilled presenters and also supports community libraries.

Ms Sekitoleko was educated at Makerere University in Kampala, where she attained a BSc in Agriculture majoring in Farm Management and Extension.

Gregory Chen
Member

Stichting BRAC International Supervisory Board
BRAC International Holdings B.V. Supervisory Board

Gregory Chen has worked on financial inclusion for 25 years, with most of his work spanning across South Asia. His work focuses on hands-on advisory and implementation with microfinance institutions and, for the past decade, with newer players in digital finance. This has included work with digital players like bKash, Wave Money and also development organisations including the Aga Khan Development Network, BRAC, and Dvara. His work has included deep technical engagements with more than a dozen financial sector regulators. He has also worked as a corporate banker at Bank of America and with the financial services consulting firm Enclude.

Mr Chen is a member of CGAP's management team and oversees CGAP's policy Engagement. He focuses on helping policy makers adapt to the rapid change in the world of financial services brought on by technology, and particularly to ensure that financial systems can responsibly reach the disadvantaged.

Mr Chen is a regular speaker on microfinance and digital finance at the Boulder Institute for Microfinance, BRAC University, Johns Hopkins, Tufts University, Yale University, and American University, among others. He has a master's degree in international development from Harvard Kennedy School and a bachelor's degree from Wesleyan University.

GROUP FINANCE AND AUDIT COMMITTEE

Composition of the present finance and audit committee is as follows:

- Parveen Mahmud FCA, Chair
- Dr Muhammad Musa, Member
- Syed Abdul Muntakim, Secretary
- Sylvia Borren, Member
- Hans Eskes, Member

The primary function of the finance and audit committee is to assist the governing board in fulfilling its responsibilities on the:

- Financial reporting and budgeting processes
- System of internal controls and risk assessment
- Compliance with legal and regulatory requirements
- Qualifications, independence, and performance of the external auditors
- Qualifications, independence, and performance of the internal auditfunction

BRAC UGANDA GOVERNANCE AND MANAGEMENT

Country Advisory Council Members

Hon Justice Augustus Kania	Chairperson
Dr. George Owuor Matete	Secretary
Okaasai .S Opolot	Member
Dr Sabrina Bakeera Kitaka	Member
David T Baguma	Member
Margaret Musana Akora	Member
Jimmy Onesmus Adiga	Member

Country Management Team

Dr. George Owuor Matete	Country Director
Nakibuuka Rachael Mugabe	Head of Human Resource
Tabu Francis Drachi	Programme Manager, Education & Youth Development
Nazim Khalifa Uddin	Head of Finance
Kyokusiima Jane	Manager Fundraising and Proposal Development
Mukisa George	Manager, Internal Audit
Anywar December Walter	Manager, Monitoring and Evaluation
Inshallah Franco	Programme Manager, Health
Nazia Sharmin	Project Manager, Play Lab
Madalitso Lackson Munthali	Programme Manager, Ultra–Poor Graduation

DEVELOPMENT PARTNERS

DISABILITY INCLUSIVE GRADUATION

According to the World Bank, one billion people, or 15% of the world's population, experience some form of disability. 80% of the people with a disability live in developing countries, and most live below the poverty line. People with disabilities are poorer, and suffer more discrimination, exclusion and violence than the general population (ICAI 2018). In Uganda, 12.4% of the population have a disability (UBOS, 2016). Under-investment in disability inclusive development, a lack of rigorous evidence on the scope of the challenge, and weak capacity and accountability of development actors is stymying progress.

OUR APPROACH

BRAC's Ultra-Poor Graduation approach is a comprehensive, time-bound, integrated and sequenced set of interventions that aim to enable ultra-poor households to achieve key milestones towards sustainable livelihoods and socio-economic resilience, in order to progress along a pathway out of extreme poverty. BRAC Uganda, in partnership with Humanity & Inclusion and National Union of Women with Disabilities of Uganda (NUWODU) are implementing the Disability Inclusive Graduation (DIG) project, under the Ultra-Poor Graduation (UPG) programme, in Northern Uganda. Through building the capacity of existing poverty reduction and social protection actors and developing evidence and best practice, we help catalyse UPG programming in the country and beyond. Our DIG project aims to help 2,700 people aged 15-64 living in ultra-poverty, of those a minimum of 405 (15%) people are with disabilities. Our intervention takes place in four districts of Uganda: Kiryandongo, Gulu, Nwoya, and Oyam. We work closely with the Ministry of Gender, Labour and Social Development throughout this project.

HIGHLIGHTS

89% of the **1,650** project participants in the pilot UPG project graduated from ultra-poverty

In June of 2019, livelihood assets distributed increased by the following points: 138%, pigs 673%, chicken 46% and small business 5%

97% (1,601) of targeted youths had at least 2 income sources

2,929 of the targeted youths and their families received healthcare subsidies

98% of families are able to eat 2 meals a day.

99% of youth are able to name 5 out of 7 improved WASH behaviours.

1,555 of 1,650 active monthly savers in 101 Village Savings and Loans Associations (VSLAs) with 79 VSLAs registered at district and subcounty levels.

MOVING FORWARD

The programme will increase the skills and knowledge of civil society and government actors in Uganda resulting in enhanced capacity & accountability to implement disability inclusive development. We will implement a Monitoring, Evaluation, and Learning (MEL) system to identify, verify, and share results internally and externally with other poverty reduction and social protection actors. This intervention will include: a digital data gathering system, an external evaluation to verify results, and process documentation to explain how results were achieved.

DREAMS OF A SECURED LIFE

Aceng Jannette is a 36-year-old mother of 3 children, she lives in Kigumba, Kiryandongo, Uganda. She used to work in the night shift in a timber producing company which took a physical toll on her. She shifted to working at a restaurant for a daily income of Ugandan Shilling 1,000 (USD 0.27). She met her husband while working there and left the job once she became pregnant. They faced extreme poverty, went without food for days and their children often fell sick due to malnutrition and poor living conditions.

Jannette and her husband got introduced to BRAC Uganda when the team held a meeting in the community to help the most impoverished people through the UPG programme. Groups of people from the community went through rigorous training on managing livelihood assets, improved agriculture practices and group savings. After the training, they received a monthly stipend of Ugandan Shilling 60,000 (USD 16.18).

Jannette saved Ugandan Shilling 50,000 (USD 13.5) every month to manage her finances better and take care of the family expenses. BRAC team also provided her with potato vines, a pig, and a goat to help her start her own agriculture business. This was only the beginning of the turning point in her life.

Jannette and her husband are now proud owners of 6 businesses, including a restaurant and a unisex salon. They have also invested in 3 boda bodas (motorcycles). "I am grateful to BRAC Uganda for helping us become self-sufficient," she says. "I dream of securing an insurance policy for my three children, and building a brick house for my family."

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

10 REDUCED INEQUALITIES

EARLY CHILDHOOD DEVELOPMENT

The ripples from the civil war and the Ebola epidemic are still apparent in Liberia. During the conflict many schools were damaged or destroyed, teachers sought refuge in other countries while children emigrated with their parents to neighboring nations to continue their education. More than 2 million children under the age of 18, and their journey to adulthood is not an easy one. Liberia's education system lags behind most countries, in both access and quality. Girls' education is also negatively affected by the lack of toilets and bathrooms.

OUR APPROACH

Our Early Childhood Development (ECD) programme is an investment towards breaking intergenerational cycles of poverty and facilitating economic growth. We provide early learning opportunities through a low cost and play-based early learning model. Our Play Labs are safe play spaces, providing cost effective local learning materials to children in marginalised communities. Our goal in Uganda is to ensure physical, cognitive, language communication and social-emotional development of children under-5 through play in a joyful, creative and child friendly environment.

MOVING FORWARD

Going forward, we will initiate the play-based ECD programme in refugee settlements and contribute to the national goal and priorities on ECD by establishing more Play Labs, and conduct training sessions for Play Leaders and caregivers on play-based learning.

HIGHLIGHTS

Established **70** Play Labs in 57 government primary schools, and 13 community ECD centres targeting 3-5 year olds, with a total enrolment of 2,174 children (girls: 1,102, boys: 1,072)

ECD services extended for **4,776** children (girls: 2,414, boys: 2,362) aged 5-8 years

111 Play Leaders and **120** lower primary teachers trained on play based pedagogy/ learning

2,269 children (girls: 1,204, boys: 1,065) have been mainstreamed into primary schools

3,345 parents trained on parenting and knowledge on ECD

Developed a "parenting manual" for the parents of 5-8 year olds. The manual is meant to enhance parental knowledge on child growth and development, importance of learning through play, and child learning process to improve their attitude towards ECD and education.

CHANGING LIVES PLAYFULLY

Birungi Rukia is a 35-year-old Play Leader teaching at our play lab at Narwara Islamic Primary School. She is a single mother of two boys, and lives in Narwara village, Luwero district, Uganda.

She completed her education up to Ordinary Level in 2001 and gave birth to her first son soon after. In order to look after her son, she ventured into a small-scaled grocery business which did not last for long. In 2009, she got married and had her second son. Unfortunately, the marriage fell apart and she resorted back to petty businesses to look after her two children.

In 2018, BRAC Uganda organised a meeting to sensitise the Narwara community members on play-based learning. Rukia was intrigued to learn about the ECD model, training opportunities, and how parents can also get involved.

Rukia decided to join one of the training offered by the ECD programme. She learnt how to make play materials, lesson plans, learning aids, and importance of child centered teaching, play-based learning, and how to provide emotional support to students.

The community leaders encouraged Rukia to start teaching at the community based Play Lab. "I love teaching and spending time with young children but was scared to apply," Rukia says. The Head Teacher of Narwara Primary School supported her to make the right decision of becoming a Play Leader.

"The students are lively, smart, and eager to learn, they are the reason why I want to come to the Play Labs and teach them," Rukia says. "The Play Lab project has changed my image in the community. Parents now trust and respect me. They are amazed by the practical learning we offer to their children. I am forever grateful to BRAC Uganda for this life changing experience".

SUSTAINABLE DEVELOPMENT GOALS

4 QUALITY EDUCATION

EMERGENCY PREPAREDNESS AND RESPONSE PROGRAMME

Localised flooding and landslides as a result of heavy rains can occur throughout Uganda particularly during the rainy seasons of March to May and October to November. Floods alone impact nearly 50,000 people and over $62 million in gross domestic product every year. Uganda also hosts over 1.3 million refugees and is expected to receive more in 2019. Uganda is also an earthquake zone.

OUR APPROACH

BRAC Uganda has identified humanitarian response capacity building of refugee settlements as a critical priority that is achieved through partnership and enabling local ownership. Principles of inclusion, diversity and do no-harm are integrated in BRAC Uganda's Emergency Preparedness and Response Programme (EPRP) operates with special focus on persons with disabilities, women, children, older-people, and youth. With the 'build back better' approach, the strategy contributes to global and national humanitarian compliances and support south-south humanitarian alliances to demonstrate that systematic local humanitarian leadership development can shift power to local actors. The objective of the project is to build disaster preparedness and emergency response capabilities of local actors, vulnerable communities, institutions and BRAC Uganda's EPRP programme in 2 settlements including 2 schools.

MOVING FORWARD

BRAC Uganda is committed to continuing the expansion of the programme by incorporating Mental Health and Psychosocial Support (MHPSS) awareness building and emergency response training as well as disease prevention and hygiene, particularly in light of the current COVID-19 situation. Furthermore, we are looking to ensure the sustainability of the project in the communities we are currently working in so that we can begin to explore expansion opportunities. Finally, we are also working towards the addition of a livelihoods component whereby shock resistant and disaster prepared communities can work towards self-sufficiency.

HIGHLIGHTS

235 students trained in disaster preparedness, first aid, and search and rescue

83 teachers and education department officials trained in disaster preparedness, first aid, search and rescue, and simulation

726 community members and volunteers trained in disaster preparedness, first aid, search and rescue, and simulation

250 community volunteers, students, and district officials trained in Ebola prevention

120 BRAC staff trained in disaster preparedness, first aid, search and rescue.

Strengthened capacity, resilience, and preparedness of **2** schools, **2** communities, and **2** local governments

104 community volunteers formed 2 in disaster preparedness committees in their settlements

A SURVIVOR AND A SAVIOR

Beatrice Loana is a community volunteer working with BRAC Uganda in Kiryandongo Refugee settlement. In 2019, under the Emergency Preparedness and Response Programme (EPRP), she was one of the selected Trainer of the Trainers (ToTs) among the Community mobilisers.

Beatrice is a refugee, coming from the war-torn South Sudan. "We lost 4 people while fleeing when the war broke out and many lost their lives as well since we could not rescue them or provide first aid to the injured ones," she says. "Being an Emergency Team Volunteer with BRAC Uganda has been one of the best achievements as a young girl who dropped out of school. I feel privileged to be able to help my community," she adds.

BRAC Uganda provided her with training on first aid, search and rescue, and simulation. The training equipped her with the necessary skills and knowledge on how search and rescue groups work. She is now more confident and better prepared to help her community members in case of any disasters or emergencies.

Beatrice shares that she is grateful to BRAC and Uganda Red Cross Society for the training that she has received since she can now save lives and help rebuild her community which became her new home.

GOAL

Only 1 in 4 children who start primary school makes it to secondary school[1]. Around 40% of students are literate at the end of primary school. Children with disabilities are largely excluded from formal schooling because of shortages of special needs teachers and facilities. Early marriage, teenage pregnancy, abuse at schools and school fees keep many teens, especially girls, out of secondary schools.

OUR APPROACH

The GOAL project is a community investment initiative which uses sports and life skills education to transform the lives of adolescent girls and young women. The programme empowers adolescent girls living in urban and rural settings for personal and economic development, provides knowledge and offers safe places to play. The project is being implemented in all the branches of Mbarara, Mukono, and Kampala. GOAL sessions include a mix of modules that cover topics such as communication skills, health and hygiene, freedom, rights and financial literacy. Participants are young women from urban or rural communities between the ages of 9-25 years, who are either in or out of school and who subsist on a low family income.

MOVING FORWARD

The proposed pilot for the self-study/training model will aim at bridging the gap for the period lost for the GOAL sessions during the COVID-19 lockdown. Our main focus will be on the first module of GOAL "BE YOURSELF"; the self-training will be conducted for a period of 6 six weeks by the participants themselves and this will then be evaluated through a refresher training conducted by our coaches to assess their level of understanding. If this is successful it will help us achieve our objectives. Our coaches will be monitoring and making follow ups of these self-study sessions through phone calls and visits to the participants' homes within their areas of residence while maintaining social distancing.

HIGHLIGHTS

5,573 adolescent girls and young women were recruited to participate in the fourth phase of the GOAL project in 2019

28 branch-level GOAL events were conducted, over 2,853 girls participated in "Be Yourself", "Be Healthy" and "Be Empowered" modules

Community awareness sessions were conducted in all branches, involving more than **425** adolescents. The activities involved sweeping, mopping, cleaning drainage systems, and collecting garbage from hospitals, schools, trading centers and churches.

GOAL impact study was conducted from the 12-19 July, 2019 in Kayunga, Isingiro, Mbarara, Kisaasi, and Kasubi branches. The activity was conducted by a team of researchers of Makerere University School of Gender, and Women Win.

PAVING THE PATH TO A BRIGHTER FUTURE

Irene Ayiya, 23, was born in Naguru. Her father was a watchman involved with several women. Ayiya's mother was a sex worker. Ayiya's mother abandoned her with her father when she was only one-year old.

Ayiya lost her father when she was 4. Her relatives were not willing to take her responsibility and she was later taken under her step sister's guardianship. Ayiya's brother-in-law paid for her school fees until primary-five, soon after, he passed away as well. Her sister managed to push Ayiya's education up to primary-seven.

Ayiya joined BRAC Uganda's GOAL project in 2016, where she received counselling, livelihood and skills training. In 2018, she graduated from the project and BRAC Uganda gave her 1 million Ugandan Shillings (USD 269), which she used to start up her first business. Ayiya managed to save enough money which she used to initiate her dream of completing her education. She then pursued a certificate in Early Child Development (ECD) and is now a teacher at Samaritan Kindergarten and Daycare in Namugongo, Kampala, Uganda.

Ayiya shows gratitude to BRAC Uganda for bringing her positive life changes. She appreciates all the lessons she learned and opportunities she received while she was a part of the GOAL project.

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

HEALTH

One of the biggest challenges for Uganda is inadequate healthcare centres and resources. There is only only one doctor for every 8,300 Ugandans. With 70% of doctors practicing in urban areas, where only 20% of the population lives, the coverage in rural areas is much worse: one doctor for every 22,000 people. The lack of medicines and equipment are evident with long waiting time, negative attitude, and inadequate referrals.

OUR APPROACH

BRAC Uganda's Health programme seeks to complement government efforts by empowering Community Health Promoters (CHPs) to deliver critical maternal and child health services to communities living in the last mile. The three main objectives of our Health programme are: i) lower morbidity and mortality among children under-five from preventable diseases, and treat them at a low cost, ii) improve access to a wide range of basic health products in poor, rural areas, and iii) improve the micronutrient intake of children under-five. Our CHPs work to prevent malaria and provide pregnancy-related care (antenatal and postnatal care), basic curative care, family planning, immunisation, health and nutrition education, including safe water, sanitation, personal hygiene, nutrition, HIV/AIDS, tuberculosis and acute respiratory infections. The CHPs are all women and selected from their communities and they are also able to generate income through this intervention.

HIGHLIGHTS

BRAC Uganda health program registered **15,000** new pregnant women through **3,200** CHPs of which 86% completed the mandatory four ANC visits

Of the **38,000** pregnant women under care, **99%** had institutional deliveries

The CHPs assessed at least **200,000** under-five sick children of which **68%** were treated for malaria, pneumonia, and diarrhea respectively

MOVING FORWARD

We will continue to strengthen our community health work implementation in both the public and private sector, in stronger collaboration with the Government of Uganda through the Ministry of Health. To do this, we are partnering with UNCDF and UNICEF to support government community health workers to be able to report using a digital platform. For the private sector we are strengthening the same digital platform to be more robust, integrated, and aligned with the government District Health Information System (DHIS2).

WALK A MILE IN MY SHOES

I am Nakato Grace, a 42-year-old resident of Bugembe Town Council in Jinja district, Uganda. At the age of 18, I got pregnant while studying in senior two. My parents refused to take my responsibility and urged me to go to the man who had impregnated me. I suffered abuse from him until I decided to leave his house. Due to my financial situation, I could not start any business and support myself at the time.

In January 2007, the chairperson of women affairs in my community was mobilising villagers for a meeting organised by BRAC Uganda. She mentioned that BRAC Uganda empowers women by giving them loans that can be refunded within a period of 9 months. I was intrigued to be a part of such an initiative. I joined BRAC Microfinance and got a loan of Ugandan Shilling 300,000 (USD 83). I started looking for opportunities how I can best make the investment, and soon after I got the opportunity to join as a Community Health Promoter (CHP) for BRAC Uganda Health programme in August 2007.

Through the CHPs training, I acquired knowledge that has greatly improved my life. I make profit from providing health products such as SaTo pans, reading glasses, and solar light bulbs in vulnerable communities. Working as a CHP allows me to treat my family and community members. I have made friends and met different people. It gave me recognition from the community and as a single mother. Most importantly, I am now able to support my children's education.

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

.

MASTERCARD FOUNDATION SCHOLARS' PROGRAMME

Uganda faces major challenges in providing quality and accessible basic education to children and adolescents. Secondary education is still inaccessible to most adolescents with less than 24% of them enrolled at this level. Early marriage, teenage pregnancy, abuse at schools and expenses keep many teens, especially girls, out of secondary schools. The school environment also plays a role in keeping children out of education, with inadequate learning environments and washrooms. Furthermore, despite a ban on corporal punishment, sexual and physical abuse still prevails. Approximately 24% of Ugandan children have experienced sexual abuse in schools.

OUR APPROACH

BRAC Uganda with support from Mastercard Foundation does enrolment and placement of scholars in the top 100 best schools of the country with good facilities that enables conducive learning with access to educational materials that promote quality education and holistic development of our scholars. The Mastercard Foundation Scholars' Programme at BRAC Uganda promotes gender equality by providing an enabling environment and competitive criteria, and also striving to ensure at-least 60% enrolment of girls.

MOVING FORWARD

The programme is set to end in 2020. Therefore, we look forward to documenting success and impact stories, learning, and sharing with the world what works and what doesn't. BRAC Uganda will continue to support students to attain good grades and increase the transition rate through digital learning content and other reading materials relevant for them.

