

**BRAC UGANDA LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**BRAC UGANDA LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**CORPORATE INFORMATION**

**DIRECTORS**

|                             |                                    |
|-----------------------------|------------------------------------|
| Mr. Shameran Abed*          | - Chairperson                      |
| Mr Saif Md. Imran Siddique* | - Member                           |
| Ms. Rudo Kayombo**          | - Member (Appointed 16 March 2023) |

\*Bangladesh

\*\*Kenyan

**ADMINISTRATORS**

|                     |                    |
|---------------------|--------------------|
| Ms. Spera Atuhairwe | - Country Director |
|---------------------|--------------------|

**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  
Senior Manager, Finance and Accounts  
Plot 880, Heritage Road  
Nsambya, Kampala, Uganda

**AUDITOR**

KPMG  
Certified Public Accountants  
3<sup>rd</sup> 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 Limited  
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

BRAC Uganda Bank Limited  
Plot 201, Mengo, Kabuusu Road  
P O Box 6582  
Kampala, Uganda

Centenary Bank  
Mapeera House  
Plots 44-46 Kampala Road  
P O Box 1872  
Kampala, Uganda

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2023, which disclose the state of affairs of the Company.

**(a) Registration**

BRAC Uganda Limited got incorporated as a Company limited by guarantee on 18<sup>th</sup> September 2009 as an independent Company. The Organisation prior to incorporation was a component of BRAC Uganda Limited 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 Organisation was duly registered under the Non-Governmental Organisation registration statute (1989) on 19<sup>th</sup> March 2010 as BRAC Uganda Limited.

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

**(b) Vision**

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

**(c) Mission**

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 realise 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 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** - 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 is a non-profit organisation providing provides social and economic empowerment support to communities particularly women, children and youth living in marginalised situations and creates opportunities for them to realise their potential using an integrated model of social development, microfinance, social enterprise and humanitarian response in 114 districts in Uganda.

**(f) Results from operations**

The results for the Company for the year ended 31 December 2023 are set out on page 15.



**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)**

**(g) Composition of Directors**

The directors who served during the year are set out on page 2.

**(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 recognise 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 2023 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 the financial statements are checked by authorised 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. 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 Director who is assisted by the heads of divisions, departments and units. The Organisation structure of the Company comprises of the following divisions:

- Education program
- Health program
- Youth Empowerment program
- Human resource department
- Emergency Preparedness and Response Program
- Accounts and Finance department
- Internal Audit department
- Monitoring, Evaluation and Learning department

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)****(k) Management Structure – continued**

- Fundraising and partnerships department
- Grant management department
- Operations department

**(l) Related Party Transactions**

Related party transactions are disclosed in notes 15 and 18 to the financial statements.

**(m) Corporate Social Responsibility**

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

**(n) Key achievements in 2023****Health Program**

Improving the equity, efficiency and effectiveness of the health sector is a key component of Uganda's overarching policy goal of providing high-quality healthcare to all residents. This places a higher priority on preventive and promotional treatments which are typically offered by Primary Health Care (PHC). Uganda pledges to enhance PHC by bolstering community-level initiatives.

The BRAC Health Program worked with over 3,558 active digitally enabled Community Health Workers (CHWs) serving over 2.6 million people in 72 districts across Uganda, making it one of the biggest NGO run CHW program in the country. BRAC Uganda's Essential Health Care program was established within the context of Uganda and is in conjunction with the government's Village Health Team (VHT) program, which is administered by the Ministry of Health. It is founded on BRAC's decades of experience in a proven model of community-based health care in Bangladesh. It is important to note that the following information is subject to change without notice.

To provide antenatal care (ANC), postnatal care (PNC) and the Integrated Community Case Management (ICCM) protocol for the early identification and treatment of children under five suffering from common infectious diseases, BRAC Uganda develops the capacity of CHWs to identify, treat, refer and follow up on malaria, pneumonia and diarrhoea cases in the community.

**The BRAC Health Model**

**Household visits:** CHWs have a target to support about 100 households. CHWs who deliver crucial medical services are at the centre of BRAC's health initiatives. These include a specific portfolio of services for mothers and children, such as ICCM as well as information and protection programs for diseases like malaria, tuberculosis and HIV/AIDS, as well as food, sanitation, safe drinking water and hygiene promotion.

**Health education:** CHWs provide health education and sensitisation on a variety of topics, including nutrition, family planning, water, sanitation and hygiene, HIV/AIDS and tuberculosis. Door-to-door care is provided by BRAC's CHWs, who also identify symptoms, refer patients to nearby clinics, health centres or hospitals and monitor adherence to treatment and therapy.

**Pregnancy care:** CHWs provide referral services for ANC and PNC to both pregnant women and mothers. They assess for danger signs and complications and refer to nearby health facilities for diagnosis and specialized care. The CHWs also follow up for adherence to drugs and post-natal care services.

**Under five child assessment and treatment:** CHWs diagnose and treat children under five for malaria, diarrhoea and pneumonia also known as ICCM.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)**

**Entrepreneurial component:** CHWs are motivated through a self-sustaining revolving fund (e.g., energy efficient products, sanitary pads). They also offer health supplies like birthing kits, sanitary towels and malaria medication. In recent years, BRAC has assisted with national response efforts, modified its procedures to ensure the delivery of regular essential service and delivered tailored interventions to educate communities on COVID-19 and Ebola.

In 2023, the health projects jointly reached:

- 566,254 Households in 84 districts in Uganda.
- 2,581,967 Participants reached through the CHWs.
- 628,892 children provided with treatment for Malaria, Diarrhoea and Acute Respiratory Infections (ARI).
- 96,990 participants received family planning services by type.

**Humanitarian Action and Emergency Responses and Resilience**

BRAC Uganda partnership with International Labour Organization (ILO) is implementing a one year project in Rhino camp, Imvepi and Nakivale refugee settlements from July 2022 to June 2023. The project aims to support refugees and host communities by providing them important skills and enabling them find jobs or start businesses. The project targets young people and women aged between 18 and 35 years who had special therapy before. The project has two main goals:

- Teach young people and women useful skills that can help them get jobs in the first 6 months of the project.
- Help young people and women find jobs or start businesses.

BRAC Uganda is also working with other groups like the International Refugee Rights Initiative (IRRI) and Hope Alert Network for Development and Local Empowerment (HANDLE). They are working together on a Safety, Protection and Peaceful Co-existence (SPACE) project. This project targets women and young people in the Northern and West Nile Regions of Lamwo, Obongi and Madi Okollo and is funded by the European Union Emergency Trust Fund (EUTF). SPACE has three main goals which are part of the bigger plan to make life better for refugees and host communities. These include;

- Assist refugees and local people get justice.
- Assist change the way people think and feel about rights, justice and solving problems in a peaceful way.
- Improve the way peace is built and assist people to stop fights before they start.

**Key achievements (ILO)**

- 483 participants have completed three months of skills training in hair dressing, cosmetology, driving, tailoring, crocheting, knitting and craft. All received start-up kits for various business enterprises and also benefited from life skills.
- 229 participants have been subjected to Directorate of Industrial Training (DIT) assessment and subsequent certification.
- 322 participants were facilitated to access DIT.
- 35 groups supported to formalise registration at the sub-county and the district.

**Key achievements (SPACE)**

- 22 established micro-enterprise groups of women and youth registered with the district and sub-counties and issued certificates of registration to operate in the areas the micro-enterprise women groups were established.
- 300 community members reached out with key messages on human rights, justice and peaceful co-existence. 175 junior peace champions trained in Rhino camp.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)****Accelerating Impact for Young Women (AIM)**

The Accelerating Impact for Young Women in Africa (AIM) is a five-year project funded by the Mastercard Foundation, reaching out to 1.2 million adolescent girls and young women (AGYW), 1.9 million households and 9.5 million people in the seven target African countries that is Uganda, Liberia, Sierra Leone, Rwanda, Ghana, Kenya and Tanzania by 2026. As a result of this partnership 720,000 AGYW, 60% of the targeted 1.2 million AGYW will be engaged in meaningful and dignified work. The project intends to support AGYW living in poverty aged 12-35 years due to COVID-19.

Through this partnership with the Mastercard Foundation, BRAC integrates proven and scalable social and economic development approaches in communities to:

- Foster the agency and voice of AGYW to act on their aspirations.
- Enable AGYW to engage in sustainable livelihoods.
- Create an enabling environment for AGYW including support to engage in advocacy.

The AIM program combines BRAC's approach of social and economic empowerment to deliver interventions to target participants.

The Program works with AGYW to strengthen their life skills through a comprehensive curriculum that builds their confidence, inter and intrapersonal skills, knowledge and ability in key areas of sexual and reproductive health and rights (SRHR), gender, safeguarding and planning. AIM targets age groups, with age-specific life skills for very young adolescents aged 12-14, adolescents aged 15-17, and young women aged 18-35.

To ensure AGYW safely transition through early adolescence, the program puts AGYW on a viable financial trajectory by fostering the development of marketable skills and facilitating linkages for AGYW to existing resources and networks. Eligible AGYW are engaged in income-generating activities and linked to livelihood opportunities along four major pathways.

The program includes evidence-based advocacy for creating an enabling environment for AGYW. The partnership works with local actors to support AGYW to advocate for their rights and facilitate their access to decision-making forums through creating new and leveraging existing platforms to address the structural and systemic issues that hinder AGYW's ability to take up decent livelihood options and engage meaningfully in society.

**Key achievements**

- 29,554 total adolescents were reached through the 297 established adolescent clubs in Luwero, Mukono and Iganga regions.
- 1,083 Youth development committee (YDC) members are in positions established to; advocate for AGYW's rights, address harmful gender norms, create linkages to social protection and other public/private services, create a space for youth to integrate and engage in community matters and facilitate problem-solving/conflict resolution.
- 297 mentors were trained to deliver the curriculum.
- 5,598 adolescents received education support.
- 8,897 adolescents received livelihood support.
- 296 SMEs and 4,230 Village Savings and Loans Associations (VSLAs) are linked to microfinance for financial support.

**Youth Empowerment and Education Programme (YEP)**

Young people across the Global South hold tremendous potential, but they face disproportionate risks and barriers that can create challenging transitions into adulthood. Across Asia and Africa, young people particularly girls and young women are vulnerable to poverty and exploitation and face limited job prospects. BRAC's youth programs combine social empowerment, economic empowerment and education to enable young people to reach their full potential.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)****The ELA model**

Under the Youth Empowerment Programme, BRAC has its flagship model, Empowerment and Livelihoods for Adolescents (ELA) launched in 2006 in Uganda, targeting AGYW. The ELA model is designed to provide education, social empowerment, economic empowerment and protection to adolescent girls and boys and young women between the ages of 10 and 24 from marginalised communities and vulnerable households so they can overcome their barriers and become agents of change in their own lives, families, communities and countries. The ELA model allows both the in-school and the out of school AGYW to have the opportunity to be part of the ELA clubs.

The Social Empowerment component builds self-confidence, leadership, critical thinking, decision-making skills and social skills among the AGYW using a "near-peer" mentorship model for youth to learn and engage on these topics with community based facilitators. Participants also explore gender dynamics and learn to navigate issues that affect their well-being and future such as relationships, sexual and reproductive health, HIV and AIDS, gender-based violence, early marriage, human and legal rights and more.

The economic empowerment component enables the young people obtain the skills and resources they need to secure gainful employment. Training is provided in entrepreneurial skills and financial literacy, along with career coaching and other soft skills.

As a part of the ELA model, BRAC engages local communities through systems strengthening and involvement of government and local leaders, parents, caregivers and the broader community to improve the status of girls and young women in their communities. Male involvement is adopted through engaging boys and young men to address gender dynamics, challenge negative social norms and improve girls' life experiences.

In 2023, the Youth Empowerment Program had three projects that were implemented using the ELA model. These included; Empowerment and livelihood for adolescents plus (ELA+), GOAL and Empowerment and livelihood for adolescents in school (ELA). The projects had uniform strategies through clubs, mentors, basic life skills, and financial inclusion targeting adolescent girls and boys in different parts of the country.

**Key achievements**

- 32,032 direct participants were reached through the ELA+, GOAL and ELAS (11,670 were parents, 381 mentors, 2,562 Centre management committees and 17,419 adolescents).
- 5,170 are linked to Mastercraft for apprenticeship.
- 4,126 received livelihood support.

**Early Childhood and Graduation Programming in Refugee settlements in Uganda**

BRAC Uganda, with funding from the Conrad N. Hilton Foundation, is implementing a two-generation model integrating early childhood development Humanitarian Play Labs (HPLs) and livelihood intervention to support refugees and host communities by building sustainable early childhood development and livelihoods in Rhino and Imvepi. The project targets 700 households using the graduation selection criteria and 4,050 vulnerable and marginalised children aged 3 to 5 years. The project builds the fields of ECD through capacity building, research and advocacy under its technical assistance component targeting 395 non-BRAC ECD professionals and 40 local and national ECD implementing partners in the humanitarian space.

In Rhino and Imvepi refugee settlements in North-western Uganda, BRAC has established 75 HPLs. The HPLs are safe, sustainable, child-friendly spaces that utilise culturally relevant, low-cost materials to support healing and learning through play as well as support children to develop holistically to build their social-emotional skills, self-regulation, language, friendship and confidence. The HPLs currently serve 4,788 children aged 3 to 6 years and their caregivers.



**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)****Key achievements**

- 700 Ultra-poor households of 15 to 64 years with children aged 3 to 5 years, were supported with livelihood options i.e kitchen gardening, business, birds and animals).
- 500 inclusive groups were established with 700 members in the groups.
- 4,788 children were supported and 75 HPL/ECD centres were built.
- 395 teachers were trained and 40 community-based organisations were reached through capacity building.
- From the Knowledge Attitudes and Practice (KAP) survey, data shows positive results among parents towards supporting children's learning and development processes.
- 84% of parents visit the ECD centres during the learning session to see their children learn.
- 85% of parents sing a song, 20% read aloud, tell a tale or repeat a rhyme together and 63% of parents said their children could play with their fathers.
- 93% of parents said that boys and girls have equal rights in their communities and 90% said they have equal opportunities.
- 83% of parents allocate the same roles to both male and female children at home.

**(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 the applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

**(p) Employee's Welfare****Management/employee relationship**

There were continuous good relations between employees and management for the year 2023. There were no unresolved complaints received by management from the employees during the year. Staff continued to get performance incentive schemes in 2023. Grievance handling guidelines were circulated to all employees to create awareness about employee rights.

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.

**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' gross salary and the employee contributes 5%. The National Social Security Fund (NSSF) is a defined contribution scheme with BRAC Uganda Limited having no legal or constructive obligation to pay further top-up contribution.

**(q) Gender Parity**

In 2023, the Company had 567 staff (455 in 2022). The female staffs were 76% (67 % in 2022).

