

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

Brighter Communities Worldwide's 2019 expenditure on Charitable Activities, including; projects on **Health, Education and Economic Empowerment** in Kenya and Uganda and the relevant support costs, amounted to **€626,295** (2018: €450,912), equating **94%** (2018: 95%) of Brighter Communities Worldwide's total expenditure for the year.

EXPENDITURE ON
**Charitable
Activities**

€626,295

94%

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The Directors present their annual report and the audited financial statements of Brighter Communities Worldwide for the financial year ended 31 December 2019. This report presents the information and disclosures required by a Directors' Report under the Companies Act 2014, together with additional information required by the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Who are Brighter Communities Worldwide?

Brighter Communities Worldwide is a company limited by guarantee, not having a share capital, incorporated in Ireland on the 23rd February 2005 under the Companies Act, registration number 398094. Brighter Communities Worldwide was initially registered as Friends of Londiani Ireland and changed its name to Brighter Communities Worldwide Company Limited by Guarantee on the 22nd December 2016. Brighter Communities Worldwide is one of the registered business names of Brighter Communities Worldwide Company Limited by Guarantee. As of 31 December 2019, there were 9 members whose guarantee is limited to €1 each. This guarantee continues for one year after membership ceases.

Brighter Communities Worldwide is a charity registered with the Charities Regulatory Authority, registered charity No: 20059583, and has been granted tax exemption by the Revenue Commissioners in Ireland, with registered charitable taxation No: CHY 16505.

Objectives and Activities

Brighter Communities Worldwide believes that stronger people make stronger communities, and that stronger communities make a better world, with a brighter future.

Our Vision

"A world where strong, healthy communities can thrive. building sustainable livelihoods and brighter futures."

The mission of Brighter Communities Worldwide is to work in partnership with communities, to deliver programmes that enrich their lives and help create better futures for them and their families.

Brighter Communities Worldwide considers the whole community, enabling individuals and communities to be authors of their own development, building brighter communities for all. Our model creates an enabling environment for communities to realise change and uses a partnership based approach to deliver relevant programs to meet the needs of communities and individuals.

Directors and Other Information

Directors

Colum Horgan (Chairperson); Kieran Curtis (Vice Chairperson); Maria Kidney; Charles Daly; Linden Edgell; Frederic Spengeman; Christine Burke; Sean O'Sullivan; Anne Healy; Jane Beare (appointed September 2019, retired 13 January 2020); Christine Burke (retired in 28 October 2019)

Company Secretary

Linden Edgell

Chief Executive Officer

Martin Ballantyne

Registered Office

4 The Crescent, Mill Road, Midleton, Co. Cork

Company Number: 398094

Charities Regulatory Authority Number: 20059583

Charity Number: CHY 16505

Auditors: Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, No. 6 Lapps Quay, Cork

Bankers: Permanent TSB, Patrick Street, Cork

Solicitors: Charles C. Daly, 2 Westbourne Place, Cobh, Co. Cork

Country of Incorporation: Ireland

Creating brighter communities means ensuring:

- Access to good, affordable health care
- Education to help people find a job and be able to articulate their needs
- An income that can sustain a family
- Healthier lives with a supply of clean water and better facilities

Brighter Communities Worldwide implements programmes in Health, Education and Economic Empowerment.

The impact of the work of Brighter Communities Worldwide is measured against targets using a Results Based Management System. Brighter Communities Worldwide also has a Monitoring, Evaluation and Learning Policy in place.

Brighter Communities Worldwide carries out monitoring and evaluation activities for two main reasons:

- *To ensure that the organisation is fully accountable for the delivery of all its development activities*
- *To ensure that the organisation learns lessons throughout the implementation of its development activities and that this learning enables improvement and enhancement of its work on an ongoing basis.*

Monitoring is carried out on a continual basis and involves collecting and recording data with information in order to track our progress towards expected results. Evaluation is an exercise that assesses systematically and objectively the relevance, performance and success of ongoing and completed programmes and projects at a key point in time for example monthly; quarterly and annually. Evaluation is undertaken in order to improve the effectiveness of development projects, to help reach objectives, to make good decisions about future activities.

Brighter Communities Worldwide's 2019 expenditure on Charitable Activities, including; projects on Health, Education & Economic Empowerment in Kenya and Uganda and the relevant support costs, amounted to €626,295 (2018: €450,912), equating 94% (2018: 95%) of Brighter Communities Worldwide's total expenditure for the year.

Achievements and Performance

Key outcomes and results are as follows:

Health

- We supported 45 community units throughout 2019, resulting in an improvement in access to quality health services and increased knowledge of health issues for 45,000 households.
- We supported the running of 40 Public Health Field Days and 240 Outreach Clinics as part of our health programme to improve the accessibility of quality health services for all. This resulted in a 3% increase in the number of children under one which are fully immunized (coverage rate now 66%) and the percentage of children under 5 receiving Vitamin A supplements increased by 2%.
- 19 Maternal Health courses with 612 participants took place during 2019 and 32 health workers were trained in Essential Obstetrics and Neonatal Care over a 5 day workshop. Impacts of increased maternal health knowledge included a 37% growth (from 2,898 to 3,959) in the number of births taking place in health facilities in the region and a 5% reduction in the perinatal mortality rate in the region.
- 9 Remote Emergency Care courses were held for community members with 291 (147 Male; 144 Female) people attending. These courses provide community members with the skills to act as first responders in an emergency and teach them how to stabilize and prepare patients for transfer.
- 1,237 smokeless stoves were installed in homes. In addition to this 3,619 (1772 Boys, 1847 Girls) students across 12 schools also benefited from the installation of institutional stoves:
- 111 new stove installers were trained during 2019, adding capacity to allow more households to convert to a smokeless stove.
- 4 water protection schemes completed this year has the capacity to serving 2,829 people across 4 communities. This means that health indicators in this area will improve as a result of access to a protected source of clean, safe water. Current and past water projects supported by us have potential to serve almost 35,000 people.
- In 2019, 7,138 (3,221B; 3,917G) school pupils benefitted from new water and sanitation infrastructure in their schools, the benefit of these projects can also be extended to staff of schools and the wider community.