HIGHLIGHTS

5,449 scholars have been successfully selected and enrolled on to the programme

3,245 scholars have graduated from the programme (completed their secondary education) and have been supported to transition into university

The programme has partnered with **86** top performing schools in Uganda, and with **92** teachers working in these schools

Established a National Alumni Platform, which is a registered association, to ensure continuity of the long-term programme impact through the alumni network

Scholars transitioning to universities and other tertiary institutions, get placements in the job market through our programme recommendations and exposure through the internship opportunities

Scholars engage in community projects such as environmental conservation through planting trees

TRUE ACCOMPLISHMENT IS IN GIVING BACK

Ngolobe Wilberforce is one of the 1,153 alumni who graduated from BRAC's Mastercard Foundation Scholars' Programme in 2019. He was orphaned at a very young age and since then lives with a distant relative in Busia district, East of Kampala, Uganda.

As a fresh graduate, his next goal was to concentrate on how he could pay back to society by utilising the skills he had learned in the community service workshops during the programme.

"I engaged the youth in my community in a tree planting project to help contribute to conserving our environment," he says. "Our local youth groups called the Nangwe Youth Group, took on more projects like garbage collection and recycling plastics."

He had also led the Nangwe Youth Group to sensitise the communities in Busia on the precautionary measures against COVID-19. Furthermore, they made 200 litres of liquid soap which they distributed to about 987 households in Busia using small water bottles.

"I thank BRAC Uganda and the Mastercard Foundation for the community service workshops which equipped me with the knowledge and skills to make liquid soap and paper bags. I can now pass these skills to the youth of my community," he adds.

Wilberforce says that the aim of his projects is to engage, uplift and empower the youth in his community. He got recognised for his positive contributions to the community and got offered to co-host a youth programme called Children's Voice as a volunteer in a community radio station named Jogo FM. Additionally, he is doing an internship at Madibira Primary School and aspires to pursue a career in Civil Engineering.

SUSTAINABLE DEVELOPMENT GOALS

4 QUALITY EDUCATION

5 GENDER EQUALITY

YOUTH EMPOWERMENT

Secondary education is still inaccessible by most adolescents, with less than 24% of youths enrolled at this level. Early marriage, teenage pregnancy, abuse and expenses keep many teens, especially girls, out of secondary schools. Schools lack adequate learning environments and washrooms, sexual and physical abuse still prevails. Among 18-24 year olds, 1 in 3 females (35%) and one in six males (17%) experienced sexual abuse during their childhood.

OUR APPROACH

BRAC Uganda's Empowerment and Livelihood for Adolescents (ELA) model, under the Youth Empowerment programme, is designed to empower adolescent girls and young women between 13-19 years. These youths are empowered with innovative livelihood and life skills, combined with financial literacy, and education on sexual reproductive health.
The objective of our intervention is to create confidence, a sense of self-worth, cause positive behavioral change and improve the quality of lives for young girls. ELA is a platform that provides adolescents (both girls and boys) and young women out of school with safe spaces through our ELA clubs for social protection and livelihood empowerment. Furthermore, we provide our participants with education on violence against children (VAC), linkages to health facilities to access sexual reproductive health (SRH) services, such as family planning, treatment of sexually transmitted diseases, gender-based violence (GBV) services, provision of condoms, and antenatal and postnatal care. The ELA clubs are linked to government programmes through sub-counties, districts and other community-based organisations that provide psychosocial therapy and counseling.

MOVING FORWARD

The project looks forward to integrating information and communications technology (ICT) in our existing model, creating a holistic integration and synergy. We aim to reach adolescents in vulnerable situations in hard-to-reach areas, support and improve the economic wellbeing of the participants through entrepreneurship skills, business skills, financial literacy training and linkages to markets for the products.

HIGHLIGHTS

With funding from NORAD, ELA supported **200** participants with life-skills, livelihood training, vocational training and startup kits to start small scale businesses like hairdressing, tailoring, catering, restaurants and sweater making

With funding from UNFPA, ELA covered 24 districts under **40** branch offices as of 2019

We reached **17,195** adolescents through **616** "safe spaces" in the project areas of **24** districts in 2019

3,972 adolescents received livelihood training while 1,048 were equipped with start-up kits

Through the ELA project, we created community awareness, did radio talk shows, and conducted engagement activities on GBV, HIV, VAC

Community SRH outreach, special parents, elders forums on alcoholism and drug abuse & mothers forum were also conducted

Created 21 boys' clubs in **7** districts of Karamoja to advocate against GBV against girls and to help curb the spread of HIV/AIDS under the KARUNA programme

YARN FOR SUCCESS!

Harriet Kantono is an 18-year-old from Bulamagi, Iganga, Eastern Uganda. In 2018, she joined one of BRAC Uganda's ELA clubs where she learned about sexual reproductive health and was equipped with livelihood skills that include financial literacy, and crafting skills such as knitting sweaters.

In December 2019, she graduated from the club and was provided with a start-up kit from BRAC Uganda. The kit included a sweater knitting machine and knitting materials. BRAC also provided her with a house for rent where she can set up her business.

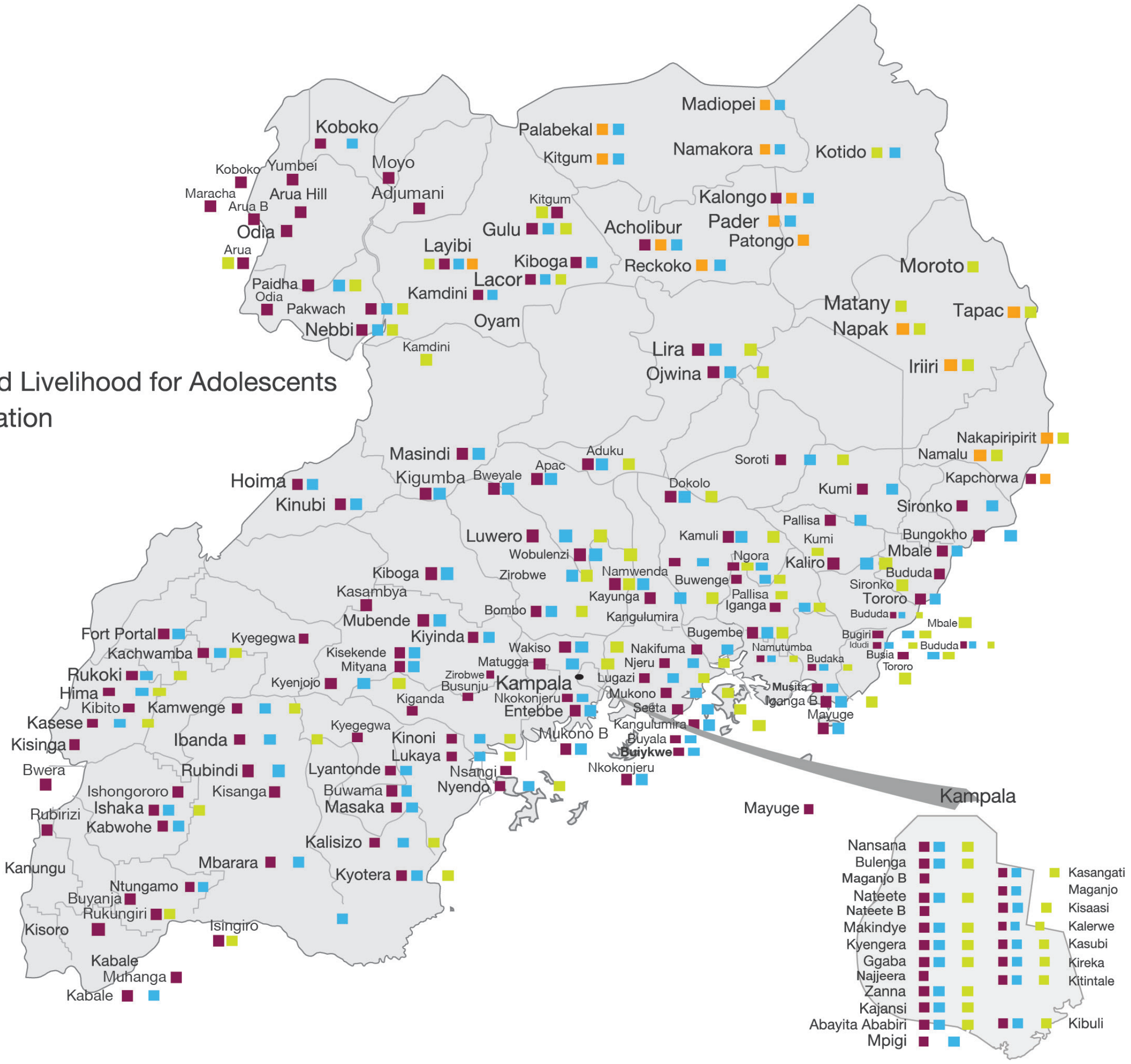
"I am very happy with the turn my life has taken with the help of BRAC. I can see my business grow and one day make my dreams come true," she expresses.

Harriet now lives off the livelihood skills that she has learned from the EELAY club. In less than 3 months of her graduation she secured a contract with one of the biggest primary schools in Iganga, to make sweaters for its students.

SUSTAINABLE DEVELOPMENT GOALS
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

PROGRAMMES IN BRAC UGANDA

- Health
- Education
- Microfinance
- Empowerment and Livelihood for Adolescents
- Ultra-Poor Graduation



FINANCIALS

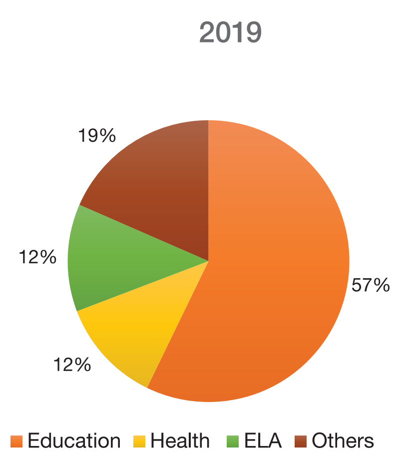
OPERATIONAL AND FINANCIAL HIGHLIGHTS-NGO

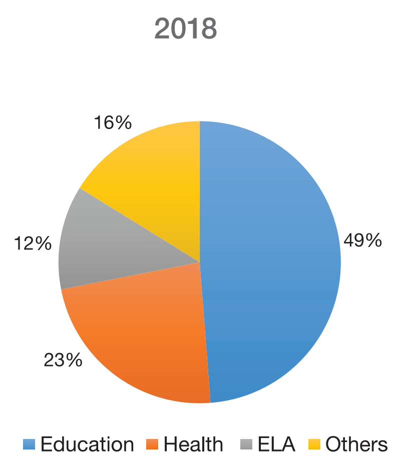
BRAC Uganda received grants amounting to USD 10,863,863 in 2019 as compared to USD 16,275,968 in 2018. Total Project expenses utilized for the year were USD 14,600,404 (USD 16,388,153 in 2018) which represents a decrease of 11%. Out of the total expenses, majority are expensed in Scholarship program supported by Master Card Foundation. The expenses incurred for the major development programs are as shown below. Almost 90% of total expenditure is being used for direct program service with only 10% as administration expenses.

Total Equity as at 31 December 2019 stands at USD 11,176,705 as against USD 13,445,672 in 2018.

PROGRAMME COST BY NATURE OF PROGRAM (IN USD)

Programme	2019		2018	
	Amount	%	Amount	%
Education	8,351,887	57%	7,992,983	49%
Health	1,753,338	12%	3,792,039	23%
ELA	1,800,942	12%	1,953,490	12%
Others	2,694,237	18%	2,649,641	16%
Total	**14,600,404**	**100%**	**16,388,153**	**100%**





CONTRIBUTION TO GOVERNMENT EXCHEQUER (IN USD)

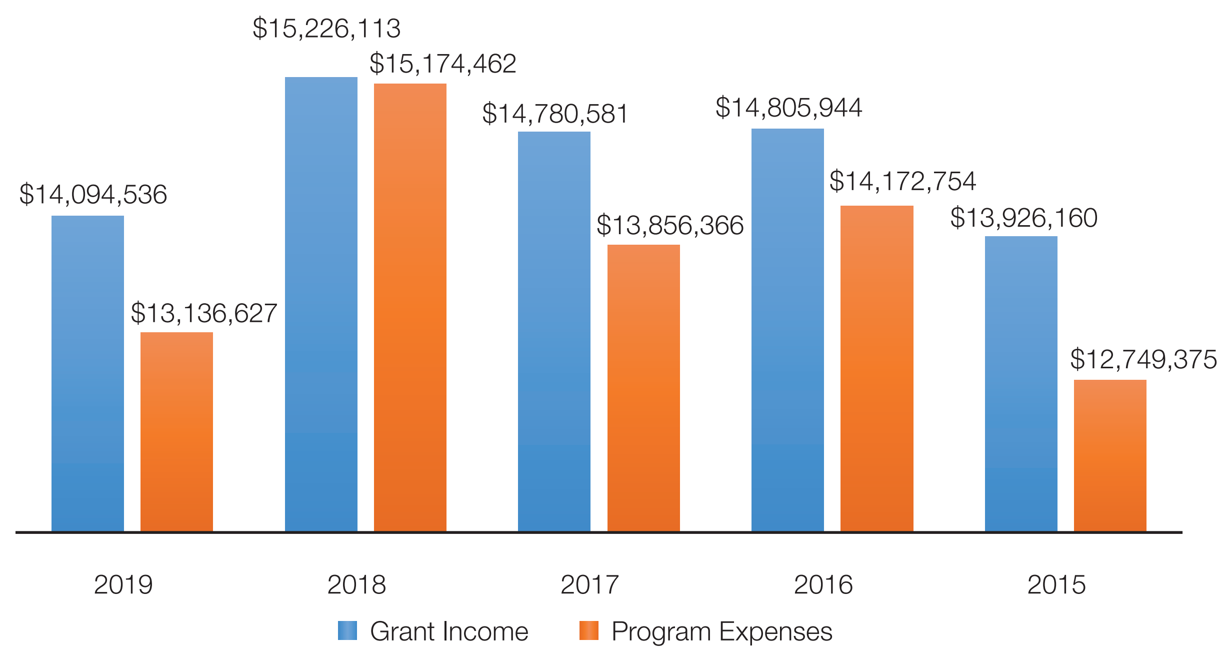
BRAC Uganda regularly contributes government exchequer through providing withholdings and deposition tax from its employees and suppliers and contributing to The National Social Security Fund (NSSF). Total contribution to government exchequer for the last two years as follows:

Particular	2019	2018
Withholdings tax	360,132	291,482
NSSF contribution	227,948	249,119
Total	**588,080**	**540,601**

PERFORMANCE REVIEW (IN USD)

	2019	2018	2017	2016	2015
Income Statement					
Grant Income	14,094,536	15,226,113	14,780,581	14,805,944	13,926,160
Other Income	822,717	1,538,217	2,030,853	1,156,550	713,406
Program expenses	13,136,627	15,174,462	13,856,366	14,172,754	12,749,375
Admin expenses	1,463,777	1,213,691	1,511,477	1,574,750	1,260,927
Financial Position					
Cash at bank	10,177,119	13,525,555	13,377,136	12,264,858	11,182,587
Net equity	11,176,705	13,445,672	13,824,180	12,283,405	11,841,142
Grant received	10,863,863	16,275,968	13,637,712	14,280,233	11,095,499
Operational Statistics					
No. Of Programs	8	8	8	8	8

GRANT INCOME VS PROGRAM EXPENSES (IN USD)



GRANT RECEIVED (IN USD)

BRAC UGANDA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS

Mr. Faruque Ahmed *	- Chairperson (Resigned on 14 July 2019)
Mr. Dr. Muhammad Musa *	- Chairperson (Appointed on 14 July 2019)
Lamia Rashid*	- Member (Resigned on 21 October 2019)
Ms. Ruth Okowa	- Member (Appointed on 21 October 2019)
Mr. Syed Abdul Muntakim*	- Member (Appointed on 21 October 2019)

ADMINISTRATORS

Ms. Hasina Akhter *	- Country Representative (Resigned 30 November 2019)
Mr. Francis Tabu Drachi	- Acting Country Representative (Appointed 1 November 2019)

*Bangladeshi

PRINCIPAL PLACE OF BUSINESS:	Plot 880, Heritage Road Nsambya P O Box 31817 Kampala Uganda
REGISTERED OFFICE:	Plot 880, Heritage Road Nsambya P O Box 31817 Kampala, Uganda
COMPANY SECRETARY:	Khalifa Nazim Uddin Head of finance, BRAC Uganda Plot 880, Heritage Road Nsambya, Kampala, Uganda

AUDITORS

KPMG
Certified Public Accountants
3rd Floor, Rwenzori Courts
Plot 2 & 4A, Nakasero Road
P O Box 3509
Kampala, Uganda

BANKERS

Standard Chartered Bank Uganda Ltd Plot 5 Speak Road P O Box 7111 Kampala, Uganda	Stanbic Bank Ltd 17 Hannington Road Crested Tower Building P O Box 7131 Kampala, Uganda	Bank of Africa Plot 45 Jinja Road P O Box 2750 Kampala, Uganda
Post Bank Uganda Ltd Post Bank House Plot 416 Nkrumah Road P O Box 7189 Kampala, Uganda	Dfcu Bank Plot 26, Kyadondo Road P O Box 70 Kampala, Uganda	Centenary Bank Mapeera House Plots 44-46 Kampala Road P O Box 1872 Kampala, Uganda
Tropical Bank Ltd Plot 27 Kampala Road P O Box 9487 Kampala, Uganda	Pride Microfinance Limited (MDI) Victoria Office Park, Block B, Bukoto, Plot 6-9, Ben Kiwanuka Okot Close P O Box 7566 Kampala, Uganda	Orient Bank Ltd Plot 6/6A Kampala Road P O Box 3072 Kampala, Uganda

The directors have pleasure in submitting their report and the audited financial statements of BRAC Uganda Limited ("the company") for the year ended 31 December 2019, which disclose the state of affairs of the company.

(a) Registration

BRAC Uganda Limited got incorporated as a company limited by guarantee on 18th September 2009 as an independent company. The Organization prior to incorporation was a component of BRAC Uganda which was first incorporated as BRAC Foundation in January 2006 and it commenced business in June 2006. In March 2007 the name was changed to BRAC through the registry of companies. Later Microfinance and Non-Microfinance programs got incorporated as independent companies in August 2008 and September 2009 respectively. The Organization was duly registered under the non-governmental organization registration statute (1989) on 19th March 2010 as BRAC Uganda.

The two entities effectively commenced trading separately on 01 January 2010 and therefore have separate financial statements for BRAC Uganda and BRAC Uganda Bank Limited. BRAC Uganda registered with the registrar of companies on 18th March 2010 as a company limited by guarantee under the names of BRAC Uganda ("the company").

(b) Vision

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realize their potential.

(c) Mission

The company's mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large-scale, positive changes through economic and social programmes that enable men and women to realize their potential.

(d) Our Values

Innovation - the company has been an innovator in the creation of opportunities for the poor to lift themselves out of poverty. We value creativity in programme design and strive to display global leadership in ground breaking development initiatives.

Integrity - the company values transparency and accountability in all our professional work, with clear policies and procedures, while displaying the utmost level of honesty in our financial dealings. The company holds these to be the most essential elements of our work ethic.

Inclusiveness - the company is committed to engaging, supporting and recognizing the value of all members of society, regardless of race, religion, gender, nationality, ethnicity, age, physical or mental ability, socioeconomic status and geography.

Effectiveness - the company values efficiency and excellence in all our work, constantly challenging ourselves to perform better, to meet and exceed programme targets, and to improve and deepen the impact of our interventions.

(e) Principal activities

The company provides charitable and welfare activities on non-profit basis, engages in poverty eradication, promotes women empowerment in rural areas, and provides sanitation and clean water and provides basic education for school dropouts in rural areas in over 64 districts in Uganda.

(f) Results from operations

The results for the company for the year ended 31 December 2019 are set out on page 47.

(g) Composition of Directors

The directors who served during the year are set out on page 38.

(h) Directors benefits

No director has received or become entitled to receive any benefits during the financial year.

(i) Corporate Governance

The directors are committed to the principles of good corporate governance and recognize the need to conduct the business in accordance with generally accepted best practices. In so doing the Directors therefore confirm that:

- The board of directors met regularly throughout the year;
- They retain full and effective control over the company;
- The board accepts and exercises responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance; and
- They bring skills and experience from their own spheres of business to complement the professional experience and skills of the management team.

In 2019 the board of directors had five directors. The board continued to carry out its role of formulating policies and strategies of the company, reviewing the business plan, ensuring that the accounting system is maintained in accordance with acceptable standards, the books of the company are kept properly, and that the accounts are checked by authorized auditors as well as recruitment and development of key personnel.

(j) Risk management

The board accepts final responsibility for the risk management and internal control system of the company. The management ensures that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

(k) Management Structure

The Company is under the supervision of the board of directors and the day to day management is entrusted to the Country Representative who is assisted by the heads of divisions, departments and units. The organization structure of the Company comprises of the following divisions:

- Agriculture and Poultry
- Education
- Health
- Empowerment and Livelihood for Adolescents (ELA)
- Research and Evaluation
- Training
- Emergency Response Program
- Accounts and Finance
- Internal Audit
- Monitoring
- Branch Review
- Information Technology (IT) and Management Information System (MIS)
- Human resources
- Communication and Public Relations
- Proposal Development
- Procurement, Logistics and Transportation

(l) Related Party Transactions

Related party transactions are disclosed in notes 16 and 19 to the financial statements.