**(r) Auditor**

The auditor, KPMG, being eligible for reappointment, has expressed willingness to continue in office in accordance with the terms of Section 167 (2) of the Companies Act, CAP 106 Laws of Uganda.

BRAC UGANDA LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

(s) Approval of the financial statements

The financial statements were approved by the directors at a meeting held  
on 28/08/ 2024.

By order of the Board

*namozin*

SECRETARY

Date: 28/08/ 2024

**BRAC UGANDA LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Company's directors are responsible for the preparation and fair presentation of the financial statements of Brac Uganda Limited set out on pages 15 to 48, which comprise the statement of financial position as at 31 December 2023 and the statements of comprehensive income, changes in reserves and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in a manner required by the Companies Act, CAP 106 Laws 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 assessed the ability of the Company to continue as a going concern and are confident that there are adequate plans and initiatives to ensure the Company will continue to operate as a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the IFRS Accounting Standards and in a manner required by the Companies Act, CAP 106 Laws of Uganda.

**Approval of financial statements**

The financial statements of Brac Uganda Limited, indicated above, were approved and authorised for issue by the Board of Directors on 28th August, 2024.

Head of Finance: [Signature]

Country Director: [Signature]

Director: [Signature]

Director: [Signature]

Date: 28th August 2024



# Independent auditor's report

## To the members of BRAC Uganda Limited

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of BRAC Uganda Limited ("the Company") set out on pages 15 to 48, which comprise the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in a manner required by the Companies Act, CAP 106 Laws of Uganda.

#### 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 the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including international independence standards) (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 Matter

We draw attention to the fact that the supplementary information presented in United States Dollars (USD) together with the project reporting does not form part of the audited financial statements. We have not audited this supplementary information and, accordingly, we do not express an opinion on this supplementary information.

#### Other Information

The directors are responsible for the Other Information. The Other Information comprises the information included in the *BRAC Uganda Limited Annual Report and Financial Statements for the year ended 31 December 2023* 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 performed, we conclude that there is a material misstatement of this Other Information, then we are required to report that fact. We have nothing to report in this regard.



# Independent auditor's report

## To the members of BRAC Uganda Limited (Continued)

### Report on the audit of the financial statements (Continued)

#### *Responsibilities of Directors for the Financial Statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in a manner required by the Companies Act, CAP 106 Laws of Uganda, and for such internal control as 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, 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 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 directors 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.

# Independent auditor's report

To the members of BRAC Uganda Limited

Report on the audit of the financial statements

## Report on Other Legal Requirements

As required by the Companies Act, CAP 106 Laws 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 on the audit resulting in this independent auditors' report is CPA Asad Lukwago-P0365.



**KPMG**  
Certified Public Accountants  
3<sup>rd</sup> Floor, Rwenzori courts  
Plot 2 & 4A, Nakasero Road  
P O Box 3509  
Kampala, Uganda



CPA Asad Lukwago

Date: 10 September 2024



**BRAC UGANDA LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023**

|                                                     | Notes  | 2023<br>Ushs '000   | 2022<br>Ushs '000   | Supplementary information<br>2023<br>USD | 2022<br>USD         |
|-----------------------------------------------------|--------|---------------------|---------------------|------------------------------------------|---------------------|
| Grant income                                        | 4      | 50,308,890          | 39,968,526          | 13,464,896                               | 10,770,066          |
| Other income                                        | 5      | 976,184             | 755,052             | 261,270                                  | 203,459             |
| <b>Total income</b>                                 |        | <b>51,285,074</b>   | <b>40,723,578</b>   | <b>13,726,166</b>                        | <b>10,973,525</b>   |
| Staff costs and other benefits                      | 7      | (16,578,395)        | (12,708,023)        | (4,437,116)                              | (3,424,351)         |
| Training, workshops & seminars                      | 8      | (11,340,582)        | (6,550,418)         | (3,035,244)                              | (1,765,100)         |
| Occupancy expenses                                  | 9      | (906,856)           | (763,811)           | (242,715)                                | (205,819)           |
| Program supplies, travel and other general expenses | 10     | (23,295,032)        | (21,070,662)        | (6,234,786)                              | (5,677,779)         |
| Depreciation                                        | 12&21c | (1,039,833)         | (760,416)           | (278,306)                                | (204,904)           |
| <b>Total expenses</b>                               |        | <b>(53,160,698)</b> | <b>(41,853,330)</b> | <b>(14,228,167)</b>                      | <b>(11,277,953)</b> |
| Foreign exchange (loss)/gain                        | 6      | (355,786)           | 251,242             | (95,224)                                 | 67,701              |
| <b>Deficit before tax</b>                           |        | <b>(2,231,410)</b>  | <b>(878,510)</b>    | <b>(597,225)</b>                         | <b>(236,727)</b>    |
| Taxation                                            | 11     | -                   | -                   | -                                        | -                   |
| <b>Deficit for the year</b>                         |        | <b>(2,231,410)</b>  | <b>(878,510)</b>    | <b>(597,225)</b>                         | <b>(236,727)</b>    |
| <b>Other comprehensive income</b>                   |        |                     |                     |                                          |                     |
| Other comprehensive income                          |        | -                   | -                   | -                                        | -                   |
| <b>Total comprehensive income</b>                   |        | <b>(2,231,410)</b>  | <b>(878,510)</b>    | <b>(597,225)</b>                         | <b>(236,727)</b>    |

The notes set out on pages 19 to 48 form an integral part of these financial statements.



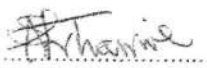
**BRAC UGANDA LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

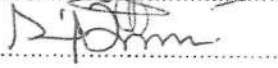
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

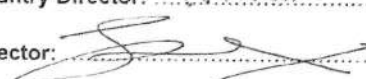
|                                       | Notes  | 31 Dec 2023              | 31 Dec 2022              | Supplementary information |                         |
|---------------------------------------|--------|--------------------------|--------------------------|---------------------------|-------------------------|
|                                       |        | Ushs '000                | Ushs '000                | 31 Dec 2023<br>USD        | 31 Dec 2022<br>USD      |
| <b>Assets</b>                         |        |                          |                          |                           |                         |
| <b>Non-current assets</b>             |        |                          |                          |                           |                         |
| Property and equipment                | 12     | 2,944,153                | 1,801,315                | 778,421                   | 485,055                 |
| ROU asset                             | 21a    | <u>243,552</u>           | <u>386,844</u>           | <u>64,394</u>             | <u>104,169</u>          |
| <b>Total non-current assets</b>       |        | <b><u>3,187,705</u></b>  | <b><u>2,188,159</u></b>  | <b><u>842,815</u></b>     | <b><u>589,224</u></b>   |
| <b>Current assets</b>                 |        |                          |                          |                           |                         |
| Cash and bank                         | 13     | 5,775,464                | 13,688,941               | 1,527,008                 | 3,686,135               |
| Inventory                             | 14     | 457,302                  | 647,724                  | 120,909                   | 174,418                 |
| Due from related parties              | 15 (b) | 4,172,728                | 2,755,817                | 1,103,251                 | 742,082                 |
| Other receivables                     | 16     | <u>5,637,684</u>         | <u>980,506</u>           | <u>1,490,579</u>          | <u>264,029</u>          |
| <b>Total current assets</b>           |        | <b><u>16,043,178</u></b> | <b><u>18,072,988</u></b> | <b><u>4,241,747</u></b>   | <b><u>4,866,664</u></b> |
| <b>Total assets</b>                   |        | <b><u>19,230,883</u></b> | <b><u>20,261,147</u></b> | <b><u>5,084,562</u></b>   | <b><u>5,455,888</u></b> |
| <b>Liabilities</b>                    |        |                          |                          |                           |                         |
| <b>Current liabilities</b>            |        |                          |                          |                           |                         |
| Lease liability                       | 21b    | 150,158                  | 461,175                  | 39,701                    | 124,184                 |
| Other payables                        | 17     | 4,439,637                | 2,380,572                | 1,173,821                 | 641,037                 |
| Due to related parties                | 18     | 1,789,285                | 1,761,688                | 473,079                   | 474,384                 |
| Deferred Grants                       | 19     | <u>3,131,669</u>         | <u>3,706,168</u>         | <u>827,999</u>            | <u>997,991</u>          |
| <b>Total liabilities</b>              |        | <b><u>9,510,749</u></b>  | <b><u>8,309,603</u></b>  | <b><u>2,514,600</u></b>   | <b><u>2,237,596</u></b> |
| <b>Reserves</b>                       |        |                          |                          |                           |                         |
| Retained surplus                      |        | <u>9,720,134</u>         | <u>11,951,544</u>        | <u>2,569,962</u>          | <u>3,218,292</u>        |
| <b>Total reserves</b>                 |        | <b><u>9,720,134</u></b>  | <b><u>11,951,544</u></b> | <b><u>2,569,962</u></b>   | <b><u>3,218,292</u></b> |
| <b>Total liabilities and reserves</b> |        | <b><u>19,230,883</u></b> | <b><u>20,261,147</u></b> | <b><u>5,084,562</u></b>   | <b><u>5,455,888</u></b> |

The financial statements on pages 15 to 48, were approved and authorised for issue by the Board of Directors on 28th August 2024 and were signed on its behalf by:

Head of Finance: 

Country Director: 

Director: 

Director: 

Date: 28th August 2024

The notes set out on pages 19 to 48 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2023**

|                            | Retained surplus         | Supplementary<br>information<br>Retained surplus |
|----------------------------|--------------------------|--------------------------------------------------|
|                            | Ushs '000                | USD                                              |
| <b>At 1 January 2022</b>   | <b>12,830,054</b>        | <b>3,619,912</b>                                 |
| Deficit for the year       | (878,510)                | (236,727)                                        |
| Currency translation       | -                        | (164,893)                                        |
| <b>At 31 December 2022</b> | <b><u>11,951,544</u></b> | <b><u>3,218,292</u></b>                          |
| Deficit for the year       | (2,231,410)              | (597,225)                                        |
| Currency translation       | -                        | (51,105)                                         |
| <b>At 31 December 2023</b> | <b><u>9,720,134</u></b>  | <b><u>2,569,962</u></b>                          |

The notes set out on pages 19 to 48 form an integral part of these financial statements.

**BRAC UGANDA LIMITED****ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023**

|                                                 | Notes     | Supplementary information |                          |                         |                         |
|-------------------------------------------------|-----------|---------------------------|--------------------------|-------------------------|-------------------------|
|                                                 |           | 2023<br>Ushs '000         | 2022<br>Ushs '000        | 2023<br>USD             | 2022<br>USD             |
| <b>Net cash used in operating activities</b>    | <b>20</b> | <b>(5,798,726)</b>        | <b>(788,174)</b>         | <b>(1,537,794)</b>      | <b>(268,380)</b>        |
| <b>Cash flow from investing activities</b>      |           |                           |                          |                         |                         |
| Acquisition of fixed assets                     | 12        | (1,962,953)               | (893,220)                | (518,996)               | (240,690)               |
| Disposal of fixed assets                        | 12        | <u>239,427</u>            | <u>-</u>                 | <u>63,303</u>           | <u>-</u>                |
| <b>Net cash used in investing activities</b>    |           | <b><u>(1,723,526)</u></b> | <b><u>(893,220)</u></b>  | <b><u>(455,693)</u></b> | <b><u>(240,690)</u></b> |
| <b>Cash flow from financing activities</b>      |           |                           |                          |                         |                         |
| Lease payments                                  | 21(b)     | (445,487)                 | (292,783)                | (119,232)               | (78,894)                |
| Interest on liability                           | 21(b)     | 54,262                    | 83,277                   | 14,523                  | 22,440                  |
| <b>Net cash used in financing activities</b>    |           | <b><u>(391,225)</u></b>   | <b><u>(209,506)</u></b>  | <b><u>(104,709)</u></b> | <b><u>(56,454)</u></b>  |
| Net decrease in cash and cash equivalents       |           | (7,913,477)               | (1,890,900)              | (2,098,196)             | (565,524)               |
| Currency translation                            |           | -                         | -                        | (60,931)                | (144,086)               |
| <b>Cash and cash equivalents at 1 January</b>   |           | <b>13,688,941</b>         | <b>15,579,841</b>        | <b>3,686,135</b>        | <b>4,395,745</b>        |
| <b>Cash and cash equivalents at 31 December</b> | <b>13</b> | <b><u>5,775,464</u></b>   | <b><u>13,688,941</u></b> | <b><u>1,527,008</u></b> | <b><u>3,686,135</u></b> |

The notes set out on pages 19 to 48 form an integral part of these financial statements



**1. THE REPORTING ENTITY**

BRAC began 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 Organisation 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 Limited 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 Limited.

BRAC Uganda Limited 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 and are apparent in the way BRAC has designed its operations.

BRAC Uganda is registered as an NGO with the National Bureau for Non-Governmental Organisations in line with the NGO Act, 2016

**2. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in a manner required by the Companies Act, CAP 106 Laws of Uganda.

The summary of material accounting policies are described at Note 3 to the financial statements.

**(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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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 3,782.21 (2022: Ushs 3,713.63) for balance sheet items and USD 1: Ushs 3,736.30 (2022: Ushs 3,711.07) for the income statement balances. These figures are for memorandum purposes only and do not form part of the audited financial statements.

**2. BASIS OF PREPARATION (Continued)****(iv) Use of estimates and judgment**

The preparation of financial statements in conformity with IFRS Accounting 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. MATERIAL 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 the related equipment is capitalized as part of that equipment.

When part of the item of property, plant and equipment has different useful lives, they are accounted for as separate items (major components) of property, plant and 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) Subsequent cost**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in equity net of tax. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve, all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings net of tax.

**3. MATERIAL ACCOUNTING POLICIES (continued)****(iii) 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, motorcycles and bicycles | 20%            |
| Computers                                | 33.33%         |
| Furniture and Fixtures                   | 10%            |
| Equipment                                | 20%            |
| Buildings                                | 5%             |

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.

**(i) 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. Leases**

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.

**3. MATERIAL ACCOUNTING POLICIES (continued)****b. Leases (continued)**

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.

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.

**As a lessor**

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

**3. MATERIAL ACCOUNTING POLICIES (continued)****b. Leases (continued)**

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

**Lease Modifications**

A lessee shall account for a lease modification as a separate lease if both:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification a lessee shall:

- (a) allocate the consideration in the modified contract;
- (b) determine the lease term of the modified lease; and
- (c) remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification.

For a lease modification that is not accounted for as a separate lease, the lessee shall account for the remeasurement of the lease liability by:

- (a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.
- (b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

**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 closing rate. 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 profit and loss.



**3. MATERIAL ACCOUNTING POLICIES (continued)****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 are 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.

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 Effective Interest Rate (EIR). The EIR amortisation is included in other income in the 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.

