STICHTING BRAC INTERNATIONAL, KENYA BRANCH

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS

ORGANISATION INFORMATION

BOARD OF DIRECTORS	: Mr. Shameran Abed	- Executive Director*
	: Saif Md.Imran Siddique	- Director Finance*
	: Rudo Kayombo	- Regional Director (Africa)** (appointed on 16 January 2023)
	* Bangladeshi	
	** Zimbabwean	
FINANCE TEAM	: Judy Wambui- Finance manager	
	:	
REGISTERED OFFICE	: Adlife Plaza,	
	: P.O. Box 6219, 00100	
	: Nairobi	
PRINCIPAL PLACE OF BUSINESS	: FAWE House, Chania Avenue,	
	: Off Wood Avenue, Kilimani,	
	Nairobi	
INDEPENDENT AUDITOR	: PKF Kenya LLP	
	: Certified Public Accountants	
	: P.O. Box 14077, 00800	
	: NAIROBI	
PRINCIPAL BANKER	: Standard Chartered Bank Kenya Limited	
	: NAIROBI	

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 December 2023, which disclose the state of affair's of the organisation.

REGISTRATION

The organisation is registered in Kenya under the Kenyan Companies Act, 2015.

PRINCIPAL ACTIVITIES

The principal activity of the organization is to provide support on ongoing projects in Africa.

RESULTS AND PERFORMANCE

The results for the year ended 31 December 2023 are set out in the statement of income and expenditure on page 7.

KEY PERFORMANCE INDICATORS	2023 KES	2022 KES	2023 USD	2022 USD
BRAC contribution	209,468,653	117,921,435	1,478,160	995,622

PRINCIPAL RISKS AND UNCERTAINTIES

The overall operational environment continues to remain challenging and this has a resultant effect on the organisation's activities. The organisation's strategic focus is to provide support on ongoing projects in Africa.

The organisation's activities expose it to a number of financial risks including cash flow and foreign currency risk and liquidity risk as set-out below:

Cash flow and foreign currency risk

The majority of the organisation’s expenses are in Kenya Shillings but where donor funds are received in foreign currency, the organisation is exposed to currency risk. This risk is managed through appropriate operational offset of open receivable and payable foreign currency positions.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the organisation monitors its need for cash on a regular basis and takes appropriate action through financing arrangements.

DIRECTORS

The directors who held office during the year and to the date of this report are shown on page 1.

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

STATEMENT AS TO DISCLOSURE TO THE ORGANISATION'S AUDITOR

With respect to each director at the time this report was approved:

(a) there is, so far as the person is aware, no relevant audit information of which the organisation's auditor is unaware; and
(b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the organisation's auditor is aware of that information.

REPORT OF THE DIRECTORS (CONTINUED)

INDEPENDENT AUDITOR

PKF Kenya LLP, continues in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

BY ORDER OF THE BOARD

Rudo Kayombo
Regional Director, Africa
BRAC International

Saif Md.Imran Siddique
Director Finance
BRAC International

11th March 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of the result for that year. The directors are also required to ensure that the organisation maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the organisation. The management is also responsible for safeguarding the assets of the organisation.

The directors accepts responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. The directors also accept responsibility for:

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

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the organisation as at 31 December 2023 and of the organisation's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs) and the requirements of the Kenyan Companies Act, 2015.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 11th March 2024 signed on its behalf by:

Rudo Kayombo	**Saif Md.Imran Siddique**
Regional Director, Africa	Director Finance
BRAC International	BRAC International

REPORT OF THE INDEPENDENT AUDITOR
TO THE DIRECTORS OF STICHTING BRAC INTERNATIONAL, KENYA BRANCH

Opinion

We have audited the organisation financial statements of Stichting BRAC International, Kenya Branch set out on pages 8 to 19 which comprise the statement of financial position as at 31 December 2023, statement of income and expenditure, statement of changes in reserves and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the state of financial position of the organisation as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The management is responsible for the other information. The other information comprises organisation information, report of the directors but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

The management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) and the requirements of the Kenyan Companies Act, 2015 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

REPORT OF THE INDEPENDENT AUDITOR
TO THE DIRECTORS OF STICHTING BRAC INTERNATIONAL, KENYA BRANCH (CONTINUED)

Responsibilities of management for the financial statements (continued)

In preparing the financial statements, the management is responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organisation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization 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.

