

BRAC SOUTH SUDAN

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 01 JANUARY 2024 TO 30 NOVEMBER 2024

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GLOSSARY OF TERMS

EPRRR	: Education for Peace, Recovery, and Resilience Activity
EU	: European Union
IDP	: Internally Displaced People
M & E	: Monitoring and Evaluation
PDM	: Post Distribution Monitoring
PDO	: Project Development Objective
RRC	: Relief and Rehabilitation Commission
SSP	: South Sudanese Pound
TPM	: Third Party Monitoring
UNICEF	: United Nations Children's Fund
UNOPS	: United Nations Office for Project Services
USAID	: United States Agency for International Development
USD	: United States Dollars

1. GENERAL INFORMATION

Directors Serving During the Period:

1. Mr. Shameran Abed - Chair
2. Mr. Saif Md Imran Siddique - Member (Resigned 30 September 2024)
3. Ms. Rudo Kayombo - Member (Resigned 30 June 2024)

Management Team During the Period:

1. Mr. Zakayo Lolpejalai - Interim Country Director
2. Mr. Mohammad Humayun Kabir - Head of Finance and Administration

REGISTERED OFFICE

BRAC South Sudan Office (Now Closed),
Aptech Africa, Plot-63, Block A,
Class Hai Malakal,
Juba, South Sudan.

INDEPENDENT AUDITOR

PKF Uganda
Certified Public Accountants
P.O Box 24544
Kampala

PRINCIPAL BANKERS

Eco Bank South Sudan Limited,
Koita Complex, Ministries Road,
Juba, South Sudan.

2. STATEMENT OF BOARD OF DIRECTOR'S RESPONSIBILITIES

The Directors prepare financial statements for each financial year which present fairly, in all material respects, the organization's financial position as at 30 November 2024 and its financial performance and cash flows for the year that ended. The Directors also ensure that the organization maintains proper accounting records that are sufficient to show and explain the transactions of the organization; and that disclose, with reasonable accuracy, the financial position of the organization and that enable them to prepare financial statements of the organization that comply with the Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the South Sudan NGO Act 2003.

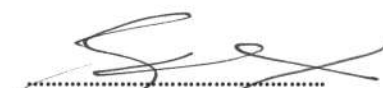
The Directors also accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities. They also accept responsibility for:

- i. Designing, implementing and maintaining such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The Directors confirm that the financial statements present fairly, in all material respects, the financial position of the organization as at 30 November 2024 and of the organization's financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the South Sudan NGO Act 2003.

We, the Directors of BRAC South Sudan, hereby confirm that the organization has ceased operations in the Republic of South Sudan. As of the date of this report, all operational activities have been ceased, and the entity will not continue as a going concern

Signed on behalf of the Board of Directors of BRAC South Sudan.


.....
Shameran Abed
Board Chair, Executive Director
.....
Mohammad Humayun Kabir
Head of Finance and Administration
.....
Zakayo Lolpejalai
Interim Country Director

3. REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD OF DIRECTORS OF BRAC SOUTH SUDAN

Opinion

We have audited the accompanying financial statements of BRAC South Sudan, set out on pages 6 to 9, which comprise the Statement of Financial Position as at 30 November 2024, the Statement of Income and Expenditure, the Statement of Changes in Accumulated Funds/Reserves, the Statement of Cash Flows for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organisation as at 30 November 2024, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities, the requirements of the South Sudan NGO Act 2003, and local statutory regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of BRAC South Sudan in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements relevant to our audit in South Sudan, 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 Directors' Report and the Directors' Responsibility Statement 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.

REPORT OF THE INDEPENDENT AUDITOR Continued...

Other information

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 the 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 the International Financial Reporting Standards for Small and Medium-sized Entities, the requirements of the South Sudan NGO Act 2003, and for ensuring compliance with the liquidation basis of accounting.

This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for assessing the organization's ability to discharge its obligations during the closure process, settling liabilities, and safeguarding remaining assets in line with the liquidation process.

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 ISAs, we exercise professional judgment and maintain professional skepticism 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 controls.

REPORT OF THE INDEPENDENT AUDITOR Continued...