**3. MATERIAL ACCOUNTING POLICIES (continued)****d. Financial instruments (continued)****i) Financial Assets (continued)**

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.

**3. MATERIAL ACCOUNTING POLICIES (continued)****e. Impairment*****i) Financial Assets***

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 has increased significantly since initial recognition and whether or not the entity has insurance cover or guarantees in place to cover the potential economic loss;

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 that 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.

**3. MATERIAL ACCOUNTING POLICIES (continued)****e. Impairment (continued)****(ii) 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.

**g. Other receivables**

Other receivables comprise of prepayments, deposits and other receivables 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, 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. 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 accrual 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 profit and loss as grant income. Grants utilized to reimburse program related expenditure are recognised as grant income for the period.

**3. MATERIAL ACCOUNTING POLICIES (continued)****j. Revenue recognition (continued)****(i) Donor Grants (continued)**

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 the Company receives 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 recognised to the extent that the Company fulfils the conditions of the grant. This income is transferred from the deferred grant received from donors and recognized as income in the profit and loss.

A portion of 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 Company assets and all realised and unrealised foreign exchange differences.

Revenue comprises the fair value of the consideration received or receivable for the provision of training services, medical health revolving products and project implementation in the ordinary course of the Company's activities. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised services to the Donors in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services.

IFRS 15 uses the concept of "control" to determine when revenue should be recognised and requires revenue to be recognised based upon the transfer of services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

BRAC Uganda Limited recognises grant revenue in accordance with the core principle 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 a service has been offered to the final beneficiaries of the grant. This signifies that BRAC Uganda Limited has satisfied a performance obligation to its Donor in accordance with the requirements of the contract with that Donor (steps 1, 2 and 5 of the Revenue model).



**3. MATERIAL ACCOUNTING POLICIES (continued)****k. Interest from bank and short-term deposits**

Interest income on BRAC Uganda Limited's 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 Limited 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 Limited does not incur any additional costs for fund raising purposes other than over heads which is recorded under Head Office logistic and management expenses.

**p. New accounting standards, amendments and interpretation****a) New accounting standards, amendments and interpretations issued and are effective for the year ended 31 December 2023**

The International Accounting Standards Board (IASB) issued new IFRSs and amendments to the existing standards which came into effect in the current year. Of these, the following new standards which are effective from 1 January 2023 led to changes in the Company's significant accounting policies. The Company did not early adopt any new or amended standards in 2023.

New amendments or interpretation effective for annual periods beginning on or after 1 January 2023 are summarized below;

| <b>New amendments or interpretation</b>                                                                 | <b>Effective date</b> |
|---------------------------------------------------------------------------------------------------------|-----------------------|
| IFRS 17 Insurance Contracts                                                                             | 1 January 2023        |
| Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2                   | 1 January 2023        |
| Definition of Accounting Estimates – Amendments to IAS 8                                                | 1 January 2023        |
| Deferred Tax relates to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 | 1 January 2023        |
| International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12                                | 23 May 2023           |

The new and amended standards did not have a significant impact on the Company's financial statements.

**b) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2023**

At the date of authorisation of the financial statements of BRAC Uganda Limited for the year ended 31 December 2023, the following standards and interpretations were in issue but not yet effective.

| <b>New amendments or interpretation</b>                                                                                                      | <b>Effective for annual periods beginning on or after</b>             |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Non-current Liabilities with Covenants – Amendments to IAS 1 and classification of Liabilities as Current or Non-current Amendments to IAS 1 | 1 January 2024                                                        |
| Lease Liability in a sale and leaseback – Amendments to IFRS 16                                                                              | 1 January 2024                                                        |
| Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7                                                                               | 1 January 2024                                                        |
| IFRS S1 General Requirements for Disclosure of Sustainability – related Financial Information and IFRS S2 Climate-related Disclosures        | 1 January 2024                                                        |
| Lack of Exchangeability – Amendments to IAS 21                                                                                               | 1 January 2025                                                        |
| IFRS 18 Presentation and Disclosure in Financial Statements                                                                                  | 1 January 2027                                                        |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28                     | Available for optional adoption/ effective date deferred indefinitely |

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

**q. Comparatives**

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

## 4. GRANT INCOME

|                                                                                 | 2023<br>Ushs '000        | 2022<br>Ushs '000        | 2023<br>USD              | 2022<br>USD              |
|---------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Education                                                                       | 240,687                  | 1,426,196                | 64,419                   | 384,308                  |
| Health                                                                          | 7,087,924                | 9,972,094                | 1,897,043                | 2,687,116                |
| Empowerment and livelihood of adolescents                                       | 4,711,454                | 7,311,370                | 1,260,995                | 1,970,149                |
| Research & evaluation                                                           | 3,381,195                | 7,220,535                | 904,958                  | 1,945,672                |
| Ultra-Poor Graduation (UPG)                                                     | -                        | 2,466,355                | -                        | 664,593                  |
| Play lab                                                                        | 1,351,535                | 2,158,449                | 361,731                  | 581,624                  |
| Emergency preparedness and response                                             | 787,680                  | 1,288,688                | 210,818                  | 347,255                  |
| Accelerating Impact for Young Women win in Africa (AIM)                         | 24,912,128               | 6,677,787                | 6,667,593                | 1,799,421                |
| Early childhood and graduation program in refugee settlement in Uganda (Hilton) | <u>7,836,287</u>         | <u>1,447,052</u>         | <u>2,097,339</u>         | <u>389,928</u>           |
|                                                                                 | <b><u>50,308,890</u></b> | <b><u>39,968,526</u></b> | <b><u>13,464,896</u></b> | <b><u>10,770,066</u></b> |

Grant income majorly relates to the funds received from the different donors for implementation of the different projects, the funds are transferred from grants received in advance to the profit and loss.

## 5. OTHER INCOME

|                                      | 2023<br>Ushs '000     | 2022<br>Ushs '000     | 2023<br>USD           | 2022<br>USD           |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Training program income              | -                     | 99,241                | -                     | 26,742                |
| Research program income              | -                     | 195,873               | -                     | 52,780                |
| Health program revolving fund income | 651,249               | 266,130               | 174,303               | 71,712                |
| BRAC contribution                    | 224,178               | -                     | 60,000                | -                     |
| Donation income from BUBL            | 41,368                | 146,185               | 11,072                | 39,392                |
| Bank interest income                 | <u>59,389</u>         | <u>47,623</u>         | <u>15,895</u>         | <u>12,833</u>         |
|                                      | <b><u>976,184</u></b> | <b><u>755,052</u></b> | <b><u>261,270</u></b> | <b><u>203,459</u></b> |

| Type of the product           | Nature and timing of satisfaction of performance obligations, including significant payment terms                                                                                          | Revenue recognition under IFRS 15                                                                                   |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Health Program revolving fund | Customers obtain control when the goods are delivered to and have been accepted at their premises. Invoices are generated at a point in time. Invoices are usually payable within 30 days. | Revenue is recognised when the health products are delivered and have been accepted by customers at their premises. |
| Training income               | Customers obtain control when the training services have been offered by BRAC Uganda Limited. Invoices are generated at a point in time. Invoices are usually payable within 30 days.      | Revenue is recognised when an invoice is raised after the training.                                                 |
| Research income               | Customers obtain control when the final research report has been delivered by BRAC Uganda Limited. Invoices are generated at a point in time. Invoices are usually payable within 30 days. | Revenue is recognised when an invoice is raised on submission of the final report to the donors.                    |

There are no contract assets or liabilities.

## 6. FOREIGN EXCHANGE (LOSS)/GAIN

|                              | 2023             | 2022           | 2023            | 2022          |
|------------------------------|------------------|----------------|-----------------|---------------|
|                              | Ushs '000        | Ushs '000      | USD             | USD           |
| Foreign exchange (loss)/gain | (355,786)        | 251,242        | (95,224)        | 67,701        |
|                              | <u>(355,786)</u> | <u>251,242</u> | <u>(95,224)</u> | <u>67,701</u> |

The exchange loss/gain arises 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.

## 7. STAFF COSTS AND OTHER BENEFITS

|                                | 2023              | 2022              | 2023             | 2022             |
|--------------------------------|-------------------|-------------------|------------------|------------------|
|                                | Ushs '000         | Ushs '000         | USD              | USD              |
| Salaries                       | 13,101,516        | 9,522,024         | 3,506,549        | 2,565,840        |
| Bonus                          | 1,256,921         | 691,387           | 336,408          | 186,304          |
| 10% employer NSSF contribution | 1,520,920         | 1,053,691         | 407,066          | 283,931          |
| Wages                          | 482,268           | 1,117,100         | 129,076          | 301,018          |
| Gratuity expenses              | 45,543            | 63,286            | 12,189           | 17,053           |
| Staff recruitment expenses     | <u>171,227</u>    | <u>260,535</u>    | <u>45,828</u>    | <u>70,205</u>    |
|                                | <u>16,578,395</u> | <u>12,708,023</u> | <u>4,437,116</u> | <u>3,424,351</u> |

## 8. TRAINING, WORKSHOPS AND SEMINARS

|                           | 2023              | 2022             | 2023             | 2022             |
|---------------------------|-------------------|------------------|------------------|------------------|
|                           | Ushs '000         | Ushs '000        | USD              | USD              |
| External member trainings | 10,090,429        | 6,186,620        | 2,700,647        | 1,667,069        |
| Staff training            | <u>1,250,153</u>  | <u>363,798</u>   | <u>334,597</u>   | <u>98,031</u>    |
|                           | <u>11,340,582</u> | <u>6,550,418</u> | <u>3,035,244</u> | <u>1,765,100</u> |

## 9. OCCUPANCY EXPENSES

|                | 2023           | 2022           | 2023           | 2022           |
|----------------|----------------|----------------|----------------|----------------|
|                | Ushs '000      | Ushs '000      | USD            | USD            |
| Rental charges | 450,753        | 548,219        | 120,642        | 147,725        |
| Utilities      | <u>456,103</u> | <u>215,592</u> | <u>122,073</u> | <u>58,094</u>  |
|                | <u>906,856</u> | <u>763,811</u> | <u>242,715</u> | <u>205,819</u> |

**10. PROGRAM SUPPLIES, TRAVEL AND OTHER GENERAL EXPENSES**

|                                   | 2023                     | 2022                     | 2023                    | 2022                    |
|-----------------------------------|--------------------------|--------------------------|-------------------------|-------------------------|
|                                   | Ushs '000                | Ushs '000                | USD                     | USD                     |
| Legal and other fees              | 28,121                   | 571,727                  | 7,526                   | 154,060                 |
| Audit and tax fees                | 200,342                  | 333,189                  | 53,620                  | 89,782                  |
| Maintenance and general expenses  | 2,246,698                | 3,165,694                | 601,317                 | 853,039                 |
| Printing, stationery and supplies | 1,050,920                | 504,947                  | 281,273                 | 136,065                 |
| Telephone and Internet expenses   | 239,652                  | 270,944                  | 64,141                  | 73,010                  |
| Program supplies                  | 11,980,980               | 9,657,851                | 3,206,642               | 2,602,440               |
| Interest on lease liability       | 54,262                   | 84,078                   | 14,523                  | 22,656                  |
| Inventory write-off               | 179,572                  | 10,767                   | 48,062                  | 2,901                   |
| Software maintenance cost         | 101,022                  | 618,417                  | 27,038                  | 166,641                 |
| Head office logistics expenses    | 386,451                  | 571,793                  | 103,432                 | 154,077                 |
| Travel and transportation         | <u>6,827,012</u>         | <u>5,281,255</u>         | <u>1,827,212</u>        | <u>1,423,108</u>        |
|                                   | <b><u>23,295,032</u></b> | <b><u>21,070,662</u></b> | <b><u>6,234,786</u></b> | <b><u>5,677,779</u></b> |

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

**11. TAXATION**

BRAC Uganda Limited is registered as a Non-Governmental Organisation with the National Bureau for Non-Governmental Organisations, which is involved in charitable activities and therefore falls within the definition of exempt Organisations for tax purposes as described in the Income Tax Act, Section 2 (bb)-interpretation.

Section 2(b)(ii) of the Income Tax Act states that for an Organisation to be tax exempt, it should have been issued with a written ruling by the Commissioner stating that it is an Exempt Organisation.

Uganda Revenue Authority issued an Exempt Organisation Ruling to BRAC Uganda Limited that covers Income Tax; Notice DT-110, Notice Number 29896157 dated 18 January 2023 valid for the period 1 January 2022 to 31 December 2023. Consequently, no income tax provisions have been made in the financial statements.



## 12. PROPERTY AND EQUIPMENT

|                                       | Furniture<br>Ushs (000) | Building<br>Ushs (000) | Equipment<br>Ushs (000) | Motor<br>Vehicles<br>Ushs (000) | Total<br>Ushs (000)     | Total<br>USD            |
|---------------------------------------|-------------------------|------------------------|-------------------------|---------------------------------|-------------------------|-------------------------|
| <b>Cost</b>                           |                         |                        |                         |                                 |                         |                         |
| <b>At 1 January 2022</b>              | <b>1,015,231</b>        | <b>246,085</b>         | <b>2,394,382</b>        | <b>1,100,972</b>                | <b>4,756,670</b>        | <b>1,321,941</b>        |
| Additions                             | 251,451                 | -                      | 532,269                 | 109,500                         | 893,220                 | 240,690                 |
| Disposals                             | (31,648)                | -                      | (43,578)                | (18,087)                        | (93,313)                | (25,144)                |
| Currency translation                  | -                       | -                      | -                       | -                               | -                       | (41,222)                |
| <b>As at 31 December 2022</b>         | <b><u>1,235,034</u></b> | <b><u>246,085</u></b>  | <b><u>2,883,073</u></b> | <b><u>1,192,385</u></b>         | <b><u>5,556,577</u></b> | <b><u>1,496,265</u></b> |
| Additions                             | 248,661                 | -                      | 825,818                 | 888,474                         | 1,962,953               | 518,996                 |
| Disposals                             | (112,625)               | -                      | (78,802)                | (48,000)                        | (239,427)               | (63,303)                |
| Currency translation                  | -                       | -                      | -                       | -                               | -                       | (2,635)                 |
| <b>At 31 December 2023</b>            | <b><u>1,371,070</u></b> | <b><u>246,085</u></b>  | <b><u>3,630,089</u></b> | <b><u>2,032,859</u></b>         | <b><u>7,280,103</u></b> | <b><u>1,949,323</u></b> |
| <b>Depreciation</b>                   |                         |                        |                         |                                 |                         |                         |
| <b>At 1 January 2022</b>              | <b>702,123</b>          | <b>62,548</b>          | <b>1,671,891</b>        | <b>864,330</b>                  | <b>3,300,892</b>        | <b>911,203</b>          |
| Charge for the year                   | 60,654                  | 13,482                 | 331,338                 | 131,442                         | 536,916                 | 144,679                 |
| Accumulated depreciation on disposals | (29,437)                | -                      | (42,727)                | (10,382)                        | (82,546)                | (22,243)                |
| Currency translation                  | -                       | -                      | -                       | -                               | -                       | (22,429)                |
| <b>At 31 December 2022</b>            | <b><u>733,340</u></b>   | <b><u>76,030</u></b>   | <b><u>1,960,502</u></b> | <b><u>985,390</u></b>           | <b><u>3,755,262</u></b> | <b><u>1,011,210</u></b> |
| Charge for the year                   | 80,298                  | 12,304                 | 488,296                 | 235,435                         | 816,333                 | 224,496                 |
| Accumulated depreciation on disposals | (108,845)               | -                      | (78,800)                | (48,000)                        | (235,645)               | (64,804)                |
| Currency translation                  | -                       | -                      | -                       | -                               | -                       | -                       |
| <b>At 31 December 2023</b>            | <b><u>704,793</u></b>   | <b><u>88,334</u></b>   | <b><u>2,369,998</u></b> | <b><u>1,172,825</u></b>         | <b><u>4,335,950</u></b> | <b><u>1,170,902</u></b> |
| <b>Net Book Value</b>                 |                         |                        |                         |                                 |                         |                         |
| <b>At 31 December 2023</b>            | <b><u>666,277</u></b>   | <b><u>157,751</u></b>  | <b><u>1,260,091</u></b> | <b><u>860,034</u></b>           | <b><u>2,944,153</u></b> | <b><u>778,421</u></b>   |
| <b>At 31 December 2022</b>            | <b><u>501,694</u></b>   | <b><u>170,055</u></b>  | <b><u>922,571</u></b>   | <b><u>206,995</u></b>           | <b><u>1,801,315</u></b> | <b><u>485,055</u></b>   |

