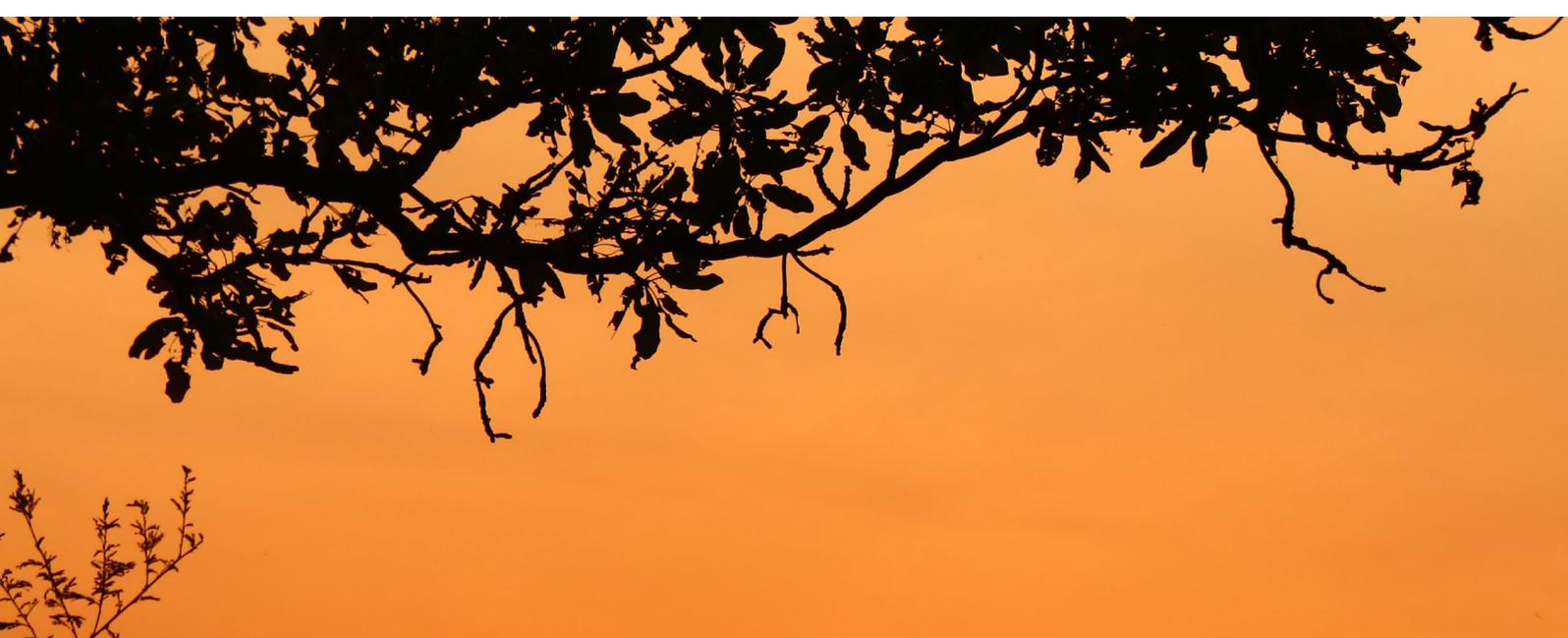




# DIRECTORS' REPORT

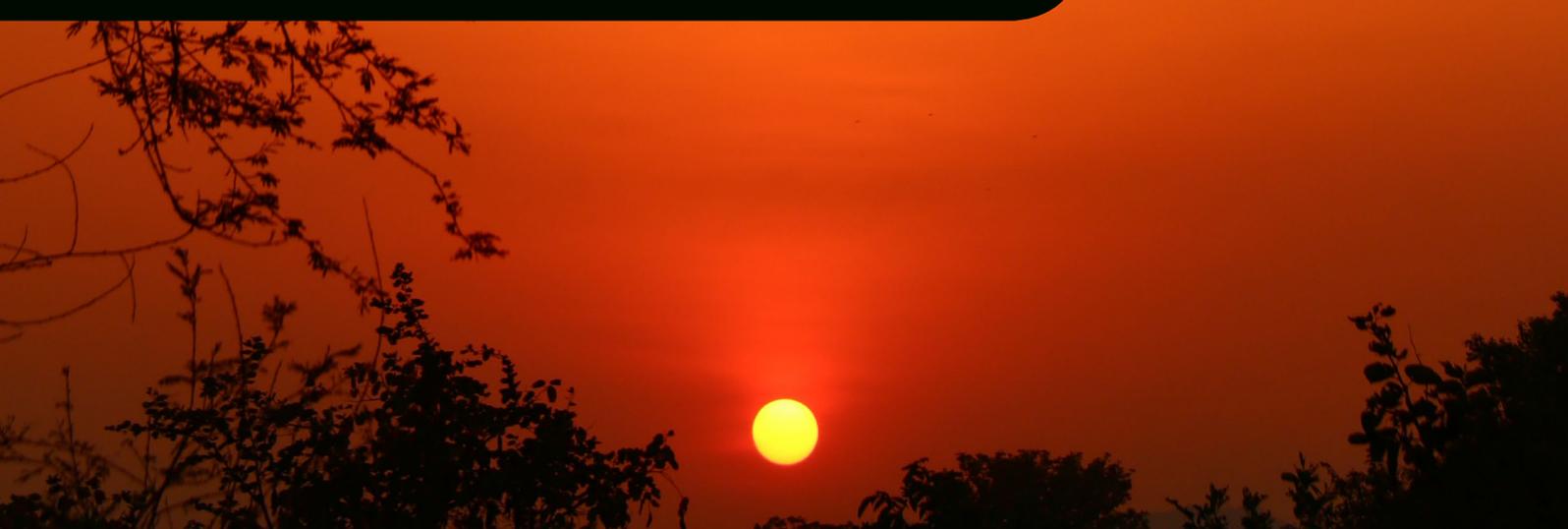
## AND FINANCIAL STATEMENTS

for the financial year ended 31 December 2017



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# Directors' report

The Directors present their annual report and the audited financial statements of Brighter Communities Worldwide for the financial year ended 31 December 2017. 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 23<sup>rd</sup> 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 22<sup>nd</sup> December 2016. Brighter Communities Worldwide is one of the registered business names of Brighter Communities Worldwide Company Limited by Guarantee. As of 31 December 2016, there were 10 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

**Directors and other information**

**Registered Office**  
4 The Crescent, Mill Road, Midleton, Co. Cork, P25 H302, Ireland

**Directors**  
Anita Layden – Chairperson  
Kieran Curtis – Vice Chairperson  
Eva Creely  
Charles Daly  
Audry Deane  
Linden Edgell (Appointed June 2017)  
Colum Horgan (Appointed June 2017)  
Maria Kidney  
Sally O'Neill  
Frederic Spengeman (Appointed June 2017)

**Company Secretary** Kieran Curtis  
**CEO** Martin Ballantyne

**Our advisers**

**Auditors:** Deloitte, Chartered Accountants and Statutory Audit Firm, No 6 Lapps Quay, Cork  
**Bankers:** Permanent TSB, Patrick's Street, Cork  
**Solicitors:** Charles C. Daly, 2 Westbourne Place, Cobh, Co. Cork

a partnership based approach to deliver relevant programs to meet the needs of communities and individuals.

**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. Our monitoring, evaluation and learning approaches are described later in this report.

In 2017, Brighter Communities Worldwide's expenditure on Charitable Activities amounted to €359,457 equating to 86% of Brighter Communities Worldwide's total expenditure for the year.

## Achievements and performance

In 2017, Brighter Communities Worldwide supported many projects under its programme areas of Health, Education and Economic Empowerment in Kenya and Uganda. Key outcomes and results are as follows:

### Health

- We supported 33 community units throughout 2017, results achieved included 65% of households in Community Units are currently treating water, 64% of Households in Community Units are practising handwashing. These changes will all lead to improved household health.
- We supported the running of 14 Public Health Field Days, 98 Outreach Clinics as part of our health programme to improve the accessibility of quality health services for all. This resulted in a 33% increase in the number of children under-5 receiving Vitamin A supplement as well as an overall increase in knowledge of health issues within communities.
- 8 Maternal Health courses with 130 participants took place during 2017 and 113 health workers were trained in Essential Obstetrics and Neonatal Care. Impacts of increased maternal health knowledge include a 20% increase in the number of mothers giving birth in health facilities.
- 4 Remote Emergency care courses for community members with 91 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. These are vital skills for people living in remote areas.
- 458 smokeless stoves were installed in homes and 7 institutional stoves were installed in schools, which contributed to a 56% reduction in respiratory illness reported across the region in 2017. 43 new stove installers were trained during 2017, adding capacity to allow more households to convert to a smokeless stove.