REPORT OF THE INDEPENDENT AUDITOR
TO THE DIRECTORS OF STICHTING BRAC INTERNATIONAL, KENYA BRANCH (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

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

Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the directors on pages 2 and 3 are consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Mike Njuguna Kimundu, Practising certificate No. 2235

For and on behalf of PKF Kenya LLP
Certified Public Accountants
Nairobi, Kenya
15 March **2024**

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STATEMENT OF INCOME AND EXPENDITURE

	Note	SBI Units 2023 KES	AIM Unit 2023 KES	Total 2023 KES	2023 USD	SBI Units 2022 KES	AIM Unit 2022 KES	Total 2022 KES	2022 USD
Income									
BRAC contributions	3	209,468,653	-	209,468,653	1,478,160	117,921,435	-	117,921,435	995,622
Grant Income	3	-	180,856,721	180,856,721	1,276,253	-	108,583,349	108,583,349	916,779
Total income		**209,468,653**	**180,856,721**	**390,325,374**	**2,754,413**	**117,921,435**	**108,583,349**	**226,504,784**	**1,912,401**
Less: expenditure									
General and administrative expenses	4	214,045,232	180,072,082	394,117,314	2,781,172	116,685,734	108,541,899	225,227,633	1,901,618
Depreciation on property and equipment	5	4,914,171	784,639	5,698,810	40,215	2,728,677	41,450	2,770,127	23,388
Finance costs	6	(9,490,750)	-	(9,490,750)	(66,973)	(1,492,976)	-	(1,492,976)	(12,605)
Total expenses		**209,468,653**	**180,856,721**	**390,325,374**	**2,754,413**	**117,921,435**	**108,583,349**	**226,504,784**	**1,912,401**
		-	-	-	-	-	-	-	-

The notes on pages 12 to 19 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF FINANCIAL POSITION

		As at 31 December			
	Notes	2023 KES	2022 KES	2023 USD	2022 USD
Assets					
Non-current assets					
Property and equipment	7	28,207,141	5,414,898	180,281	43,625
Current assets					
Other receivables	8	32,565,472	32,556,527	208,137	262,288
Cash and cash equivalents	9	174,996,269	124,426,540	1,118,460	1,002,430
		207,561,741	156,983,067	1,326,597	1,264,718
Total assets		**235,768,883**	**162,397,966**	**1,506,878**	**1,308,342**
Reserves and non current liabilities					
BRAC contribution investment in fixed assets	11.2	28,207,141	5,414,898	180,281	43,625
Other payables	10	1,525,096	1,170,030	9,747	9,426
		29,732,237	6,584,928	190,029	53,051
Current liabilities					
BRAC contribution received in advance	11.1	51,529,273	33,620,669	329,341	270,861
Grants received in advance	11.1	108,317,773	110,240,983	692,295	888,145
Other payables	10	46,189,600	11,951,386	295,213	96,285
		206,036,646	155,813,038	1,316,850	1,255,291
Total reserves and liabilities		**235,768,883**	**162,397,966**	**1,506,878**	**1,308,342**

The financial statements on pages 8 to 19 were approved and authorised for issue by the board of management on 11th March 2024 and were signed on its behalf by:

Rudo Kayombo
Regional Director, Africa
BRAC International

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Saif Md.Imran Siddique
Director Finance
BRAC International

The notes on pages 12 to 19 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CHANGES IN RESERVES

Year ended 31 December 2022	**BRAC contribution investment in fixed assets KES**	**Total USD**
At start of year	6,850,424	60,709
BRAC contribution investment in fixed assets	3,427,501	28,939
Amortization of BRAC contribution investment in fixed assets	(4,863,027)	(41,059)
Translation adjustment	-	(4,964)
At end of year	**5,414,898**	**43,625**
Year ended 31 December 2023		
At start of year	5,414,898	43,625
BRAC contribution investment in fixed assets	28,491,052	201,053
Amortization of BRAC contribution investment in fixed assets	(5,698,811)	(40,215)
Translation adjustment	-	(24,182)
At end of year	**28,207,140**	**180,281**

The notes on pages 12 to 19 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CASH FLOWS