## 13. CASH AND BANK

|              | Note | 2023<br>Ushs '000 | 2022<br>Ushs '000 | 2023<br>USD      | 2022<br>USD      |
|--------------|------|-------------------|-------------------|------------------|------------------|
| Cash in hand |      | -                 | 5,740             | -                | 1,546            |
| Cash at bank | 13.a | <u>5,775,464</u>  | <u>13,683,201</u> | <u>1,527,008</u> | <u>3,684,589</u> |
|              |      | <u>5,775,464</u>  | <u>13,688,941</u> | <u>1,527,008</u> | <u>3,686,135</u> |

## 13. a) Cash at bank

|                          | 2023<br>Ushs '000 | 2022<br>Ushs '000 | 2023<br>USD      | 2022<br>USD      |
|--------------------------|-------------------|-------------------|------------------|------------------|
| Standard Chartered Bank  | 3,570,560         | 10,230,502        | 944,041          | 2,754,852        |
| Bank of Africa           | 141,632           | 11,055            | 37,446           | 2,977            |
| Post Bank                | -                 | 2,417             | -                | 651              |
| Centenary Bank           | 3,633             | 58,859            | 961              | 15,849           |
| BRAC Uganda Bank Limited | 568,418           | 1,737,638         | 150,287          | 467,908          |
| Yo Mobile Wallet         | 871,859           | 576,652           | 230,516          | 155,280          |
| Stanbic Bank             | <u>619,362</u>    | <u>1,066,078</u>  | <u>163,757</u>   | <u>287,072</u>   |
|                          | <u>5,775,464</u>  | <u>13,683,201</u> | <u>1,527,008</u> | <u>3,684,589</u> |

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

|                                                | Lease<br>liabilities<br>Ushs '000 | Deferred<br>Grants<br>Ushs '000 | Total<br>Ushs '000 |
|------------------------------------------------|-----------------------------------|---------------------------------|--------------------|
| Balance as at 1 January 2023                   | 461,175                           | 3,706,168                       | 4,167,343          |
| Payment of lease liabilities                   | (445,487)                         | -                               | (445,487)          |
| Deferred Grants                                | -                                 | (574,499)                       | (574,499)          |
| <b>Total changes from financing cash flows</b> | <u>15,688</u>                     | <u>3,131,669</u>                | <u>3,147,357</u>   |
| <b>Other changes</b>                           |                                   |                                 |                    |
| Interest expense                               | 54,262                            | -                               | 54,262             |
| Additions                                      | <u>80,208</u>                     | <u>-</u>                        | <u>80,208</u>      |
| <b>Total other changes</b>                     | <u>134,470</u>                    | <u>-</u>                        | <u>134,470</u>     |
| <b>Balance as at 31 December 2023</b>          | <u>150,158</u>                    | <u>3,131,669</u>                | <u>3,281,827</u>   |

## 14. INVENTORY

|                       | 2023<br>Ushs '000 | 2021<br>Ushs '000 | 2023<br>USD    | 2021<br>USD    |
|-----------------------|-------------------|-------------------|----------------|----------------|
| Stock and consumables | <u>457,302</u>    | <u>647,724</u>    | <u>120,909</u> | <u>174,418</u> |
|                       | <u>457,302</u>    | <u>647,724</u>    | <u>120,909</u> | <u>174,418</u> |

Inventories are goods held to be used for social development programmes. The inventories to be distributed are identified and purchased based on the objectives of the programmes. These include Health, Agricultural and Educational materials among others.

**15. RELATED PARTY TRANSACTIONS**

The company's parent and ultimate controlling party is Stichting BRAC International. The following transactions were carried out with related parties with whom the company shares common ownership.

**a) Transactions with related parties**

|                              | 2023             | 2022             | 2023           | 2022           |
|------------------------------|------------------|------------------|----------------|----------------|
|                              | Ushs '000        | Ushs '000        | USD            | USD            |
| BRAC Bangladesh              | 71,917           | 285,819          | 19,015         | 76,359         |
| Stitching BRAC International | 493,874          | 692,297          | 130,578        | 186,527        |
| BRAC Bank Uganda Limited     | <u>1,223,494</u> | <u>122,950</u>   | <u>323,486</u> | <u>18,447</u>  |
|                              | <u>1,789,285</u> | <u>1,101,066</u> | <u>473,079</u> | <u>281,333</u> |

**b) Due from related parties**

|                                 | 2023      | 2022      | 2023      | 2022    |
|---------------------------------|-----------|-----------|-----------|---------|
|                                 | Ushs '000 | Ushs '000 | USD       | USD     |
| BRAC Social Business Enterprise | 4,172,728 | 2,755,817 | 1,103,251 | 742,082 |

These relate to amounts due from BRAC Social Business Enterprise (BSBE) for the settlement of staff costs and operating expenditures. BSBE is an affiliate of BRAC Uganda Limited. The fair value of the related party receivables approximates their carrying amounts. This amount will be settled during the ordinary course of business and bears no interest.

**16. OTHER RECEIVABLES**

|                   | 2023             | 2022           | 2023             | 2022           |
|-------------------|------------------|----------------|------------------|----------------|
|                   | Ushs '000        | Ushs '000      | USD              | USD            |
| Grants receivable | 4,808,558        | -              | 1,271,361        | -              |
| Advances          | 220,479          | 519,856        | 58,294           | 139,986        |
| Prepaid expenses  | <u>608,647</u>   | <u>460,650</u> | <u>160,924</u>   | <u>124,043</u> |
|                   | <u>5,637,684</u> | <u>980,506</u> | <u>1,490,579</u> | <u>264,029</u> |

The carrying amounts of other receivables approximates their carrying amounts.

**17. OTHER PAYABLES**

|                  | 2023             | 2022             | 2023             | 2022           |
|------------------|------------------|------------------|------------------|----------------|
|                  | Ushs '000        | Ushs '000        | USD              | USD            |
| Accrued expenses | 2,869,980        | 1,059,388        | 758,811          | 285,271        |
| NSSF             | 417,166          | 236,791          | 110,297          | 63,763         |
| VAT payable      | 158,112          | 125,075          | 41,804           | 33,680         |
| Audit fees       | 151,742          | 133,100          | 40,120           | 35,840         |
| Withholding tax  | 204,886          | 69,729           | 54,171           | 18,777         |
| Revolving fund   | 150,892          | 260,246          | 39,895           | 70,079         |
| PAYE             | <u>486,859</u>   | <u>496,243</u>   | <u>128,723</u>   | <u>133,627</u> |
|                  | <u>4,439,637</u> | <u>2,380,572</u> | <u>1,173,821</u> | <u>641,037</u> |

The carrying amounts of other payables approximates their fair value.

## 18. DUE TO RELATED PARTIES

|                              | 2023                    | 2022                    | 2023                  | 2022                  |
|------------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
|                              | Ushs '000               | Ushs '000               | USD                   | USD                   |
| BRAC Bangladesh              | 71,917                  | 98,846                  | 19,015                | 26,617                |
| Stichting BRAC International | 493,874                 | 314,502                 | 130,578               | 84,688                |
| BRAC Bank Uganda Limited     | <u>1,223,494</u>        | <u>1,348,340</u>        | <u>323,486</u>        | <u>363,079</u>        |
|                              | <u><b>1,789,285</b></u> | <u><b>1,761,688</b></u> | <u><b>473,079</b></u> | <u><b>474,384</b></u> |

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

## 19. DEFERRED GRANTS

|                                              |      | 2023                    | 2022                    | 2023                  | 2022                  |
|----------------------------------------------|------|-------------------------|-------------------------|-----------------------|-----------------------|
|                                              | Note | Ushs '000               | Ushs '000               | USD                   | USD                   |
| Deferred Grants received in advance          | 19.1 | -                       | 2,085,877               | -                     | 561,682               |
| Deferred Grants - investment in fixed assets | 19.2 | <u>3,131,669</u>        | <u>1,620,291</u>        | <u>827,999</u>        | <u>436,309</u>        |
|                                              |      | <u><b>3,131,669</b></u> | <u><b>3,706,168</b></u> | <u><b>827,999</b></u> | <u><b>997,991</b></u> |

## 19.1 Deferred Grants received in advance

|                                    |       | 2023                | 2022                    | 2023                | 2022                  |
|------------------------------------|-------|---------------------|-------------------------|---------------------|-----------------------|
|                                    | Note  | Ushs '000           | Ushs '000               | USD                 | USD                   |
| Opening balance                    |       | 2,085,877           | 1,035,440               | 551,497             | 292,142               |
| Donations received during the year | 19.1a | 45,154,576          | 42,814,429              | 11,938,675          | 11,452,491            |
| Transferred to donor               |       | (228,743)           | (1,017,291)             | (60,479)            | (275,455)             |
| Investment in fixed assets         |       | (1,977,729)         | (893,220)               | (522,863)           | (240,689)             |
| Utilised during the year           |       | <u>(45,033,981)</u> | <u>(39,853,481)</u>     | <u>(11,906,830)</u> | <u>(10,666,807)</u>   |
|                                    |       | <u><b>-</b></u>     | <u><b>2,085,877</b></u> | <u><b>-</b></u>     | <u><b>561,682</b></u> |

The funds utilised during the year relate to project expenditures that have been incurred in conformity with the terms of the agreements out of the grants received in advance.

## 19.1 a) Donations received during the year

|                                    | 2023              | 2022              | 2023              | 2022              |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                    | Ushs '000         | Ushs '000         | USD               | USD               |
| Crown                              | -                 | 248,371           | -                 | 70,182            |
| Living Goods (Health)              | 4,135,800         | 6,228,579         | 1,093,488         | 1,665,790         |
| Vision Spring (Eye care)           | 1,386,968         | 880,436           | 366,708           | 233,615           |
| Women win                          | 607,422           | 507,336           | 160,600           | 137,000           |
| Capacity Building (Market Survey)  | -                 | 238,391           | -                 | 64,087            |
| Sanitation for Health (Tetra Tech) | -                 | 545,235           | -                 | 151,302           |
| NANNY                              | -                 | 292,914           | -                 | 81,676            |
| NORAD-ELLAY                        | 374,021           | 676,419           | 98,890            | 174,864           |
| ECM (ELA)                          | 2,637,026         | 2,467,496         | 697,218           | 679,192           |
| ELA - After School                 | -                 | 1,452,595         | -                 | 376,681           |
| ELMA                               | -                 | 567,327           | -                 | 149,990           |
| UPG-UK AID                         | 219,131           | 2,006,939         | 57,937            | 531,307           |
| UPG-Cartier                        | -                 | 854,288           | -                 | 223,689           |
| GIF (BRAC UK)                      | 172,689           | 540,189           | 45,658            | 144,980           |
| ADP                                | 71,984            | 391,887           | 19,032            | 107,846           |
| LEGO - Covid                       | -                 | 1,001,781         | -                 | 269,758           |
| TB Reach                           | 85,615            | -                 | 22,636            | -                 |
| Play - 2                           | 549,806           | -                 | 145,366           | -                 |
| GF (Global Fund)                   | 998,998           | -                 | 264,131           | -                 |
| UNCDF Project                      | 226,080           | 213,686           | 59,775            | 60,000            |
| YBI & EFP (Y4B)                    | -                 | 399,046           | -                 | 105,500           |
| LEPR                               | 651,312           | -                 | 172,204           | -                 |
| UNRA -World bank                   | -                 | 240,241           | -                 | 67,885            |
| IERC                               | 1,755,972         | 2,250,273         | 464,271           | 606,195           |
| IERC- Recap                        | 76,143            | 710,987           | 20,132            | 196,519           |
| IERC- Applied Research (DigiDev)   | -                 | 684,302           | -                 | 179,572           |
| IERC- VSLA                         | -                 | 396,846           | -                 | 104,290           |
| IERC- ELA After School             | 693,103           | 1,087,288         | 183,253           | 281,951           |
| IERC-Stanford                      | -                 | 64,116            | -                 | 17,878            |
| ADP-Ebola Response                 | -                 | 200,937           | -                 | 54,108            |
| Stockholm University               | -                 | 226,178           | -                 | 59,797            |
| IERC- Meet your future             | -                 | 96,577            | -                 | 26,006            |
| IERC-MM                            | -                 | 52,823            | -                 | 14,832            |
| Journey to Scale (SH+)             | 168,428           | 342,852           | 44,532            | 91,455            |
| SPACE                              | 282,647           | 402,520           | 74,731            | 104,057           |
| ILO                                | 903,109           | 115,165           | 238,778           | 29,864            |
| Health-ICOHS                       | 293,899           | 610,685           | 77,706            | 161,067           |
| HILTON-ECGP                        | 4,623,805         | 7,618,801         | 1,222,514         | 1,969,568         |
| MasterCard-AIM                     | 24,240,618        | 8,200,923         | 6,409,115         | 2,259,988         |
|                                    | <u>45,154,576</u> | <u>42,814,429</u> | <u>11,938,675</u> | <u>11,452,491</u> |

These relate to funds received from various donors for the implementation of project activities.