- 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the liquidation basis of accounting and whether disclosures regarding the organization's closure were adequate.
- Evaluate the overall presentation, structure, and content of the financial statements.

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.

The engagement partner responsible for the audit resulting to this report of the independent auditor is CPA Charles Oguttu (P0141).

Charles Oguttu (P0141)
Engagement Partner

PKF Uganda
Certified Public Accountants
Kampala

Date _____
Ref: CO/B078/0297/2024

4.1 STATEMENT OF INCOME AND EXPENDITURE

	Notes	2024 USD	2023 USD
Income			
Grant income	4	105,486	1,221,210
Other income	4	405,007	1,207,761
Total Income		510,493	2,428,971
Operating Expenditure			
Staff costs and other benefits	5	323,101	837,315
Other general & administrative expenses	6	445,235	1,228,507
Depreciation		19,680	70,174
Total Operating Expenditure		788,016	2,135,996
Surplus for the year		(277,523)	292,975

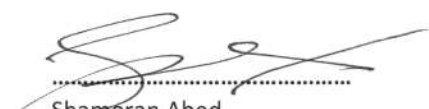
The notes on pages 10 to 16 are integral to the financial statements.

The report of the Independent Auditor is on pages 3 to 5.

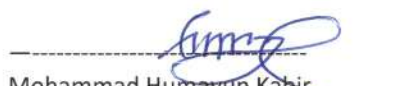
4.2 STATEMENT OF FINANCIAL POSITION

	Notes	2024 USD	2023 USD
ASSETS			
Non-current assets			
Property and equipment	7	-	54,806
Current assets			
Receivables and Other Current Assets	8	-	192,878
Cash and Cash Equivalents	9	-	461,684
		-	654,562
TOTAL ASSETS		-	709,368
Fund Balances			
BRAC Contribution	10	1,124,206	1,124,206
Accumulated Funds		(2,317,894)	(2,040,371)
Total funds		(1,193,688)	(916,165)
Current liabilities			
Other current liabilities	11	-	240,002
Borrowings	12	214,097	377,000
Donor grants	13	-	41,118
Related party payables	14	979,591	967,413
		1,193,688	1,625,533
Total liabilities		1,193,688	1,625,533
TOTAL FUNDS AND LIABILITIES		-	709,368

The financial statements on pages 6 to 9 were approved by the Board of Directors on 17 December 2024 and were signed on its behalf by:


Shameran Abed
Board Chair, Executive Director


Zakayo Lolpejalai
Interim Country Director


Mohammad Humayun Kabir
Head of Finance and Administration

*The notes on pages 10 to 16 form an integral part of the financial statements.
The report of the Independent Auditor is on pages 3 to 5.*

4.3 STATEMENT OF CHANGES IN ACCUMULATED FUND

	Accumulated Funds USD	BRAC Contribution USD	Total Funds USD
At 1 January 2024	(2,040,371)	1,124,206	(916,165)
(Deficit) for the year	(277,523)	-	(277,523)
As at 30 November 2024	(2,317,894)	1,124,206	(1,193,688)
 At 1 January 2023	 (2,333,346)	 1,124,206	 (1,209,140)
Surplus for the year	292,975	-	292,975
As at 31 December 2023	(2,040,371)	1,124,206	(916,165)

The notes on pages 10 to 16 form an integral part of the financial statements.

The report of the Independent Auditor is on pages 3 to 5

4.4 STATEMENT OF CASH FLOWS

	Notes	2024 USD	2023 USD
Cash flows from operating activities			
(Deficit) for the year		(277,523)	292,975
Adjustments for:			
Loss on disposal of assets	7	51,425	-
Depreciation		19,680	70,174
		<u>(206,418)</u>	<u>363,149</u>
Changes in working capital			
Decrease/(increase) receivables and other current assets		192,878	(144,732)
Adjustment on prior year reserves		-	4,061
Increase/(Decrease) in donor grants		(41,118)	(74,366)
Increase/(Decrease) in borrowings		(162,903)	98,000
Increase/(Decrease) in other liabilities		(240,001)	(819,367)
Increase/(Decrease) in related party payable		12,178	576,265
Cash flow from operating activities		<u>(238,966)</u>	<u>(360,139)</u>
Cash flow from investing activities			
Acquisition of fixed assets		(16,300)	(6,668)
Net cash flow from investing activities		<u>(16,300)</u>	<u>(6,668)</u>
Cash flow from financing activities			
Loans received during the year		-	-
Net cash flow from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(461,684)	(3,658)
Cash and cash equivalents at beginning of the year		461,684	465,342
Cash and cash equivalents at end of the year		<u>-</u>	<u>461,684</u>
Cash at Hand		-	2,891
Cash at bank (operating)		-	421
Cash at bank (USD)		-	2,476,534
Provision for Impairment Loss		-	(2,018,162)
		<u>-</u>	<u>461,684</u>