Education

- 62 new schools were added to the Healthy Schools programme during 2019 (51 Primary and 11 Secondary) – enabling an additional 9,603 Girls, 8,937 Boys and 767 Staff Members to benefit from the programme. This brings the total number of schools in the programme to 289 enabling 46,442 boys and 50,147 girls from primary and secondary schools to benefit.
- There were 21 new schools added to our Girls for Girls programme in 2019, bring the total number of schools involved to 83. This results in 4,137 girls gaining access to knowledge around menstrual health, personal hygiene and economic empowerment as well as increased access to reusable sanitary kits.
- 16 infrastructure projects were completed in schools (4 Girls Latrine/Washroom Blocks; 4 Boys Latrine Blocks and 8 Water tanks). These all contribute to a reduction in water borne diseases in the schools impacting 7,138 (3,221B; 3,917G) students. This

leads to better life changes for these students due to improved school attendance and retention rates.

- 377 community health volunteers were trained in Menstrual Hygiene Management (MHM), and 14 community based MHM workshops were held for women in communities, with 782 women attending. This programme contributes to increased awareness of the challenges surrounding menstruation which breaks down barriers, and improves education and economic empowerment.
- 66 students were supported through our Education Bursary Scheme in 2019 across Primary, Secondary and Polytechnic levels. This scheme enables the most disadvantaged children the chance to increase their opportunities.
- 41 Life Skills courses were run in 2019 with 1,694 (573M, 1,121F) community members attending. Life Skills courses empower participants through shared learning and knowledge of topics that are relevant to communities.
- 1,498 girls attended an Alternative Rite of Passage course in 2019, with 25 courses being held in various locations across the region. This has led to an increase in capacity of young women to raise awareness of the negative impacts of Female Genital Mutilation/Cutting (FGM/C) in their communities.

Economic Empowerment

- Business courses were held in 5 locations in 2019 with 172 (89M, 83F) people participating. 49% of the participants set up a new income generating activity after participating in business training course and 13 women's groups successfully accessed capital to improve their business.
- During 2019, work continued on improving the campsite and trekking routes as part of our Sustainable Tourism project in the village of Ndubusat. A lookout was added to the campsite, and activities continued working with villages along the route.

Uganda

The "*Bringing Health to Communities*" pilot project in Offaka Sub-County in Northern Uganda began in 2016 and was completed during 2019 with a final evaluation conducted in February 2019. Work has begun to explore possibilities of future engagement in Uganda.

Irish Aid Programme

In 2019, we completed year one of a three year Irish Aid project "*Healthier Communities, Brighter Futures*" across Kericho County. The outcomes and results above contributed the overall aim of this project which is to facilitate change that leads to strengthened, healthier and more resilient communities through access to improved health, education and employment opportunities.

Financial Review

Results

The results for the financial year and appropriation thereof are set out in the Statement of Financial Activities on page 50.

Reserves

Brighter Communities Worldwide has determined the following reasons for Reserves which are reviewed and updated on an annual basis by the Board:

- **Education Reserve** – Brighter Communities Worldwide supports education bursaries in the District, and so will endeavour to support a student throughout his/her complete schooling, hence the need to reserve some funds for continuing students. Due to the current fundraising climate in 2019, this reserve will be zero.
- **Emergency Reserve** – This reserve is for the risk of an unforeseen emergency which may arise due to the location of Brighter Communities Worldwide work. In 2019 this is €5,000.
- **Operational Reserve** – This is the amount of money needed to keep the office going for an agreed period of time and is based on the running costs for utilities, rent and staff. Brighter Communities Worldwide has a reserve of 3 months operational costs in Ireland. In 2019 this is €20,000.
- **Grant money received, but not spent in the current year** - Grant money is rarely received and spent in its entirety within the current financial year, and so unspent grant money will be held in reserve until the following year – for example Irish Aid money.

Risk Management

Brighter Communities Worldwide has a Risk Management Policy and a Risk Management Register which is reviewed, updated and discussed at every board meeting with any necessary mitigations being put in place.

During 2019 Brighter Communities Worldwide began adopting the Matrix for assessing impact, likelihood and effectiveness of existing controls as recommended by the Charities regulator as outlined in their Document 'Risk Management for Charities'. The risk register identifies possible risks; scores risk based on the probability of occurrence and the impact on the organisation; lists steps to put in place to prevent the risk and then scores the risk again based on these interventions. The risks to Brighter Communities Worldwide are normally categorised but not limited

to the following heading: Governance, Finance and Fundraising, Human Resources, Operational and Infrastructure, Programme Delivery, Laws and Compliance, Technology and Business Continuity, Political and Environmental. A written strategy for managing each risk is developed and reviewed annually both by the Board and the Executive Committee. Directors are therefore aware of the risks to which Brighter Communities Worldwide is exposed and are satisfied that appropriate systems are in place to mitigate and manage exposure to risks. During 2019 a new section to the risk management register was added to reflect the decision to continue working in Uganda.

Plans for the Future

We believe that stronger people make stronger communities, and that stronger communities make a better world, with a brighter future. Our development model creates an enabling environment for communities to realise change and this will continue throughout 2020.

2019–2023 Strategic Plan

Brighter Communities Worldwide began a new strategic plan on the 1st January 2019 for five years. This strategic plan was developed as a result of a comprehensive review of our previous strategic plan, an environmental review and an inclusive stakeholder engagement process.

Our future strategic direction is based on four goals:



The strategic plan is translated into the Operational Plan for Ireland which is monitored on a monthly basis.

2020 Organisational Strengthening

In 2020 Brighter Communities Worldwide will continue the implementation of its business plan (2017-2021). This plan supports our strategic direction and identifies key areas where the organisation will focus on to support its growth and development.