	Note	2023 KES	2022 KES	2023 USD	2022 USD
Cash flows from operating activities					
Surplus for the year		-	-	-	-
Adjustments for:					
Depreciation on property and equipments	7	5,698,810	2,770,127	40,215	23,388
Changes in working capital:					
- other receivables		(8,944)	(21,837,120)	(63)	(184,373)
- other payables		34,593,280	3,392,687	244,115	28,645
- restricted cash balances		(18,835,417)	(89,482,357)	(132,916)	(755,508)
Net cash flows (used in) operating activities		**21,447,729**	**(105,156,663)**	**151,350**	**(887,848)**
Cashflow (used in) investing activities					
Purchase of property and equipment	7	(28,491,052)	(3,427,501)	(201,053)	(28,939)
Sales proceeds from disposal of property and equipment		-	2,092,899	-	17,671
Net cash flows (used in) investing activities		**(28,491,052)**	**(1,334,602)**	**(201,053)**	**(11,268)**
Cashflow from financing activities					
Increase of BRAC contribution received in advance		15,985,393	119,709,493	112,804	1,010,718
(Decrease)increase of BRAC contribution investment in fixed assets		22,792,243	(1,435,526)	160,838	(12,120)
Net cashflow from financing activities		**38,777,636**	**118,273,968**	**273,643**	**998,598**
Increase in cash and cash equivalents		31,734,313	11,782,703	223,939	99,482
Movement in cash and cash equivalents					
At start of year		34,944,183	23,161,480	246,591	195,555
Increase in cash and cash equivalent		31,734,313	11,782,703	223,940	99,482
Translation adjustment		-	-	(44,366)	(13,513)
At end of year	9	**66,678,496**	**34,944,183**	**426,165**	**281,524**

The notes on pages 12 to 19 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

NOTES

1. **General information**

Stichting BRAC International, Kenya Branch is registered as a hub to oversee programs operations of Brac International in Africa. The address of its registered office and principal place of business is indicated on page 1. The principal activity of the organisation is to provide support services on the various projects ongoing in Africa.

2. **Significant accounting policies**

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

a) **Basis of preparation**

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs).

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements.

b) **Going concern**

The financial performance of the organisation is set out in statement of comprehensive income. The financial position of the organisation is set out in the statement of financial position.

Based on the financial performance and position of the organisation and its risk management policies, the management is of the opinion that the organisation is well placed to continue in operation for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

c) **Revenue including grants and donations received**

Revenue comprises the fair value of the consideration received or receivable from the head quarters.

Contributions are initially recognised at fair value and recorded as liabilities as contribution received in advance for the year and the portion of the contribution utilised to purchase property and equipment's are transferred as BRAC contribution investment in fixed assets and subsequently the portion of the depreciation expenses of the same assets for the period is recognised in the Income statement as BRAC contribution. Contribution relating to expenditure for the year is released to income and expenditure as it is utilised or incurred.

d) **Translation of foreign currencies**

Transactions in foreign currencies are translated to the respective functional currency of the entity at exchange rates at the dates of the transactions; Stichting BRAC International, Kenya branch used an exchange rate of USD 1: KES 156.46 (closing rate) and KES 141.71 (average rate) for the year 2023 for conversion to presenting currency. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functi

NOTES (CONTINUED)

2. **Significant accounting policies (continued)**

e) **Property and equipment**

All property and equipment acquired from unrestricted funds are initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

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 can be reliably measured.

Depreciation is calculated on straight line method to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	Rate %
Furniture and fittings	10.00
Motor vehicles	20.00
Equipment	20.00
Computers	33.33
Leasehold improvements	5yrs

All depreciation costs are charged and written off in the year it was written off.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit or loss.

f) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

g) **Other receivables**

Other receivables include deposits and prepayment for services/goods to be delivered in future and advances to staff. Other receivables are only accounted for if there is tangible evidence that the service will be performed in future or a refund will be made in the event the service is not performed.

h) **Taxation**

No taxation has been provided in these financial statements as discussed further in Note 12 to the financial statements.

i) **Other payables**

Other payables are obligations on the basis of normal credit terms and do not bear interest.

NOTES (CONTINUED)

2. **Significant accounting policies (continued)**

j) **Brac contribution received in advance**

Grants represent unutilised funds as at the end of the reporting period. These funds are accrued as part of current liabilities

k) **Brac contibution investment in fixed asset**

Capital grant represent funds received specifically for purchase of equipment and intangible assets or the value of such equipment and intangible assets that are granted to the organisation. This is classified as part of current account head office

The initial amount is credited to deferred capital grant. The grant balance is amortised to income annually at an amount equal to the depreciation of the assets purchased with the grants.

l) **Comparatives**

There are no changes in the current year.