(m) Corporate Social Responsibility

BRAC Uganda is a development company dedicated to alleviating poverty by empowering the poor to bring about change in their own lives.

(n) Key achievements in 2019

- 42,000 pregnant women were identified and linked to care at health facilities.
- 420,000 children under 5 were assessed for Malaria, Pneumonia, and Diarrhoea of which 50% were treated.
- About 10,000 SATO products sold with about 50,000 beneficiaries reached.
- 50,000 adults from age of 35 and above screened for presbyopia, with 11,000 adults getting access to quality eye glasses at a low cost.
- Health Management Information System (rollout to all staff and branches) and improve on Android Application - New additions/upgrades.
- 1,153 scholars graduated from the program in 2019 and the same number inducted into the alumni network.
- Successful school-wise career guidance for all 3,357 scholars on the program.
- Parent support training was successfully conducted for 2,310 parents in 58 venues. This was done in the regions Luweero, Wakiso and Kampala and was aimed at reminding parents of their responsibilities.
- Recruitment of 455 scholars Technical Vocational and Education Training (TVET) scholar and training was held for all TVET scholars focusing on finance and business management. This was after a needs assessment which was done in the TVET institutions.
- A joint supervision of TVET scholars on internship was done by BRAC and Village Saving Organisation (VSO).
- Community service training was done for 2,169 scholars in 8 regional centres across the country conducted by a team of 50 facilitators.
- A total 150 girls received apprenticeship training on poultry and livestock 50, catering 50, Knitting 10, Tailoring 13 and hair dressing 27 and also they received the start-up kits in groups. For vocational a total of 50 girls were sent to Pioneer institute in Iganga to train them and out of 50 hair dressing was 25 and tailoring was 25 from two districts of operations and they were provided start-up kits in group as well.
- 616 clubs were opened in all the 23 Districts including 21 boys clubs at Karamoja.
- A total of 15,822 receive Life skills training, Financial literacy training. 525 Adolescent boys (boy champions) in 7 districts of Karamoja engaged in life skills and financial literacy training, 10,148 girls equipped with Sexual Reproductive Health Rights (SRHR) information gained from attendance of Adolescent Health forum.10 SRH days conducted by covering of 23 districts at the branch level to create awareness in SRH rights and responsibilities. During the awareness a total of 1,147 community people participated. 670 girls be received livelihood and specialized training but total of 3,972 were trained in livelihood.
- Organised a staff retreat for all staff where projects visibility was achieved and awareness of BRAC Uganda's AOP was done.
- Staff retention - turnover rate was reduced to 13% in 2019 compared to 15% in 2018.
- 290, staff trained in various internal and external trainings such as Values, People Leadership Program, Fraud & Fraud investigation, Advanced Excel, Report Writing, Working Paper documentation and Contracts Management.
- Established safeguarding policy and safeguarding focal.
- 4,300 Children were on enrolment as at year end.
- 190 play leaders received basic training.
- 120 lower primary teachers trained.
- 2,950 parents train on play lab materials.
- 1,511 participants graduated from Ultra poor graduation program (UPG).
- 95% participants regularly contributed savings activities.
- New project started under UPG program inclusion of disability participants worth USD 3.2m.

(o) **Expectations for the year ending 31 December 2020**

- Graduation of 2,140 scholars and subsequent induction into the alumni network.
- Graduation of 50 TVET Scholars in June 2020
- Schools-based career guidance sessions in 83 schools.
- Further engagement with MasterCard Foundation regarding the new strategy of "Young Africa Works"
- Preparation for the alumni network to run independently from the scholarship program.
- Market linkages for graduating TVET scholars and support for business start-up.
- 80% expenditure of the project funds in the most cost-effective way.
- Training of TVET scholars on reproductive health as per the needs assessment done by BRAC and VSO.
- ICCM with strengthened family planning component from Living Goods worth 3m USD for 2020 and 2021.
- Palladium funding for Health Systems Strengthening worth 1.4m USD for 5 years.
- Health upgrade with better features.
- 1,350 Target Ultra poor beneficiaries will be graduating in 2019. A new project was received under this program funded by UKAID. Under this project we will reach 1,500 beneficiaries inclusive 15% disabilities person.
- More livelihood and qualitative mentors to be recruited.
- A total of 520 clubs will be opened and each club will not have more than 25 members.
- Working days of the club will be 3 days in a week instead of 5 days.
- A total of 1,114 children will be mainstreamed under Lego Foundation.
- Over 4,000 Parenting sessions under all projects.
- 5 Basic, pedagogical training and 40 refresher training for play leader on 3-5 and 5-8 Curriculum for 180 play leaders and teachers under all projects.
- Roll out safeguarding training to all staff.
- Train all new staff on values.
- Systems Improvement in terms of policy reviews for both Human Resources (HR) & BRAC Learning Centre (BLC).
- Improve performance management to result based.
- A learning and self-refreshing organization through Talent development and knowledge management.
- HRIS Upgrade for payroll through Enterprise Risk Planning (ERP).
- 4,000 beneficiaries will be selected for operation and research. Out of 4,000 beneficiaries, women will be 70% and at least 15% beneficiary will be disable people.
- 2,700 beneficiaries will receive enterprise development, financial inclusion and life skill training and assets.
- 2,700 beneficiaries will receive 6 months concussion allowance and also be involved in VSLA (village saving and loan association).
- All disable beneficiaries will receive assistive devices and out of 2,700 beneficiaries 10% will receive a health subsidy.

(p) **Solvency**

The Board of directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board of directors confirms that the applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

(q) **Employee's Welfare**

Management/employee relationship

There were continuous good relations between employees and management for the year 2019. There were no unresolved complaints received by management from the employees during the year. Staff continued to get performance incentive schemes in 2019.Grievance handling guidelines were circulated to all employees to create awareness about employee rights.

BRAC UGANDA
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors such as gender, marital status, tribe, religion and disability which does not impair ability to discharge duties.

Training

Training and development of staff capacity is one of the key priorities of the company. During the year, 8 line managers had special training in People Leadership Program, 256 staff had training in BRAC values, 25 staff were trained on child protection, 8 staff received training on advanced excel,7 staff received training on contract management,1 staff from accounts was trained on understanding Uganda's Tax legislations, Compliance, Offenses and Penalties, 28 staff received training in First Aid by the Uganda Red cross, 4 staff had a training on report training and working paper documentation. There were also several program related trainings within the different programs. The company will continue to train, retrain and develop its staff to improve staff delivery and innovation.

Medical assistance

The company maintains a medical insurance scheme which covers all staff.

Retirement benefits

All eligible employees are members of the National Social Security Fund (NSSF) which is an approved pension fund. The company contributes 10% of the employees' of the gross salary and employee contributes 5%. The NSSF is a defined contribution scheme with BRAC Uganda having no legal or constructive obligation to pay further top-up contribution.

(r) **Gender Parity**

In 2019, the company had 480 staff (633 in 2018). The female staff were 66% (75% in 2018).

(s) **Auditors**

The auditor, KPMG, being eligible for reappointment, has expressed its willingness to continue in office in accordance with the terms of Section 167 (2) of the Companies Act of Uganda.

(t) **Approval of the financial statements**

The financial statements were approved by the directors at a meeting held on 10 March 2020.

By order of the Board

Nazim Uddin

SECRETARY

Date: 10 March 2020

The Company's directors are responsible for the preparation of financial statements that give a true and fair view of BRAC Uganda comprising the statement of financial position as at 31 December 2019, and the statements of comprehensive income, changes in capital fund and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the Non-Governmental Organisations Act 2016.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Company to continue as going concern and have no reason to believe that the business will not be a going concern for at least the next twelve months from the date of the financial statements.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the International Financial Reporting Standards and the Non-Governmental Organisations Act 2016.

Approval of the financial statements

The financial statements of BRAC Uganda which appear on pages 47 to 78, were approved and authorised for issue by the Board of Directors on 10 March 2020.

Nazim Uddin

....
Khalifa Nazim Uddin
Head of Finance

....
Francis Tabu Drachi
Acting Country Representative

....
Director
Syed Abdul Muntakim
Director Finance, BRAC International

....
Director
Ruth Okowa
Regional Director - Africa, BRAC International

Date: 10 March 2020

KPMG
Certified Public Accountants
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INDEPENDENCE AUDITOR'S REPORT

To the members of BRAC Uganda

Opinion

We have audited the financial statements of BRAC Uganda set out on pages 47 to 78, which comprise the statement of financial position as at 31 December 2019, and the statements of comprehensive income, changes in capital fund and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of BRAC Uganda as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Non-Governmental Organisations Act 2016.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 BRAC Uganda in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Corporate Information, Directors' Report, the Statement of Directors' Responsibilities, the memorandum figures reported in United States Dollars (USD) and project reporting but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, 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.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Non-Governmental Organisations Act 2016, and for such internal control as the directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

KPMG

INDEPENDENCE AUDITOR'S REPORT

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

— Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partner on the audit resulting in this independent auditor's report is CPA Asad Lukwago- P0365.

KPMG
Certified Public Accountants
3rd Floor, Rwenzori Courts
Plot 2 & 4A, Nakasero Road
P. O. Box 3509
Kampala, Uganda

Date: 12 May 2020

BRAC UGANDA

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018	2019	2018
		Ushs '000	Ushs '000	USD	USD
Grant income	5	52,173,745	56,841,213	14,094,536	15,226,113
Other income	6	3,045,455	5,742,381	822,717	1,538,217
Total income		**55,219,200**	**62,583,594**	**14,917,253**	**16,764,330**
Staff costs and other benefits	8	(10,280,403)	(10,733,618)	(2,777,209)	(2,875,225)
Training, workshops & seminars	9	(5,835,058)	(8,428,821)	(1,576,317)	(2,257,837)
Occupancy expenses	10	(723,105)	(1,281,596)	(195,344)	(343,302)
Program supplies, travel and other general expenses	11	(36,578,627)	(40,355,216)	(9,881,576)	(10,809,993)
Depreciation	13	(629,133)	(380,020)	(169,958)	(101,796)
Total expenses		**(54,046,326)**	**(61,179,271)**	**(14,600,404)**	**(16,388,153)**
Operating surplus		**1,172,874**	**1,404,323**	**316,849**	**376,177**
Taxation	12	-	-	-	-
Surplus reserve		**1,172,874**	**1,404,323**	**316,849**	**376,177**
Other Comprehensive income					
Foreign exchange loss	7	(50,244)	(128,182)	(13,573)	(34,336)
Total Comprehensive income		**1,122,630**	**1,276,141**	**303,276**	**341,841**

The notes set out on pages 51 to 78 form an integral part of these financial statements.

BRAC UGANDA

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
ASSETS					
Non-current assets					
Property and equipment	13	2,680,158	1,453,962	731,243	391,350
Current assets					
Cash and bank	14	37,301,280	50,250,820	10,177,119	13,525,555
Inventory	15	598,808	937,096	163,376	252,230
Due from related parties	16	1,358,890	876,620	370,754	235,952
Other receivables	17	3,964,740	317,513	1,081,722	85,462
Total Current Assets		**43,223,718**	**52,382,049**	**11,792,971**	**14,099,199**
Total Assets		**45,903,876**	**53,836,011**	**12,524,214**	**14,490,549**
Liabilities					
Other payables	18	4,648,180	2,746,539	1,268,189	739,261
Due to related parties	19	290,725	1,135,439	79,320	305,616
Total Liabilities		**4,938,905**	**3,881,978**	**1,347,509**	**1,044,877**
Capital fund					
Donor funds	20	18,285,174	28,396,866	4,988,848	7,643,326
Retained surplus		22,679,797	21,557,167	6,187,857	5,802,346
Total Capital Fund		**40,964,971**	**49,954,033**	**11,176,705**	**13,445,672**
Total liabilities and capital fund		**45,903,876**	**53,836,011**	**12,524,214**	**14,490,549**

The financial statements of BRAC Uganda Limited which appear on pages 47 to 78, were approved and authorised for issue by the Board of Directors on 10 March 2020 and were signed on its behalf by:

Nazim Uddin

....
Khalifa Nazim Uddin
Head of Finance

....
Francis Tabu Drachi
Acting Country Representative

....
Director
Syed Abdul Muntakim
Director Finance, BRAC International

....
Director
Ruth Okowa
Regional Director - Africa, BRAC International

Date: 10 March 2020

The notes set out on pages 51 to 78 form an integral part of these financial statements.

BRAC UGANDA

STATEMENTS OF CHANGES IN CAPITAL FUND FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Donor Funds Ushs '000	Retained Surplus Ushs '000	Total Capital Fund Ushs '000	Total Capital Fund USD
At 1 January 2018		**29,929,500**	**20,281,026**	**50,210,526**	**13,824,180**
Donations received during the year	20.1(a)	60,540,733	-	60,540,733	16,275,968
Donations received against prior year		(4,618,981)	-	(4,618,981)	(1,243,249)
Utilised during the year	20.1&2	(56,841,213)	-	(56,841,213)	(15,299,432)
Transfers to donor	20.1	(613,173)	-	(613,173)	(162,948)
Surplus for the year		-	1,276,141	1,276,141	343,487
Currency translation		-	-	-	(292,334)
At 31 December 2018		**28,396,866**	**21,557,167**	**49,954,033**	**13,445,672**
Donations received during the year	20.1(a)	39,952,463	-	39,952,463	10,863,863
Utilised during the year	20.1&2	(49,814,555)	-	(49,814,555)	(13,450,865)
Transfers to donor	20.1	(249,600)	-	(249,600)	(68,100)
Surplus for the year		-	1,122,630	1,122,630	303,276
Currency translation		-	-	-	82,859
At 31 December 2019		**18,285,174**	**22,679,797**	**40,964,971**	**11,176,705**

The notes set out on pages 51 to 78 form an integral part of these financial statements.

	Notes	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Net cash generated from operating activities	21	(1,986,789)	3,510,484	(546,620)	943,387
Cash flows from investing activities					
Acquisition of fixed assets	13	(668,233)	(313,860)	(182,318)	(84,479)
Disposal proceeds		66,813	-	18,049	-
Net cash used in investing activities		(601,420)	(313,860)	(164,269)	(84,479)
Cash flows from financing activities					
Decrease in grants received in advance		(10,111,692)	(1,532,634)	(2,758,830)	(596,994)
Lease payments		(249,639)	-	(67,439)	-
Net cash (used)/ generated from financing activities		(10,361,331)	(1,532,634)	(2,826,269)	(596,994)
Net decrease in cash and cash equivalents		(12,949,540)	1,663,990	(3,537,158)	261,914
Currency translation		-	-	188,722	(113,495)
Cash and cash equivalents at the start of the year		50,250,820	48,586,830	13,525,555	13,377,136
Cash and cash equivalents at year end	14	37,301,280	50,250,820	10,177,119	13,525,555

The notes set out on pages 51 to 78 form an integral part of these financial statements

1. THE REPORTING ENTITY

BRAC begun its work in Uganda in June 2006, it chose to work in Uganda because of the opportunities to make a significant difference in a post-conflict country with high poverty and fertility rates as well as demonstrate the potential of its "microfinance multiplied" approach to the microfinance industry in Africa.

The organization was incorporated as BRAC Foundation in January 2006 and it commenced business in June 2006. In March 2007, the name was changed to BRAC through the registry of Companies. Later the Microfinance and Non-Microfinance Programs got incorporated as independent companies in August 2008 and September 2010 respectively but were still trading during the year under the umbrella of BRAC.

On 30 September 2010, at a duly convened meeting of the Governing Board, BRAC transferred all assets and liabilities that relate to or are in any way connected with the Microfinance activity it had been operating in Uganda to BRAC Uganda Microfinance Limited and all assets and liabilities that relate to or are in any way connected with the Non microfinance activities it had been operating in Uganda to BRAC Uganda.

BRAC Uganda effectively commenced operations as an independent entity on 1 January 2010. The core elements of the business model are BRAC's community outreach – based delivery methodology and its unwavering focus on the poorer end of the poverty spectrum. These two principles distinguish BRAC from other operators in Africa, are apparent in the way BRAC has designed its operations.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and the Non-Governmental Organizations Act 2016.

(i) Basis of measurement

The financial statements are prepared under the historical cost convention.

(ii) Basis of preparation

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reported period.

The estimates and associated assumptions are based on historical experiences, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results ultimately may differ from these estimates.

(iii) Functional and presentation currency

These financial statements are presented in Uganda shillings (Shs'000), which is the entity's functional currency.

The financial statements include figures, which have been translated from Uganda Shillings (Shs'000) to United States Dollars (USD) at the year-end rate of USD 1: Ushs 3,665.21 (2018: Ushs 3,715) for balance sheet items and USD 1: Ushs 3,701.70 (2018: Ushs 3,733) for the income statement balances. These figures are for memorandum purposes only and do not form part of the audited financial statements.

(iv) Use of estimates and judgment

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and reported revenues and expenses during the reported period. The estimates and associated assumptions are based on historical experiences, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 25.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company initially applied IFRS 16 Leases from 1 January 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

(i) Definition of a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

(ii) As a lessee

As a lessee, the Company leases many assets including property and printers. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

(iii) Leases classified as operating leases under IAS 17

- Previously, the Company classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's' incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at either:
- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application: the Company applied this approach to its leases; or

an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Company applied this approach to all other leases.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);

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- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and used hindsight when determining the lease term.

Impact on transition

On transition to IFRS 16, the Company recognised the right-of-use assets, at an amount equal to the lease liabilities and no difference was recognised in the retained earnings.

The impact on transition is summarised below.

	1 January 2019
	Ushs '000'
Right of use assets - Properties	**1,195,705**
Lease liabilities	**1,195,705**

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted- average rate applied is 15%.

4. SIGNIFICANT ACCOUNTING POLICIES

a. Property and equipment

(i) Recognition and measurement

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of their latest equipment is capitalized as part of that equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying value of property and equipment and recognized net with other income in profit or loss.

(ii) Depreciation

Depreciation is recognized in profit or loss and calculated to write off the cost of the property and equipment on a straight line basis over the expected useful lives of the assets concerned, and intangible assets on a straight line basis. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows: -

	Percentage (%)
Motor vehicles, motor cycles and bicycles	20%
Computers	20%
Furniture and Fixtures	10%
Equipment	15%
Buildings	4%

Management and directors review the depreciation methods, residual value and useful life of an asset at the year-end and any change considered to be appropriate in accounting estimate is recorded through the income statement.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the operating result for the reporting period.

(iii) Disposal of property and equipment

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

b. IFRS 16 Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 The details of accounting policies under IAS 17 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.
This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property separately and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 1 January 2019

As a lessee

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

In the comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Amounts recognised in profit or loss

	Ushs'000
2019 - Leases under IFRS 16	
Interest on lease liabilities	150,900
Depreciation	221,528
Expenses relating to short-term leases	645,984
2018 - Operating leases under IAS 17	
Rent expense	1,171,404

c. Foreign currency transactions

Transactions in foreign currencies are translated to Ugandan Shilling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ugandan Shillings at the foreign exchange rate applicable for settlement. The foreign currency gain or loss on the monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period, and the amortized cost in the foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ugandan Shillings at the foreign exchange rate ruling at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Ugandan Shillings at foreign exchange rates ruling at the dates the fair values were determined. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

d. Financial instruments

i) ***Financial Assets:***

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The financial assets is classified according to the substance of the contractual arrangements entered into and the definitions of a financial asset.

Investments are stated at cost, the carrying amount is reduced if there is any indication of impairment in value. The financial assets include; cash deposits with banks, amounts due to related parties and other receivables.

At initial recognition, other receivables that do not have a significant financing component are measured at their transaction price.

Financial assets and financial liabilities are recognised initially at fair value; in case of a financial asset or financial liability at amortised cost, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are classified on the basis of both:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

The prevailing model for subsequent measurement of a financial asset under IFRS 9 is the fair value model (fair value through profit or loss).

Assets held solely to receive payments of principle and interest (SPPI) will be held at amortised cost, with all other financial assets held at fair value. A financial asset shall be subsequently measured at amortised cost if and only if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

This category includes: Bank deposits and other receivables.

Other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at an amortized cost using the effective interest method (EI), less impairment.

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Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated statement of comprehensive income. The losses arising from impairment are recognized in the statement of comprehensive income as provisions.

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the company has transferred substantially all the risks and rewards of the asset, or

(b) the company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ii) ***Financial Liabilities:***

Initial recognition

Financial liabilities are initially measured at fair value; in case of a financial liability at amortized cost, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Classification and Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL.