## 19.2 Donations – investment in fixed assets

|                                                      | 2023             | 2022             | 2023           | 2022           |
|------------------------------------------------------|------------------|------------------|----------------|----------------|
|                                                      | Ushs '000        | Ushs '000        | USD            | USD            |
| Opening balance                                      | 1,620,291        | 1,078,770        | 436,309        | 304,368        |
| Transferred from Deferred Grants received in advance | 1,977,729        | 893,220          | 522,863        | 240,689        |
| Depreciation charged during the year                 | (466,351)        | (351,699)        | (123,301)      | (94,705)       |
| Currency translation                                 | -                | -                | (7,872)        | (14,043)       |
|                                                      | <u>3,131,669</u> | <u>1,620,291</u> | <u>827,999</u> | <u>436,309</u> |

These relate to fixed assets that are purchased for project implementation using the grants received in advance from the different donors for current projects.

## 20. CASHFLOW FROM OPERATING EXPENSES

|                                                     | 2023                      | 2022                    | 2023                      | 2022                    |
|-----------------------------------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
|                                                     | Ushs '000                 | Ushs '000               | USD                       | USD                     |
| <b>Deficit for the year</b>                         | <b>(2,231,410)</b>        | <b>(878,510)</b>        | <b>(597,225)</b>          | <b>(236,727)</b>        |
| Depreciation                                        | 1,039,833                 | 760,416                 | 278,306                   | 204,904                 |
| Fixed asset write off                               | <u>(235,645)</u>          | <u>10,767</u>           | <u>(63,069)</u>           | <u>2,901</u>            |
| <b>Cash flows before changes in working capital</b> | <b><u>(1,427,222)</u></b> | <b><u>(107,327)</u></b> | <b><u>(381,988)</u></b>   | <b><u>(28,922)</u></b>  |
| <b>Changes in working capital</b>                   |                           |                         |                           |                         |
| Decrease/(increase) in inventory                    | 190,422                   | (112,676)               | 50,347                    | (30,341)                |
| Increase due from related parties                   | (1,416,911)               | (1,188,697)             | (374,625)                 | (320,090)               |
| Increase in other receivables                       | (4,657,178)               | (188,751)               | (1,231,337)               | (50,827)                |
| Increase/(decrease) in other payables               | 2,059,065                 | (784,935)               | 544,408                   | (267,782)               |
| Increase in due to related parties                  | 27,597                    | 2,254                   | 7,297                     | 607                     |
| (Decrease)/increase in deferred grants              | <u>(574,499)</u>          | <u>1,591,958</u>        | <u>(151,896)</u>          | <u>428,975</u>          |
| <b>Net cash used in operating activities</b>        | <b><u>(5,798,726)</u></b> | <b><u>(788,174)</u></b> | <b><u>(1,537,794)</u></b> | <b><u>(268,380)</u></b> |

## 21. ROU ASSET AND LEASE LIABILITIES

## (a) Right-of-use assets

|                            | Office Space<br>Ushs '000 | Office Space<br>USD   |
|----------------------------|---------------------------|-----------------------|
| <b>At 1 January 2022</b>   | <b>610,344</b>            | <b>172,204</b>        |
| Additions                  | -                         | -                     |
| Depreciation charge        | (223,500)                 | (60,225)              |
| Currency translation       | -                         | (7,810)               |
| <b>At 31 December 2022</b> | <b><u>386,844</u></b>     | <b><u>104,169</u></b> |
| <b>At 1 January 2023</b>   | <b>386,844</b>            | <b>104,169</b>        |
| Additions                  | 80,208                    | 21,206                |
| Depreciation charge        | (223,500)                 | (59,819)              |
| Currency translation       | -                         | (1,162)               |
| <b>At 31 December 2023</b> | <b><u>243,552</u></b>     | <b><u>64,394</u></b>  |

## (b) Lease liabilities

|                            | Office Space<br>Ushs '000 | Office Space<br>USD   |
|----------------------------|---------------------------|-----------------------|
| <b>At 1 January 2022</b>   | <b>670,681</b>            | <b>189,228</b>        |
| Interest expense           | 84,078                    | 22,656                |
| Payments                   | (292,783)                 | (78,894)              |
| Additions                  | (801)                     | (216)                 |
| Currency translation       | -                         | (8,590)               |
| <b>At 31 December 2022</b> | <b><u>461,175</u></b>     | <b><u>124,184</u></b> |
| <b>At 1 January 2023</b>   | <b>461,175</b>            | <b>124,184</b>        |
| Interest expense           | 54,262                    | 14,523                |
| Payments                   | (445,487)                 | (119,232)             |
| Additions                  | 80,208                    | 21,206                |
| Currency translation       | -                         | (980)                 |
| <b>At 31 December 2023</b> | <b><u>150,158</u></b>     | <b><u>39,701</u></b>  |

Lease liabilities are payable as follows;

| 31 December 2023   | Principal      | Interest     | Present Value of minimum lease payments | Present Value of minimum lease payments |
|--------------------|----------------|--------------|-----------------------------------------|-----------------------------------------|
|                    | Ushs '000      | Ushs '000    | Ushs '000                               | USD                                     |
| Less than one year | 7,133          | 375          | 7,508                                   | 1,985                                   |
| More than one year | <u>134,091</u> | <u>8,559</u> | <u>142,650</u>                          | <u>37,716</u>                           |
|                    | <u>141,224</u> | <u>8,934</u> | <u>150,158</u>                          | <u>39,701</u>                           |

| 31 December 2022   | Principal      | Interest      | Present Value of minimum lease payments | Present Value of minimum lease payments |
|--------------------|----------------|---------------|-----------------------------------------|-----------------------------------------|
|                    | Shs'000        | Shs'000       | Shs'000                                 | USD                                     |
| Less than one year | 21,906         | 1,153         | 23,059                                  | 6,209                                   |
| More than one year | <u>350,493</u> | <u>87,623</u> | <u>438,116</u>                          | <u>117,975</u>                          |
|                    | <u>372,399</u> | <u>88,776</u> | <u>461,175</u>                          | <u>124,184</u>                          |

(c) Amounts recognized in profit or loss

|                                       | 2023           | 2022           | 2023           | 2022           |
|---------------------------------------|----------------|----------------|----------------|----------------|
|                                       | Ushs '000      | Shs'000        | USD            | USD            |
| Interest on lease liabilities         | 54,262         | 84,078         | 14,347         | 22,656         |
| Depreciation charge for the year      | 223,500        | 223,500        | 59,819         | 60,225         |
| Expense relating to short term leases | <u>301,396</u> | <u>184,228</u> | <u>79,688</u>  | <u>49,643</u>  |
|                                       | <u>579,158</u> | <u>491,806</u> | <u>153,854</u> | <u>132,524</u> |

(d) Amounts recognized in the statement of cashflows

|                          | 2023           | 2022           | 2023           | 2022           |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | Ushs '000      | Shs'000        | USD            | USD            |
| Lease interest paid      | 54,262         | 84,078         | 14,523         | 22,656         |
| Lease principal payments | <u>445,487</u> | <u>292,783</u> | <u>119,232</u> | <u>78,894</u>  |
|                          | <u>499,749</u> | <u>376,861</u> | <u>133,755</u> | <u>101,550</u> |

The table below discloses the maturity profile of the Leases as at 31 December 2023 and 2022  
The maturity profile captures the undiscounted cashflows of the leases arrangements

|      | 2023        | 2022        | 2023        | 2022        |
|------|-------------|-------------|-------------|-------------|
|      | Ushs '000   | Shs'000     | USD         | USD         |
|      | 1-12 months | Over 1 year | 1-12 months | Over 1 year |
| 2023 | 347,820     | 22,200      | 91,962      | 5,870       |
| 2022 | 305,888     | 297,868     | 82,383      | 80,223      |

**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 2023 (2022: 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 income 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 Limited 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 recognised 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 17.

**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 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. The 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 engage in speculative transactions or take speculative positions, and when 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 other receivable balances and cash and bank. The Credit policy of BRAC Uganda Limited 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 Director 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;

|                   | 2,023             | 2,022             | 2,023            | 2,022            |
|-------------------|-------------------|-------------------|------------------|------------------|
|                   | Shs '000          | Shs '000          | USD              | USD              |
| Cash and bank     | 5,775,464         | 13,688,941        | 1,527,008        | 3,686,135        |
| Other receivables | 5,637,684         | 980,506           | 1,490,579        | 264,029          |
|                   | <u>11,413,148</u> | <u>14,669,447</u> | <u>3,017,587</u> | <u>3,950,164</u> |

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

|                      | 2023             | 2022           | 2023             | 2022           |
|----------------------|------------------|----------------|------------------|----------------|
|                      | Shs '000         | Shs '000       | USD              | USD            |
| Between 0 - 30 days  | 2,670,534        | 686,354        | 706,078          | 184,820        |
| Between 31 - 60 days | 2,967,150        | 294,152        | 784,501          | 79,209         |
|                      | <u>5,637,684</u> | <u>980,506</u> | <u>1,490,579</u> | <u>264,029</u> |

## 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 Limited 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 Limited maintains sufficient levels of cash or fixed deposits to meet its working capital requirements. In addition, BRAC Uganda Limited 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's liquidity at the statement of financial position date and an analysis of the liquidity period of the Company's financial assets and liabilities.

| 2023                     | Matured<br>Ushs '000'    | Less than<br>30 days<br>Ushs '000' | Between 31-<br>60 days<br>Ushs '000' | Over<br>60 days<br>Ushs '000' | Total<br>Ushs '000'     |
|--------------------------|--------------------------|------------------------------------|--------------------------------------|-------------------------------|-------------------------|
| <b>ASSETS</b>            |                          |                                    |                                      |                               |                         |
| Cash and bank            | 5,775,464                | -                                  | -                                    | -                             | 5,775,464               |
| Due from related parties | -                        | -                                  | -                                    | 4,172,728                     | 4,172,728               |
| Other receivables        | -                        | 2,670,534                          | 564,990                              | 2,402,160                     | 5,637,684               |
| <b>LIABILITIES</b>       |                          |                                    |                                      |                               |                         |
| Other payables           | -                        | 3,568,165                          | 871,472                              | -                             | 4,439,637               |
| Due to related parties   | -                        | 1,422,459                          | 366,826                              | -                             | 1,789,285               |
| Deferred Grants          | -                        | -                                  | -                                    | 3,131,669                     | 3,131,669               |
| Lease Liability          | -                        | -                                  | -                                    | 370,003                       | 370,003                 |
| <b>Liquidity gap</b>     | <b><u>5,775,464</u></b>  | <b><u>(2,320,090)</u></b>          | <b><u>(673,308)</u></b>              | <b><u>3,073,216</u></b>       | <b><u>5,855,282</u></b> |
| <br>                     |                          |                                    |                                      |                               |                         |
| 2022                     | Matured<br>Ushs '000'    | Less than<br>30 days<br>Ushs '000' | Between 31-<br>60 days<br>Ushs '000' | Over 60<br>days<br>Ushs '000' | Total<br>Ushs '000'     |
| <b>ASSETS</b>            |                          |                                    |                                      |                               |                         |
| Cash and bank            | 13,688,941               | -                                  | -                                    | -                             | 13,688,941              |
| Due from related parties | -                        | -                                  | -                                    | 2,755,817                     | 2,755,817               |
| Other receivables        | -                        | 686,354                            | 294,152                              | -                             | 980,506                 |
| <b>LIABILITIES</b>       |                          |                                    |                                      |                               |                         |
| Other payables           | -                        | 1,190,285                          | 737,230                              | 4,620,400                     | 6,547,915               |
| Due to related parties   | -                        | 1,057,013                          | 704,675                              | -                             | 1,761,688               |
| <b>Liquidity gap</b>     | <b><u>13,688,941</u></b> | <b><u>(1,560,944)</u></b>          | <b><u>(1,147,753)</u></b>            | <b><u>(1,864,583)</u></b>     | <b><u>9,115,661</u></b> |



**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 of 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 Director. 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 are no interest-bearing assets or liabilities.

**ii. Foreign exchange risk**

BRAC Uganda Limited 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 |              |
|-----|--------------|--------------|--------------|--------------|
|     | 2023         | 2022         | 2023         | 2022         |
|     | <u>Ushs</u>  | <u>Ushs</u>  | <u>Ushs</u>  | <u>Ushs</u>  |
| USD | <u>3,782</u> | <u>3,713</u> | <u>3,736</u> | <u>3,711</u> |

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

|                          | 2023            | 2022            |
|--------------------------|-----------------|-----------------|
|                          | <u>Ushs'000</u> | <u>Ushs'000</u> |
| Ushs equivalent          |                 |                 |
| Cash and bank            | 5,527           | 104,729         |
| Due from related parties | <u>565,791</u>  | <u>413,348</u>  |
|                          | <u>571,318</u>  | <u>518,077</u>  |

**Sensitivity Analysis**

A reasonably strengthening (weakening) of the US dollar against the Uganda Shilling at 31 December 2023 would have affected the measurement of the above financial instruments denominated in a foreign currency as shown below:

|                        | 2023           |                   | 2022           |                   |
|------------------------|----------------|-------------------|----------------|-------------------|
|                        | Ushs'000       | +/-5%<br>Ushs'000 | Ushs'000       | +/-5%<br>Ushs'000 |
| Ushs equivalent        |                |                   |                |                   |
| Bank Balances          | 5,527          | 276               | 104,729        | 5,236             |
| Due to related parties | <u>565,791</u> | <u>28,290</u>     | <u>413,348</u> | <u>20,667</u>     |
|                        | <u>571,318</u> | <u>28,013</u>     | <u>518,077</u> | <u>15,431</u>     |

**26. FINANCIAL RISK MANAGEMENT (Continued)****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 authorisation 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.

The reserves of the entity are made of the retained surplus. Retained surplus is maintained as a reserve for BRAC Uganda Limited and forms part of the entity's capital structure. The retained surplus determines the extent of the entity's capital base and is monitored by management through periodic review of management accounts and operational reviews. The references in Stichting BRAC International (BI) Accounting and Financial Manual, among other related policies are followed to monitor and manage this fund at Country and BI level. The Board reviews and discusses the status of the retained surplus during the quarterly board meetings.