2020 Development Programmes

Brighter Communities Worldwide will continue to develop and implement its development programmes throughout 2020. At the time of preparing this Annual Report, the COVID-19 pandemic is impacting Brighter Communities Worldwide operations in Ireland and Kenya. At this time the majority of the 2020 Development Programs continue to be delivered – albeit being pivoted to meet to the health prevention and preparation needs identified by the Kenyan Government in their COVID-19 response plan for Kericho County. We have taken the decision to suspend travel to Kenya as part of our volunteer program for the remainder of 2020 and are actively engaging volunteers and supporters in our COVID-19 response.

The **Health Programme** aims to assist in the long term reduction of mortality and morbidity rates, and to improve health security for all the people with whom we work. This is achieved through improving access to knowledge around health, supporting the development and strengthening of sustainable health care delivery systems, and supporting public health interventions in the areas in which we work.

The **Water & Sanitation Programme** aims to support and promote water projects that will improve health indicators, boost education and advance economic empowerment. This is achieved through improving access to sustainable sources of clean safe water, supporting the development and strengthening of sustainable systems for water delivery and consumption by supporting water projects in the areas in which we work.

The **Economic Empowerment Programme** aims to support and promote economic empowerment projects that will raise the incomes, and subsequently, the standard of living of people in the communities where we work. This is achieved through projects and courses developed to support and improve life in the communities where we work by including a focus on business and increasing economic activity.

The **Education Programme** aims to support any person whom we work with access to education of some form based on their wants and needs. This is

achieved through improving access to information around education, supporting the development and strengthening of sustainable systems for formal and non-formal education and supporting education interventions in the countries where we work.

The **Development Education Programme** aims to deepen peoples understanding of global issues and encourages people to act to create a more just and equal world. This is achieved through the training methodologies we use that encourage discussion, analysis and sharing of opinions and through our communications that encourage advocacy and highlight global issues.

The **Volunteer Programme** aims to bring practical assistance, vital skills and diversity to the organisation which is essential to our ongoing success. This is achieved through our overseas volunteer programme and local volunteer programmes in both Ireland and Kenya.

2020 Fundraising

In December 2019 the Board approved a new Fundraising Strategy for the organisation. This strategy outlines our funding approach for the coming year. The Fundraising Strategy identifies the financial needs of the Organisation and outlines the preparation, methods and resources needed to meet these expectations. A fundraising plan was developed for 2020 which implements this strategy. Given changed circumstances in Ireland and other donor countries due to COVID-19, the 2020 Fundraising program is being adapted with creative alternatives being developed by the Fundraising Committee and supporters.

Structure, Governance and Management

Organisational Structure

Brighter Communities Worldwide is governed by the Board of Directors who are responsible for directing the affairs of Brighter Communities Worldwide, ensuring it is solvent, well-run and delivering the outcomes for which it has been set up. The Board is responsible for the strategic direction of Brighter Communities Worldwide, safeguards the ethos of Brighter Communities Worldwide and is responsible for the audit and finance of Brighter Communities Worldwide including money, insurance and legalities. The Directors have responsibility for, and are aware of the risks associated with the operating activities of Brighter Communities Worldwide. Adequate systems of internal control are in place which aims to ensure compliance with laws and policies, ensure efficient

and effective use of resources, safeguard assets and maintain the integrity of financial information produced. Financial information is subject to detailed review at Board level. The day-to-day management of the organisation is delegated to the Chief Executive Officer and the staff Team.

Composition of the Board

Brighter Communities Worldwide's Board currently has nine members, 44% of whom are women. Their professional biographies are available on the Brighter Communities Worldwide website (tinyurl.com/BCWBoard). During 2019 the board met eleven times (2018: eight times), with an average attendance of 85% (2018: 86%). The board has a transparent Board Renewal process in place to ensure that the board has the desired blend of skills and experience at any given time. New board members are elected by the members of Brighter Communities Worldwide at the Annual General Meeting of the Charity.

Appointment of Directors

Directors are recruited through networking by the Board and supporters. Candidates for appointment to the Board are identified based on the Board's requirements for expertise from time to time. The board has specific portfolios in place based on its current and future needs, and uses these to identify gaps in advance of recruiting new board members.

New Directors have an induction programme to ensure that collectively they have the necessary knowledge required for proper governance of the charity. One new member joined the board in 2019. Continuous support is provided to board members throughout their term including training and development related to their role on the board. Training is provided on changes to best practice in corporate governance, charities regulation and development from time to time. Some Board members also participate in charity and related sector networks and peak bodies to ensure the Board is abreast of new information. For example, in 2019 a Board member participated in a two day Comhlámh Safeguarding Workshop alongside the staff team.

Directors are expected to serve a minimum term of three years. Each director is required to submit himself or herself for re-election every three years at the Annual General Meeting. All Directors may serve a maximum of two, three year terms, except in very exceptional circumstances when a further three year term can be served. The current board members are listed on our website: tinyurl.com/BCWBoard

Board Committees

The board has a number of sub-committees including Audit, Human Resources (HR), Executive and Fundraising (which was added during 2019). The chairperson for each of these provides an update at each board meeting as to activities undertaken and decisions made.

The Audit Committee (chaired by Fritz Spengeman (Board) with two external representatives) has the following roles & responsibilities:

- To monitor the integrity of the financial statements of the organisation, and any formal announcements relating to the organisational financial performance, reviewing significant financial reporting judgements contained in them.
- To review the organisation's internal financial controls and to review the Brighter Communities Worldwide's internal control and risk management systems.
- To monitor and review the effectiveness of Brighter Communities Worldwide's internal audit function.
- To make recommendations to the Board, for it to put to the members for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Irish professional and regulatory requirements.

The Human Resources (HR) Committee (Board Members Colum Horgan, Charles Daly plus one Advisor) has the following roles and responsibilities:

- Annual Review having sought input from all Directors, of the CEO covering both performance and remuneration.
- Advise on training needs for staff.
- Deal with any HR issues that may arise.
- Ensure Brighter Communities Worldwide keeps up to date with changes in Irish Labour Law.
- Ensures that CEO contract is in place and complies with Irish law.

The Executive Committee (Board Members Colum Horgan, Linden Edgell, Kieran Curtis, Maria Kidney and the CEO) has the following roles and responsibilities:

- To meet monthly and whenever else necessary.
- To deal with any urgent matters.
- To ensure Board decisions are implemented.
- To deal with any Conflict of Interest.