Financial liabilities at fair value through profit or loss: A financial liability is classified as at FVTPL if it is classified as held-for-trading, it's a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Company's financial liabilities include other payables and amounts due to related parties.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires: When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

e. Impairment

At each reporting date, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, whether or not any actual losses have been recognized, and whether or not the entity has insurance cover or guarantee in place to cover the potential economic loss.

Loss allowances for receivables and contract assets are always measured at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and information and including forward-looking information.

IFRS 9 uses a "three bucket model" for measuring loss allowance based on deterioration in credit rating after initial recognition.

Bucket 1: if at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 12- month expected credit losses, whether or not any actual losses have been recognized, and whether or not the entity has insurance cover or guarantees in place to cover the potential economic loss;

Bucket 2: at each reporting date, an entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument.

Bucket 3: Where there is objective evidence of actual impairment, a lifetime credit loss is recognized and the effective interest rate is based on the net (post-impairment) amount.

The standard approach is applied to any financial assets held by the Company that have not been recognized as result of applying the revenue standard (IFRS 15) and leasing standard as a result IAS 17.

Measurement of Expected Credit Losses (ECLs)

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Organisation expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Management has made an assessment of the implementation of IFRS 9 will not lead to significant changes and therefore the impact on the financial statements of the Company is considered immaterial.

Non- financial assets

The carrying amounts of the Company's non- financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the assets recoverable amount is estimated.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized for financial asset measured at amortized cost. The reversal is recognized in profit or loss.

f. Inventory

Inventory is stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost comprises direct item cost that has been incurred in bringing the inventories to their present location and condition.

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g. Other receivables

Other receivables comprise of prepayments, deposits and other recoverable which arise during the normal course of business. They are carried at original invoice amount less provision made for impairment losses. A provision for impairment of trade receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provisions is the difference between the carrying amount and the recoverable amount.

h. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the statement of financial position date and include: cash in hand, deposits held at call with banks, net of bank overdraft facilities subject to sweeping arrangements.

i. Provisions and other liabilities

A provision is recognized if, as a result of a past event, BRAC Uganda has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Other accounts payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

j. Revenue recognition

Revenue is recognized on an accruals basis.

Grants

(i) Donor Grants

All donor grants received are initially recognized as deferred income at fair value and recorded as liabilities in the Grants Received in Advance Account for the period.

The portion of the grants utilized to purchase property and fixed assets are transferred as deferred income in liabilities and subsequently the portion of the depreciation expense of the same assets for the period is recognized in the Statement of Comprehensive Income as grant income. Grants utilized to reimburse program related expenditure are recognized as Grant Income for the period.

Grant income is classified as temporarily restricted or unrestricted depending upon the existence of donor-imposed restrictions. For completed or phased out projects and programs, any unutilized amounts are dealt with in accordance with consequent donor and management agreements.

Donor grants received in kind, through the provision of gifts and/or services, are recorded at fair value (excluding situations when BRAC Uganda may receive emergency supplies for onward distribution in the event of a disaster which are not recorded as grants). For ongoing projects and programs, any expenditures yet to be funded but for which funding has been agreed at the end of the reporting period is recognized as Grants receivable.

(ii) Grant income

Grant income is recognized on a cash basis to the extent that BRAC Uganda fulfils the conditions of the grant. This income is transferred from the deferred grant received from Donors and recognized as income in the statement of comprehensive income.

A portion of BRAC Uganda donor grants are for the funding of projects and programs, and for these grants, income recognized is matched to the extent of actual expenditures incurred on projects and programs for the period. For donor grants restricted to funding procurement fixed assets, grant income is recognized as the amount equivalent to depreciation expenses charged on the fixed asset.

(iii) Other income

Other income comprises of other project incomes from Agriculture, Training, Research and Health projects, interest from short term deposits, gains less losses related to trading assets and liabilities, and includes gains from disposal of BRAC Uganda assets and all realised and unrealised foreign exchange differences.

k. Interest from bank and short term deposits

Interest income on BRAC Uganda bank deposit is earned on an accruals basis at the agreed interest rate with the respective financial institution.

l. Employee benefits

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the Statement of financial position date. The Company does not operate any retirement benefit fund. However severance pay is provided for in accordance with the Ugandan statute. The Company also operates an employee bonus incentive scheme. The provision for employee bonus incentive is based on a predetermined Company policy and is recognized in other accruals. The accrual for employee bonus incentive is expected to be settled within 12 months.

m. Contingent liabilities

The company recognizes a contingent liability where it has a possible obligation from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain events not wholly within the control of the company, or it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

n. Related party transactions

Related parties comprise directors, subsidiaries of BRAC International and key management personnel of the company and companies with common ownership and/or directors.

o. Fundraising costs

BRAC Uganda normally raises its funds through discussion with various donors and stake holders. It also follows a competitive process where it submits its proposal to multinational donor organizations and gets selected based on merit. BRAC Uganda does not incur any additional costs for fund raising purposes other than over heads which is recorded under HO logistic and management expenses.

p. Adoption of new and revised standards

(i) **New standards, amendments and interpretations effective and adopted by the Company during the year**

The following standards have been adopted by the company for the first time for the financial year beginning on or after 1 January 2019: The adoption of these new standards has not resulted in material changes to the company's accounting policies.

New amendments or interpretation effective for annual periods beginning on or after 1 January 2019 are summarised below:

New amendments or interpretation	Effective date
IFRS 16 Leases	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019
Prepayment features with negative compensation (Amendments to IFRS 9)	1 January 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	1 January 2019
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	1 January 2019
Annual Improvements to IFRSs 2015 - 2017 Cycle (Amendments to IFRSs 3, IFRS 11, IASs 12 and IAS 23)	1 January 2019

IFRS 16 Leases

On 13 January 2016, the IASB issued IFRS 16 Leases, completing the IASB's project to improve the financial reporting of leases. IFRS 16 replaces the previous leases standard, IAS 17 Leases, and related interpretations.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The standard defines a lease as a contract that conveys to the customer ('lessee') the right to use an asset for a period of time in exchange for consideration. A company assesses whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time.

The standard eliminates the classification of leases as either operating leases or finance leases for a lessee and introduces a single lessee accounting model. All leases are treated in a similar way to finance leases. Applying that model significantly affects the accounting and presentation of leases and consequently, the lessee is required to recognise:

(a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A company recognises the present value of the unavoidable lease payments and shows them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognises a financial liability representing its obligation to make future lease payments.

(b) depreciation of lease assets and interest on lease liabilities in profit or loss over the lease term; and

(c) separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (typically presented within either operating or financing activities) in the statement of cash flows.

(i) New standards, amendments and interpretations effective and adopted by the Company during the year (continued)

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, compared to IAS 17, IFRS 16 requires a lessor to disclose additional information about how it manages the risks related to its residual interest in assets subject to leases.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- judgements made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

IFRIC 23 applies for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted. The application of these amendments will have no material impact on the disclosure or on the amounts recognised in the Company's financial statements.

Prepayment Features with Negative Compensation (Amendments to IFRS 9)

The amendments clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. (Include entity specific impact of the amendments)

The amendments apply for annual periods beginning on or after 1 January 2019 with retrospective application, early adoption is permitted.

Management's assessment indicates that the application of these amendments will have no material impact on the disclosures or on the amounts recognised in the company's financial statements.

Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)

The amendments, which address equity-accounted loss absorption by long-term investments (LTI), involves the dual application of IAS 28 and IFRS 9 Financial Instruments. There has always been diversity in practice when accounting for the shares of the losses of an associate or joint venture after the equity interest has been reduced to nil. The share of further losses is required to be allocated to LTI. The introduction of new impairment requirements in IFRS 9 based on expected credit losses exacerbated the issue and prompted the IASB to find a solution before IFRS 9 became effective.
The adoption of these amendments did not have a significant impact on the financial statements of the Company.

(i) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2019

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19).

The amendments require a company to use the updated assumptions when a change to a plan either an amendment, curtailment or settlement, takes place to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements. The amendment will be applied retrospectively. IAS 28 Interest in Associates and Joint Ventures (amendment) (IAS 28), this amendment clarifies that an entity should apply IFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture only when the equity method is not applied. The amendments will be applied retrospectively.
The adoption of these amendments did not have a significant impact on the financial statements of the Company.

Annual Improvements to IFRSs 2015-2017 (Various standards)

The IASB has issued various amendments and clarifications to existing IFRS, none of which is expected to have a significant impact on the Company's annual financial statement.

(ii) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2019

At the date of authorisation of the financial statements of BRAC Uganda for the year ended 31 December 2019, the following Standards and Interpretations were in issue but not yet effective;

New standard or amendments	Effective for annual periods beginning on or after
Amendments to References to Conceptual Framework in IFRS Standards.	1 January 2020
Definition of a Business (Amendments to IFRS 3)	1 January 2020
Definition of Material (Amendments to IAS 1 and IAS 8).	1 January 2020
IFRS 17 Insurance contracts	1 January 2021
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1 January 2020

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the company).

The applicable standards and amendments are discussed below;

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

Although we expect this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.
The company is assessing the potential impact of this interpretation on the financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8)

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments.

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality.

The company is assessing the potential impact of this interpretation on the financial statements.

Definition of a Business (Amendments to IFRS 3)

Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- Confirm that a business must include inputs and a process, and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.
- Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and

Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted. The amendments are not expected to have a material impact on the Company.

IFRS 17

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held;
- Direct participating contracts; and
- Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.

The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.

The standard is not applicable to the Company since the entity does not deal in insurance contracts.

q. Comparatives

There have not been any changes in the prior year comparative figures.

5. GRANT INCOME

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Agriculture, poultry& livestock	290,926	2,523,167	78,592	675,883
Education	28,091,761	27,646,675	7,588,881	7,405,743
Health	6,200,018	12,873,049	1,674,911	3,448,317
Empowerment and Livelihood of Adolescents	5,655,958	6,489,851	1,527,935	1,738,443
Research & evaluation	7,560,687	3,258,474	2,042,491	872,851
TUP	1,037,791	1,298,142	280,355	347,734
Play lab	2,824,418	2,173,325	763,006	582,171
Emergency preparedness and response	512,186	578,530	138,365	154,971
	52,173,745	**56,841,213**	**14,094,536**	**15,226,113**

Grant income majorly relates to the operating expenses incurred by the different projects that are transferred from grants received in advance to the statement of comprehensive income.

6. OTHER INCOME

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Other project income	2,156,328	5,024,332	582,523	1,345,872
Bank interest income	889,127	718,049	240,194	192,345
	3,045,455	**5,742,381**	**822,717**	**1,538,217**

Other project income relates to the income from the training program and health program revolving fund.

7. FOREIGN EXCHANGE LOSS

	2019	2018	2019	2019
	Ushs '000	Ushs '000	USD	USD
Foreign exchange loss	(50,244)	(128,182)	(13,573)	(34,336)
	(50,244)	**(128,182)**	**(13,573)**	**(34,336)**

The exchange gains arise from translation of foreign currency transactions and revaluations of foreign currency denominated assets and liabilities to Uganda Shillings. Financial assets and liabilities denominated in foreign currencies at year end are translated to Uganda Shillings at the rate ruling at balance sheet date.

8. STAFF COSTS AND OTHER BENEFITS

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Salaries	7,952,674	8,836,572	2,148,384	2,367,062
Bonus	574,120	504,885	155,096	135,244
10% employer NSSF contribution	843,797	929,997	227,948	249,119
Wages	819,752	362,784	221,452	97,179
Gratuity expenses	90,060	99,380	24,329	26,621
	10,280,403	**10,733,618**	**2,777,209**	**2,875,225**

9. TRAINING, WORKSHOPS AND SEMINARS

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
External member trainings	5,207,329	7,972,433	1,406,740	2,135,584
Staff training	627,729	456,388	169,577	122,253
	5,835,058	**8,428,821**	**1,576,317**	**2,257,837**

10. OCCUPANCY EXPENSES

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Rental charges	655,872	1,171,404	177,181	313,785
Utilities	67,233	110,192	18,163	29,517
	723,105	**1,281,596**	**195,344**	**343,302**

11. PROGRAM SUPPLIES, TRAVEL AND OTHER GENERAL EXPENSES

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Legal and other fees	197,200	228,359	53,273	61,171
Audit fees	120,315	109,377	32,503	29,299
Maintenance & general expenses	5,748,662	7,128,673	1,552,979	1,909,565
Printing, stationary and supplies	371,143	427,045	100,263	114,393
Telephone expenses	576,127	648,752	155,638	173,782
Program supplies	23,961,607	23,756,823	6,473,136	6,363,765
Interest on lease liability	150,900	-	40,765	-
Inventory write-off	148,915	403,493	40,229	108,083
Software maintenance cost	132,842	160,257	35,887	42,928
Head office logistics expenses	1,546,616	2,446,975	417,812	655,474
Travel and transportation	3,624,300	5,045,462	979,091	1,351,533
	36,578,627	**40,355,216**	**9,881,576**	**10,809,993**

Program supplies mainly comprise of tuition, Scholarship, training materials, health kits, stipends, learning materials, technical support to projects and supplies for the beneficiaries.

12. TAXATION

BRAC Uganda is registered as an NGO, which is involved in charitable activities and therefore falls within the definition of exempt organizations for tax purposes as described in the Income Tax Act, Section 2 (bb)-interpretation. Under section 2(bb) (ii), the Income Tax Act states that for an organization to be tax exempt, it should have been issued with a written ruling by the Commissioner stating that it is an exempt organization.

Uganda Revenue Authority issued an exempt organization ruling to BRAC Uganda for the year 31 December 2018 and 2019 in a notice DT-1109 dated 09 November 2018.

13. PROPERTY AND EQUIPMENT

	Furniture	Building	Equipment	Motor Vehicles	Total	Total
	Ushs (000)	Ushs (000)	Ushs (000)	Ushs (000)	Ushs (000)	USD
Cost						
At 1 January 2018	**876,379**	**221,701**	**1,399,013**	**1,011,124**	**3,508,217**	**965,898**
Additions	39,745	-	138,584	135,531	313,860	84,479
Disposals	-	-	-	-	-	-
Currency translation	-	-	-	-	-	(21,623)
As at 31 December 2018	**916,124**	**221,701**	**1,537,597**	**1,146,655**	**3,822,077**	**1,028,754**
Recognition of right-of-use asset on initial of IFRS 16	-	1,195,705	-	-	**1,195,705**	**318,855**
Adjusted balance as at 1 January 2019	**916,124**	**1,417,406**	**1,537,597**	**1,146,655**	**5,017,782**	**1,347,609**
Additions	81,513	24,384	263,006	299,330	668,233	182,318
Disposals	(38,865)	-	(19,030)	(370,748)	(428,643)	(116,948)
At 31 December 2019	**958,772**	**1,441,790**	**1,781,573**	**1,075,237**	**5,257,372**	**1,412,979**
Depreciation						
At 1 January 2018	**463,728**	**19,626**	**822,942**	**681,799**	**1,988,095**	**547,371**
Charge for the year	85,924	8,868	157,234	127,994	380,020	101,796
Currency translation	-	-	-	-	-	(11,763)
At 31 December 2018	**549,652**	**28,494**	**980,176**	**809,793**	**2,368,115**	**637,404**
Charge for the year	75,430	230,802	176,205	146,696	629,133	169,958
Acc depn on disposals	(34,588)	-	(14,752)	(370,694)	(420,034)	(114,600)
Currency translation	-	-	-	-	-	(11,026)
At 31 December 2019	**590,494**	**259,296**	**1,141,629**	**585,795**	**2,577,214**	**681,736**
Net Book Value						
At 31 December 2019	**368,278**	**1,182,494**	**639,944**	**489,442**	**2,680,158**	**731,243**
At 31 December 2018	**366,472**	**193,207**	**557,421**	**336,862**	**1,453,962**	**391,350**

14. CASH AND BANK

	Note	2019	2018	2019	2018
		Ushs '000	Ushs '000	USD	USD
Cash in hand		2,608	6,595	711	1,775
Cash at bank	**14.a**	37,298,672	50,244,225	10,176,408	13,523,780
		37,301,280	**50,250,820**	**10,177,119**	**13,525,555**

14. a) Cash at bank

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Standard Chartered Bank	34,530,697	45,902,499	9,421,206	12,355,157
Bank of Africa	46,983	67,979	12,819	18,297
DFCU	3,215	8,501	877	2,288
Pride Microfinance Ltd	12,217	242	3,333	65
Equity Bank	10,601	21,417	2,892	5,765
Post Bank	58,060	44,860	15,841	12,075
Centenary Bank	89,861	61,028	24,517	16,426
Tropical Bank	10,065	4,685	2,746	1,261
Stanbic Bank	2,536,973	4,133,014	692,177	1,112,446
	37,298,672	**50,244,225**	**10,176,408**	**13,523,780**

Reconciliation of movement in liabilities to cash flows arising from financing activities

	Lease liabilities	Donor Funds	Total
	Ushs '000	Ushs '000	Ushs '000
Balance as at 1 January 2019	**1,195,705**	28,396,866	**29,592,571**
Payment of lease liabilities	(98,739)	-	**(98,739)**
Donor funds received in advance	-	(10,111,692)	**(10,111,692)**
Total changes from financing cash flows	**1,096,966**	**18,285,174**	**19,382,140**
Other changes			
Interest expense	150,900	-	**150,900**
Interest paid	(150,900)	-	**(150,900)**
Foreign exchange gain on revaluation	(51,568)	-	**(51,568)**
Total other changes	(51,568)	-	**(51,568)**
Balance as at 31 December 2019	**1,045,398**	**18,285,174**	**19,330,572**

15. INVENTORY

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Stock and consumables	598,808	937,096	163,376	252,230
	598,808	**937,096**	**163,376**	**252,230**

Stock and consumables includes the amount of the stock of health materials, poultry and agriculture that were not yet sold as at 31 December 2019. These materials are normally sold at subsidized rates to low income earners in communities.

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16. DUE FROM RELATED PARTIES

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
BRAC Bank Uganda Limited	771,543	372,420	210,163	100,241
BRAC Social Business Enterprise	587,347	504,200	160,591	135,711
	1,358,890	**876,620**	**370,754**	**235,952**

Due from related parties relates to amounts owing from BRAC Bank Uganda Limited and BRAC Uganda Social Enterprise Limited for the settlements of staff costs and operating expenditures. The fair value of these related party receivables approximates their carrying amounts. This amount will be settled during the ordinary course of business and bear no interest.

17. OTHER RECEIVABLES

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Advances to third parties	1,605,550	317,513	438,051	85,462
Donor receivables	2,359,190	-	643,671	-
	3,964,740	**317,513**	**1,081,722**	**85,462**

Donor receivable relates to activities undertaken inline with the approved budget pending reimbursement basis from the donor. The carrying amounts of other receivables approximates their fair value.

Impairment of receivables under the scope of IFRS 9 was made based on a simplified approach. The provision matrix used was based on historical credit loss experience of the receivables. The expected credit loss on receivables under IFRS 9 is not material to the financial statements and has not been recognized in the current period.

18. OTHER PAYABLES

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Accrued expenses	2,835,877	1,778,849	773,728	478,796
Lease liability	1,045,398	-	285,222	-
NSSF	179,753	212,534	49,043	57,206
VAT payable	50,761	47,531	13,849	12,794
Audit fees	87,176	50,416	23,785	13,570
Withholding tax	93,595	188,282	25,536	50,678
Salary	4,784	88,099	1,305	23,713
PAYE	350,836	380,828	95,721	102,504
	4,648,180	**2,746,539**	**1,268,189**	**739,261**

The carrying amounts of other payables approximates their fair value.

19. DUE TO RELATED PARTIES

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
BRAC Bangladesh	39,766	37,355	10,850	10,055
Stitching BRAC International	194,856	1,098,084	53,164	295,561
BRAC Bank Uganda Limited	56,103	-	15,306	-
	290,725	**1,135,439**	**79,320**	**305,616**

Related party payables relate to amounts owing to BRAC Bangladesh, Stitching BRAC International and BRAC Finance Limited, for the settlements of staff costs and operating expenditures incurred on behalf of BRAC Uganda. The fair value of these related party payables/receivables approximates their carrying amounts. Stitching BRAC International is the parent of BRAC Uganda. BRAC Bangladesh and BRAC Uganda Bank Limited are affiliate companies of BRAC Uganda. The amounts bear no interest and are settled in normal course of business.

20. DONOR FUNDS

	Note	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Donor funds received in advance	20.1	16,897,379	26,841,056	4,610,208	7,224,563
Donor funds - investment in fixed assets	20.2	1,387,795	1,555,810	378,640	418,763
		18,285,174	28,396,866	4,988,848	7,643,326

20.1 Donor funds received in advance

	Note	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Opening balance		26,841,056	28,307,530	7,224,563	7,619,280
Donations received during the Year	20.1a	39,952,463	60,540,733	10,863,863	16,275,968
Donation received against prior year		-	(4,618,981)	-	(1,243,249)
Transferred to donor*		(249,600)	(613,173)	(67,160)	(165,041)
Transferred from deferred income - investment in fixed assets		(668,233)	(313,860)	(182,318)	(84,479)
Asset disposals		428,643		116,948	
Utilised during the year		(49,406,950)	(56,461,193)	(13,340,752)	(15,197,145)
Currency translation		-	-	(4,936)	19,229
		16,897,379	26,841,056	4,610,208	7,224,563

The amounts in USD included in this note have been translated at the rate on the date of the transaction.