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

|                  | 2023<br>Ushs'000        | 2022<br>Ushs'000         | 2023<br>USD             | 2022<br>USD             |
|------------------|-------------------------|--------------------------|-------------------------|-------------------------|
| Retained surplus | <u>9,720,134</u>        | <u>11,951,544</u>        | <u>2,569,961</u>        | <u>3,218,292</u>        |
|                  | <u><b>9,720,134</b></u> | <u><b>11,951,544</b></u> | <u><b>2,569,961</b></u> | <u><b>3,218,292</b></u> |

**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.

| 31 December 2023             | Level 1 | Level 2     | Level 3 | Total fair value<br>Ushs'000 | Total carrying amount<br>Ushs'000 |
|------------------------------|---------|-------------|---------|------------------------------|-----------------------------------|
| <b>Financial assets</b>      |         |             |         |                              |                                   |
| Cash and bank                | -       | 5,775,464   | -       | 5,775,464                    | 5,775,464                         |
| Other receivables            | -       | 5,637,684   | -       | 5,637,684                    | 5,637,684                         |
| Due from related parties     | -       | 4,172,728   | -       | 4,172,728                    | 4,172,728                         |
| <b>Financial liabilities</b> |         |             |         |                              |                                   |
| Other payables               | -       | (4,439,637) | -       | (4,439,637)                  | (4,439,637)                       |
| Due to related parties       | -       | (1,789,285) | -       | (1,789,285)                  | (1,789,285)                       |

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.

**29. CONTINGENT LIABILITIES**

There are no known contingent liabilities as at 31 December 2023.

**30. ULTIMATE CONTROLLING PARTY**

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

**31. EVENTS AFTER THE REPORTING PERIOD**

There are no reportable events after the reporting period.

**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED)**

BRAC Uganda Limited 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 is a component of the LG (integrated Community Case Management project) that dealt with social business of the CHWs. This was managed by BRAC and there was a central warehouse where all products that were part of the health program basket were stored and monitored through a system (Health Information Management System (HMIS). Products were supplied to the CHWs at a subsidised cost. The revolving fund was self-sustaining i.e., Funds from the revolving fund were used to purchase health products for sale by the community health promoters (CHPs) and funds returned to a pool for continuous supply of products. |
| Vision spring                                                     | This project aims to increase access to screening and detection of presbyopia through offering affordable reading glasses for low-income earners and the under privileged in Uganda.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Living goods                                                      | This is a health project that focuses on Reproductive Maternal Neonatal Adolescent and Child health in hard-to-reach communities. Focus is on treatment of common childhood illnesses (Malaria, Pneumonia and diarrhoea diseases among the under 5 years) and identification of pregnant women, referring them for care. This is done through the community health workers.                                                                                                                                                                                                                                                              |
| Technical Vocational and Education Training (TVET)                | TVET supports 20% of the scholars and strengthens career education support services to the scholars. This increases the transition into further education or employment to at least 95% from current 77%.                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Adolescent Development Project                                    | 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 Uganda National Roads Authority, Enable and World bank.                                                                                                                                                                                                                                                                                                                                                                                       |
| Building Young Women Leadership Through Sport Project (Women Win) | This is an empowerment and livelihood of adolescent's project through sports. The project targets Adolescent Girls and Young Women (AGYW) aged between 10-24 years. The project implements both full Goal curriculum (participants admitted in the clubs) and indirect parents through Goal events. The project funding is from Women Win.                                                                                                                                                                                                                                                                                               |
| Training                                                          | This is the training arm of BRAC Uganda Limited; 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 sustainability.                                                                                                                                                                                                                                                                                                                                                                                                                |
| Research                                                          | This has all the research and independent evaluation funds / projects. BRAC Uganda Limited has an independent research unit that carries out all the research and evaluation required by the projects and the organisation as a whole.                                                                                                                                                                                                                                                                                                                                                                                                   |
| Play Lab                                                          | This is an education project (Early Child Development) targeting children between the ages of 3 and 5 years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Local Emergency Preparedness and response                         | This is a project focusing on emergency rescue. It focuses on areas where there is disaster, natural calamities. It focuses on risk assessment, risk mitigation in the areas of Kasese.                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Empowerment and Livelihood for Adolescents Plus.                  | This is an "ELA Plus" project which targets the adolescent girls and boys aged 10-24 years empowering them with knowledge in sexual reproductive health and life skills, economic empowerment and linking them to financial services through the integrating the village saving and loans associations and Brac Uganda Bank limited.                                                                                                                                                                                                                                                                                                     |
| Empowerment and Livelihood for Adolescents After School           | The Empowerment and Livelihoods for Adolescents in Schools ELAS model was developed specifically for schools in Uganda to test a viable cost-effective pathway to scale of the ELA model. The project has a research component and utilises teacher mentors who deliver sessions to the participants. It is currently being implemented in 20 districts targeting 6,000 in school participants from the lower secondary classes (senior one and two). It is funded by Bill and Melinda Gates Foundation (BMGF).                                                                                                                          |



**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED)**

| Projects                                                                                               | Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The International Labour Organisation (ILO)                                                            | The project is targeting 474 vulnerable participants from refugees and host communities, majority of whom are youths in Imvepi, Nakivale and Rhino Camp refugee settlements with support from ILO under the 'Prospects' programme.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Yidan Prize                                                                                            | This is an education project (Early Child Development) targeting children between the ages of 3 to 6 years both in central Uganda and refugee setting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| The United Nations Capital Development Fund (UNCDF)                                                    | This project is focusing on digitizing community health systems through equipping four hundred village health teams in four districts with Mhealth technology capacity to carry out their day-to-day duties and also providing financial inclusion services to promote self-reliance and its running for three years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| LEGO Covid                                                                                             | This project is ongoing till December 2023.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Finance for refugee                                                                                    | The project established 200 ELA space for over 3 years in the District of Kiryandongo and Arua Madi Okollo. Train and link 250 savings groups to the BRAC Bank; Train and set up 125 IGA Groups. The Project is targeting 4,500 women and adolescent girls in the refugee settlement. refugee village savings groups, bank opening and linkages to the BRAC Bank. The project will provide income generating activities to the VSAL groups.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| e-chis Uganda Scale Project (GF)                                                                       | The project was a follow on and this was scalling up digitization among VHTs in the four districts of Maracha, Koboko, Lira and Nebbi among 1640 VHTs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| iCoHs                                                                                                  | The project was launched in January 2021 and is an 18-month project and is running under the Living goods consortium which is composed of Living goods as the lead partner and BRAC, Medic and DataKind. It is implemented in Lamwo and Ntungamo district reaching a total of 500 VHTs. The project is contributing to strengthening community health systems service delivery through the digitization of the VHTs and contributing to iCoHs objective 3 which focuses on the use of digital health technologies to sustainably address bottlenecks in service delivery of integrated services at community level including visualisation and use of community level data.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Strengthening Safety, Protection, Peaceful Co-existence for Women and Youth in Northern Uganda (SPACE) | Support counselling, case management, referrals, court procedures, court monitoring, bail procedures, plea bargaining, basic legal principles and terminologies, codes of conduct, respect for diversity, gender equality, safe spaces, social enterprise, entrepreneurship, transformational leadership and life skills, conflict triggers and reporting; plus coaching, attachment, exchange visits and peer-to-peer reflection.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Accelerating Impact for Young Women in Africa (AIM)                                                    | <p>The program will combine BRAC's approach of social empowerment and economic empowerment to provide targeted support to AGYW (Adolescent Girls and Young women) of different age groups that help them overcome the challenges they are facing at their particulars stage of the life cycle.</p> <p>For very young adolescents (VYA) aged 12 to 14 years, the program's objective will be to keep those girls in school and support out-of-school girls to return to education, while providing basic life skills education, financial and digital literacy, and orientation on livelihoods and savings to prepare them for future opportunities.</p> <p>For adolescent girls (AG) aged 15 to 17 years, the program will encourage and support girls to stay in or return to school, along with life skills education and more extended training for small income-generating activities that can be done alongside education.</p> <p>For young women (YW) aged 18 to 24 years, the objective will be to get them on sustainable livelihood pathways through intensive livelihood and skills training along with life skills training, asset and input support where needed.</p> <p>For EA (Early Adult) the objective will be to get them on sustainable livelihood pathways through intensive livelihood and skills training along with life skills training, asset and input support where needed.</p> |



**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED)**

| Projects                                                                            | Operations                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Early childhood and graduation programming in refugee settlement in Uganda (HILTON) | Early childhood and graduation programming in refugee settlement in Uganda. This project targets the most vulnerable in the Community; especially those in refugee settlements.<br>In support they provide start-up capital in form of animal assets, financial support and early childhood development training. |

**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED) - CONTINUED**

**Statement of Comprehensive Income for the year ended 31 December 2023 (Amounts in Uganda Shillings)**

|                                   | ADP                | Health -<br>Revolving<br>fund | Vision<br>Spring   | Global<br>Fund (GF) | Living Goods       | UNCDF            | ICOHs            | TVET             | Women<br>Win     | Research           | Yidan<br>Prize   |
|-----------------------------------|--------------------|-------------------------------|--------------------|---------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|
|                                   | Ushs (000)         | Ushs (000)                    | Ushs (000)         | Ushs (000)          | Ushs (000)         | Ushs (000)       | Ushs (000)       | Ushs (000)       | Ushs (000)       | Ushs (000)         | Ushs (000)       |
| <b>Income</b>                     |                    |                               |                    |                     |                    |                  |                  |                  |                  |                    |                  |
| Grant Income                      | 122,567            | -                             | 1,482,943          | 1,623,320           | 3,589,861          | 179,246          | 212,753          | 240,687          | 579,284          | 2,933,345          | 652,611          |
| Other Income                      | 225,344            | 249,462                       | 275,042            | -                   | 859                | -                | -                | -                | -                | -                  | -                |
| BRAC Contribution                 | 224,178            | -                             | -                  | -                   | -                  | -                | -                | -                | -                | -                  | -                |
| Foreign exchange gains/ (losses)  | (326,182)          | (4,207)                       | (166)              | (125)               | 43,795             | (428)            | -                | (129)            | (156)            | 994                | -                |
| <b>Total income</b>               | <b>245,907</b>     | <b>245,255</b>                | <b>1,757,819</b>   | <b>1,623,195</b>    | <b>3,634,315</b>   | <b>178,818</b>   | <b>212,753</b>   | <b>240,558</b>   | <b>579,128</b>   | <b>2,934,339</b>   | <b>652,611</b>   |
| <b>Expenses</b>                   |                    |                               |                    |                     |                    |                  |                  |                  |                  |                    |                  |
| Manpower and compensation         | (1,363,626)        | (397,182)                     | (677,031)          | (179,429)           | (1,148,457)        | (71,976)         | (84,672)         | (20,233)         | (184,069)        | (310,735)          | (360,648)        |
| Travelling and transportation     | (121,810)          | (69,148)                      | (512,667)          | -                   | (660,565)          | (9,908)          | (61,724)         | (14,095)         | (103,327)        | (48,685)           | (97,424)         |
| Training, workshops and seminars  | (36)               | -                             | (2,764)            | -                   | (936)              | -                | -                | -                | (60)             | -                  | -                |
| Occupancy expenses                | 256,173            | (31,090)                      | (25,517)           | -                   | (104,358)          | -                | (2,250)          | (17,537)         | (2,458)          | (50,992)           | (10,691)         |
| Printing and office stationery    | (7,279)            | (2)                           | (3,582)            | -                   | (41,260)           | -                | -                | -                | (4,185)          | (8,863)            | 14,403           |
| Program supplies                  | (109,898)          | (372)                         | (43,553)           | (1,294,604)         | (1,046,543)        | (81,201)         | (46,594)         | -                | (223,118)        | (1,957,607)        | (126,271)        |
| Audit and other professional Fees | (291,740)          | -                             | -                  | -                   | -                  | -                | -                | (7,334)          | -                | -                  | (18,145)         |
| Other operating expenses          | (1,736,465)        | (275,062)                     | (105,094)          | (60,486)            | (332,914)          | (5,271)          | (5,891)          | (180,385)        | (14,277)         | (440,650)          | (15,248)         |
| HO logistic expenses              | 1,548,514          | -                             | (112,569)          | (88,676)            | (167,297)          | (9,742)          | (11,622)         | -                | (43,951)         | (49,250)           | (36,841)         |
| Depreciation                      | (563,619)          | (9,863)                       | -                  | -                   | (76,418)           | (868)            | -                | (974)            | (284)            | (65,464)           | (1,746)          |
| <b>Total expenses</b>             | <b>(2,389,786)</b> | <b>(782,719)</b>              | <b>(1,482,777)</b> | <b>(1,623,195)</b>  | <b>(3,578,748)</b> | <b>(178,966)</b> | <b>(212,753)</b> | <b>(240,558)</b> | <b>(575,729)</b> | <b>(2,932,246)</b> | <b>(652,611)</b> |
| <b>(Deficit)/surplus</b>          | <b>(2,143,879)</b> | <b>(537,464)</b>              | <b>275,042</b>     | <b>-</b>            | <b>55,567</b>      | <b>(148)</b>     | <b>-</b>         | <b>-</b>         | <b>3,399</b>     | <b>2,093</b>       | <b>-</b>         |

**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED) - CONTINUED**

Statement of Comprehensive Income for the year ended 31 December 2023 (Amounts in Uganda Shillings) - continued