- To authorise volunteer projects.
- To approve the necessary visits to Kenya by Brighter Communities Worldwide personnel and volunteers.
- To receive and consider reports from the Brighter Communities Worldwide Board in Kenya.
- To ensure that all projects do not exceed agreed budgets.
- To communicate any matters of importance to the Board in a timely fashion.

The Fundraising Committee (Board Members Colum Horgan, Sean O'Sullivan, Office Manager, CEO and Fundraiser) has the following roles and responsibilities:

- Aligning with the overall organisation strategy, develop the detailed fundraising strategy for the organisation and bring to the Board for final approval.
- Propose annual draft fundraising targets for the organisation to be agreed by the board.
- Make recommendations to the board on budgets, hiring, management and oversight of fundraising staff members.
- Provide ongoing support to fundraising staff with the assistance of external advisers where required.

The fundraising committee work closely with the Public Relations lead and staff whose roles include fundraising and communications through regular face to face meetings and correspondence. This sub-committee provides a link between staff and board in terms of how the board can support fundraising plans.

Brighter Communities Worldwide board members are responsible for specific portfolios. These include Governance – Organisational; Governance-Compliance; Communications; Partnering; Global Citizenship Education; Volunteer; Funding; Continuous Quality Management; HR; Safeguarding; Audit and Fundraising.

Staff and Operations

Day to day operations are undertaken by the Chief Executive Officer, Office Manager and a Fundraiser. The profiles of all staff members are available at: tinyurl.com/BCWStaff

From time to time 3rd party services are provided to Brighter Communities Worldwide and these are coordinated by the Chief Executive Officer. These include suppliers, auditors and solicitors.

Networks and Consortia

Brighter Communities Worldwide is a member of Dóchas – the Irish Association of Non-Governmental Development Organisations, The Wheel, Charities

Institute Ireland, Irish Development Education Association (IDEA), Esther Alliance, the CHS Alliance, Midleton Chamber of Commerce, Comhlámh and 2into3. Brighter Communities Worldwide leverages its membership of these organisations to advocate, gain knowledge and advice, and share learnings.

Governance Codes

Brighter Communities Worldwide has adopted the Charities Regulatory Authority Charities Governance Code, and during 2019 work was undertaken to review the charities compliance across all six principles. The Board reviewed this compliance in December and agreed that the organisation is compliant across all six principles of the code.

Brighter Communities Worldwide has a Conflict of Interest policy in place and all potential conflicts of interest are dealt with by the Executive Committee. Directors/Trustees and staff have a legal obligation to act in the best interests of Brighter Communities Worldwide, and in accordance with Brighter Communities Worldwide's governing documents. This policy will assist charity trustees of Brighter Communities Worldwide to effectively identify, record and manage any conflicts of interest in order to protect the integrity of Brighter Communities Worldwide and to ensure that the charity trustees act in the best interest of their charity. Annually each board member completes a Declaration of Interests form. The Company Secretary compiles all forms and maintains the Register of Interests. Conflict of Interests is a standing item on each Board meeting agenda to enable any Conflicts of Interest pertaining to the agenda of the board be dealt with.

Brighter Communities Worldwide has a Conflict of Loyalty policy in place and all potential conflicts of loyalty are dealt with by the Executive Committee. Brighter Communities Worldwide has a Code of Conduct for Directors in place, and all Directors are obliged to comply with this code.

Brighter Communities Worldwide are members of the Charities Institute Ireland and we operate our fundraising programme to the Triple Lock Standard. This means we demonstrate openness, transparency and integrity to our beneficiaries and donors and comply with best practice in governance and transparency.

Charities Regulatory Authority

Brighter Communities Worldwide is compliant with the requirements of the Charities Regulatory Authority and submitted its annual report before the deadline of 31st October 2019.

Board Performance

During 2019 Brighter Communities Worldwide undertook a self-evaluation process in May. Each board member completed a questionnaire on the key areas of board roles and responsibilities and these fed into the September Board development workshop.

Finance

Brighter Communities Worldwide's Accounts comply with the Statement of Recommended Practice (SORP) standard and with the Dóchas/Irish Aid guidelines on financial reporting. Brighter Communities Worldwide publishes its Annual Accounts on line every year and these are available on our website: tinyurl.com/BCWAccounts

Directors Expenses, Staff Remuneration and Pensions

All Brighter Communities Worldwide board members are voluntary and do not receive payments to attend board meetings. All expenses incurred by board members in fulfilling their duties as board members are paid according to Brighter Communities Worldwide's Expense Policy.

The pay of the Chief Executive Officer is reviewed annually by the HR Committee while the pay of the other staff members is reviewed by the Chief Executive Officer in conjunction with the HR Committee.

Brighter Communities Worldwide pays pension allowances for its CEO and has a PRSA scheme in place should any employee wish to avail of this.

Equality and Diversity

Brighter Communities Worldwide is committed to supporting the communities that we work with to achieve change in their lives that will empower them and improve the health, education and economy of their household. We believe this change happens through **valuing diversity** in communities and building programmes that give equal access according to the needs of the people. We have a policy on Equality and Diversity to provide the organisation with a frame of reference to follow to ensure our equality statement is integrated into all that we do and to honour our legal responsibilities and obligations.

Communications Strategy

Brighter Communities Worldwide has a communications strategy in place which is renewed annually. This sets out the key messages to be used in all communications.

Dóchas Code of Conduct on Images and Messages

Brighter Communities Worldwide is a signatory of the Dóchas Code of Conduct on Images and Messages

("the Code") and commits to applying the Code's principles for all their communications. Brighter Communities Worldwide strives to support the Code's implementation and to promote it across all members of staff, as well as partners, contractors and the wider NGO sector. By signing the Code, Brighter Communities Worldwide commits to a set of principles, ensuring that it will avoid stereotypical or sensational images, respect the dignity and equality of all people portrayed and promote fairness, solidarity and justice through all its communications. Brighter Communities Worldwide also agrees a number of commitments to ensure the Code's principles are implemented throughout all activities of the organisation. Brighter Communities Worldwide has adhered to the seven mandatory principles of the Code during 2019. All feedback and comments on Brighter Communities Worldwide's compliance with the Code can be sent to Brighter Communities Worldwide's Code Champion Rose Hennessy:

rosehennessy@brightercommunities.org.