- 14 infrastructure projects were completed in schools (6 Girls Latrine/Washroom Blocks; 2 Boys Latrine Blocks and 6 32,000 - 50,000 litres cement water tanks). These all contribute to a reduction in water borne diseases in the schools impacting 3,675 students. This leads to better life changes for these students due to improved school attendance and retention rates.
- Water Meters were installed to monitor the volume of water in Nduro Water Project which serves 8,000 people.

### Education

- 30 schools with an additional 10,419 students were added to our Healthy Schools Programme during 2017. This brings the total schools on the programme to 198 impacting almost 70,000 teachers and pupils through access to improved facilities and healthier environments. These healthier environments have led to a 7% increase in school attendance over the last three years.
- There were 10 new schools added to our Girls for Girls programme in 2017, bring the total number of schools involved to 51. This results in 2,666 girls gaining access to knowledge around menstrual health, personal hygiene and economic empowerment as well as increased access to reusable sanitary kits.
- 310 community health volunteers were trained in Menstrual Hygiene Management (MHM), and 10 community based MHM workshops were held for women in communities, with 1,009 women attending. This programme contributes to increased awareness of the challenges surrounding menstruation which breaks down barriers, and improves education and economic empowerment.
- 18 primary/secondary students, and 16 third level students were added to our Education Bursary Scheme in 2017, bringing the total supported during 2017 to 64 students allowing the most disadvantaged children the chance to increase their opportunities.
- We ran 18 Life Skills courses in 2017 with 796 community members attending. Life Skills courses empower participants through shared learning and knowledge.
- 2,501 girls attended an Alternative Rite of Passage course in 2017, with 55 courses being held in various locations across the region. 98% of 2017 course participants felt empowered to raise their voices against FGM/C. We also trained 34 new facilitators in turn allows us to reach more girls at risk of FGM/C.

### Economic Empowerment

- Business courses were held in 3 locations in 2017 with 117 people participating. 21 of these participants set up a new income generating project and will continue to be supported by Brighter Communities Worldwide.

- During 2017, work continued on improving the campsite and trekking routes as part of our Sustainable Tourism project in the village of Ndubusat with the overall aim to make the project a viable income generator for community members in the locality.

## Uganda

As part of *Bringing Health to Communities* project in Offaka Sub-County in Northern Uganda which began in 2016, during 2017:

- 10 new smokeless stove installers were trained, increasing capacity to grow the number of homes with a safer living environment and reducing respiratory illnesses in the region.
- 44 households participated in the project enabling over 250 people to benefit from a healthier environment.
- 22 people were trained in Life Skills, which will allow them to run courses in their communities with the overall aim of empowering people to create positive change in their lives and in their communities.
- 3 schools joined the Healthy Schools and Girls for Girls programme resulting improved knowledge of health issues, and improved attendance in these schools.

2017 also was the final year of a three year Irish Aid funded project *Stronger Women, Stronger Communities*. The outcomes and results above contributed to reaching the overall goal of this project which was to create *stronger, resilient communities through healthier, knowledgeable women and girls accessing more effective services and building sustainable livelihoods*.

## Financial review

### Results

Net deficit for the financial year was €30,478. Total 2017 income of €386,647 is down €67,585 on 2016. This reduction is reflected in reduced income due to no volunteer projects in 2017, a reduction in fundraising for sustainable tourism, and reduced grant funding from the Worldwide Global Schools fund.

2017 expenditure on Charitable Activities was €398,095 (2016: €396,657) equating to 95% (2016: 95%) of Brighter Communities Worldwide's total expenditure for the year.

## Reserves

Brighter Communities Worldwide has determined the following reasons for Reserves:

- **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 2017, this reserve will be zero.
- **Emergency Reserve** – This reserve is for the risk of an unforeseen emergency. In 2017 this will be €5,000.
- **Operational Reserve** – This is the amount of money needed to keep the office going for an agreed period of time. Brighter Communities Worldwide has a reserve of 3 months operational costs in Ireland for 2017 which is €40,000.
- **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

The Directors are aware of the risks to which Brighter Communities Worldwide is exposed, in particular, to the financial and operational risks and are satisfied that appropriate systems are in place to mitigate exposure to the risks.