20.1 a) Donations received during the year

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
MasterCard Foundation (Scholarship and TVET)	23,925,252	26,913,652	6,527,663	7,242,770
Y-CHPs	208,300	-	56,540	-
BRAC USA (PEDL Youth Research)	-	67,253	-	18,042
Emergency Preparedness	421,444	-	112,519	-
IDRC	-	2,764,367	-	751,591
Living Goods (Health)	1,547,710	17,367,132	418,694	4,677,636
Vision Spring (Eye care)	239,727	-	64,528	-
Women win	414,344	813,849	112,420	215,145
Oak Foundation	541,765	519,007	146,919	137,924
Capacity Building(Market Survey)	-	235,282	-	62,903
Stockholm university (Research study)	153,900	17,362	41,484	4,680
Sanitation for Health(Tetra Tech)	381,869	202,559	103,441	53,733
NANNY	369,903	568,013	100,128	151,153

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	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
NORAD-ELLAY	698,763	194,743	189,826	50,971
Capacity (IGC)	343,367	145,045	93,155	39,084
JSDF (Agriculture)	-	1,870,281	-	499,141
World Bank –(ADP)	-	80,622	-	21,969
Lego Foundation	1,952,049	2,113,214	526,981	561,577
ECM (ELA)	2,572,938	3,069,252	695,844	826,121
ELA -SCOPE MoGender	152,290	309,538	41,429	83,642
ELMA	741,287	-	201,658	-
TUP (BRAC UK)	767,051	1,015,953	206,156	274,865
UPG-Medicor	10,476	-	2,838	-
BRAC USA (IERC)	-	1,467,358	-	387,839
UPG-UK AID	302,185	-	82,447	-
UPG-BLF	57,621	-	15,608	-
UPG-Cartier	455,727	-	123,441	-
SLEP	12,866	-	3,489	-
ADP	71,824	-	19,470	-
Ebola Response	370,093	-	99,980	-
Skills Development Project Enable	-	253,374	-	68,198
TB Reach	320,706	-	87,500	-
FAO	103,493	-	28,007	-
ADP- ENABEL KARAMOJA Project	240,592	158,843	65,286	42,754
SDF-KIRYANDONGO	57,089	287,788	15,422	75,324
IERC-SEARCH	73,957	-	20,014	-
UNRA -World bank	379,721	46,155	102,854	12,423
Stanford University	-	60,091	-	16,483
IERC-CEGA	300,435	-	81,474	-
IERC-MNP	64,664	-	17,469	-
IERC- Recap	212,093	-	57,734	-
IERC- Soft Skill Ela	87,598	-	23,777	-
IERC-JSDF	161,307	-	43,720	-
IERC- Grand Challenger	211,671	-	57,056	-
IERC-Credit Incentive	82,954	-	22,469	-
IERC-Transparency	741,902	-	199,980	-
IDRC Incentive	201,530	-	54,443	-
	39,952,463	60,540,733	10,863,863	16,275,968

20.2 Donations – investment in fixed assets

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Opening balance	1,555,810	1,621,970	418,763	436,571
Transferred from donor funds received in advance	668,233	313,860	182,318	84,479
Disposals in the year	(428,643)		(116,948)	
Depreciation charged during the year	(407,605)	(380,020)	(110,113)	(102,287)
Currency translation	-	-	4,620	-
Closing balance	**1,387,795**	**1,555,810**	**378,640**	**418,763**

21. CASHFLOW FROM OPERATING EXPENSES

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Excess of income over expenditure	**1,122,630**	**1,276,141**	**303,276**	**341,841**
Depreciation	629,133	380,020	169,958	101,796
Gain on disposal	(58,204)	-	(15,724)	-
Cash flows before changes in working capital	**1,693,559**	**1,656,161**	**457,510**	**443,637**
Changes in working capital				
Decrease in inventory	338,288	497,999	92,297	142,887
Decrease in other receivables	(3,647,227)	4,817,283	(995,094)	1,328,272
Increase in related party receivables	(482,270)	(862,673)	(131,580)	(232,112)
Decrease in other payables	955,575	(268,160)	260,715	(90,759)
Decrease in related party payables	(844,714)	(2,330,126)	(230,468)	(648,538)
Net cash generated from operations	**(1,986,789)**	**3,510,484**	**(546,620)**	**943,387**

22. SUBSEQUENT EVENTS

The Company has evaluated the subsequent events through the date of signing these financial statements and there were no significant events to be reported in these financial statements.

23. CURRENCY

The financial statements are expressed in Uganda Shillings which is the Company's functional currency.

24. CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2019 (2018: Nil).

25. USE OF ESTIMATES AND JUDGMENT

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reported period.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The estimates and associated assumptions are based on historical experiences, the results of which form the basis of making the judgments about the carrying values and liabilities that are not readily apparent from other sources. Actual results ultimately may differ from these estimates.

BRAC Uganda makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management identifies all significant accounting policies and those that involve high judgment and in particular the significant areas of estimation and un-certainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements. These are:

(i) Impairment

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company regularly reviews its assets and makes judgments in determining whether an impairment loss should be recognized in respect of observable data that may impact on future estimated cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(ii) Provisions and contingencies

A provision is recognized if as a result of past events, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. For provisions included in the financial statements see note 18.

26. FINANCIAL RISK MANAGEMENT

Introduction and overview

The company has exposure to the following risks from financial instruments:

i) Credit risk
ii) Liquidity risk
iii) Market risk
iv) Operational risk

This note presents information about the company's exposure to each of the above risks and the company's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Board of BRAC Bangladesh International, the parent company, has established the Group Audit and Risk Committee, Remuneration Committee, Investment Committee, Group Executive Committee and Subsidiary Companies Executive Committee which are responsible for developing and monitoring Group risk management policies in their respective areas. All Board committees have both executive and non-executive members, apart from the Group Executive Committee which comprises of executive directors and senior management and report regularly to the Board of Directors on their activities.

BRAC financial risk management policy seeks to identify, appraise and monitor the risks facing BRAC whilst taking specific measures to manage its interest rate, foreign exchange, liquidity and credit risks. BRAC does not however, engage in speculative transactions or take speculative positions, and where affected by adverse movements, BRAC has sought the assistance of donors.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and principally from trade and other receivable balances and investment in cash and cash equivalents. The Credit policy of BRAC Uganda requires all credit exposures to be measured, monitored and managed proactively. All cash and cash equivalents are held with reputable banks that are regulated by the Central bank of Uganda and as a result the risk is low.

Management of the risk

The Board of Directors has delegated responsibility for the oversight of credit risk to the Country Representative and the Monitoring department.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Cash and Cash equivalents	37,301,280	50,250,820	10,177,119	13,525,555
Other receivables	3,964,740	317,513	1,081,722	85,462
	41,266,020	**50,568,333**	**11,258,841**	**13,611,017**

The aging of trade receivables and other assets as at the reporting date was:

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Between 0 - 30 days	3,171,792	232,831	865,378	62,669
Between 31 - 60 days	792,948	84,682	216,344	22,793
	3,964,740	**317,513**	**1,081,722**	**85,462**

ii) Liquidity risk

Liquidity risk is the risk that operations cannot be funded and financial commitments cannot be met timeously and cost effectively. The risk arises from both the difference between the magnitude of assets and liabilities and the disproportion in their maturities. Liquidity risk management deals with the overall profile of the balance sheet, the funding requirements of the Company and cash flows. In quantifying the liquidity risk, future cash flow projections are simulated and necessary arrangements are put in place in order to ensure that all future cash flow commitments are met from the working capital generated by the Company and also from available financial institutions facilities.

BRAC Uganda manages its debt maturity profile, operating cash flows and the availability of funding so as to meet all refinancing, repayment and funding needs. As part of its overall liquidity management, BRAC Uganda maintains sufficient levels of cash or fixed deposits to meet its working capital requirements. In addition, BRAC Uganda maintains banking facilities of a reasonable level. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Exposure to Liquidity risk

The table below indicates the company liquidity at the statement of financial position date and an analysis of the liquidity period of the company's financial assets and liabilities.

2019	Matured	Less than 30 Days	Between 31-60 Days	Over 60 Days	Total
	Ushs '000'	Ushs '000'	Ushs '000'	Ushs '000'	Ushs '000'
ASSETS					
Cash and bank	37,301,280	-	-	-	37,301,280
Due from related parties	-	771,543	-	587,347	1,358,890
Other receivables	-	2,894,260	1,070,480	-	3,964,740
	37,301,280	**3,665,803**	**1,070,480**	**587,347**	**42,624,910**
LIABILITIES AND CAPITAL FUND					
Other payables	-	2,277,608	1,347,972	1,022,600	4,648,180
Due to related parties	-	174,435	116,290	-	290,725
	-	**2,452,043**	**1,464,262**	**1,022,600**	**4,938,905**
Liquidity gap	**37,301,280**	**1,213,760**	**(393,782)**	**(435,253)**	**37,686,005**

2018	Matured	Less than 30 Days	Between 31-60 Days	Over 60 Days	Total
	Ushs '000'	Ushs '000'	Ushs '000'	Ushs '000'	Ushs '000'
ASSETS					
Cash and bank	50,250,820	-	-	-	50,250,820
Due from related parties	-	396,620	-	480,000	876,620
Other receivables	-	232,831	84,682	-	317,513
	50,250,820	**629,451**	**84,682**	**480,000**	**51,444,953**
LIABILITIES AND CAPITAL FUND					
Other payables	-	1,345,804	796,496	604,239	2,746,539
Due to related parties	-	340,632	567,720	227,087	1,135,439
	-	**1,686,436**	**1,364,216**	**831,326**	**3,881,978**
Liquidity gap	**50,250,820**	**(1,056,985)**	**(1,279,534)**	**(351,326)**	**47,562,975**

iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the fair value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risks

Overall responsibility for managing market risk rests with the Country Representative. Management is responsible for the development of detailed risk management policies and for the day to day implementation of those policies.

i. Interest rate risk

There is no significant exposure to interest rate risk as there is no material overdraft or interest bearing assets or liabilities.

ii. Foreign exchange risk

BRAC Uganda foreign exchange risks comprise transactions risk which arise from donor grants received in currencies other than the local currency and minimal foreign currency deposits and cash at bank placed with licensed financial institutions. Foreign exchange exposures in transactional currencies other than the local currency are monitored via periodic cash flow and budget forecasts and are kept to an acceptable level. The company's transactional exposures give rise to foreign currency gains and losses that are recognized in profit or loss.

Exposure to Foreign currency risk

The following significant exchange rates applied during the year:

	Closing Rate		Average Rate	
	2019	2018	2019	2018
	Ushs	Ushs	Ushs	Ushs
USD	3,665	3,715	3,701	3,733

The table below summarizes the company's exposure to foreign exchange risk;

	2019	2018
Ushs equivalent	**USD'000**	**USD'000**
Bank Balances	27,297,626	36,771,286
Donor receivable	-	-
Due to related parties	367,464	1,098,084
Due from related parties`	-	-
	27,665,090	**37,869,370**

Sensitivity Analysis

A reasonably strengthening (weakening) of the US dollar against the Uganda Shilling at 31 December 2019 would have affected the measurement of the above financial instruments denominated in a foreign currency as shown below:

	2019		2018	
		+/-5%		+/-5%
Ushs equivalent	**USD'000**	**Ushs'000**	**USD'000**	**Ushs'000**
Bank Balances	27,297,626	1,364,881	36,771,286	1,838,564
Donor receivable	-	-	-	-
Due to related parties	367,464	18,373	1,098,084	54,904
Due from related parties`	-	-	-	-
	27,665,090	**1,383,254**	**37,869,370**	**1,893,468**

iv) **Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each BRAC Program. This responsibility is supported by the development of company level standards for the management of operational risk in the following areas:

i. Requirements for appropriate segregation of duties, including the independent authorization of transactions.
ii. Requirements for the reconciliation and monitoring of transactions.
iii. Compliance with regulatory and other legal requirements.
iv. Documentation of controls and procedures.
v. Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified.
vi. Requirements for the reporting of operational losses and proposed remedial action.
vii. Development of contingency plans.
viii. Training and professional development.
ix. Ethical and business standards.
x. Close monitoring and management oversight.

Compliance with Company standards is supported by a programme of periodic reviews undertaken by the monitoring department. The results of reviews are discussed with the management of the programs to which they relate, with summaries submitted to the senior management of the company.

27. CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The directors monitor the performance of the company through management accounts and operational reviews. They also review the working capital requirements and these are discussed in the periodic board meetings with management.

There are no externally imposed capital requirements and there were no changes in the company's approach to capital management during the period.

28. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the company determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, the fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments e.g. quoted equity securities. These items are exchange traded positions.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include the net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

	Carrying amount financial assets	Carrying amount financial liabilities
31 December 2019		
Financial assets		
Cash and cash equivalents	37,301,280	-
Other receivables	3,964,740	-
Due from related parties	1,358,890	-
Financial liabilities		
Other payables	-	(4,648,180)
Due to related parties	-	(290,725)

The table above sets out the carrying amounts of financial assets and financial liabilities not measured at fair value. The carrying amounts of the financial assets and liabilities approximate their fair values and thus the fair value information has not been presented.

29. CONTINGENT LIABILITIES

There are no known contingent liabilities as at 31 December 2019.

30. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Stichting BRAC International, a foundation registered in Netherland.

31. EVENTS AFTER THE REPORTING PERIOD

The recent outbreak of COVID-19 that started in Wuhan, China has spread globally in over 160 countries. The magnitude of unknown cause was first reported to the World Health Organization (WHO) Country Office in China on 31 December 2019 and the outbreak was declared a Public Health Emergency of International Concern on 30 January 2020. On March 11, 2020, the WHO declared COVID-19 as a pandemic.

The impact of the coronavirus will be closely monitored and assessed for its impact on the business. The Company has undertaken a variety of measures and implemented contingency plans to mitigate the negative impact of the Corona virus pandemic. The response plan covers operational risk responses to ensure that the Company will be able to operate, service its communities and meet donor requirements.

In light of the above, management has re-assessed the appropriateness of the use of the going concern assumption in the preparation of the financial statements. Based on the assessment performed, management is of the view that the significant doubt associated with the current uncertainties related to the COVID-19 virus currently does not result in a material uncertainty related to such events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The Board concurs with this assessment

BRAC Uganda has the following projects. These projects offer different services and are managed separately. The following summary describes the operations of each project.

Projects	Operations
Health-Revolving fund	This has 3 projects which include: primary health care, Tuberculosis project and a revolving fund project. The first 2 projects ended but the revolving fund project is still active. The revolving fund project is self-sustaining i.e. Funds from the project are used to purchase health products for sale by the Community Health Promoters (CHP), who refund the money with a small margin after selling the health products.
Vision Spring	This project aims to increase access to presbyopia screening and affordable glasses for low income people in Uganda.
Sanitation 4 health	This project will introduce a series of contemporary and integrated water, sanitation and hygiene intervention at community and household level.
Living Goods	This is a health project that focuses on mainly children and mothers. Focuses mainly on maternal health and treatment of common diseases like malaria, diarrhoea, and pneumonia.
Scholarship	These are projects offering education by giving scholarships for secondary school education to bright students from poor families.
TVET	Technical Vocational and Education Training (TVET) support for 20% of the Scholars and strengthen career education support services to the Scholars. Increase the transition into further education or employment to at least 95% from current 77%.
ELA-Others	These projects focus on the empowerment and livelihood of adolescents. The focus is girls between the ages 11-21; giving them life skills and building their capacity. The funding is from UNRA, Enable and World bank.
OAK Foundation	This is an empowerment and livelihood of adolescents project through formation of clubs
Women Win	This is an empowerment and livelihood of adolescents project through sports
TRAINING	This is the training arm of BRAC Uganda; where staff are trained in different aspects like BRAC values, leadership skills. The running projects pay a minimal sum for the staff to be trained and to help in sustainability.
Research	This has all the research and independent evaluation funds / projects. BRAC Uganda has an independent research unit that carries out all the research and evaluation required by the projects and the entity as a whole.
Play Lab	This is an education project (Early Child Development) targeting children between the ages of 3 and 5.
Emergency Preparedness and response	This is a project focusing on emergency rescue. It focuses on areas where there is disaster, natural calamities and refugee camps.
EELAY- NORAD	This project will provide education and livelihood opportunities to out of school adolescent girls in Uganda. In addition, it will also provide early learning opportunities for children aged 3 – 6 years and enter primary schools in Uganda.
YCHPs	This is a health project that focuses on mainly family planning.
Ultra Poor Graduation Program	This project targets the very poor in the Community; especially the youths and women, by providing them with start-up capital and animal assets, and offering them training.
ELA Plus	This is an "ELA Plus" projects which targets the adolescent girls, giving them life skills and apprentice.
Adolescent Health Promoter	This project focuses on reducing fertility rates, teenage pregnancy and the risk of maternal mobility, increase in use of contraceptives and girls' income generation activities.
Adolescent Health Promoter	Adolescent Health Promoter- Using the ELA model, to support health related aspects in youths like sexual reproductive training, sanitation.
ELMA	This is an education project (Early Child Development) targeting children between the ages of 3 and 5

BRAC UGANDA

PROJECT REPORTING (UNAUDITED) (CONT'D)

Statement of Comprehensive Income for the year ended 31 December 2019 (Amount in Uganda Shillings)

	ADP	Health -Revolving fund	Vision Spring	USAID Sanitation	Living Goods	YCHPs	TVET	Scholarship	Oak Foundation	Women Win	Training
	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)
INCOME											
Grant Income	1,832,941	-	660,554	786,238	4,734,430	18,796	485,493	27,606,268	458,868	552,114	-
Other Income	1,942,930	194,007	-	-	98,759	-	-	-	-	-	356,348
Foreign exchange gains/ (losses)	(50,244)	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME	**3,725,627**	**194,007**	**660,554**	**786,238**	**4,833,189**	**18,796**	**485,493**	**27,606,268**	**458,868**	**552,114**	**356,348**
EXPENDITURE											
Manpower and compensation	970,678	7,597	352,389	200,687	1,609,301	8,118	279,876	2,136,094	74,421	132,081	160,448
Travelling and transportation	122,350	3,428	113,886	133,737	1,003,812	2,093	22,925	503,137	32,570	92,061	66,755
Training, workshops and seminars	386,964	1,267	47,608	122,091	654,225	1,974	11,874	2,428,392	64,055	77,532	58,494
Occupancy expenses	13,892	145	25	8,660	84,347	-	-	84,858	2,197	25,022	84,924
Other general & administrative expenses	974,774	163,454	102,975	291,838	1,052,570	6,611	169,267	22,429,977	228,703	174,831	47,356
HO logistic expenses	3,993	-	43,671	28,457	291,670	-	-	-	56,905	50,153	-
Depreciation	370,859	15,668	-	768	137,270	-	1,551	23,810	17	434	5,674
TOTAL EXPENSES	**2,843,510**	**191,559**	**660,554**	**786,238**	**4,833,195**	**18,796**	**485,493**	**27,606,268**	**458,868**	**552,114**	**423,651**
Surplus/ Reserve	**882,117**	**2,448**	**-**	**-**	**(6)**	**-**	**-**	**-**	**-**	**-**	**(67,303)**
Foreign exchange gain/ (loss)	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	**882,117**	**2,448**	**-**	**-**	**(6)**	**-**	**-**	**-**	**-**	**-**	**(67,303)**

BRAC UGANDA

PROJECT REPORTING (UNAUDITED) (CONT'D)

Statement of Comprehensive Income for the year ended 31 December 2019 (Amount in Uganda Shillings)

	Research	Emergency Preparedness	EELAY-NORAD	ELAMA	FAO	Play lab	TUP	UPG	ELA Plus	TOTAL
	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)
INCOME										
Grant Income	7,560,687	512,186	900,804	383,726	290,926	1,539,888	798,917	238,874	2,812,035	52,173,745
Other Income	453,411	-	-	-	-	-	-	-	-	3,045,455
Foreign exchange gains/ (losses)	-	-	-	-	-	-	-	-	-	(50,244)
TOTAL INCOME	**8,014,098**	**512,186**	**900,804**	**383,726**	**290,926**	**1,539,888**	**798,917**	**238,874**	**2,812,035**	**55,168,956**
EXPENDITURE										
Manpower and compensation	2,215,515	219,190	172,896	85	126,442	382,476	354,186	147,844	730,079	10,280,403
Travelling and transportation	428,764	64,548	66,152	33,105	108,007	245,487	178,263	41,154	356,614	3,618,848
Training, workshops and seminars	659,882	147,180	322,495	206,113	25,533	107,318	58,183	18,957	434,921	5,835,058
Occupancy expenses	57,109	1,828	16,889	20,365	4,672	48,918	5,472	14,644	249,138	723,105
Other general & administrative expenses	3,679,369	78,967	265,064	87,549	26,272	641,214	202,172	14,366	775,834	31,413,163
HO logistic expenses	624,493	-	56,799	36,509	-	102,919	-	-	251,047	1,546,616
Depreciation	43,592	473	509	-	-	11,556	641	1,909	14,402	629,133
TOTAL EXPENSES	**7,708,724**	**512,186**	**900,804**	**383,726**	**290,926**	**1,539,888**	**798,917**	**238,874**	**2,812,035**	**54,046,326**
Surplus/ Reserve	**305,374**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,122,630**
Foreign exchange gain/ (loss)	-	-	-	-	-	-	-	-	-	**-**
Total Comprehensive Income	**305,374**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,122,630**