NOTES (CONTINUED)

3. **BRAC contributions**	**2023 KES**	**2022 KES**	**2023 USD**	**2022 USD**
BRAC contributions realised	4,733,745	24,254,580	33,405	204,784
Regional Office Support from SBI	199,820,737	88,845,279	1,410,077	750,129
Grant income AIM Mastercard Foundation (note 11 (a)	180,072,082	108,541,899	1,270,716	916,429
Amortisation of investment in fixed assets - AIM unit	784,639	41,450	5,537	350
Amortisation of investment in fixed assets - SBI unit	4,914,171	4,821,576	34,678	40,709
	390,325,374	226,504,784	2,754,413	1,912,401

4. **General and administrative expenses**

Advertisements	1,411,882	-	9,963	-
Computer and internet expenses	2,413,471	907,350	17,031	7,661
Salaries and other staff cost (4.1)	257,641,420	144,945,786	1,818,101	1,223,791
Director salaries	24,687,871	30,325,310	174,215	256,039
Office rent	16,340,127	3,215,755	115,308	27,151
Travelling and entertainment	42,973,974	19,241,837	303,255	162,461
Printing and stationery	398,897	30,705	2,815	259
Repairs and maintenance	991,776	1,001,327	6,999	8,454
Office expenses	5,834,466	2,055,660	41,172	17,356
Audit fees-current fee	734,000	580,000	5,180	4,897
under/(over) provision	54,034	(351,580)	381	(2,968)
Bank charges	1,827,258	519,175	12,894	4,383
Security expenses	81,200	70,059	573	592
Postage and telephone	277,363	1,233,018	1,957	10,410
Legal and professional fees	14,706,365	8,764,467	103,779	73,999
Utilities	1,611,744	574,311	11,374	4,849
Meeting expense	18,570,732	8,544,514	131,048	-
Research costs	3,560,734	3,569,939	25,127	-
	394,117,314	**225,227,633**	**2,781,172**	**1,901,618**

4.1 **Salaries and other staff cost**

Salaries and wages	240,873,256	137,753,460	1,699,773	1,163,065
Other staff cost	16,608,364	7,141,826	117,200	60,299
Pension costs - NSSF	159,800	50,500	1,128	426
	257,641,420	**144,945,786**	**1,818,101**	**1,223,791**

The average number of persons employed during the year were:	**No. of employees 2023**	**No. of employees 2022**
Management and administration	28	14

5. **Depreciation**

Depreciation on property and equipment	5,698,810	2,770,127	40,215	23,388

6. **Finance costs**	**2023 KES**	**2022 KES**	**2023 USD**	**2022 USD**
Exchange gain	(9,490,750)	(1,492,976)	(66,973)	(12,605)

NOTES (CONTINUED)

7. **Property and equipment**

	Leasehold improvements KES	Furniture & fittings KES	Motor vehicles KES	Equipment KES	Computers KES	Total KES	Total USD
Cost							
At start of year 2023	-	1,899,264	-	454,013	5,714,125	8,067,402	64,994
Additions	9,668,903	5,654,817	7,300,000	1,180,715	4,686,617	28,491,052	201,053
Translation adjustment	-	-	-	-	-	-	(32,390)
At end of year 2023	9,668,903	7,554,081	7,300,000	1,634,728	10,400,742	36,558,454	233,657
Depreciation							
At start of year 2023	-	412,376	-	181,015	2,059,113	2,652,504	21,370
Charge for the year	1,933,781	460,207	863,832	232,264	2,208,726	5,698,810	40,215
Translation adjustment	-	-	-	-	-	-	(8,208)
At end of year 2023	1,933,781	872,583	863,832	413,279	4,267,839	8,351,313	53,376
Net book value 2022	-	1,486,889	-	272,998	3,655,012	5,414,899	43,625
Net book value 2023	7,735,122	6,681,499	6,436,168	1,221,449	6,132,903	28,207,141	180,281

8. **Other receivables**

	2023 KES	2022 KES	2023 USD	2022 USD
Deposits and advances	1,771,117	1,962,831	11,320	15,813
Prepayments	19,275,597	4,427,944	123,197	35,673
Other receivables	4,704,862	8,173,727	30,070	-
Related party receivables (Note 11.3)	6,813,896	17,992,026	43,550	144,951
	32,565,472	32,556,528	208,137	262,288