Comhlámh Code of Good Practice (CoGP)

Brighter Communities Worldwide is a signatory of the [Comhlámh Code of Good Practice \(CoGP\) for Volunteer Sending Agencies](#).

Comhlámh's Code of Good Practice is a set of standards for Irish Volunteer Sending Agencies facilitating international placements. The Code is based on a vision of volunteers working in solidarity for a just, equitable and sustainable world. It promotes responsible and responsive volunteering to ensure a positive impact for the overseas project and community, the volunteer and the sending agency.

The Code promotes development education, which enables people to more deeply understand the world around them and to address the root causes of inequality and poverty.

Every Volunteer Sending Agency, which is party to the Code of Good Practice, commits to the implementation of the Code's five values that underpin the work of international volunteer programmes. These are solidarity, respect, social justice, ecological sustainability and integrity. Full details of the Code are [here](#).

The Core Humanitarian Standard on Quality and Accountability (CHS)

The CHS sets out nine commitments that organisations involved in humanitarian response can use to improve the quality and effectiveness of the assistance they provide. Brighter Communities Worldwide supports the CHS and during 2019 continued its self-assessment

process to implement the code throughout the organisation. This will be submitted in 2020.

Board initiatives during 2019

The Board has undertaken a number of activities during the year. These activities include:

- Holding several meetings and discussions during the year to develop and govern the organisation.
- The Board has reviewed, updated and developed several policies during 2019
- The Board launched the new strategic plan in April 2019.
- During 2019 the Board continued its governance work ensuring compliance with appropriate codes and Charities Regulator.
- During 2019 the Board worked on ensuring that the organisation is compliant with the Charities Regulator Authority Governance Code for Charities.
- The Board developed and approved a new fundraising strategy in 2019.
- The Board participated in a workshop in 2019 looking at BCW's approach to safeguarding; enhancing knowledge and understanding of the new Charities Governance Code and prioritising work for the next year.

Internal Controls

The Directors acknowledge their overall responsibility for Brighter Communities Worldwide's internal control system and for reviewing its effectiveness. The implementation of the internal control system is the responsibility of the Chief Executive Officer. This system includes financial controls, which enable the Board to meet its responsibilities for the integrity and accuracy of Brighter Communities Worldwide's accounting records.

Key elements of internal control systems include:

- Brighter Communities Worldwide has a Financial Management and Controls policy in place which outlines the processes for expenditure; the recording of all income; use of bank accounts; financial reporting and asset management.
- Procedures and controls systems are included in all partnership agreements/memorandum of understanding and project contracts.
- There is a formal organisational structure in place with clearly defined lines of responsibility, division of duties and delegation of authority;
- A detailed budget is prepared annually which is in line with the Strategic Plan and approved by the Board. At each board meeting, actual spending is compared against budget and prior year to ensure alignment

with budget, tight administration control, and value for money;

- The Audit Committee reports independently to the Board on all aspects of controls and risks; and
- The Board maintains a reserve policy to mitigate the increasing risks of the uncertain economy and to ensure sustainability of our services.

Internal Audit Functions

Brighter Communities Worldwide uses SAGE for its management accounts system. The management accounts were reviewed by the Board a total of seven times during 2019. Brighter Communities Worldwide is audited by Deloitte and financial statements and annual reports are published online after the AGM each year. Financial statements are prepared in line with SORP standards and the Companies Act 2014; a disclosure statement on senior management salaries is included.

Brighter Communities Worldwide is governed by and adheres to a number of sector-wide codes of conduct. These are outlined in the Governance section of this report. Brighter Communities Worldwide remains committed to continually strengthening its transparency and accountability in order to maintain trust with the public, donors and partners.

Transparency and Accountability

Brighter Communities Worldwide is satisfied that it operates control systems to guard against the risk of fraud or gross financial mismanagement.

Fundraising

Monitoring of fundraising is a responsibility of the Board of Directors whose role includes ensuring the short-term and long-term viability of the organisation. Brighter Communities Worldwide has a fundraising sub-committee whose role feeds into this. In 2019 a Fundraiser was appointed to join the staff team in Ireland.

Brighter Communities Worldwide has formally adopted and adheres to the Charities Regulator's Guidelines for charitable organisations on fundraising from the public and adheres to the standards outlined in the Statement of Guiding Principles for Fundraising.

Development Programme

The strategic oversight of the Development Programme is a responsibility of the Board of Directors. The Board of Directors are responsible for monitoring organisational performance, ensuring programme

results are on-track and ensuring expenditure is in line with targets and budgets. The Board of Directors also ensure that throughout the life-cycle of the Development Programme, outcomes continue to contribute to Brighter Communities Worldwide's strategic objectives.

Going Concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Directors and Secretary

The directors and secretary that served throughout the financial year are outlined on page 2 of the financial statements.

Accounting Records

The measures that the Board of Directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's business address at No.4 The Crescent, Mill Road, Midleton, Co.Cork.

Events after the Balance Sheet Date

Since the financial period end there has been a global pandemic outbreak of coronavirus COVID-19. This has been assessed by directors and management as a non-adjusting event. Given the level of uncertainty surrounding the event no financial estimate can be quantified. Directors and management have assessed the impact of this event subsequent to year end and best efforts have been made to ensure continuity of operations.

Statement on Relevant Audit Information

In the case of each of the persons who are directors at the time this report is approved in accordance with Section 332 of Companies Act 2014:

- (a) so far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- (b) each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

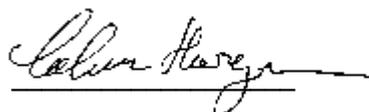
Auditor

The auditor, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 383(2) of the Companies Act, 2014.