BRAC UGANDA
PROJECT REPORTING (UNAUDITED) (CONT'D)

Statement of comprehensive income for the year ended 31 December 2019 (Amount in United States Dollars)

	ADP	Health -Revolving fund	Vision Spring	USAID Sanitation	Living Goods	YCHPs	TVET	Scholarship	Oak Foundation	Women Win	Training
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
INCOME											
Grant Income	495,161	-	178,446	212,399	1,278,988	5,078	131,154	7,457,727	123,961	149,152	-
Other Income	524,875	52,410	-	-	26,680	-	-	-	-	-	96,265
Foreign exchange gains/ (losses)	(13,573)	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME	**1,006,463**	**52,410**	**178,446**	**212,399**	**1,305,668**	**5,078**	**131,154**	**7,457,727**	**123,961**	**149,152**	**96,265**
EXPENDITURE											
Manpower and compensation	262,226	2,052	95,196	54,215	434,746	2,193	75,607	577,058	20,105	35,681	43,344
Travelling and transportation	33,054	926	30,766	36,129	271,175	566	6,193	135,920	8,799	24,870	18,033
Training, workshops and seminars	104,537	342	12,861	32,982	176,736	533	3,208	656,021	17,304	20,945	15,802
Occupancy expenses	3,752	39	7	2,339	22,786	-	-	22,924	594	6,760	22,941
Other general & administrative expenses	263,335	44,156	27,818	78,839	284,348	1,786	45,727	6,059,372	61,781	47,230	12,793
HO logistic expenses	1,079	-	11,798	7,687	78,794	-	-	-	15,373	13,549	-
Depreciation	100,185	4,232	-	208	37,083	-	419	6,432	5	117	1,533
TOTAL EXPENSES	**768,168**	**51,747**	**178,446**	**212,399**	**1,305,668**	**5,078**	**131,154**	**7,457,727**	**123,961**	**149,152**	**114,446**
Surplus/ Reserve	**238,295**	**663**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(18,181)**
Foreign exchange gain/ (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Comprehensive Income	**238,295**	**663**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(18,181)**

BRAC UGANDA
PROJECT REPORTING (UNAUDITED) (CONT'D)

Statement of comprehensive income for the year ended 31 December 2019 (Amount in United States Dollars)

	Research	Emergency Preparedness	EELAY-NORAD	ELAMA	FAO	Play lab	TUP	UPG	ELA Plus	TOTAL
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
INCOME										
Grant Income	2,042,491	138,365	243,349	103,662	78,592	415,995	215,824	64,531	759,661	**14,094,536**
Other Income	122,487	-	-	-	-	-	-	-	-	**822,717**
Foreign exchange gains/ (losses)	-	-	-	-	-	-	-	-	-	**(13,573)**
TOTAL INCOME	**2,164,978**	**138,365**	**243,349**	**103,662**	**78,592**	**415,995**	**215,824**	**64,531**	**759,661**	**14,903,680**
EXPENDITURE										
Manpower and compensation	598,511	59,213	46,707	23	34,158	103,324	95,682	39,940	197,228	**2,777,209**
Travelling and transportation	115,829	17,437	17,870	8,943	29,177	66,318	48,157	11,117	96,339	**977,618**
Training, workshops and seminars	178,264	39,760	87,121	55,681	6,898	28,992	15,718	5,121	117,492	**1,576,318**
Occupancy expenses	15,428	494	4,563	5,501	1,262	13,215	1,478	3,956	67,304	**195,344**
Other general & administrative expenses	993,967	21,333	71,606	23,651	7,097	173,221	54,616	3,881	209,588	**8,486,145**
HO logistic expenses	168,704	-	15,344	9,863	-	27,803	-	-	67,819	**417,813**
Depreciation	11,776	128	138	-	-	3,122	173	516	3,891	**169,958**
TOTAL EXPENSES	**2,082,479**	**138,365**	**243,349**	**103,662**	**78,592**	**415,995**	**215,824**	**64,531**	**759,661**	**14,600,404**
Surplus/ Reserve	**82,499**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**303,276**
Foreign exchange gain/ (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Comprehensive Income	**82,499**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**303,276**

BRAC UGANDA
PROJECT REPORTING (UNAUDITED) (C0NT'D)

Statement of Financial Position for the year ended 31 December 2019 (Amount in Uganda Shillings)

	ADP	Health -Revolving fund	Vision Spring	USAID Sanitation	Living Goods	YCHPs	TVET	Scholarship	Oak Foundation	Women Win	Training	Research
	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)
ASSETS												
Cash and bank	3,987,341	1,724,468	24,926	15,322	1,968,415	194,738	8,018	23,929,216	-	72,609	239,828	3,689,658
Receivables and other Current Assets	(312,928)	2,340,444	339,614	290,142	(3,812,601)	78,743	1,077,198	2,336,646	(794,754)	110,713	2,035,098	428,768
Property and equipment	1,341,492	36,216	13,428	-	59,558	129,583	-	23,169	903,408	-	-	22,817
TOTAL PROPERTY AND ASSETS	**5,015,905**	**4,101,128**	**377,968**	**305,464**	**(1,784,628)**	**403,064**	**1,085,216**	**26,289,031**	**108,654**	**183,322**	**2,274,926**	**4,141,243**
LIABILITIES AND CAPITAL FUND												
LIABILITIES												
Other Current liabilities	327,515	(13,865)	607,736	196,189	970,580	1,890	57,172	682,016	(6,430)	85,413	46,724	864,685
Related Party Payables	(377,450)	-	14,451	15,825	53,945	-	60	82,641	62,009	494	(3,714)	82,998
Total Liabilities	**(49,935)**	**(13,865)**	**622,187**	**212,014**	**1,024,525**	**1,890**	**57,232**	**764,657**	**55,579**	**85,907**	**43,010**	**947,683**
CAPITAL FUND												
Donor funds	(543,920)	147,177	(244,219)	83,662	(2,279,634)	401,174	1,027,984	18,014,779	50,183	-	-	(408,734)
Retained Surplus	5,609,760	3,967,816	-	9,788	(529,519)	-	-	7,509,595	2,892	97,415	2,231,916	3,602,294
Total Capital Fund	**5,065,840**	**4,114,993**	**(244,219)**	**93,450**	**(2,809,153)**	**401,174**	**1,027,984**	**25,524,374**	**53,075**	**97,415**	**2,231,916**	**3,193,560**
TOTAL LIABILITIES AND CAPITAL FUND	**5,015,905**	**4,101,128**	**377,968**	**305,464**	**(1,784,628)**	**403,064**	**1,085,216**	**26,289,031**	**108,654**	**183,322**	**2,274,926**	**4,141,243**

BRAC UGANDA
PROJECT REPORTING (UNAUDITED) (C0NT'D)

Statement of Financial Position for the year ended 31 December 2019 (Amount in Uganda Shillings)

	Emergency Preparedness	EELAY-NORAD	ELAMA	FAO	Play lab	TUP	UPG	ELA Plus	TOTAL
	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)	Ushs(000)
ASSETS									
Cash and bank	668,195	4,478	10,928	1,461	3,980	51,703	663,984	42,012	**37,301,280**
Receivables and other Current Assets	(572,608)	121,005	384,822	119,254	1,288,259	(85,573)	(72,685)	622,881	**5,922,438**
Property and equipment	-	16,220	4,381	-	-	96,369	33,517	-	**2,680,158**
TOTAL PROPERTY AND ASSETS	**95,587**	**141,703**	**400,131**	**120,715**	**1,292,239**	**62,499**	**624,816**	**664,893**	**45,903,876**
LIABILITIES AND CAPITAL FUND									
LIABILITIES									
Other Current liabilities	35,126	144,812	29,905	20,789	156,769	43,319	34,038	363,797	**4,648,180**
Related Party Payables	646	19,433	12,665	8,901	211,393	(2,416)	3,642	105,202	**290,725**
Total Liabilities	**35,772**	**164,245**	**42,570**	**29,690**	**368,162**	**40,903**	**37,680**	**468,999**	**4,938,905**
CAPITAL FUND									
Donor funds	57,680	(23,058)	357,561	91,025	943,368	23,010	587,136	-	**18,285,174**
Retained Surplus	2,135	516	-	-	(19,291)	(1,414)	-	195,894	**22,679,797**
Total Capital Fund	**59,815**	**(22,542)**	**357,561**	**91,025**	**924,077**	**21,596**	**587,136**	**195,894**	**40,964,971**
TOTAL LIABILITIES AND CAPITAL FUND	**95,587**	**141,703**	**400,131**	**120,715**	**1,292,239**	**62,499**	**624,816**	**664,893**	**45,903,876**

BRAC UGANDA

PROJECT REPORTING (UNAUDITED) (C0NT'D)

Statement of Financial Position for the year ended 31 December 2019 (Amount in United States Dollars)

	ADP	Health -Revolving fund	Vision Spring	USAID Sanitation	Living Goods	YCHPs	TVET	Scholarship	Oak Foundation	Women Win	Training	Research
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
ASSETS												
Cash and bank	1,087,890	470,496	6,801	4,180	537,054	53,131	2,188	6,528,743	-	19,810	65,434	1,006,670
Receivables and other Current Assets	(85,379)	638,557	92,659	79,161	(1,040,213)	21,484	293,898	637,520	(216,837)	(627)	582,165	116,983
Property and equipment	366,007	9,881	3,664	-	16,249	35,355	-	6,321	246,482	-	-	6,225
TOTAL PROPERTY AND ASSETS	**1,368,518**	**1,118,934**	**103,124**	**83,341**	**(486,910)**	**109,970**	**296,086**	**7,172,584**	**29,645**	**19,183**	**647,599**	**1,129,878**
LIABILITIES AND CAPITAL FUND												
LIABILITIES												
Other Current liabilities	89,357	(3,783)	165,812	53,526	264,810	516	15,599	186,078	(1,754)	23,303	12,748	235,917
Related Party Payables	(102,983)	-	3,943	4,318	14,718	-	16	22,547	16,918	135	(1,013)	22,645
Total Liabilities	**(13,626)**	**(3,783)**	**169,755**	**57,844**	**279,528**	**516**	**15,615**	**208,625**	**15,164**	**23,438**	**11,735**	**258,562**
CAPITAL FUND												
Donor funds	(148,398)	40,155	(66,631)	22,826	(621,967)	109,454	280,471	4,915,074	13,692	(30,833)	26,918	(111,518)
Retained Surplus	1,530,542	1,082,562	-	2,671	(144,471)	-	-	2,048,885	789	26,578	608,946	982,834
Total Capital Fund	**1,382,144**	**1,122,717**	**(66,631)**	**25,497**	**(766,438)**	**109,454**	**280,471**	**6,963,959**	**14,481**	**(4,255)**	**635,864**	**871,316**
TOTAL LIABILITIES AND CAPITAL FUND	**1,368,518**	**1,118,934**	**103,124**	**83,341**	**(486,910)**	**109,970**	**296,086**	**7,172,584**	**29,645**	**19,183**	**647,599**	**1,129,878**

BRAC UGANDA

PROJECT REPORTING (UNAUDITED) (C0NT'D)

Statement of Financial Position for the year ended 31 December 2019 (Amount in United States Dollars)

	Emergency Preparedness	EELAY-NORAD	ELAMA	FAO	Play lab	TUP	UPG	ELA Plus	TOTAL
	USD	USD	USD	USD	USD	USD	USD	USD	USD
ASSETS									
Cash and bank	182,307	1,222	2,981	399	1,086	14,107	181,158	11,462	**10,177,119**
Receivables and other Current Assets	(156,228)	33,015	104,992	32,537	351,483	(16,777)	(19,831)	167,290	**1,615,852**
Property and equipment	-	4,425	1,196	-	-	26,293	9,145	-	**731,243**
TOTAL PROPERTY AND ASSETS	**26,079**	**38,662**	**109,169**	**32,936**	**352,569**	**23,623**	**170,472**	**178,752**	**12,524,214**
LIABILITIES AND CAPITAL FUND									
LIABILITIES									
Other Current liabilities	9,584	39,510	8,159	5,672	42,772	11,819	9,287	99,257	**1,268,189**
Related Party Payables	176	5,302	3,455	2,429	57,676	(659)	994	28,703	**79,320**
Total Liabilities	**9,760**	**44,812**	**11,614**	**8,101**	**100,448**	**11,160**	**10,281**	**127,960**	**1,347,509**
CAPITAL FUND									
Donor funds	15,737	(6,291)	97,555	24,835	257,384	12,849	160,191	(2,655)	**4,988,848**
Retained Surplus	582	141	-	-	(5,263)	(386)	-	53,447	**6,187,857**
Total Capital Fund	**16,319**	**(6,150)**	**97,555**	**24,835**	**252,121**	**12,463**	**160,191**	**50,792**	**11,176,705**
TOTAL LIABILITIES AND CAPITAL FUND	**26,079**	**38,662**	**109,169**	**32,936**	**352,569**	**23,623**	**170,472**	**178,752**	**12,524,214**

BRAC SOCIAL BUSINESS ENTERPRISES UGANDA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS

Mr. Dr. Muhammad Musa*	- Chairperson (Appointed 14 July 2019)
Mr. Faruque Ahmed	- Chairperson (Resigned 14 July 2019)
Mr. Md. A Saleque*	- Member
Mr. Saif Md Imran Siddique*	- Member (Resigned 12 September 2018)

ADMINISTRATORS

Ms. Hasina Akhter *	- Country Representative (Resigned 30 November 2019)
Mr. Francis Tabu Drachi	- Acting Country Representative (Appointed 1 November 2019)

*Bangladeshis

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Plot 880, Heritage Road Nsambya
P.O. Box 31817
Kampala Uganda

COMPANY SECRETARY

Khalifa Nazim Uddin
BRAC Uganda,
Plot 880, Heritage Road Nsambya
P O Box 31817
Kampala Uganda

AUDITORS

KPMG
Certified Public Accountants
3rd Floor, Rwenzori Courts,
Plot 2 & 4A, Nakasero Road,
P O Box 3509
Kampala
Uganda

BANKERS

Standard Chartered Bank Uganda Ltd
Plot 5 Speak Road
P O Box 7111
Kampala, Uganda

Stanbic Bank Uganda Ltd
Plot 17 Hannington Road, Crested Towers
P O Box 7131
Kampala, Uganda

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 2019, which disclose the state of affairs of the company.

(a) INCORPORATION

BRAC Social Business Enterprises Uganda limited was incorporated as a limited liability company on 9 April 2010 as an independent company. Its vision is to develop a just, enlightened, healthy and democratic society free from hunger, poverty, environmental degradation and all forms of exploitation based on age, sex and ethnicity. In order to achieve this vision, BRAC Social Business Enterprises Uganda Limited uses sustainable social businesses to create and protect the livelihoods of poor people.

The Company effectively commenced trading on 1 January 2012 as BRAC Social Business Enterprises Uganda limited.

(b) VISION

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realise their potential.

(c) MISSION

The Company's mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. The interventions aim to achieve large scale, positive changes through economic and social programmes that enable men and women to realize their potential.

(d) OUR VALUES

Innovation- We have been an innovator in the creation of opportunities for the poor to lift themselves out of poverty. We value creativity in programme design and strive to display global leadership in groundbreaking development initiatives.

Integrity- We value transparency and accountability in all our professional work, with clear policies and procedures, while displaying the utmost level of honesty in our financial dealings. The Company holds these to be the most essential elements of our work ethic.

Inclusiveness- We are committed to engaging, supporting and recognising the value of all members of society, regardless of race, religion, gender, nationality, ethnicity, age, physical or mental ability, socioeconomic status and geography.

Effectiveness- We value efficiency and excellence in all our work, constantly challenging ourselves to perform better, to meet and exceed programme targets, and to improve and deepen the impact of our interventions.

(e) Principal activities

The Company packs and sells seeds of agricultural and horticultural crops.

(f) Results from operations

The results for the Company for the year ended 31 December 2019 are set out on page 95.

(g) Composition of Directors

The directors who served during the year and up to the date of this report are set out on page 89.

(h) Directors benefits

No director has received or become entitled to receive any benefits during the financial year.

BRAC SOCIAL BUSINESS ENTERPRISES UGANDA LIMITED
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019

(i) CORPORATE GOVERNANCE

The directors are committed to the principles of good corporate governance and recognize the need to conduct the business in accordance with generally accepted best practice. In so doing the directors therefore confirm that:

- The Board of Directors met regularly throughout the year;
- They retain full and effective control over the Company;
- The Board accepts and exercises responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance; and
- They bring skills and experience from their own spheres of business to complement the professional experience and skills of the management team.

In 2019 the Board of Directors had three directors. The Board continued to carry out its role of formulating policies and strategies of the Company, reviewing the business plan, ensuring that the accounting system is maintained in accordance with acceptable standards, the books of the Company are kept properly, and that accounts are checked by authorised auditors, as well as recruitment and development of key personnel.

(j) RISK MANAGEMENT

The board accepts the final responsibility for the risk management and internal control system of the Company. The management ensures that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding;

- The effectiveness and efficiency of operations;
- Safeguarding of the Company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviors towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Company's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

(k) MANAGEMENT STRUCTURE

The Company is under the supervision of the Board of Directors and the day to day management is entrusted to the Country Representative who is assisted by the heads of divisions, departments and units. The organisation structure of the Company comprises of the following divisions:

- Accounts and finance;
- Public relations;
- Internal audit;
- Monitoring unit;
- Branch review unit;
- Agriculture;
- IT and MIS;
- Human resources;
- BRAC Learning Centre;
- Communications and
- Procurement, logistics and transportation

(l) RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 15 to the financial statements.

(m) **DEVELOPMENT PLANS**

BRAC International Holdings BV purchased all 99 shares held by BRAC industries limited. The transaction was completed on 06 January 2016. Authorized share capital increased from UGX 1 million to UGX 10.5 billion.

(n) **KEY ACHIEVEMENTS IN 2019**

The Seed Processing Plant was fully operational and this enhanced the quality of seeds and germination rate. Ten new varieties for vegetables and maize were introduced which boosted the production rate up to 427 MT.

(o) **SOLVENCY**

The Board of Directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

(p) **EMPLOYEES' WELFARE**

Management/employee relationship

There was continued good relation between employees and management for the year ended 31 December 2019. There were no unresolved complaints received by management from the employees during the year.
The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

Training

Training and development of staff capacity is one of the key priorities of the company. During the year, a number of program staff were trained in their program related aspects.

Medical assistance

The Company has in place a medical insurance policy for all its staff.

Retirement benefit

All eligible employees are members of the National Social Security Fund (NSSF) which is an approved pension fund. The Company contributes 10% of the employees' gross salary.

The NSSF is a defined contribution scheme with BRAC Social Business Enterprises Uganda limited having no legal or constructive obligation to pay further top-up contributions.

(q) **GENDER PARITY**

In 2019, the company had a total staff of 23 staff (26 in 2018), female being 50% of the total staff.

(r) **Auditors**

The auditors, KPMG, being eligible for re-appointment have expressed their willingness to continue in office in accordance with the terms of Section 167(2) of the Companies Act of Uganda.

(s) **Approval of the financial statements**

The financial statements were approved by the directors at a meeting held on 10 March 2020.

By order of the Board

SECRETARY

Date: 10 March 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Company's directors are responsible for the preparation of financial statements that give a true and fair view of BRAC Social Business Enterprises Uganda Limited comprising the statement of financial position as at 31 December 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the Companies Act of Uganda.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not be a going concern for at least the next twelve months from the date of this statement.

The auditors are responsible for reporting on whether the financial statements give a true and fair view in accordance with the International Financial Reporting Standards and Companies Act of Uganda.

Approval of the financial statements

The financial statements of BRAC Social Business Enterprises Uganda Limited which appear on pages 167 to 191, were approved and authorised for issue by the Board of Directors on 10 March 2020.