9. **Cash and cash equivalents**

	2023 KES	2022 KES	2023 USD	2022 USD
Cash at bank	170,220,725	124,393,600	1,087,938	1,002,164
Cash in hand	17,228	32,940	110	265
Cash in transit	4,758,316	-	30,412	-
	174,996,269	124,426,540	1,118,460	1,002,429

For the purposes of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	2023 KES	2022 KES	2023 USD	2022 USD
Cash and bank balances	174,996,269	124,426,540	1,118,460	1,002,429
Less: AIM bank balances (restricted cash balances)	(108,317,773)	(89,482,357)	(692,295)	(720,905)
	66,678,496	34,944,183	426,165	281,524

NOTES (CONTINUED)

10. Other payables

	2023 KES	2022 KES	2023 USD	2022 USD
Current				
Provision for NSSF	1,700	50,500	11	407
Provision for NHIF	20,400	20,400	130	164
Provision for PAYE	11,662,640	5,985,241	74,540	48,219
Provision for audit fees	754,000	580,000	4,819	4,673
Liabilities for expenses	3,333,980	5,315,245	21,309	42,822
Related party payables (Note 11.4)	30,416,880	-	194,405	-
	46,189,600	11,951,386	295,213	96,285
Non- current				
Gratuity payable	1,525,096	1,170,030	9,747	9,426

11. Related party transactions

The following transactions were carried out with the related parties:

	2023 KES	2022 KES	2023 USD	2022 USD
BRAC contribution received in advance (11.1, 11.1a)	159,847,046	143,861,652	1,021,636	1,159,006
BRAC contribution investment in fixed assets (11.2)	28,207,141	5,414,898	180,281	43,625
Contributions received during the year (11.1b)	404,311,907	343,863,124	2,853,112	2,903,269

11.1 BRAC contribution received in advance

	2023 KES	2022 KES	2023 USD	2022 USD
At start of year	33,620,669	24,152,158	270,861	214,039
Contributions received during the year (11.1b)	239,946,528	125,183,370	1,693,233	1,056,935
Income from Brac USA	2,092,361	-	-	-
Transferred to BRAC contribution investment in fixed assets	(22,803,434)	(2,615,001)	(160,917)	(22,079)
Proceeds on release of donor funded assets	-	2,092,900	-	17,671
Foreign exchange gain	3,227,632	-	22,776	-
Transferred to income and expenditure	(204,554,482)	(115,192,758)	(1,443,482)	(972,583)
Translation adjustment	-	-	(67,896)	(23,121)
At end of year	51,529,273	33,620,669	329,341	270,861

11.1a Grants received in advance

	2023 KES	2022 KES	2023 USD	2022 USD
At start of year	110,240,983	-	888,145	-
Contributions received during the year (11.1b)	164,365,379	218,679,754	1,159,879	1,846,334
Transferred to BRAC contribution investment in fixed assets	(5,687,618)	(812,500)	(40,136)	(6,860)
Foreign exchange gain	19,471,111	915,628	137,402	7,731
Transferred to income and expenditure	(180,072,082)	(108,541,899)	(1,270,716)	(916,429)
Translation adjustment	-	-	(182,278)	(42,630)
At end of year	108,317,773	110,240,983	692,295	888,145
Transfer to income and expenditure comprises of:				
Funds received released	160,600,971	107,626,271	1,133,314	908,699
Exchange gain on bank treated as program income	19,471,111	915,628	137,402	7,731
	180,072,082	108,541,899	1,270,716	916,429

NOTES (CONTINUED)