Approved by the Board and signed on its behalf by:



Kieran Curtis
Director



Colum Horgan
Director

Date: 24th August 2020

Directors' Responsibilities Statement

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council, as applied in accordance with the provisions of the Companies Act 2014, and with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS102 ("the Charities SORP (FRS102)") ("relevant financial reporting framework").

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);

- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and report of the directors comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent Auditor's Report

to the members of Brighter Communities Worldwide Company Limited by Guarantee

Report on the Audit of the Financial Statements

Opinion on the financial statements of Brighter Communities Worldwide Company Limited by Guarantee (the 'Company')

In our opinion the company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Financial Activities;
- the Balance Sheet;
- the Statement of Cash Flows; and
- the related notes 1 to 23, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below 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 ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these

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

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the reports and financial statements for the financial year ended 31 December 2019, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Opinion on Other Matters Prescribed by the Companies Act 2014

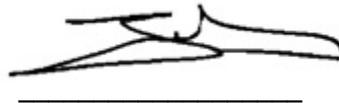
Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The company financial statements are in agreement with the accounting records.
- In our opinion the information given in the report of the directors is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are Required to Report by Exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



John Kelly

For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
No. 6 Lapps Quay, Cork

Date: 25th September 2020

Statement of Financial Activities

(Including Income and Expenditure Account)

For the Financial Year Ended 31 December 2019

	Notes	2019			2018		2018
		Restricted Funds	Unrestricted/ designated Funds	Total	Restricted Funds	Unrestricted/ designated Funds	Total
Income from		€	€	€	€	€	€
Donations and legacies	3	117,511	74,377	191,888	115,053	84,466	199,519
Charitable activities	4	267,669	80,935	348,604	260,000	57,760	317,760
Other trading activities	5	-	70,326	70,326	-	72,790	72,790
Total		385,180	225,638	610,818	375,053	215,016	590,069
Expenditure on							
Charitable activities	6	397,408	228,887	626,295	280,475	170,437	450,912
Raising funds	7	-	37,043	37,043	-	22,284	22,284
Total		397,408	265,930	663,338	280,475	192,721	473,196
Net deficit/(surplus)	9	(12,228)	(40,292)	(52,520)	94,578	22,295	116,873
Reconciliation of funds							
Total funds brought forward	16	193,277	216,151	409,428	98,699	193,856	292,555
Total funds carried forward	16	181,049	175,859	356,908	193,277	216,151	409,428

There are no other recognised gains or losses other than those listed above and the net expenditure for the financial year. All income and expenditure derives from continuing activities.

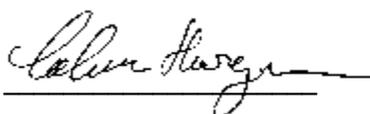
Balance Sheet as at 31 December 2019

		2019	2018
	<i>Notes</i>	€	€
Current Assets			
Cash at bank and in hand		367,041	417,489
Debtors	13	4,337	4,337
		371,378	421,826
Creditors: Amounts due within one financial year	14	(14,470)	(12,398)
Total net assets		356,908	409,428
Funds of the charity			
Accumulated – unrestricted	16	150,589	191,151
Accumulated funds – restricted	16	181,049	193,277
Accumulated funds – designated	16	25,000	25,000
		356,908	409,428

The financial statements were approved and authorised for issue by the Board of Directors on 24th August 2020 and signed on its behalf by:



Kieran Curtis
Director



Colum Horgan
Director

Statement of Cash Flows

For the Financial Year Ended 31 December 2019

	<i>Notes</i>	2019 €	2018 €
Cash flows from charitable activities			
Net cash (used in)/provided by charitable activities	15	(50,448)	132,504
(Decrease)/increase in cash and cash equivalents in the financial year		(50,448)	132,504
Cash and cash equivalents at the beginning of the financial year		417,489	284,985
Cash and cash equivalents at the end of the financial year		367,041	417,489
Reconciliation to cash at bank and in hand:			
Cash and cash equivalents at end of the financial year		367,041	417,489

1. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding financial year.

General Information and Basis of Preparation

Brighter Communities Worldwide Company Limited by Guarantee is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office of the company is 4 The Crescent, Mill Road, Middleton, Co. Cork. The company number of Brighter Communities with the Companies Registration Office is 398094. The nature of the company's operations and its principal activities are set out in the report of the directors on pages 35 to 45. In accordance with Section 1180(8) of the Companies Act, 2014, the company is exempt from including the word "Limited" in its name. The company is limited by guarantee and has no share capital.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council, as applied in accordance with the provisions of the Companies Act 2014, and with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS102 ("the Charities SORP (FRS102)") ("relevant financial reporting framework").

The functional currency of company is considered to be euro because that is the currency of the primary economic environment in which the company operates.

As permitted by section 291(3)(4) of the Companies Act 2014, the company has varied the standard formats specified in that Act for the Statement of Financial Activities, the Balance Sheets and the Statement of Cash Flows. Departures from the standard formats, as outlined in the Companies Act 2014, are to comply with the requirements of the Charities SORP (FRS102) and are in compliance with Sections 4.7, 10.6 and 15.2 of the Charities SORP (FRS102).

The Company meets the definition of a Public Benefit Entity under FRS102. As a registered charity, the Company is exempt from the reporting and disclosure requirements to prepare a directors' report under section 325 (1) (c), Companies Act 2014 but does so in compliance with the Charities SORP (FRS102). There is nothing to disclose in respect of directors' interests in shares or debentures of the Company under section 329, Companies Act 2014.

Going Concern

The charity's forecasts and projections, taking account of reasonable possible changes in performance, show that the company will be able to operate within the level of its current cash and investment resources.

The Board have a reasonable expectation that the organisation has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income

- (i) Income from voluntary donations is recognised when received. As with many similar charitable organisations, independent companies from time to time organise fundraising activities. However, as amounts collected in this way are outside the control of the company, they are not included in the financial statements until received by the company.
- (ii) Proceeds from the sale of donated goods are recognised in the financial statements in the period in which they are realised. Volunteer time is not included in the financial statements.
- (iii) Grants from the government and other agencies have been included as income from activities in furtherance of the charity's objects and accounted for on a receivable basis.
- (iv) Income from legacies are recognised when the likelihood of receipt is probable, the company is entitled to the funds and the amount can be measured with sufficient reliability.
- (v) Interest income is recognised on a receivable basis.
- (vi) Revenue refunds in respect of tax relief on voluntary donations are recognised on a receivable basis in so far as the receivable can be established with a reasonable amount of accuracy.