The notes on pages 10 to 16 form an integral part of the financial statements.

The report of the Independent Auditor is on pages 3 to 5

5 NOTES TO THE FINANCIAL STATEMENTS

5.1 GENERAL INFORMATION

BRAC South Sudan, an international private development organization, was incorporated on 8th November 2006 under the Non-Governmental Organizations Act, 2003, and registered under the Ministry of Internal Affairs of the Republic of South Sudan. The organization operated with a focus on sustainable development through high-impact education, health, agriculture, and employment and income generation activities, particularly for women and children.

BRAC South Sudan was a part of the international BRAC network, the largest non-governmental development organization globally, measured by employees and the people it has reached.

The organization ceased operations on 30 November, 2024.

5.2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), the requirements of the NGO Act, 2003, and applicable statutory regulations in South Sudan. They are presented in United States Dollars (USD) and prepared on a historical cost basis, except for the revaluation of certain financial instruments. They cover the period from 01 January 2024 to 30 November 2024.

b) Going Concern

Following the formal closure of BRAC South Sudan operations in November 2024, these financial statements have been prepared on a liquidation basis, in compliance with IFRS for SMEs and ISA 570 (Revised) Going Concern. The financial statements reflect the settlement of obligations, realization of assets, and wind-down of activities, with all material disclosures made in accordance with IAS 1 Presentation of Financial Statements to ensure transparency and clarity for stakeholders.

c) Income Recognition

Income recognition continues to follow the policy of measuring income at fair value. For 2024, this primarily included donor funds received before closure and other income generated during the winding-up phase, such as asset disposal gains, as well as a contribution from Stichting BRAC International (SBI).

d) Expenditure

Expenses are generally recorded on an accrual basis. Expenditure incurred in South Sudan Pounds is translated to US dollars using the prevailing exchange rate.

e) Property, Plant, and Equipment

During the period, all assets previously held by BRAC South Sudan were disposed of while others were transferred to other partners. These transactions were conducted in accordance with the approvals obtained from the South Sudan Relief and Rehabilitation Commission (RRC) as stipulated in Chapter 2, Sections 9 and 10 of the NGO Registration Procedures and Regulations, 2016.

NOTES TO THE FINANCIAL STATEMENTS Continued...

The disposal and transfer of assets were completed in compliance with regulatory requirements, ensuring proper accountability and documentation. Consequently, no PPE balances are reflected in the financial statements as of the reporting date.

f) Employee Benefits

Employee obligations related to gratuity pay, accrued leave, and other benefits have been settled as per the South Sudan Labor Act, 2017, as part of the closure process.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and held at bank.

h) Taxation

The Organization is involved in charitable activities and therefore falls within the definition of exempt category for tax purposes however management has not yet obtained a written ruling by the Commissioner stating that it is an exempt organization. No tax provision or liability has been incorporated in the Financial Statements for the period ended 30 November 2024

i) Financial Instruments and Risk Management

Liquidity Risk

BRAC South Sudan received final funding of USD 105,486 during the reporting period. In prior years, funding had been received from key donors, including UNOPS, the European Union (EU), and UNICEF, with incomes recognized upon completion of the respective activities during the period under audit.

All liabilities, including employee benefits and vendor obligations, were fully settled during the period. However, payables to related parties—specifically Stitching BRAC International, BRAC Bangladesh, and borrowing from Stitching BRAC International (SBI)—remain outstanding as of the reporting date.

BRAC South Sudan does not currently have sufficient funds to settle these outstanding liabilities. A decision by the BRAC International Board of Directors is pending to write off these balances. As a result, the organization's ability to meet these obligations is dependent on the resolution of this matter by the board.