11. **Related party transactions (continued)**

		2023 KES	2022 KES	2023 USD	2022 USD
11.1b	**BRAC contribution received during the year**				
0001	SBI - Stichting BRAC International	151,843,258	69,033,465	1,071,514	582,856
0003	PRL - Program Research and Learning	29,815,180	24,509,736	210,397	206,938
0005	BUSA - BRAC USA	99,512	11,828,355	702	99,868
0004	UPG - Ultra Poor Graduation	5,017,081	13,258,529	35,404	111,943
0007	UPGI	52,009,078	6,553,285	367,013	55,330
009	Brac Global	1,162,418	-	8,203	-
0006	MCF AIM	164,365,379	218,679,754	1,159,879	1,846,334
		404,311,907	**343,863,124**	**2,853,112**	**2,903,269**
	Funds received duirng the year	404,311,907	343,863,124	2,853,112	2,903,269
	Effects of foreign exchange	22,698,743	-	160,178	-
		427,010,650	**343,863,124**	**3,013,290**	**2,903,269**
11.2	**BRAC contribution investment in fixed assets**				
	At start of year	5,414,898	6,850,424	43,625	60,709
	Transferred from BRAC contribution received in advance	28,491,052	3,427,501	201,053	28,939
	Amortization of BRAC contribution investment in fixed assets	(5,698,810)	(4,863,026)	(40,215)	(41,059)
	Translation adjustment	-	-	(24,181)	(4,964)
	At end of year	**28,207,141**	**5,414,898**	**180,281**	**43,625**

		2023 KES	2022 KES	2023 USD	2022 USD
11.3	**Receivable from related party (note 8)**				
	Receivable at the start of the year	-	8,643,699	-	69,637
	Receipts during the year	(12,163,456)	(77,067,935)	(77,741)	(620,890)
	Expenses paid during the year	21,069,713	86,416,262	134,664	696,204
	Total receivable	**8,906,257**	**17,992,026**	**56,923**	**144,951**

		2023 KES	2022 KES	2023 USD	2022 USD
11.4	**Payable to related party related party (note 10)**				
	Receivable at the start of the year	17,992,026	-	144,951	-
	Receipts during the year	(125,710,705)	-	(803,459)	-
	Expenses paid during the year	77,301,799	-	494,062	-
	Total receivable	**(30,416,880)**	-	**(164,447)**	-
11.5	**Key management personnel compensation**				
	Short term employee benefits	**43,988,361**	**30,325,310**	**281,144**	**244,313**

12. **Taxation**

Whilst the organisation does not have a tax exemption certificate at present, the organisation deals in activities which are not for profit and therefore the management is of the view that the organisation would not be subject to tax. Therefore no provision for current or deferred tax is recognised in these financial statements.

13. **Commitments**

Operating lease commitments - as a lessee

The future minimum lease payments payable under non-cancellable operating leases are as follows:

	KES	KES
Not later than 1 year	5,738,839	1,083,304
Later than 1 year and not later than 5 years	-	-
	5,738,839	1,083,304

The organisation leases office space through operating lease agreements. The lease terms are between 1 to 2 years and these are generally renewable at the end of the tenure of the lease.

NOTES (CONTINUED)

14. **Registration**

The organisation is registered in Kenya under the Kenyan Companies Act, 2015.

15. **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (Kenya Shillings). Major activities were measured in Kenya Shillings and translated in USD. Stichting BRAC International, Kenya branch uses an exchange rate of USD 1: KES 156.46 (closing rate) & KES 141.71 (avg. rate) for 2023 and of USD 1: KES 124.13 (closing rate) & KES 118.44 (avg. rate) for 2022.

The exchange rates used are as follows:	**2023**	**2022**
Statement of financial position 1 USD	156.46	124.13
Statement of profit and loss (average rate) 1 USD	141.71	118.44

APPENDIX I: SCHEDULE OF EXPENDITURE

1. **General and administrative expenses**	**2023 Shs**	**2022 Shs**	**2023 USD**	**2022 USD**
Advertisements	1,411,882	-	9,963	-
Computer and internet expenses	2,413,471	907,350	17,031	7,661
Salaries and wages	241,033,056	137,803,960	1,700,900	1,163,492
Director salaries	24,687,871	30,325,310	174,215	256,039
Other staff costs	16,608,364	7,141,826	117,200	60,299
Office rent	16,340,127	3,215,755	115,308	27,151
Travelling and entertainment	42,973,974	19,241,837	303,255	162,461
Printing and stationery	398,897	30,705	2,815	259
Repairs and maintenance	991,776	1,001,327	6,999	8,454
Office expenses	5,834,466	2,055,660	41,172	17,356
Audit fees-current fee	734,000	580,000	5,180	4,897
(over)/under provision	54,034	(351,580)	381	(2,968)
Bank charges	1,827,258	519,175	12,894	4,383
Security expenses	81,200	70,059	573	592
Postage and telephone	277,363	1,233,018	1,957	10,410
Legal and professional fees	14,706,365	8,764,467	103,779	73,999
Utilities	1,611,744	574,311	11,374	4,849
Workshop and meeting expense	18,570,732	-	131,048	-
Research costs	3,560,734	-	25,127	-
	394,117,314	225,227,633	2,781,172	1,901,618