|                                   | Play lab         | Ela After School | ELA Plus           | Lego Covid       | HILTON-ECGP        | AIM                 | LEPR             | FFR              | ILO                | SPACE            | TOTAL               |
|-----------------------------------|------------------|------------------|--------------------|------------------|--------------------|---------------------|------------------|------------------|--------------------|------------------|---------------------|
|                                   | Ushs (000)       | Ushs (000)       | Ushs (000)         | Ushs (000)       | Ushs (000)         | Ushs (000)          | Ushs (000)       | Ushs (000)       | Ushs (000)         | Ushs (000)       | Ushs (000)          |
| <b>Income</b>                     |                  |                  |                    |                  |                    |                     |                  |                  |                    |                  |                     |
| Grant Income                      | 272,260          | 447,852          | 2,521,992          | 426,664          | 7,836,287          | 24,912,129          | 631,507          | 156,172          | 1,074,678          | 412,932          | 50,308,890          |
| Other Income                      | -                | -                | 3,475              | -                | 41                 | (2,217)             | -                | -                | -                  | -                | 752,006             |
| BRAC Contribution                 | -                | -                | -                  | -                | -                  | -                   | -                | -                | -                  | -                | 224,178             |
| Foreign exchange gains/ (losses)  | -                | -                | (2,016)            | -                | (2,313)            | (63,031)            | (1,538)          | -                | (284)              | -                | (355,786)           |
| <b>Total income</b>               | <b>272,260</b>   | <b>447,852</b>   | <b>2,523,451</b>   | <b>426,664</b>   | <b>7,834,015</b>   | <b>24,846,881</b>   | <b>629,969</b>   | <b>156,172</b>   | <b>1,074,394</b>   | <b>412,932</b>   | <b>50,929,288</b>   |
| <b>Expenses</b>                   |                  |                  |                    |                  |                    |                     |                  |                  |                    |                  |                     |
| Manpower and compensation         | (18,838)         | (99,145)         | (722,968)          | (303)            | (1,716,078)        | (8,466,280)         | (212,301)        | (77,552)         | (250,022)          | (216,849)        | (16,578,394)        |
| Travelling and transportation     | (26,564)         | (29,949)         | (1,460)            | (27,904)         | (1,184,057)        | (3,706,142)         | (65,821)         | (33,913)         | (188,643)          | (76,670)         | (7,040,476)         |
| Training, workshops and seminars  | -                | -                | (53,074)           | -                | (2,136,343)        | (9,144,105)         | (3,204)          | -                | -                  | (60)             | (11,340,582)        |
| Occupancy expenses                | (1,743)          | (972)            | (41,708)           | (3,553)          | (22,779)           | (827,975)           | (10,909)         | -                | (7,312)            | (1,185)          | (908,856)           |
| Printing and office stationery    | (25,276)         | (10,238)         | (8,123)            | (1,105)          | (110,649)          | (817,646)           | (10,677)         | (3,476)          | (9,245)            | (603)            | (1,047,806)         |
| Program supplies                  | (215,058)        | (241,975)        | (1,337,562)        | (216,058)        | (1,987,381)        | 80,702              | (271,689)        | (38,940)         | (388,885)          | (59,575)         | (9,606,182)         |
| Audit and other professional Fees | -                | -                | (3,500)            | -                | (17,791)           | -                   | (3,144)          | -                | -                  | -                | (341,654)           |
| Other operating expenses          | 34,405           | (62,598)         | (126,701)          | (177,593)        | (438,232)          | (858,021)           | (51,050)         | (2,291)          | (116,973)          | (29,195)         | (4,999,992)         |
| HO logistic expenses              | (19,186)         | -                | (193,431)          | -                | -                  | (957,924)           | -                | -                | (94,687)           | (22,260)         | (258,922)           |
| Depreciation                      | -                | (2,975)          | (31,449)           | (148)            | (56,574)           | (203,117)           | (1,174)          | -                | (18,627)           | (6,534)          | (1,039,834)         |
| <b>Total expenses</b>             | <b>(272,260)</b> | <b>(447,852)</b> | <b>(2,519,976)</b> | <b>(426,664)</b> | <b>(7,669,884)</b> | <b>(24,900,508)</b> | <b>(629,969)</b> | <b>(156,172)</b> | <b>(1,074,394)</b> | <b>(412,931)</b> | <b>(53,160,698)</b> |
| <b>(Deficit)/surplus</b>          | <b>-</b>         | <b>-</b>         | <b>3,475</b>       | <b>-</b>         | <b>164,131</b>     | <b>(53,627)</b>     | <b>-</b>         | <b>-</b>         | <b>-</b>           | <b>-</b>         | <b>(2,231,410)</b>  |

**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED) - CONTINUED**

**Statement of Comprehensive Income for the year ended 31 December 2023 (Amounts in United States Dollars)**

|                                      | ADP              | Health -<br>Revolving<br>fund | Vision<br>Spring | Global<br>Fund (GF) | Living<br>Goods  | UNCDF           | ICOHs           | TVET            | Women Win        | Research         | Yidan<br>Prize   |
|--------------------------------------|------------------|-------------------------------|------------------|---------------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
|                                      | USD              | USD                           | USD              | USD                 | USD              | USD             | USD             | USD             | USD              | USD              | USD              |
| <b>Income</b>                        |                  |                               |                  |                     |                  |                 |                 |                 |                  |                  |                  |
| Grant Income                         | 32,790           | -                             | 396,902          | 434,473             | 960,754          | 47,974          | 56,942          | 64,419          | 155,042          | 785,094          | 174,668          |
| Other Income                         | 60,312           | 66,767                        | 73,613           | -                   | 230              | -               | -               | -               | -                | -                | -                |
| BRAC Contribution                    | 60,000           | -                             | -                | -                   | -                | -               | -               | -               | -                | -                | -                |
| Foreign exchange gains/<br>(losses)  | (87,300)         | (1,127)                       | (44)             | -                   | 11,722           | (115)           | -               | -               | (42)             | 199              | -                |
| <b>Total Income</b>                  | <b>65,802</b>    | <b>65,640</b>                 | <b>470,471</b>   | <b>434,473</b>      | <b>972,706</b>   | <b>47,859</b>   | <b>56,942</b>   | <b>64,419</b>   | <b>155,000</b>   | <b>785,293</b>   | <b>174,668</b>   |
| <b>Expenses</b>                      |                  |                               |                  |                     |                  |                 |                 |                 |                  |                  |                  |
| Manpower and compensation            | (364,963)        | (106,304)                     | (181,204)        | (48,023)            | (307,379)        | (19,264)        | (22,662)        | (5,415)         | (49,265)         | (83,166)         | (96,526)         |
| Travelling and transportation        | (32,602)         | (18,507)                      | (137,213)        | -                   | (176,797)        | (2,652)         | (16,520)        | (3,772)         | (27,655)         | (13,028)         | (26,075)         |
| Training, workshops and<br>seminars  | (8)              | -                             | (740)            | -                   | (251)            | -               | -               | -               | (16)             | -                | -                |
| Occupancy expenses                   | 68,563           | (8,321)                       | (6,830)          | -                   | (27,931)         | -               | (602)           | (4,694)         | (658)            | (13,646)         | (2,861)          |
| Printing and office stationery       | (1,948)          | -                             | (959)            | -                   | (11,043)         | -               | -               | -               | (1,120)          | (2,372)          | 3,855            |
| Program supplies                     | (29,412)         | (100)                         | (11,657)         | (346,494)           | (280,101)        | (21,733)        | (12,471)        | -               | (59,717)         | (523,943)        | (33,796)         |
| Audit and other professional<br>fees | (78,000)         | (83)                          | -                | -                   | -                | -               | -               | (1,963)         | -                | -                | (4,856)          |
| Other operating expenses             | (464,745)        | (73,536)                      | (28,127)         | (16,188)            | (89,103)         | (1,411)         | (1,576)         | (48,280)        | (3,820)          | (118,026)        | (4,082)          |
| HO logistic expenses                 | 414,451          | -                             | (30,128)         | (23,734)            | (44,776)         | (2,607)         | (3,111)         | -               | (11,763)         | (13,182)         | (9,860)          |
| Depreciation                         | (150,850)        | (2,639)                       | -                | -                   | (20,453)         | (232)           | -               | (261)           | (76)             | (17,522)         | (467)            |
| <b>Total expenses</b>                | <b>(639,514)</b> | <b>(209,490)</b>              | <b>(396,858)</b> | <b>(434,439)</b>    | <b>(957,834)</b> | <b>(47,899)</b> | <b>(56,942)</b> | <b>(64,385)</b> | <b>(154,090)</b> | <b>(784,885)</b> | <b>(174,668)</b> |
| <b>(Deficit)/surplus</b>             | <b>(573,712)</b> | <b>(143,850)</b>              | <b>73,613</b>    | <b>34</b>           | <b>14,872</b>    | <b>(40)</b>     | <b>-</b>        | <b>34</b>       | <b>910</b>       | <b>408</b>       | <b>-</b>         |

**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED) - CONTINUED**

Statement of Comprehensive Income for the year ended 31 December 2023 (Amount in United States Dollars) - continued

|                                   | Play lab        | Ela After School | ELA Plus         | Lego Covid       | HILTON-ECGP        | AIM                | LEPR             | FFR             | ILO              | SPACE            | TOTAL               |
|-----------------------------------|-----------------|------------------|------------------|------------------|--------------------|--------------------|------------------|-----------------|------------------|------------------|---------------------|
|                                   | USD             | USD              | USD              | USD              | USD                | USD                | USD              | USD             | USD              | USD              | USD                 |
| Income                            |                 |                  |                  |                  |                    |                    |                  |                 |                  |                  |                     |
| Grant Income                      | 72,869          | 119,865          | 674,998          | 114,194          | 2,097,341          | 6,667,601          | 169,020          | 41,799          | 287,632          | 110,519          | 13,464,896          |
| Other Income                      | -               | -                | 930              | -                | 11                 | (593)              | -                | -               | -                | -                | 201,270             |
| BRAC Contribution                 | -               | -                | -                | -                | -                  | -                  | -                | -               | -                | -                | 60,000              |
| Foreign exchange gains/(losses)   | -               | -                | (540)            | -                | (619)              | (16,870)           | (412)            | -               | (76)             | -                | (95,224)            |
| <b>Total Income</b>               | <b>72,869</b>   | <b>119,865</b>   | <b>675,388</b>   | <b>114,194</b>   | <b>2,096,733</b>   | <b>6,650,138</b>   | <b>168,608</b>   | <b>41,799</b>   | <b>287,556</b>   | <b>110,519</b>   | <b>13,630,942</b>   |
| Expenses                          |                 |                  |                  |                  |                    |                    |                  |                 |                  |                  |                     |
| Manpower and compensation         | (5,042)         | (26,536)         | (193,499)        | (81)             | (459,299)          | (2,265,955)        | (56,821)         | (20,756)        | (66,917)         | (58,039)         | (4,437,116)         |
| Travelling and transportation     | (7,110)         | (8,016)          | (391)            | (7,468)          | (316,907)          | (991,930)          | (17,617)         | (9,077)         | (50,489)         | (20,520)         | (1,884,346)         |
| Training, workshops and seminars  | -               | -                | (14,205)         | -                | (571,780)          | (2,447,370)        | (858)            | -               | -                | (16)             | (3,035,244)         |
| Occupancy expenses                | (467)           | (260)            | (11,163)         | (951)            | (6,097)            | (221,603)          | (2,920)          | -               | (1,957)          | (317)            | (242,715)           |
| Printing and office stationery    | (6,765)         | (2,740)          | (2,174)          | (296)            | (29,615)           | (218,839)          | (2,858)          | (931)           | (2,474)          | (161)            | (280,440)           |
| Program supplies                  | (57,559)        | (64,763)         | (357,991)        | (57,827)         | (531,913)          | 21,597             | (72,716)         | (10,422)        | (104,084)        | (15,945)         | (2,571,047)         |
| Audit and other professional fees | -               | -                | (937)            | -                | (4,762)            | -                  | (841)            | -               | -                | -                | (91,442)            |
| Other operating expenses          | 9,209           | (16,754)         | (33,910)         | (47,531)         | (117,289)          | (229,645)          | (13,663)         | (613)           | (31,308)         | (7,814)          | (1,338,212)         |
| HO logistic expenses              | (5,135)         | -                | (51,771)         | -                | -                  | (256,383)          | -                | -               | (25,342)         | (5,958)          | (69,299)            |
| Depreciation                      | -               | (796)            | (8,417)          | (40)             | (15,142)           | (54,363)           | (314)            | -               | (4,985)          | (1,749)          | (278,306)           |
| <b>Total expenses</b>             | <b>(72,869)</b> | <b>(119,865)</b> | <b>(674,458)</b> | <b>(114,194)</b> | <b>(2,052,804)</b> | <b>(6,664,491)</b> | <b>(168,608)</b> | <b>(41,799)</b> | <b>(287,556)</b> | <b>(110,519)</b> | <b>(14,228,167)</b> |
| <b>(Deficit)/surplus</b>          | <b>-</b>        | <b>-</b>         | <b>930</b>       | <b>-</b>         | <b>43,929</b>      | <b>(14,353)</b>    | <b>-</b>         | <b>-</b>        | <b>-</b>         | <b>-</b>         | <b>(597,225)</b>    |

**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED) - CONTINUED**

Statement of Financial Position as at 31 December 2023 (Amount in Uganda Shillings)

|                                           | ADP                | Health -<br>Revolving<br>fund | Vision<br>Spring | Global<br>Fund (GF) | Living Goods       | UNCDF            | ICOHs          | TVET           | Women<br>Win     | Research         | Yidan Prize     |
|-------------------------------------------|--------------------|-------------------------------|------------------|---------------------|--------------------|------------------|----------------|----------------|------------------|------------------|-----------------|
|                                           | Ushs (000)         | Ushs<br>(000)                 | Ushs (000)       | Ushs (000)          | Ushs (000)         | Ushs<br>(000)    | Ushs (000)     | Ushs<br>(000)  | Ushs<br>(000)    | Ushs (000)       | Ushs (000)      |
| <b>Assets</b>                             |                    |                               |                  |                     |                    |                  |                |                |                  |                  |                 |
| Property and equipment                    | 141,370            | 21,431                        | -                | -                   | 2,397              | 12,727           | -              | 17,980         | 1,185            | 138,271          | (1,961)         |
| Inventory                                 | 59                 | 140,399                       | 317,635          | -                   | (791)              | -                | -              | -              | -                | -                | -               |
| Other receivables                         | 3,350,799          | (427,179)                     | (179,683)        | 624,322             | 1,036,762          | 7,720            | 1,127          | (26,519)       | 11,174           | (438,441)        | 719,243         |
| Cash and bank                             | (781,491)          | 693,073                       | 181,269          | 39,539              | 3,055,244          | (42,731)         | 19,371         | (57,902)       | (111,298)        | 241,467          | (70,396)        |
| ROU asset                                 | 180,215            | 12,264                        | -                | -                   | 32,021             | -                | -              | 4,442          | -                | -                | -               |
| Due from related parties                  | 1,422,536          | 3,360,310                     | (662,561)        | (249,640)           | (4,717,031)        | 61,896           | 97,072         | 128,985        | (90,585)         | 1,005,420        | (339,813)       |
| <b>Total assets</b>                       | <b>4,313,488</b>   | <b>3,800,298</b>              | <b>(343,340)</b> | <b>414,221</b>      | <b>(591,398)</b>   | <b>39,612</b>    | <b>117,570</b> | <b>66,986</b>  | <b>(189,524)</b> | <b>946,717</b>   | <b>307,073</b>  |
| <b>Liabilities and capital fund</b>       |                    |                               |                  |                     |                    |                  |                |                |                  |                  |                 |
| <b>Liabilities</b>                        |                    |                               |                  |                     |                    |                  |                |                |                  |                  |                 |
| Other payables                            | (7,350,755)        | 1,950,894                     | 311,343          | 414,354             | (1,718,284)        | 423,066          | 107,308        | 52,424         | 192,407          | 1,848,284        | 398,292         |
| Lease liability                           | 150,158            | -                             | -                | -                   | -                  | -                | -              | -              | -                | -                | -               |
| Due to related parties                    | 1,819,973          | 624                           | 9,561            | (133)               | (200,280)          | 3,445            | 11,331         | 15,786         | 4,734            | (59,639)         | (3,058)         |
| <b>Total liabilities</b>                  | <b>(5,380,624)</b> | <b>1,951,518</b>              | <b>320,904</b>   | <b>414,221</b>      | <b>(1,918,564)</b> | <b>426,511</b>   | <b>118,639</b> | <b>68,210</b>  | <b>197,141</b>   | <b>1,788,645</b> | <b>395,234</b>  |
| <b>Capital fund</b>                       |                    |                               |                  |                     |                    |                  |                |                |                  |                  |                 |
| Donor funds                               | 2,542,183          | 12,125                        | (1,097,110)      | -                   | 1,066,857          | (395,751)        | -              | (2,615)        | 1,164            | (2,609,337)      | (56,852)        |
| Retained Surplus                          | 7,151,929          | 1,836,655                     | 432,866          | -                   | 260,309            | 8,852            | (1,069)        | 1,391          | (387,829)        | 1,767,409        | (31,309)        |
| <b>Total capital fund</b>                 | <b>9,694,112</b>   | <b>1,848,780</b>              | <b>(664,244)</b> | <b>-</b>            | <b>1,327,166</b>   | <b>(386,899)</b> | <b>(1,069)</b> | <b>(1,224)</b> | <b>(386,665)</b> | <b>(841,928)</b> | <b>(88,161)</b> |
| <b>Total liabilities and capital fund</b> | <b>4,313,488</b>   | <b>3,800,298</b>              | <b>(343,340)</b> | <b>414,221</b>      | <b>(591,398)</b>   | <b>39,612</b>    | <b>117,570</b> | <b>66,986</b>  | <b>(189,524)</b> | <b>946,717</b>   | <b>307,073</b>  |