Management has ensured that all other obligations were met during the wind-down process and remains in close communication with Stitching BRAC International (SBI) regarding the resolution of these outstanding liabilities.

Market Risk

Market risk during the closure was managed by ensuring that the organization minimized exposure to fluctuations in exchange rates and interest rates.

NOTES TO THE FINANCIAL STATEMENTS Continued...

	2024 USD	2023 USD
4 INCOME		
Grant incomes from donors	105,486	1,221,210
	105,486	1,221,210
OTHER INCOME		
Other Income	81,843	17,227
Contribution from BRAC	323,164	1,190,534
	405,007	1,207,761
TOTAL INCOME	510,493	2,428,971
5 STAFF COST AND OTHER BENEFITS		
Salary & Benefits	260,846	664,275
Bonus	15,564	48,733
Social Insurance Provision	46,691	124,307
	323,101	837,315
6 OTHER GENERAL & ADMINISTRATIVE EXPENSES		
Training, workshops and seminars	8,147	169,043
Occupancy expenses	185,250	160,830
Travel and Transportation	64,630	169,700
Maintenance and general expenses	148,514	281,335
Printing and office stationery	2,934	13,978
Generator fuel & Maintenance	-	9,631
Audit Fees	6,800	16,512
Program supplies	12,851	320,522
HO logistics and management expenses	4,356	44,126
Internet	9,612	38,059
Telephone and Fax	1,816	4,596
Net Foreign Exchange Loss	325	175
	445,235	1,228,507
7 Depreciation	19,680	70,174
	19,680	70,174

NOTES TO THE FINANCIAL STATEMENTS Continued...

	Furniture USD	Equipment USD	Computers USD	M/Vehicle USD	Motorcycle USD	Total USD
Cost						
At 1 January 2024	20,152	50,309	40,975	186,918	12,371	310,724
Additions	16,300	-	-	-	-	16,300
Reclassification/Disposal	(36,452)	(50,309)	(40,975)	(186,918)	(12,371)	(327,025)
At 30 November 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation						
At 1 January 2024	12,682	43,538	34,795	153,938	10,964	255,918
Charge for the year	1,828	1,823	2,448	13,381	200	19,680
Write off/Reclassification/Disposal	(14,510)	(45,361)	(37,243)	(167,319)	(11,164)	(275,598)
As at 30 November 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value:						
As at 30 November 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December 2023	<u>7,469</u>	<u>6,771</u>	<u>6,179</u>	<u>32,980</u>	<u>1,407</u>	<u>54,806</u>

NOTES TO THE FINANCIAL STATEMENTS Continued...

	2024 USD	2023 USD
8 Receivables and Other Current Assets		
Advance Rent & Salary	-	68,288
Grant Receivables from Donors	-	124,590
	<u>-</u>	<u>192,878</u>
9 Cash & Cash Equivalents		
Cash	-	2,891
Cash at Bank (Operating)	-	421
Cash at Bank (USD)	-	2,476,534
Provision for Impairment Loss	-	(2,018,162)
	<u>-</u>	<u>461,684</u>
Bank details		
Cash	-	2,891
BRAC SSD - GAC USD	-	-
BRAC SSD - GAC SSP	-	7
Eco Bank Ltd - SSP A/c	-	402
Eco Bank Ltd - NSSF A/c	-	3,007
Ecobank CORISE – SSP	-	7
Ecobank CORISE – USD	-	2,878
Ecobank TPM USD	-	-
Ecobank TPM USD/SSP	-	5
Eco Bank Ltd - USD A/c	-	331,366
Eco Bank Ltd UNICEF - USD A/c	-	121,121
	<u>-</u>	<u>461,684</u>
10 BRAC CONTRIBUTION		
This fund relates to the initial contribution towards the establishment of BRAC South Sudan and was used for starting up the microfinance Programme.		
	2024 USD	2023 USD
BRAC Contribution	<u>1,124,206</u>	<u>1,124,206</u>

NOTES TO THE FINANCIAL STATEMENTS Continued...