Chairperson
Dr. Muhammad Musa
Executive Director
BRAC International

Director
M A Saleque

Date: 10 March 2020

KPMG
Certified Public Accountants
3rd Floor, Rwenzori Courts
Plot 2 & 4A, Nakasero Road
P O Box 3509
Kampala, Uganda
Reg No. AF0026

Telephone +256 414 340315/6
Fax +256 414 340318
Email info@kpmg.co.ug
Website www.kpmg.com/eastafrica

INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF BRAC SOCIAL BUSINESS ENTERPRISES UGANDA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BRAC Social Business Enterprises Uganda Limited ("the Company"), which comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information as set out on pages 167 to 191.

In our opinion, the financial statements give a true and fair view of the financial position of BRAC Social Business Enterprises Uganda Limited as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of Uganda.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Uganda and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the General Information, Directors' Report and Statement of Directors' Responsibilities, memorandum figures reported in United States Dollars (USD) and programme reporting but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, 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.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act of Uganda, and for such internal control as the directors 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 directors are responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

TO THE MEMBERS OF BRAC SOCIAL BUSINESS ENTERPRISES LIMITED (CONTINUED)

Auditors' 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 auditors' 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Report on Other Legal Requirements

As required by the Companies Act of Uganda, we report to you, based on our audit, that:

i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were considered necessary for the purposes of our audit;

ii) in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and

iii) the statements of financial position and comprehensive income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditors' report is CPA Asad Lukwago – P0365.

KPMG
Certified Public Accountants
3rd Floor, Rwenzori Courts
Plot 2 & 4A, Nakasero Road
P.O. Box 3509
Kampala
Uganda

Date: 29 May 2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 Ushs'000	2018 Ushs'000	2019 USD	2018 USD
Revenue	4	1,630,789	1,119,628	440,551	299,916
Cost of sales	5	(1,083,380)	(786,203)	(292,671)	(210,601)
Gross profit		**547,409**	**333,425**	**147,880**	**89,315**
Staff costs	6	(716,788)	(493,819)	(193,638)	(132,279)
Training, workshops & seminars	7	(10,077)	(21,652)	(2,722)	(5,800)
Other operating expenses	8	(793,792)	(589,838)	(214,440)	(158,001)
Depreciation	13	(175,052)	(138,309)	(47,290)	(37,049)
Lease amortization	14	(614)	(614)	(166)	(164)
Impairment of trade receivables	12	(57,948)	(3,966)	(15,654)	(1,063)
Operating expenses		**(1,754,271)**	**(1,248,198)**	**(473,910)**	**(334,356)**
Finance costs	9	(13,747)	-	(3,713)	-
Loss before tax		**(1,220,609)**	**(914,773)**	**(329,743)**	**(245,041)**
Income tax credit	17(a)	28,681	120,031	7,748	32,153
Net loss for the year		**(1,191,928)**	**(794,742)**	**(321,995)**	**(212,888)**
Other comprehensive income		-	-	-	-
Total comprehensive loss		**(1,191,928)**	**(794,742)**	**(321,995)**	**(212,888)**

The notes set out on pages 100 to 120 are an integral part of these financial statements.

	Note	2019 Ushs'000	2018 Ushs'000	2019 USD	2018 USD
ASSETS					
Non-current assets					
Property and equipment	13	1,354,778	1,445,995	369,631	389,205
Finance lease	14	54,950	55,564	14,993	14,956
Total non-current assets		**1,409,728**	**1,501,559**	**384,624**	**404,161**
Current assets					
Cash and bank	10	93,418	133,549	25,488	35,946
Inventory	11	143,690	419,751	39,204	112,981
Trade and other receivables	12	551,096	90,253	150,358	24,293
Tax receivable	17(c)	38,635	38,635	10,541	10,399
Total current assets		**826,839**	**682,188**	**225,591**	**183,619**
Total assets		**2,236,567**	**2,183,747**	**610,215**	**587,780**
EQUITY					
Share Capital	18	2,434,000	2,434,000	664,082	655,138
Retained earnings		(2,229,733)	(1,037,805)	(608,351)	(279,337)
Total equity		**204,267**	**1,396,195**	**55,731**	**375,801**
LIABILITIES					
Non-current liabilities					
Loan due to related party	15(c)	1,099,562	-	300,000	-
Deferred tax liability	17(b)	-	28,681	-	7,720
Total non-current liabilities		**1,099,562**	**28,681**	**300,000**	**7,720**
Current liabilities					
Due to related party	15(a)	695,757	616,746	189,827	166,004
Other liabilities	16	236,981	142,125	64,657	38,255
Total current liabilities		**932,738**	**758,871**	**254,484**	**204,259**
Total liabilities		**2,032,300**	**787,552**	**554,484**	**211,979**
Total equity and liabilities		**2,236,567**	**2,183747**	**610,215**	**587,780**

The financial statements on pages 96 to 120 were approved by the Board of Directors on 10 March 2020 and were signed on its behalf by:

Khalifa Nazim Uddin
Head of Finance

Francis Tabu Drachi
Acting Country Representative

Chairperson
Dr. Muhammad Musa
Executive Director
BRAC International

Director
M A Saleque

Date: 10 March 2020

The notes set out on pages 100 to 120 are an integral part of these financial statements.

BRAC SOCIAL BUSINESS ENTERPRISES UGANDA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share Capital	Retained Surplus	Total Equity	Total Equity
	Ushs'000	Ushs'000	Ushs'000	USD
At 1 January 2018	2,434,000	(185,160)	2,248,840	619,160
Impact of restatement on revenue	-	349,856	349,856	96,324
Adjustment on initial application of IFRS 9	-	(407,759)	(407,759)	(112,266)
Restated balance at 1 January 2018	**2,434,000**	**(243,063)**	**2,190,937**	**603,218**
Loss for the year	-	(794,742)	(794,742)	(212,888)
Currency translation	-	-	-	(14,529)
At 31 December 2018	**2,434,000**	**(1,037,805)**	**1,396,195**	**375,801**
At 1 January 2019 (as previously stated)	2,434,000	(1,037,805)	1,396,195	375,801
Loss for the year	-	(1,191,928)	(1,191,928)	(321,995)
Currency translation	-	-	-	1,926
At 31 December 2019	**2,434,000**	**(2,229,733)**	**204,267**	**55,732**

The notes set out on pages 100 to 120 form an integral part of these financial statements.

BRAC SOCIAL BUSINESS ENTERPRISES UGANDA LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Cash flows from operating activities	19	(1,097,943)	(444,958)	(296,748)	(118,765)
Income tax paid	17(a)	-	-	-	-
Net cash used in operating activities		**(1,097,943)**	**(444,958)**	**(296,748)**	**(118,765)**
Cash flows from investing activities					
Purchase of property, plant and equipment	13	(1,420)	(17,669)	(384)	(4,756)
Net cash used in investing activities		**(1,420)**	**(17,669)**	**(384)**	**(4,756)**
Cash flows from financing activities					
Proceeds from loans and borrowings		1,099,562	-	300,000	-
Payment of lease liabilities		(40,330)	-	(10,896)	-
Net cash generated from financing activities		**1,059,232**	**-**	**289,104**	**-**
Net decrease in cash and cash equivalents		**(40,131)**	**(462,627)**	**(8,028)**	**(123,521)**
Cash at bank at start of year		133,549	596,176	35,946	164,142
Currency translation		-	-	(2,430)	(4,675)
Cash at bank at end of year	10	**93,418**	**133,549**	**25,488**	**35,946**

The notes set out on pages 100 to 120 are an integral part of these financial statements.

1. General information

BRAC Social Business Enterprises Uganda Limited (the "Company") is incorporated in Uganda under the Companies Act of Uganda as a limited liability company, and is domiciled in Uganda.

Its vision is to develop a just, enlightened, healthy and democratic society free from hunger, poverty, environmental degradation and all forms of exploitation based on age, sex and ethnicity. In order to achieve this vision, BRAC Social Enterprise uses sustainable social businesses to create and protect the livelihoods of poor people.

BRAC's business model strongly reflects its philosophy, the core elements of the business model are BRAC's community outreach based delivery methodology and its unwavering focus on people at the poorer end of the poverty spectrum.

The company officially started its journey on 4 April 2011 after receiving license from Ministry of Agriculture, Animal industry and Fishery of Uganda to pack and sell seeds of Agricultural and Horticultural crops.

For Companies Act of Uganda reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of comprehensive income in these financial statements.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act of Uganda. They were authorised for issue by the company's board of directors on 3 March 2020.

The measurement basis applied is the historical cost basis, except for investments measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Details of the Company's accounting policies are included in Note 3

This is the first set of the Company's financial statements in which IFRS 16 Leases has been applied. The related changes to significant accounting policies are described in Note 3.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Changes in accounting policy and disclosures

The Company initially applied IFRS 16 Leases from 1 January 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the company's financial statements.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

A. Definition of a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

B. As a lessee

As a lessee, the Company leases many assets including property and vehicles. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

C. Leases classified as operating leases under IAS 17

Previously, the Company classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's' incremental borrowing rate as at 1 January 2019 (see Note D). Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application: the Company applied this approach to its leases; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Company applied this approach to all other leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Impact on transition*

On transition to IFRS 16, the Company recognised additional right-of-use assets, and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

	1 January 2019	1 January 2019
	Ushs'000	USD
Right of use assets-Office space	82,415	22,486
Lease liabilities	(82,415)	(22,486)

When measuring lease liabilities for leases that were classified as operating leases, the company discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted- average rate applied is 15%.

(b) New standards, amendments and interpretations

(i) New and amended standards adopted by the Company

New amendments or interpretation effective for annual periods beginning on or after 1 January 2019 are summarised below:

New amendments or interpretation	Effective date
IFRS 16 Leases	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019
Prepayment features with negative compensation (Amendments to IFRS 9)	1 January 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	1 January 2019
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	1 January 2019
Annual Improvements to IFRSs 2015-2017 Cycle (Amendments to IFRSs 3,IFRS 11, IASs 12 and IAS 23)	1 January 2019

FRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- judgments made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

IFRIC 23 applies for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted.

The application of these amendments will have no material impact on the disclosure or on the amounts recognised in the Company's financial statements.

Prepayment Features with Negative Compensation (Amendments to IFRS 9)

The amendments clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.

The amendments apply for annual periods beginning on or after 1 January 2019 with retrospective application, early adoption is permitted.

Management's assessment indicates that the application of these amendments will have no material impact on the disclosures or on the amounts recognised in the company's financial statements

Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)

The amendments, which address equity-accounted loss absorption by long-term investments (LTI), involves the dual application of IAS 28 and IFRS 9 Financial Instruments. There has always been diversity in practice when accounting for the shares of the losses of an associate or joint venture after the equity interest has been reduced to nil. The share of further losses is required to be allocated to LTI. The introduction of new impairment requirements in IFRS 9 based on expected credit losses exacerbated the issue and prompted the IASB to find a solution before IFRS 9 became effective.

The amendment states that LTI are in the scope of birth IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. In effect, this is a three-step annual process.

1. **Apply IFRS 9 independently**
   IFRS 9 is applied ignoring any prior years' IAS 28 loss absorption
2. **True-up past allocations**
   If necessary, prior years' IAS 2018 loss allocation is trued-up in the current year, because the IFRS 9 carrying value may have changed. This may involve recognising more prior years' losses, reversing these losses or re-allocating them between different LTI instruments.
3. **Book current year equity share**
   Any current year IAS losses are allocated to the extent that the remaining LTI balance allows. Any current year IAS 28 profits reverse any unrecognised prior years' losses and then allocations against LTI.

The adoption of these amendments did not have a significant impact on the financial statements of the Company.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

The amendments require a company to use the updated assumptions when a change to a plan either an amendment, curtailment or settlement, takes place to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements. The amendment will be applied retrospectively. IAS 28 Interest in Associates and Joint Ventures (amendment) (IAS 28), this amendment clarifies that an entity should apply IFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture only when the equity method is not applied. The amendments will be applied retrospectively.

The adoption of these amendments did not have a significant impact on the financial statements of the Company.

Annual Improvements to IFRSs 2015-2017 (Various standards)

The IASB has issued various amendments and clarifications to existing IFRS, none of which is expected to have a significant impact on the Company's annual financial statements.

(ii) New standards and interpretations not yet adopted by 2019

At the date of authorisation of the financial statements of BRAC Social Business Enterprises Uganda Limited for the year ended 31 December 2019, the following Standards and Interpretations were in issue but not yet effective:

New amendments or interpretation	Effective for annual periods beginning on or after
Amendments to References to Conceptual Framework in IFRS Standards.	1 January 2020
Definition of a Business (Amendments to IFRS 3).	1 January 2020
Definition of Material (Amendments to IAS 1 and IAS 8).	1 January 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1 January 2020
IFRS 17 Insurance Contracts*.	1 January 2021

All standards and Interpretations will be adopted at their effective date (except for those standards and Interpretations that are not applicable to the entity).

*At a Board meeting on Wednesday 14th of November, the IASB, tentatively decided to propose an amendment of the IFRS 17 effective date to reporting periods beginning on or after 1 January 2022. This is a deferral of one year compared to the current date of 1 January 2021.

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

— a new chapter on measurement;

— guidance on reporting financial performance;

— improved definitions of an asset and a liability, and guidance supporting these definitions; and

— Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. Although we expect this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements.

In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

The amendments are not expected to have a material impact on the Company.

Definition of a Business (Amendments to IFRS 3)
Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- Confirm that a business must include inputs and a process, and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.
- Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted. The amendments are not expected to have a material impact on the Company.

Definition of Material (Amendments to IAS 1 and IAS 8)
The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality. The amendments are not expected to have a material impact on the Company.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Amendments to IFRS 9, IAS 39 and IFRS 7 have now been issued to address uncertainties related to the ongoing reform of interbank offered rates (IBOR). The amendments provide targeted relief for financial instruments qualifying for hedge accounting in the lead up to IBOR reform.

The amendments address issues affecting financial reporting in the period leading up to IBOR reform, are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform.

The amendments are effective from 1 January 2020. Early application is permitted.

BRAC SOCIAL BUSINESS ENTERPRISES UGANDA LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

(c) Revenue from Contracts with Customers

BRAC SE recognises revenue in accordance with the core principle of IFRS 15 Revenue from Contracts with Customers: by applying the following five steps

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract;

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised in the correct period ("cut-off" issue) and reported only where control of the goods has passed to the customer. This signifies that BRAC SE has satisfied a performance obligation to its customer in accordance with the requirements of the contract with that customer (steps 1, 2 and 5 of the Revenue model).

Revenue must be recognised and measured at the correct valuation after taking account of rebates, trade activities, returns and other adjustments to reported revenue in accordance with the requirements of the contract with that customer (steps 1, 3 and 4 of the Revenue model).

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Net revenue is shown after excluding value-added tax (VAT).

Nature and timing of satisfaction of performance obligations, including significant payment terms;

Customers obtain control of the products when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are payable within 28 days.

Revenue is recognised when the goods are delivered and have been accepted by customers at their premises.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income is recognised as other income and this is from subleased property on the basis of valid contracts.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Uganda Shillings (Ushs) rounded to the nearest thousands. Uganda Shillings is the Company's functional currency.

The financial statements include figures, which have been translated from Uganda Shillings (Shs'000) to United States Dollars (USD) at the year-end rate of USD 1: Ushs 3,665 (2018: Ushs 3,715) for balance sheet items and USD 1: Ushs 3,702 (2018: Ushs 3,733) for the income statement balances. These figures are for memorandum purposes only and do not form part of the audited financial statements

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.
Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expenses'.

(e) Inventories
Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first-in first-out principle, and includes transport and handling costs. Net realizable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

(f) Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(g) Property and equipment

All property and equipment are initially recorded at cost. The cost of an item of property and equipment is recognized as an asset when:

- It is probable that future economic benefits associated with the item will flow to the company; and
- The cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognized in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognized.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property and equipment. Property and equipment are subsequently shown at market value, based on valuations by external independent valuers, less subsequent accumulated depreciation and impairment losses.

Increases in the carrying amount arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increase of the same asset are charged against the revaluation reserve. All other decreases are charged to the profit and loss account.

Depreciation is provided to write down the property and equipment, on a straight line basis, over their useful life, to their residual values, as follows:

Buildings	2%
Furniture and fixtures	10%
Equipment`	15%

The residual value and the depreciation rates of each asset are reviewed at each financial period-end. Land is not depreciated.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the disposal of an item of property and equipment is included in profit or loss when the item is derecognized. The gain or loss arising from derecognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Property and equipment are carried at cost less accumulated depreciation and any impairment losses.

(h) Impairment of assets

The carrying amounts of the company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognized immediately in the profit and loss account.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Investments with a longer maturity at acquisition do not become cash equivalents once their remaining maturity period falls to three months.

(j) Taxation

Current tax for current and prior periods is, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. A deferred tax asset is not recognized when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

Tax expenses

Provision is made for current income tax on the net taxable profit for the year at the applicable rates of tax taking into account income and expenditure which is not subject to tax.

(k) Financial Instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognized on the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Amounts owing by/ (to) related parties

These include amounts owing by/ (to) holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognized initially at fair value plus direct transaction costs.

Subsequently these amounts are measured at amortized cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amounts.

On amounts receivable an impairment loss is recognized in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognized, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortized cost would have been had the impairment not been recognized.

(l) Offsetting

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognized amount and there is an intention to settle on net basis, or to realize the asset and settle the liability simultaneously.

(m) Provisions

A provision is recognized on the statement of financial position when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specifics to the liability.

(n) Share capital

Ordinal shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

The accounting policies adopted are consistent with those used in the previous financial year except the following standards, amendments and interpretations which the company has adopted. The adoption of these standards, amendments and interpretations did not have significant effect on the financial performance or position of the company.

4. Revenue

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Sale of seeds	1,296,325	927,770	350,197	248,523
Vine sale	119,835	18,753	32,373	5,023
Training income	200,012	141,709	54,033	37,960
Other Income	14,264	30,042	3,853	8,047
Bank Interest income	353	1,354	95	363
	1,630,789	**1,119,628**	**440,551**	**299,916**

5. Cost of sales

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Seed purchase	746,358	472,803	201,626	126,652
Labor	10,182	9,599	2,751	2,571
Transportation of seeds	101,403	99,348	27,394	26,612
Chemical cost	61,443	2,215	16,599	593
Irrigation cost	20,186	16,917	5,453	4,531
Fertilizer costs – chemicals	115	6,566	31	1,759
Packaging costs	68,876	111,192	18,606	29,785
Seed processing cost	21,904	47,127	5,917	12,624
Electricity bill	28,248	6,441	7,631	1,725
Fuel	24,665	13,995	6,663	3,749
	1,083,380	**786,203**	**292,671**	**210,601**

6. Staff costs

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Salaries	603,440	424,696	163,017	113,763
Bonus	44,875	24,569	12,123	6,581
Employer's contribution	64,847	44,554	17,518	11,935
Gratuity expenses	3,626	-	980	-
	716,788	**493,819**	**193,638**	**132,279**

7. Training, workshop and seminars

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
External member trainings	8,529	20,521	2,304	5,497
Staff training	1,548	1,131	418	303
	10,077	**21,652**	**2,722**	**5,800**

8. Other operating expenses

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Legal fees and other services	52,892	24,725	14,290	6,623
Audit fees	36,355	33,757	9,821	9,042
Maintenance and general expenses	109,434	111,529	29,563	29,875
Printing and stationery	20,924	10,024	5,653	2,685
Software maintenance cost	54,941	49,714	14,842	13,317
Stock loss provision	115,050	-	31,080	-
Other general expenses	127,464	52,661	34,434	14,106
Head office logistic expenses	34,626	39,530	9,354	10,589
Honorarium	9,714	4,060	2,624	1,088
Travel and transportation	177,953	184,685	48,073	49,472
Inventory write off	54,439	79,153	14,706	21,204
	793,792	**589,838**	**214,440**	**158,001**

9. Finance costs

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Loan interest expense	14,373	-	3,883	-
IFRS16 interest expense	7,741	-	2,091	-
Exchange gain	(8,367)	-	(2,261)	-
	13,747	**-**	**3,713**	**-**

10. Cash and bank

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Cash in hand	392	157	107	42
Cash at Bank	93,026	133,392	25,381	35,904
	93,418	**133,549**	**25,488**	**35,946**

11. Inventory

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Maize seeds	1,483	307,247	405	82,699
Rice seeds	27,761	15,892	7,574	4,277
Bean seeds	54,720	23,787	14,930	6,402
Tomato seeds	3,295	23,222	899	6,250
Egg plants	4,554	6,252	1,243	1,684
Pumpkins	6,722	6,688	1,834	1,800
Watermelon	28,602	36,663	7,804	9,869
Cabbage	16,553	-	4,515	-
	143,690	**419,751**	**39,204**	**112,981**

The inventory is agriculture seeds that were not yet sold as at 31 December 2019.