**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED) - CONTINUED**

Statement of Financial Position As At 31 December 2023 (Amount in Uganda Shillings) - continued

|                                           | Play lab<br>Ushs (000) | Ela After<br>School<br>Ushs<br>(000) | ELA Plus<br>Ushs (000) | Lego<br>Covid<br>Ushs (000) | HILTON-<br>ECGP<br>Ushs<br>(000) | AIM<br>Ushs<br>(000) | LEPR<br>Ushs (000) | FFR<br>Ushs (000)  | ILO<br>Ushs (000) | SPACE<br>Ushs<br>(000) | TOTAL<br>Ushs (000) |
|-------------------------------------------|------------------------|--------------------------------------|------------------------|-----------------------------|----------------------------------|----------------------|--------------------|--------------------|-------------------|------------------------|---------------------|
| <b>Assets</b>                             |                        |                                      |                        |                             |                                  |                      |                    |                    |                   |                        |                     |
| Property and equipment                    | 67,041                 | 7,034                                | 91,784                 | 2,364                       | 375,079                          | 1,969,463            | 8,150              | -                  | 68,739            | 21,099                 | 2,944,153           |
| Inventory                                 |                        |                                      |                        |                             |                                  |                      |                    |                    |                   |                        | 457,302             |
| Other receivables                         | 20,348                 | 6,818                                | (184,719)              | 41,845                      | 144,778                          | 924,086              | 7,361              | (17,709)           | 7,005             | 8,546                  | 5,637,684           |
| Cash and bank                             | 484,193                | 866,058                              | 182,174                | (85,010)                    | 284,078                          | 811,665              | 24,039             | 2,257              | 31,803            | 8,062                  | 5,775,464           |
| ROU asset                                 | 2,250                  | -                                    | 12,360                 | -                           | -                                | -                    | -                  | --                 | -                 | -                      | 243,552             |
| Due from related parties                  | 85,699                 | (190,474)                            | (1,073,760)            | 1,704,779                   | 3,306,331                        | 1,763,750            | 59,499             | (1,061,200)        | (135,651)         | (302,834)              | 4,172,728           |
| <b>Total assets</b>                       | <b>659,531</b>         | <b>689,436</b>                       | <b>(972,161)</b>       | <b>1,663,978</b>            | <b>4,110,266</b>                 | <b>5,468,964</b>     | <b>99,049</b>      | <b>(1,076,652)</b> | <b>(28,104)</b>   | <b>(265,127)</b>       | <b>19,230,883</b>   |
| <b>Liabilities and capital fund</b>       |                        |                                      |                        |                             |                                  |                      |                    |                    |                   |                        |                     |
| <b>Liabilities</b>                        |                        |                                      |                        |                             |                                  |                      |                    |                    |                   |                        |                     |
| Other payables                            | 407,693                | 1,418,520                            | (443,156)              | 1,660,964                   | 948,677                          | 3,777,541            | 79,245             | (98,734)           | 266,799           | (207,245)              | 4,439,637           |
| Lease liability                           | -                      | -                                    | -                      | -                           | -                                | -                    | -                  | -                  | -                 | -                      | 150,158             |
| Due to related parties                    | (14,697)               | -                                    | 53,245                 | -                           | 38,193                           | 69,898               | -                  | -                  | 11,558            | 28,744                 | 1,789,285           |
| <b>Total liabilities</b>                  | <b>392,996</b>         | <b>1,418,520</b>                     | <b>(389,911)</b>       | <b>1,660,964</b>            | <b>986,870</b>                   | <b>3,847,439</b>     | <b>79,245</b>      | <b>(98,734)</b>    | <b>278,357</b>    | <b>(178,501)</b>       | <b>6,379,080</b>    |
| <b>Capital fund</b>                       |                        |                                      |                        |                             |                                  |                      |                    |                    |                   |                        |                     |
| Donor funds                               | 285,826                | 162,969                              | (341,535)              | 2,438                       | 2,959,266                        | 1,266,282            | 19,804             | (290,607)          | (306,461)         | (86,977)               | 3,131,669           |
| Retained Surplus                          | (19,291)               | (892,053)                            | (240,715)              | 576                         | 164,130                          | 355,243              | -                  | (687,311)          | -                 | 351                    | 9,720,134           |
| <b>Total capital fund</b>                 | <b>266,535</b>         | <b>(729,084)</b>                     | <b>(582,250)</b>       | <b>3,014</b>                | <b>3,123,396</b>                 | <b>1,621,525</b>     | <b>19,804</b>      | <b>(977,918)</b>   | <b>(306,461)</b>  | <b>(86,626)</b>        | <b>12,851,803</b>   |
| <b>Total liabilities and capital fund</b> | <b>659,531</b>         | <b>689,436</b>                       | <b>(972,161)</b>       | <b>1,663,978</b>            | <b>4,110,266</b>                 | <b>5,468,964</b>     | <b>99,049</b>      | <b>(1,076,652)</b> | <b>(28,104)</b>   | <b>(265,127)</b>       | <b>19,230,883</b>   |

**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED) - CONTINUED**

Statement of Financial Position As At 31 December 2023 (Amount in United States Dollars)

|                                           | ADP                | Health -<br>Revolving<br>fund | Vision<br>Spring | Global<br>Fund (GF) | Living<br>Goods  | UNCDF            | ICOHs         | TVET          | Women Win        | Research         | Yidan Prize     |
|-------------------------------------------|--------------------|-------------------------------|------------------|---------------------|------------------|------------------|---------------|---------------|------------------|------------------|-----------------|
|                                           | USD                | USD                           | USD              | USD                 | USD              | USD              | USD           | USD           | USD              | USD              | USD             |
| <b>Assets</b>                             |                    |                               |                  |                     |                  |                  |               |               |                  |                  |                 |
| Property and equipment                    | 37,379             | 5,666                         | -                | -                   | 634              | 3,365            | -             | 4,754         | 313              | 36,559           | (518)           |
| Inventory                                 | 17                 | 37,120                        | 83,981           | -                   | (209)            | -                | -             | -             | -                | -                | -               |
| Other receivables                         | 885,935            | (112,944)                     | (47,507)         | 165,068             | 274,115          | 2,041            | 298           | (7,012)       | 2,954            | (115,922)        | 190,165         |
| Cash and bank                             | (206,624)          | 183,245                       | 47,927           | 10,454              | 807,793          | (11,298)         | 5,122         | (15,309)      | (29,427)         | 63,842           | (18,612)        |
| ROU asset                                 | 47,649             | 3,242                         | -                | -                   | 8,466            | -                | -             | 1,174         | -                | -                | -               |
| Due from related parties                  | 376,110            | 888,452                       | (175,178)        | (66,004)            | (1,247,163)      | 16,365           | 25,665        | 34,103        | (23,950)         | 265,831          | (89,845)        |
| <b>Total assets</b>                       | <b>1,140,466</b>   | <b>1,004,781</b>              | <b>(90,777)</b>  | <b>109,518</b>      | <b>(156,364)</b> | <b>10,473</b>    | <b>31,085</b> | <b>17,710</b> | <b>(50,110)</b>  | <b>250,310</b>   | <b>81,190</b>   |
| <b>Liabilities and capital fund</b>       |                    |                               |                  |                     |                  |                  |               |               |                  |                  |                 |
| <b>Liabilities</b>                        |                    |                               |                  |                     |                  |                  |               |               |                  |                  |                 |
| Other payables                            | (1,943,507)        | 515,808                       | 82,318           | 109,553             | (454,307)        | 111,857          | 28,372        | 13,861        | 50,872           | 488,676          | 105,307         |
| Lease liability                           | 39,701             | -                             | -                | -                   | -                | -                | -             | -             | -                | -                | -               |
| Due to related parties                    | 481,193            | 164                           | 2,528            | (35)                | (52,953)         | 911              | 2,996         | 4,174         | 1,252            | (15,769)         | (809)           |
| <b>Total liabilities</b>                  | <b>(1,422,613)</b> | <b>515,972</b>                | <b>84,846</b>    | <b>109,518</b>      | <b>(507,260)</b> | <b>112,768</b>   | <b>31,368</b> | <b>18,035</b> | <b>52,124</b>    | <b>472,907</b>   | <b>104,498</b>  |
| <b>Capital fund</b>                       |                    |                               |                  |                     |                  |                  |               |               |                  |                  |                 |
| Donor funds                               | 672,142            | 3,205                         | (290,071)        | -                   | 282,072          | (104,635)        | -             | (691)         | 308              | (689,899)        | (15,031)        |
| Retained surplus                          | 1,890,937          | 485,604                       | 114,448          | -                   | 68,824           | 2,340            | (283)         | 366           | (102,542)        | 467,302          | (8,277)         |
| <b>Total capital fund</b>                 | <b>2,563,079</b>   | <b>488,809</b>                | <b>(175,623)</b> | <b>-</b>            | <b>350,896</b>   | <b>(102,295)</b> | <b>(283)</b>  | <b>(325)</b>  | <b>(102,234)</b> | <b>(222,597)</b> | <b>(23,308)</b> |
| <b>Total liabilities and capital fund</b> | <b>1,140,466</b>   | <b>1,004,781</b>              | <b>(90,777)</b>  | <b>109,518</b>      | <b>(156,364)</b> | <b>10,473</b>    | <b>31,085</b> | <b>17,710</b> | <b>(50,110)</b>  | <b>250,310</b>   | <b>81,190</b>   |

**BRAC UGANDA LIMITED**  
**PROJECT REPORTING (UNAUDITED) - CONTINUED**

Statement of Financial Position As At 31 December 2023 (Amount in United States Dollars) - continued

|                                           | Play lab       | Ela After School | ELA Plus         | Lego Covid     | HILTON-ECGP      | AIM              | LEPR          | FFR              | ILO             | SPACE           | TOTAL            |
|-------------------------------------------|----------------|------------------|------------------|----------------|------------------|------------------|---------------|------------------|-----------------|-----------------|------------------|
|                                           | USD            | USD              | USD              | USD            | USD              | USD              | USD           | USD              | USD             | USD             | USD              |
| <b>Assets</b>                             |                |                  |                  |                |                  |                  |               |                  |                 |                 |                  |
| Property and equipment                    | 17,725         | 1,860            | 24,267           | 625            | 99,169           | 520,717          | 2,155         | -                | 18,174          | 5,578           | 778,422          |
| Inventory                                 |                |                  |                  |                |                  |                  |               |                  |                 |                 | 120,909          |
| Other receivables                         | 5,380          | 1,803            | (48,839)         | 11,064         | 38,279           | 244,324          | 1,946         | (4,682)          | 1,852           | 2,260           | 1,490,578        |
| Cash and bank                             | 128,019        | 228,982          | 48,166           | (22,476)       | 75,109           | 214,601          | 6,356         | 597              | 8,409           | 2,132           | 1,527,008        |
| ROU asset                                 | 595            | -                | 3,268            | -              | -                | -                | -             | -                | -               | -               | 64,394           |
| Due to related parties                    | 22,658         | (50,360)         | (283,898)        | 450,736        | 874,180          | 466,328          | 15,731        | (280,577)        | (35,865)        | (80,068)        | 1,103,251        |
| <b>Total assets</b>                       | <b>174,377</b> | <b>182,285</b>   | <b>(257,036)</b> | <b>439,949</b> | <b>1,086,737</b> | <b>1,445,970</b> | <b>26,188</b> | <b>(284,662)</b> | <b>(7,430)</b>  | <b>(70,098)</b> | <b>5,084,562</b> |
| <b>Liabilities and capital fund</b>       |                |                  |                  |                |                  |                  |               |                  |                 |                 |                  |
| <b>Liabilities</b>                        |                |                  |                  |                |                  |                  |               |                  |                 |                 |                  |
| Other payables                            | 107,792        | 375,051          | (117,169)        | 439,152        | 250,826          | 998,766          | 20,952        | (26,105)         | 70,541          | (54,795)        | 1,173,821        |
| Lease liability                           | -              | -                | -                | -              | -                | -                | -             | -                | -               | -               | 39,701           |
| Due from related parties                  | (3,886)        | -                | 14,078           | -              | 10,098           | 18,481           | -             | -                | 3,056           | 7,600           | 473,079          |
| <b>Total liabilities</b>                  | <b>103,906</b> | <b>375,051</b>   | <b>(103,091)</b> | <b>439,152</b> | <b>260,924</b>   | <b>1,017,247</b> | <b>20,952</b> | <b>(26,105)</b>  | <b>73,597</b>   | <b>(47,195)</b> | <b>1,686,601</b> |
| <b>Capital fund</b>                       |                |                  |                  |                |                  |                  |               |                  |                 |                 |                  |
| Donor funds                               | 75,571         | 43,088           | (90,300)         | 645            | 782,417          | 334,800          | 5,236         | (76,835)         | (81,027)        | (22,996)        | 827,999          |
| Retained surplus                          | (5,100)        | (235,854)        | (63,645)         | 152            | 43396            | 93923            | -             | (181,722)        | -               | 93              | 2,569,962        |
| <b>Total capital fund</b>                 | <b>70,471</b>  | <b>(192,766)</b> | <b>(153,945)</b> | <b>797</b>     | <b>825,813</b>   | <b>428,723</b>   | <b>5,236</b>  | <b>(258,557)</b> | <b>(81,027)</b> | <b>(22,903)</b> | <b>3,397,961</b> |
| <b>Total liabilities and capital fund</b> | <b>174,377</b> | <b>182,285</b>   | <b>(257,036)</b> | <b>439,949</b> | <b>1,086,737</b> | <b>1,445,970</b> | <b>26,188</b> | <b>(284,662)</b> | <b>(7,430)</b>  | <b>(70,098)</b> | <b>5,084,562</b> |