2. **Depreciation**				
Depreciation on equipment	5,698,810	1,469,431	40,215	12,407

3. **Finance costs**				
Exchange gain	(9,490,750)	387,222	(66,973)	3,269

APPENDIX II: STATEMENT OF INCOME AND EXPENDITURE UNIT WISE

	Africa RO	PRL	BUSA	UPG	Global	UPGI	AIM	Total
	2023	2023	2023	2023	2023	2023	2023	2023
	KES	KES	KES	KES	KES	KES	KES	KES
Income								
BRAC contributions	112,411,113	29,521,581	1,884,658	11,488,980	2,314,331	51,847,990	-	209,468,653
Grant Income	-	-	-	-	-	-	180,856,721	180,856,721
Total income	**112,411,113**	**29,521,581**	**1,884,658**	**11,488,980**	**2,314,331**	**51,847,990**	**180,856,721**	**390,325,374**
Expenditure								
Staff costs and other benefits	70,326,493	21,549,590	99,570	9,270,860	2,150,020	46,827,605	132,105,153	282,329,291
Training, Workshops and Seminars	-	-	-	-	-	-	18,570,732	18,570,732
Occupancy expenses	5,807,899	1,873,992	-	850,680	92,769	-	6,510,855	16,340,127
Professional and Consultancy fees	12,647,181	554,972	1,489,135	9,077	-	6,000	-	14,706,365
Travelling and entertainment	19,045,845	4,525,783	295,953	1,029,743	33,861	1,051,230	16,991,559	42,973,974
Other general & administrative expenses	11,643,676	717,911	-	300,560	27,028	613,867	5,893,783	19,196,825
Depreciation	3,795,022	459,509	-	156,954	10,653	492,033	784,639	5,698,810
Total expenditure	**123,266,116**	**29,681,757**	**1,884,658**	**11,617,874**	**2,314,331**	**50,194,667**	**180,856,721**	**399,816,124**
Finace cost								
Foreign exchange (gain)/Loss	(10,855,003)	(160,176)	-	(128,894)	-	1,653,323	-	(9,490,750)
Sirplus/(deficit) for the year	-	-	--	-	-	-	-	-

APPENDIX III: STATEMENT OF FINANCIAL POSITION UNIT WISE

	Africa R.O	PRL	BUSA	UPG	Global	UPGI	AIM	Total
	2023	2023	2023	2023	2023	2023	2023	2023
	KES	KES	KES	KES	KES	KES	KES	KES
Assets								
Non-current assets								
Property and equipment	19,268,426	1,046,483	-	698,330	115,787	1,404,084	5,674,029	28,207,139
Current assets								
Other receivables	30,490,946	(2,702,231)	3,889,630	(925,930)	(1,201,099)	3,014,158	-	32,565,474
Cash and cash equivalents	60,542,256	6,136,240	-	-	-	-	108,317,773	174,996,269
	91,033,202	3,434,009	3,889,630	(925,930)	(1,201,099)	3,014,158	108,317,773	207,561,743
Total assets	**110,301,628**	**4,480,492**	**3,889,630**	**(227,600)**	**(1,085,312)**	**4,418,242**	**113,991,802**	**235,768,882**
Reserves and non current liabilities								
BRAC contribution investment in fixed assets	19,092,066	1,222,842	-	698,327	115,787	1,404,084	5,674,029	28,207,136
Other payables	1,294,101	-	-	230,995	-	-	-	1,525,096
	20,386,167	1,222,842	-	929,322	-	1,404,084	5,674,029	29,732,232
Current liabilities								
BRAC contribution received in advance	51,549,293	2,702,884	(1,535,808)	(1,236,547)	(1,267,700)	1,317,152	-	51,529,274
Grant received in advamce	-	-	-	-	-	-	108,317,773	108,317,773
Other payables	38,366,168	554,766	5,425,438	79,625	66,601	1,697,006	-	46,189,604
	89,915,461	3,257,650	3,889,630	(1,156,922)	(1,201,099)	3,014,158	108,317,773	206,036,651
Total reserves and liabilities	**110,301,628**	**4,480,492**	**3,889,630**	**(227,600)**	**(1,085,312)**	**4,418,242**	**113,991,802**	**235,768,882**