Expenditure

- (i) Charitable activities comprise expenditure incurred by the programme countries for the costs of the development programmes as well as costs incurred at headquarters that are directly related to the implementation of programmes. Expenditure is recognised in the period to which it relates. Expenditure incurred but unpaid at the balance sheet date is included in accruals and other creditors.
- (ii) Expenditure on raising funds comprises all expenditure incurred by Brighter Communities Worldwide on raising funds for the organisation's charitable activities.

Funds Accounting

Funds held by the charity are:

- (i) Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Directors.
- (ii) Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Investment Policy

All cash balances for planned development work are held in demand deposit accounts or short term investment accounts at the highest interest rates available at the time of investment. Long term investments acquired by donation or through merger will not be held in the long term and will be disposed of within a reasonable time frame.

Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership

remain with the lessor are charged to the Statement of Financial Activities (SOFA).

Reserves Policy

In order to secure the long term viability of the charity and to maintain the smooth operation of the organisation, it is critical to ensure that the organisation has adequate reserves. The level of reserves is required to cover the following activities of the organisation:

- Provide funding for sustainable programmes.
- Meet contractual liabilities such as lease agreements, statutory staff payments and payments to creditors.
- Maintain a required level of funding available for overseas programmes during times of financial difficulty where fundraising income is diminished.
- To facilitate programme/project continuation especially where a partner submits a new or additional phase proposal in advance of the current activity being completed, in order to meet seasonal requirements (i.e. farming season) and prevent development gaps
- Meet unanticipated expenses such as repairs and maintenance, currency variances and legal costs.
- Cover day to day expenditure of the company.
- Ensure there is adequate funding should any winding up costs ever arise.
- Provide for any other unanticipated expenditure of significance.

The Board may designate unrestricted reserves for specific future expenditure and any other potential future requirement(s). The Board has adopted a reserves policy based on foreseeable expenditure and in particular, long-term commitments to projects.

Taxation

No charge to tax arises due to the exempt status of the Company. Irrecoverable value added tax is expensed as incurred in these companies.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates

are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and notes to the financial statements.

The directors do not consider there are any critical judgements or sources of estimation requiring disclosure.

3. Donations and Legacies

	2019	2018
	€	€
Friends of Kipkelion	117,511	115,053
Education fund	7,500	10,000
General donations	35,979	24,078
Standing orders	19,374	27,777
Taxation refunds	11,524	22,611
	191,888	199,519

4. Charitable Activities – Income

	2019	2018
	€	€
Irish Aid CSF funding for health	260,000	260,000
Irish Aid WWGS fund	7,669	-
Electric Aid	9,713	-
Volunteer project income	42,263	32,018
Other charitable activity income	28,959	25,742
	348,604	317,760

Charitable Activities – Irish Aid

Irish Aid provide support to Brighter Communities Worldwide under the Civil Society Fund (CSF) and the Irish Aid Worldwide Global Schools (WWGS) fund. The CSF fund supports Brighter Communities Worldwide projects in health, water, education and economic empowerment. The Irish Aid WWGS fund is to support the Brighter Communities Worldwide school network in Ireland and Kenya. An amount of €181,049 was unspent as at the financial year end (2018: €193,277) and has been included in the restricted reserve at the financial year end.

Summary of Irish Aid Funding

	Restricted at start of 2019	2019 Grant Income	2019 Grant Spend	Restricted at end of 2019
	€	€	€	€
Irish Aid WWGS		7,559	(7,669)	-
Health projects – 2018/19	193,277	-	(193,277)	-
Health projects – 2019/20	-	260,000	(78,951)	181,049
	193,277	267,559	(279,897)	181,049

5. Other Trading Activities

	2019	2018
Fundraising activities	€	€
Walks, runs and marathons	5,828	10,251
Kenya Ball	36,233	37,510
Merchandise	1,055	1,266
Other fundraising events	27,210	23,763
	70,326	72,790

6. Charitable Activities – Expenditure

Field programme expenditure has been incurred against the following thematic areas:

	2019 Direct Costs €	2019 Support Costs Note 8 €	2019 Total Costs €	2018 Direct Costs €	2018 Support Costs Note 8 €	2018 Total Costs €
Education projects	137,158	64,342	201,500	58,617	63,924	122,541
Health including water	234,019	105,448	339,467	190,349	70,867	261,216
Economic empowerment	21,277	8,936	30,213	15,532	1,853	17,385
Uganda project	4,954	2,621	7,575	15,977	1,775	17,752
Development Education	-	47,540	47,540	-	32,018	32,018
	397,408	228,887	626,295	280,475	170,437	450,912

Field programme expenditure has been incurred in the following geographic areas:

	2019 Direct Costs €	2019 Support Costs Note 8 €	2019 Total Costs €	2017 Direct Costs €	2017 Support Costs Note 8 €	2017 Total Costs €
Kenya	392,454	178,726	571,180	264,498	136,644	401,142
Uganda	4,954	2,621	7,575	15,977	1,775	17,752
Ireland	-	47,540	47,540	-	32,018	32,018
	397,408	228,887	626,295	280,475	170,437	450,912

Field programme expenditure is directly incurred by Brighter Communities Worldwide (Kenya) through grant aid from Brighter Communities Worldwide in Ireland. Brighter Communities Worldwide in Ireland has a partnership with Brighter Communities Worldwide in Kenya which is governed by a Memorandum of Understanding.