	2024 USD	2023 USD
11 OTHER CURRENT LIABILITIES		
(A) Outstanding Liabilities		
Balance as at 01 January 2024	115,277	65,596
Net Movements for the year	(115,277)	49,681
Balance as at 30 November 2024	-	115,277
(B) Social Insurance Provision		
Balance as at 01 January 2024	-	196,215
Net Movements for the year	-	(196,215)
Balance as at 30 November 2024	-	-
(C) Gratuity Payable		
Balance as at 01 January 2024	68,269	149,915
Net Movements for the year	(68,269)	(81,646)
Balance as at 30 November 2024	-	68,269
(D) Other Liabilities		
Provision for Medical Benefit	-	14,400
Tax Payable (Employer)	-	14,473
Payable to Bits	-	6,270
Accrued Expenses	-	10,598
Withholding Tax Payable	-	2,020
Audit Fees Payable	-	8,695
Balance as at 30 November 2024	-	56,456
Total Other current liabilities	-	240,002
	2024 USD	2023 USD
12 BORROWINGS		
Loan from Stitching BRAC International		
Balance as at 01 January 2024	377,000	279,000
Net Movements for the year	(162,903)	98,000
Balance as at 30 November 2024	214,097	377,000

The amounts borrowed from BRAC International were unsecured, interest free and with no repayment date.

NOTES TO THE FINANCIAL STATEMENTS Continued...

	2024	2023
	USD	USD
13 DONOR GRANTS RECEIVED IN ADVANCE		
At 1 January 2024	41,118	115,484
Donor Funds Received	247,672	1,022,254
Transfers to Income and Expenditure Statement	(105,486)	(1,221,210)
Recognized as other income	(58,714)	-
Receivable from Donors	(124,590)	124,590
Balance as at 30 November 2024	-	41,118
	2024	2023
	USD	USD
14 RELATED PARTY PAYABLES		
(A) Payable to Stichting BRAC International		
At 1 January 2024	416,040	391,148
Net Movements for the year	7,544	24,892
Balance as at 30 November 2024	423,584	416,040
(B) Payable to BRAC Bangladesh		
Balance as at 01 January 2024	551,373	545,271
Net Movements for the year	4,634	6,102
Balance as at 30 November 2024	556,007	551,373
Total Related Party Balances	979,591	967,413

SEGMENTAL REPORTING

Appendix 1

Statement of Financial Position as at 30 November 2024

	UNOPS - ECRP-II USD	UNICEF/INIIMLIS USD	CONTROL USD	Total USD
ASSETS				
Receivables and Other Current Assets	-	-	-	-
Related Party Receivables	-	-	-	-
Cash and Bank	-	-	-	-
Property and Equipment	-	-	-	-
TOTAL ASSETS	-	-	-	-
CURRENT LIABILITIES				
Other Current Liabilities	-	-	-	-
Borrowings	-	-	214,097	214,097
Donor Grants	-	-	-	-
Related Party Payables	-	-	979,591	979,591
TOTAL CURRENT LIABILITIES	-	-	1,193,688	1,193,688
CAPITAL FUND				
BRAC Contribution	-	-	1,124,206	1,124,206
Accumulated Funds	-	-	(2,317,894)	(2,317,894)
TOTAL CAPITAL FUND	-	-	(1,193,688)	(1,193,688)
TOTAL LIABILITIES AND CAPITAL FUND	-	-	-	-

SEGMENTAL REPORTING

Appendix 2

Statement of Comprehensive Income for the year ending 30 November 2024

	UNOPS - ECRP-II USD	UNICEF/INIMLIS USD	CONTROL USD	Total USD
Income				
Grant Income	85,082	20,404	-	105,486
Contribution from BRAC	-	-	323,164	323,164
Other Income	-	-	81,843	81,843
Total Income	85,082	20,404	405,007	510,493
Operating Expenditure				
Staff Costs and other Benefits	44,324	6,858	271,919	323,101
Other General and Administrative Costs	35,192	10,400	395,287	440,879
HO Logistics and Management Expense	5,566	3,146	(4,356)	4,356
Depreciation	-	-	19,680	19,680
Total Operating Expenditure	85,082	20,404	682,530	788,016
Surplus for the year	-	-	(277,523)	(277,523)
Total Comprehensive Surplus	-	-	(277,523)	(277,523)