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12. Trade and other receivables

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Trade receivables	1,007,466	493,793	274,873	132,910
Less: Provision for impairment losses	(469,674)	(411,726)	(128,145)	(110,821)
Trade receivables – net	**537,792**	**82,067**	**146,728**	**22,089**
Receivables from others	13,304	8,186	3,630	2,204
	551,096	**90,253**	**150,358**	**24,293**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Balance at 1 January	411,726	-	110,821	-
Remeasurement of loss allowance	57,948	411,726	15,654	110,821
Balance at 31 December	**469,674**	**411,726**	**128,145**	**110,821**

Impairment of trade receivables was made based on a simplified approach measured at an amount equal to life time credit loss using a provision matrix that is based on historical credit loss experience of the trade receivables.

The carrying amounts of the above trade and other receivables approximate their fair values.

13. Property and equipment

	Building Ushs '000	Furniture Ushs '000	Equipment Ushs '000	Total Ushs '000	Total USD
COST					
At 1 January 2018	**1,296,432**	**10,437**	**735,411**	**2,042,280**	**562,289**
Additions	-	3,120	14,549	17,669	4,756
Currency translation	-	-	-	-	(12,587)
At 31 December 2018	**1,296,432**	**13,557**	**749,960**	**2,059,949**	**554,458**
Recognition of right-of-use asset on initial application of IFRS 16	82,415	-	-	82,415	22,183
Adjusted balance at 1 January 2019	**1,378,847**	**13,557**	**749,960**	**2,142,364**	**576,641**
Additions	-	-	1,420	1,420	384
Asset write-off	-	-	-	-	-
Currency translation	-	-	-	-	7,875
At 31 December 2019	**1,378,847**	**13,557**	**751,380**	**2,143,784**	**584,900**
DEPRECIATION					
At 1 January 2018	**132,465**	**3,961**	**339,219**	**475,645**	**130,957**
Charge for the year	25,929	1,174	111,206	138,309	37,049
Currency translation	-	-	-	-	(2,753)
At 31 December 2018	**158,394**	**5,135**	**450,425**	**613,954**	**165,253**
Charge for the year	61,042	1,356	112,654	175,052	47,290
Currency translation	-	-	-	-	2,726
At 31 December 2019	**219,436**	**6,491**	**563,079**	**789,006**	**215,269**
NET BOOK VALUE					
At 31 December 2019	**1,159,411**	**7,066**	**188,301**	**1,354,778**	**369,631**
At 31 December 2018	**1,138,038**	**8,422**	**299,535**	**1,445,995**	**389,205**

14. Finance lease

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Cost/Valuation				
At 1 January	60,761	60,761	17,058	17,058
Additions	-	-	-	-
Currency Translations	-	-	-	-
At 31 December	**60,761**	**60,761**	**17,058**	**17,058**
Amortization				
At 1 January	5,197	4,583	2,102	1,286
Charge for the year	614	614	166	164
Currency Translations	-	-	(203)	652
At 31 December	**5,811**	**5,197**	**2,065**	**2,102**
NBV	**54,950**	**55,564**	**14,993**	**14,956**

The finance lease relates to costs incurred for the acquisition of land located on Block 382, Plot 19 at Kiziba, Bulemezi. It is amortised on a straight line basis over the period of the lease. The lease agreement became effective on 18 December 2008 for 99 years and as at 31 December 2018, the remaining lease period is 90 years.

At inception of the lease, the obligation associated with the acquisition was all paid upfront as required by the local laws. Therefore, all would be minimum lease payments were paid at once at the beginning of the lease. It's a requirement that for such a lease for the lessee to settle all the obligations upfront for the lease agreement to be effective.

15. Related party transactions

The company has entered into transactions with related parties as follows:

(a) Amount due to related parties	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Stitching BRAC International	20,745	20,744	5,660	5,584
BRAC Bangladesh	-	13,580	-	3,655
BRAC International Holdings B.V	87,665	78,220	23,918	21,054
BRAC Uganda	587,347	504,202	160,249	135,711
	695,757	**616,746**	**189,827**	**166,004**

Related party payables relate to amounts owing to Stitching BRAC International and BRAC International Holdings B.V for the settlements of operating expenditures on behalf of the company. All these related parties share a common ultimate controlling party with the Company.

(b) Sale of services

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Training income	200,012	141,709	54,032	37,960
	200,012	**141,709**	**54,032**	**37,960**

The company provides training services to related companies including BRAC Uganda and BRAC Uganda Microfinance Limited.

(c) Loan due to related party

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
BRAC International Holdings B.V	1,099,562	-	300,000	-
	1,099,562	**-**	**300,000**	**-**

Terms and payment schedule

The terms and conditions of the outstanding loan are as follows;

	Nominal rate	Year of maturity	31 December 2019 Face value Ushs'000	31 December 2019 Carrying amount Ushs'000	31 December 2018 Face value Ushs'000	31 December 2018 Carrying amount Ushs'000
Loan due to related party	4%	2019-22	1,172,867	1,099,562	-	-
			1,172,867	**1,099,562**	**-**	**-**

16. Other liabilities

	2019 Ushs '000	2018 Ushs '000	2019 USD	2018 USD
Lease liabilities	47,324	-	12,912	
Provision for NSSF	13,990	11,510	3,817	3,098
Provision for audit fees	36,762	54,800	10,030	14,750
Provision for PAYE	29,438	23,050	8,032	6,205
Withholding tax & VAT payable	8,699	31,959	2,373	8,602
Accrued expenses	100,768	20,806	27,493	5,600
	236,981	**142,125**	**64,657**	**38,255**

Lease liabilities are payable as follows;

	Principal Ushs '000	Interest Ushs '000	Present Value of minimum lease payments Ushs '000
Less than one year	36,035	3,013	33,022
More than one Year	11,289	211	11,078
	47,324	**3,224**	**44,100**

Terms and payment schedule

The terms and conditions of the lease liabilities are as follows;

	Nominal rate	Year of maturity	31 December 2019 Face value Ushs'000	31 December 2019 Carrying amount Ushs'000	31 December 2018 Face value Ushs'000	31 December 2018 Carrying amount Ushs'000
Lease liabilities	15%	2019-21	50,548	47,324	-	-
			50,548	**47,324**	**-**	**-**

Reconciliation of movement in liabilities to cash flows arising from financing activities

	Lease liabilities	Loan due to related party	Total
	Ushs '000	Ushs '000	Ushs '000
Balance as at 1 January 2019	**79,915**	**-**	**79,915**
Proceeds from loans and borrowings	-	1,099,562	**1,099,562**
Payment of lease liabilities	(32,591)	-	**(32,591)**
Total changes from financing cash flows	**47,324**	**1,099,562**	**1,146,886**
Other changes			
Interest expense	7,741	-	**7,741**
Interest paid	(7,741)	-	**(7,741)**
Total other changes	**-**	**-**	**-**
Balance as at 31 December 2019	**47,324**	**1,099,562**	**1,146,886**

17. Taxation

(a) Income tax credit

The company's tax affairs are subjected to agreement with the tax authorities. Details of the tax computation are set out below:

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Corporation tax	-	-	-	-
Deferred tax	(28,681)	(120,031)	(7,748)	(32,153)
Income tax credit	**(28,681)**	**(120,031)**	**(7,748)**	**(32,153)**

The corporation tax rate is set at 30% of the profits for the year as adjusted for tax purposes in accordance with the Income Tax Act cap 340.

Since the Company did not make profit during the year, no corporation tax was charged.

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Accounting loss	(1,220,609)	(914,773)	(329,743)	(245,041)
Tax at applicable rate 30%	(366,183)	(274,432)	(98,923)	(73,512)
Tax effect of:				
Over/ (under) provision from prior year	109,328	(93,015)	29,534	(24,916)
Movement in unrecognized tax losses	221,540	246,626	59,848	66,064
Non-deductible expenses	6,634	790	1,793	211
	(28,681)	**(120,031)**	**(7,748)**	**(32,153)**

(b) Deferred taxation

The recognized deferred tax liability as at 31 December 2018 is attributable to the movement in temporary differences between calculations of certain items for accounting and for taxation purposes as detailed below:-

	2018	Mov't	2019	2017	Mov't	2018
	Ushs '000	Ushs '000	Ushs '000	USD	USD	USD
Property and equipment	507,181	(27,655)	479,526	136,513	(5,681)	130,832
Provisions	(411,726)	(72,143)	(483,869)	(110,821)	(21,196)	(132,017)
Unrealized foreign exchange loss/ (gain)	149	(8,517)	(8,368)	41	(2,324)	(2,283)
	95,604	**(108,315)**	**(12,711)**	**25,733**	**(29,201)**	**(3,468)**
Deferred tax liability @ 30%	28,681	(28,681)	-	7,720	(7,720)	-
At 31 December	**28,681**	**(28,681)**	**-**	**7,720**	**(7,720)**	**-**

(c) Tax receivable	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
At 1 January	38,635	38,635	10,637	10,637
Currency translation	-	-	(96)	(238)
At 31 December	**38,635**	**38,635**	**10,541**	**10,399**

18. Share capital and funds designated for issue of ordinary shares

(a) Share Capital

		2019		2018
		Ushs '000		Ushs '000
Authorized Share Capital		10,500,000		10,500,000
Issued and raised shares	No of Shares	2019 Ushs '000	No of Shares	2018 Ushs '000
As at 1 January	243,400	2,434,000	243,400	2,434,000
Issued during the year @10,000	-	-	-	-
At 31 December	**243,400**	**2,434,000**	**243,400**	**2,434,000**

19. Cash flow from operating activities

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Loss before tax	(1,220,609)	(914,773)	(329,743)	(245,041)
Adjustments for:				
Depreciation	175,052	138,309	47,290	37,049
Amortization	614	614	166	164
Cash flow before changes in working capital	(1,044,943)	(775,850)	(282,287)	(207,828)
Changes in working capital				
Decrease in inventory	276,061	(255,092)	75,319	(68,661)
Increase in trade and other receivables	(460,843)	(31,165)	(125,735)	(8,388)
Increase in due to related parties	79,011	630,505	21,557	169,707
Increase in other liabilities	52,771	(13,356)	14,398	(3,595)
Net cash outflow from operations	(1,097,943)	(444,958)	(296,748)	(118,765)

20. Going concern

The Company incurred a loss during the year ended 31 December 2019 of Ushs 1,220,608,520 (2018: Ushs 794,742,243) and as of that date, the Company's current liabilities exceeded its current assets by Ushs 105,899,000. The directors have prepared these financial statements on a going concern basis as they expect the holding and related companies to continue providing financial support to the Company.

The directors are confident that the going concern assumption is appropriate in the preparation of the financial statements as the losses are attributed to the fact that the Company has just commenced operations.
The directors believe that the above financial support coupled with a new head of the Company and a new product introduction committee will result in revenue growth.

21. Financial risk management

a) Introduction and overview

The Company has exposure to the following risks from financial instruments:

i) credit risk
ii) interest rate risk
iii) liquidity risk
iv) market risk
v) operational risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Board of BRAC International Holdings BV, the parent company, has established the Group Audit and Risk Management committee, Remuneration Committee, Investment Committee, Group Executive Committee and Subsidiary Companies Executive Committee which are responsible for developing and monitoring Group risk management policies in their respective areas. All Board committees have both executive and non-executive members, apart from the Group Executive Committee which comprises of Executive Directors and Senior Management and report regularly to the Board of Directors on their activities.

BRAC financial risk management policy seeks to identify, appraise and monitor the risks facing BRAC whilst taking specific measures to manage its interest rate, foreign exchange, liquidity and credit risks. BRAC does not however, engage in speculative transactions or take speculative positions, and where affected by adverse movements, BRAC has sort the assistance of donors.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to the equity holders of the Company, comprising share capital, accumulated losses and other reserves as disclosed in the statement of changes in equity. Management regularly reviews the capital structure and make adjustments to it in light of changes in the economic conditions.

Management have defined debt as amounts owing to related and third parties. This includes short term loans and trade payables where credit has been extended. Equity is defined as the capital invested by shareholders as well as any accumulated reserves. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt; trade and other payables, less cash and cash equivalents. The company's net debt to equity ratio is analysed as follows:

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Other liabilities	236,981	142,125	64,657	38,255
Due to related parties	695,757	616,746	189,827	166,004
Less: Cash and cash equivalents	(93,418)	(133,549)	(25,488)	(35,946)
Net debt	**839,320**	**625,322**	**228,996**	**168,313**
Equity	204,267	1,396,195	55,731	375,801
Capital and Net debt	**1,043,587**	**2,021,517**	**284,727**	**544,114**
Net debt to equity ratio	80%	31%	80%	31%

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Credit policy of BRAC Social Business Enterprises Uganda Limited requires all credit exposures to be measured, monitored and managed proactively.

Exposure to credit risk is monitored on an ongoing basis by the commercial ventures respective management teams. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure. Key areas where the company is exposed to credit risk are:

- Trade and other receivable balances, and
- Investments in cash and cash equivalents.

All cash at banks is held with reputable financial institutions with good credit history and are regulated by the Central Bank of Uganda. As a result, the probability of loss of cash held at banks due to credit risk is assessed as low.

The Board of Directors has delegated responsibility for the oversight of credit risk to the Country Representative and the Monitoring department.

The determined Company's maximum expose to credit risk is as shown below;

	2019	2018	2019	2018
	Ushs '000	Ushs '000	USD	USD
Other receivables	551,096	90,253	150,359	24,293
Cash and Bank	93,418	133,549	25,488	35,946
	644,514	**223,802**	**175,847**	**60,239**

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the fair value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both which are exposed to general and specific market movements and changes in the level of volatility.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risks

Overall responsibility for managing market risk rests with the Country Representative. Management is responsible for the development of detailed risk management policies and for the day to day implementation of those policies.

Interest rate risk

There is no significant exposure to interest rate risk as there is no material overdraft or interest bearing borrowings.

Foreign exchange risk

BRAC Social Business Enterprises Uganda Limited foreign exchange risks comprise of transactions risk which arise from donor grants received in currencies other than the local currency and minimal foreign currency deposits and cash at bank placed with licensed financial institutions. BRAC Social Business Enterprises Uganda Limited has no significant exposure to foreign exchange risk as there are no material foreign denominated balances.

Foreign exchange exposures in transactional currencies other than the local currency are monitored via periodic cash flow and budget forecasts and are kept to an acceptable level.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation

The liquidity profile of the company is as follows:

31 December 2019	Less than 6 months	6 to 12 months	More than 12 months	Total
Assets	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Cash and cash equivalents	93,418	-	-	93,418
Inventories	143,690	-	-	143,690
Tax receivable	38,635	-	-	38,635
Other receivables	551,096	-	-	551,096
Total assets	**826,839**	**-**	**-**	**826,839**
Liabilities				
Other liabilities	236,981	-	-	236,981
Amount due to related parties	695,757	-	-	695,757
Total liabilities	**932,738**	**-**	**-**	**932,738**
Liquidity gap	**(105,899)**	**-**	**-**	**(105,899)**

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b) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Organization's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The Organization's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each BRAC Program. This responsibility is supported by the development of overall Organizational standards for the management of operational risk in the following areas:

i. Requirements for appropriate segregation of duties, including the independent authorization of transactions.
ii. Requirements for the reconciliation and monitoring of transactions
iii. Compliance with regulatory and other legal requirements
iv. Documentation of controls and procedures
v. Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified
vi. Requirements for the reporting of operational losses and proposed remedial action
vii. Development of contingency plans
viii. Training and professional development
ix. Ethical and business standards

Compliance with Company standards is supported by a programme of periodic reviews undertaken by the monitoring Department. The results of reviews are discussed with the management of the programs to which they relate, with summaries submitted to the senior management of the Company.

22. Fair values of financial assets and liabilities

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

a) Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments e.g. quoted equity securities. These items are exchange traded positions.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premier used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorized.

	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Assets					
Cash and Bank	-	-	93,418	93,418	93,418
Inventories	-	-	143,690	143,690	143,690
Tax receivable	-	-	38,635	38,635	38,635
Other receivables	-	-	551,096	551,096	551,096
Liabilities					
Other liabilities	-	-	236,981	236,981	236,981
Amount due to related parties	-	-	695,757	695,757	695,757

23. **Use of estimates and judgements**

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company regularly reviews its assets and makes judgments in determining whether an impairment loss should be recognized in respect of observable data that may impact on future estimated cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

24. **Contingent liabilities**

There were no known contingent liabilities as at the close of the year.

25. **Ultimate controlling party**

The ultimate controlling party is BRAC International Holdings BV, a company registered in Netherlands.

26. **Currency**

These financial statements are presented in thousands of Uganda Shillings, which is the entities functional currency.

27. **Capital commitments**

There were no capital commitments at year end (2018: nil).

28. **Events after the reporting period**

There are no reportable events after the reporting period.

Statement of comprehensive income for the year ended 31 December 2019

	Agriculture Ushs '000	Training Ushs '000	Total Ushs '000
Revenue	1,511,996	118,793	1,630,789
Cost of sales	(1,083,380)	-	(1,083,380)
Gross profit	**428,616**	**118,793**	**547,409**
Staff costs	(679,946)	(36,842)	(716,788)
Training, workshops & seminars	(6,073)	(4,004)	(10,077)
Other operating expenses	(702,070)	(91,722)	(793,792)
Depreciation	(175,052)	-	(175,052)
Lease amortization	(614)	-	(614)
Impairment of trade receivables	(57,948)	-	(57,948)
Operating expenses	**(1,621,703)**	**(132,568)**	**(1,754,271)**
Finance costs	(13,747)	-	(13,747)
Loss before tax	**(1,206,834)**	**(13,775)**	**(1,220,609)**
Income tax credit	28,681	-	28,681
Net loss for the year	**(1,178,153)**	**(13,775)**	**(1,191,928)**
Other comprehensive income	-	-	-
Total comprehensive loss	**(1,178,153)**	**(13,775)**	**(1,191,928)**

Statement of financial position as at 31 December 2019

	Agriculture Ushs '000	Training Ushs '000	Total Ushs '000
ASSETS			
Cash and bank	93,113	305	93,418
Inventory	143,690	-	143,690
Tax receivable	38,635	-	38,635
Trade & other receivables	550,930	166	551,096
Property and equipment	887,589	467,189	1,354,778
Finance lease	54,950	-	54,950
Total assets	**1,768,907**	**467,660**	**2,236,567**
LIABILITIES AND EQUITY			
Liabilities			
Due to related party	3,014,211	(2,318,454)	695,757
Loan to related party	1,099,562	-	1,099,562
Other liabilities	285,739	(48,758)	236,981
Total liabilities	**4,399,512**	**(2,367,212)**	**2,032,300**
Equity			
Share Capital	2,002,421	431,579	2,434,000
Retained earnings	(4,633,026)	2,403,293	(2,229,733)
Total Equity	**(2,630,605)**	**2,834,872**	**204,267**
Total liabilities and Equity	**1,768,907**	**467,660**	**2,236,567**

BRAC SOCIAL BUSINESS ENTERPRISES UGANDA LIMITED

PROGRAMME REPORTING (UNAUDITED)

Statement of comprehensive income for the year ended 31 December 2019

	Agriculture	Training	Total
	USD	**USD**	**USD**
Revenue	408,459	32,092	440,551
Cost of sales	(292,671)	-	(292,671)
Gross profit	**115,788**	**32,092**	**147,880**
Staff costs	(183,685)	(9,953)	(193,638)
Training, workshops & seminars	(1,641)	(1,081)	(2,722)
Other operating expenses	(189,661)	(24,779)	(214,440)
Depreciation	(47,290)	-	(47,290)
Lease amortization	(166)	-	(166)
Impairment of trade receivables	(15,654)	-	(15,654)
Operating expenses	**(438,097)**	**(35,813)**	**(473,910)**
Finance costs	(3,713)	-	(3,713)
Loss before tax	**(326,022)**	**(3,721)**	**(329,743)**
Income tax credit	7,748	-	7,748
Net loss for the year	**(318,274)**	**(3,721)**	**(321,995)**
Other comprehensive income	-	-	-
Total comprehensive loss	**(318,274)**	**(3,721)**	**(321,995)**

Statement of financial position as at 31 December 2019

	Agriculture	Training	Total
	USD	**USD**	**USD**
ASSETS			
Cash and bank	25,405	83	25,488
Inventory	39,204	-	39,204
Tax receivable	10,541	-	10,541
Trade & other receivables	150,313	45	150,358
Property and equipment	242,166	127,465	369,631
Finance lease	14,993	-	14,993
Total assets	**482,622**	**127,593**	**610,215**
LIABILITIES AND EQUITY			
Liabilities			
Due to related party	822,384	(632,557)	189,827
Loan to related party	300,000	-	300,000
Other liabilities	77,960	(13,303)	64,657
Total liabilities	**1,200,344**	**(645,860)**	**554,484**
Equity			
Share Capital	546,332	117,750	664,082
Retained earnings	(1,264,054)	655,703	(608,351)
Total Equity	**(717,722)**	**773,453**	**55,731**
Total liabilities and Equity	**482,622**	**127,593**	**610,215**

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