7. Raising Funds

	2019 Restricted Funds €	2019 Unrestricted Funds €	2019 Total Costs €	2018 Total Costs €
Fundraising expenses	-	7,530	7,530	5,362
Support costs (Note 8)	-	29,513	29,513	16,922
	-	37,043	37,043	22,284

8. Support Costs

Support costs which are allocated to activities have been incurred against the following thematic areas:

	2019 Charitable Activities Note 6 €	2019 Fundraising/ Retail Note 7 €	2019 Total Costs €	2018 Charitable Activities Note 6 €	2018 Fundraising /Retail Note 7 €	2018 Total Costs €
Staff Salaries	132,796	10,185	142,981	104,224	3,505	107,729
Office Expenses	12,704	8,288	20,992	13,943	1,416	15,359
Website & IT	3,441	-	3,441	-	-	-
Insurance	3,092	545	3,637	5,053	-	5,053
PR/Events	14,984	3,970	18,954	5,762	5,885	11,647
Governance	8,913	5,212	14,125	5,535	4,001	9,536
Travel Expenses	5,417	1,313	6,730	3,902	2,115	6,017
Development Education	47,540	-	47,540	32,018	-	32,018
	228,887	29,513	258,400	170,437	16,922	187,359

The basis of allocation of the support costs identified above is a mixture of the percentage of time spend on each activity and the pro rata cost of each direct cost when compared to the support cost.

9. Net (Expense)/Income

The net (expense)/Income for the financial year is stated after charging:

	2019 €	2018 €
Auditors' remuneration, including expenses – Audit of the financial statements	6,510	4,200

10. Staff Costs

Staff costs are comprised as follows:

	2019	2018
Ireland:	€	€
Wages and salaries	121,076	100,277
Social welfare costs	13,265	10,769
Pension costs	8,640	1,800
Sub-total	142,981	112,846

The organisation started paying pension contributions in November 2018 and continued to pay these throughout 2019.

The average number of employees during the financial year was as follows:

	2019 Number	2018 Number
Ireland	4	3

No employee of the company acts as director. The total remuneration package of the Chief Executive Officer comprised salary of €58,232 (2018: €60,000).

No member of staff received remuneration in excess of €60,000 during the financial year (2018: None).

11. Director Remuneration and Expenses

Directors are not remunerated but are entitled to be reimbursed for out of pocket expenses incurred in the course of carrying out their duties.

Travel and accommodation expenses relating to meetings of the Board that were reimbursed to the relevant Board members amounted to €879 in 2019 (2018: €520).

12. Key Management Compensation

The total remuneration for key management personnel for the financial year amounted to €96,476 – 3 Staff) (2018: €91,699 – 3 staff).

13. Debtors

	2019	2018
	€	€
Prepayments and other debtors	4,337	4,337
	4,337	4,337

14. Creditors

(Amounts falling due within one financial year)

	2019	2018
	€	€
Accruals	7,544	5,244
PAYE/PRSI liability	6,926	7,154
	14,470	12,398

15. Reconciliation of Net (Expenditure)/Income to Net Cash (Used in)/Generated by Charitable Activities

	2019	2018
	€	€
Net (expenditure)/ income for the reporting year (as per the Statement of Financial Activities)	(52,520)	116,873
<i>Adjustments for:</i>		
Decrease in debtors	-	16,054
Increase/(decrease) in creditors	2,072	(423)
Net cash (used in)/provided by charitable activities	(50,448)	132,594

16. Funds of the Charity

	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds
(i) Reconciliation of funds:	€	€	€	€
Funds at 1 January 2019	191,151	193,277	25,000	409,428
Net (deficit)/ income for the year	(40,562)	(12,228)	-	(52,520)
Fund balances at 31 December 2019	150,589	181,049	25,000	356,908

	Unrestricted Funds	Restricted Funds	Designated Funds	Balance 31/12/2019
(ii) Analysis of net assets between funds:	€	€	€	€
Current Assets	165,329	181,049	25,000	371,378
Liabilities	(14,470)	-	-	(14,470)
Total Funds	150,589	181,049	25,000	356,908

	Balance as at 01/01/2019	Income	Expenditure	Balance 31/12/2019
(iii) Movements in funds:	€	€	€	€
Unrestricted Funds	191,151	225,638	(265,930)	150,859
Restricted Funds	193,277	385,180	(397,408)	181,049
Designated Funds	25,000	-	-	25,000
Total Funds	409,428	610,818	(663,338)	356,908

Designated funds comprise of the Incident Management Reserve fund of €5,000 (2018: €5,000) and the Operational Reserve fund of €20,000 (2018: €20,000). These funds have been designated by the company for use in the case of an emergency.

Restricted funds comprise of grant income received during the year which has yet to be spent by the company. This includes grant aid from the Irish Aid Worldwide Global Schools Fund and Irish Aid Civil Society Fund.

The Unrestricted funds reserve represents cumulative surpluses and deficits, net of other adjustments.

17. Contingent Liabilities

Grant funding received during the financial year from Irish Aid Civil Society Fund of €260,000 may be repayable if it is determined that it was not spent on agreed purposes within twelve months of the allocation of the funds.

18. Membership

The Company is limited by guarantee and does not have a share capital. It is guaranteed by members to the extent €1 per member

19. Related Party Transactions

Directors' Transactions

Director's travel and motor expenses were reimbursed during the current and prior financial years. Please see note 11 for details. There were no other transactions to note during the current or prior financial year.

Other Related Party Transactions

The total remuneration for key management personnel for the financial year totalled €96,476 (2018: €91,475).

20. Taxation

The company has been granted charitable status by the Revenue Commissioners. Therefore no provision for taxation is necessary.

21. Preparation of Accounts

In common with many other businesses of our size and nature we use our auditors to prepare and submit annual returns to the Companies Registration Office and assist with the preparation of the financial statements.

22. Events after the Balance Sheet Date

Since the financial period end there has been a global pandemic outbreak of coronavirus COVID-19. This has been assessed by directors and management as a non-adjusting event. Given the level of uncertainty surrounding the event no financial estimate can be quantified. Directors and management have assessed the operational and financial impact of this event subsequent to year end and best efforts have been made to ensure continuity of operations.

23. Comparative Amounts

Some prior financial year comparatives have been reclassified on the basis consistent with the current financial year.