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. The risk register scores risk based on the probability of occurrence, and the impact on the organisation. The risk register identifies risks in a number of categories including Governance, Finance and Funding, Human Resources, Operations, Reputation, Programme Delivery, Business Continuity; Political and Environmental.

## Plans for the future

Following a re-branding process during 2016, from 1st January 2017 our name changed from Friends of Londiani to Brighter Communities Worldwide.

Our decision to rebrand reflects how we've grown and our aspirations for the future. We still exist for the same purpose: to enable individuals to become authors of their own development.

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 2018.

Brighter Communities Worldwide will continue the implementation its strategic plan during 2018.

## 2018 organisational strengthening

In 2017 Brighter Communities Worldwide developed its business plan (2017-2021). This plan supports our strategic direction and identifies key areas where the organisation will focus on over the next 5 years to support its growth and development.

## 2018 development programmes

Brighter Communities Worldwide will continue to develop and implement its development programmes throughout 2018.

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 with. 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 and 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.

## Beyond 2018

During 2017 the board agreed to extend the Strategic Plan until the end of 2018. A review of this strategic plan began towards the end of 2017, and will continue during the first half of 2018. Brighter Communities Worldwide will conduct a wider stakeholder engagement throughout this process. This will feed into the development of a new strategic plan for the organisation during 2018. The new strategic plan will govern the direction of the organisation beyond 2018.

## Structure, governance and management

### Board of Directors and Executive Committee

Brighter Communities Worldwide (BCW) is governed by the Board of Directors. The Board is composed of 10 Non-Executive Directors plus the Chief Executive Officer. The Board meet 6 times a year and has ultimate responsibility 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 aim 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.

The Executive Committee consists of the Chief Executive Officer, the Chairperson, Vice Chairperson and another member of the Board. They meet at least once a month and deal with any urgent matters; they ensure that Board decisions are implemented; they deal with any Conflict of Interest, budgeting and authorise volunteer projects.

### Composition of the Board

Brighter Communities Worldwide's Board currently has ten members, 60% of whom are women. Their professional biographies are available on the Brighter Communities Worldwide website ([tinyurl.com/mq5932c](http://tinyurl.com/mq5932c)). During 2017 the board met seven times (2016: six times), with an average attendance of 86% (2016: 73%).

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. Candidates for appointment to the Board are prioritised 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. During 2017, 3 new Directors joined the board, and a Board induction was held in September. This was followed by a joint Board and Staff Workshop. Continuous support is provided to board members throughout their term.

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.

### Board committees

The board has a number of sub-committees including Audit, Human Resources (HR) and Executive.

The Audit Committee has the following roles & responsibilities:

- To monitor the integrity of the financial statements of the organisations, 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 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 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.

Brighter Communities Worldwide board members are responsible for specific portfolios. These include Fit for Future/ Strategic Planning 2017-2020, Governance (Organisational Strategic Planning), Communications, Programmes, Partnering, Funding, HR, Audit and Continuous Quality Management.

### **Staff and operations**

Day to day operations are undertaken by the Chief Executive Officer, Officer Manager and a Development Analyst. The profiles of all staff members are available at: [tinyurl.com/kfwhz27](http://tinyurl.com/kfwhz27)

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, Cork Chamber of Commerce and the CHS Alliance. Brighter Communities Worldwide leverages its membership of these organisation to advocate, gain knowledge and advice, and share learnings.

### **Governance codes**

Brighter Communities Worldwide has implemented the Dóchas Code on NGO Corporate governance and complies with all its principles. Brighter Communities Worldwide reviews its compliance on an annual basis.

Brighter Communities Worldwide complies with the Governance Code Type C for community, voluntary and charitable organisations in Ireland. We confirm that a review of our organisation's compliance with the principles in the Code was conducted on the 10<sup>th</sup> June 2017. This review was based on an assessment of our organisational practice against the recommended actions for each principle. The review sets out actions and completion dates for any issues that the assessment identifies as needing to be addressed. Brighter Communities Worldwide has a Conflict of Interest policy in place and all potential conflicts of interest are dealt with by the Executive Committee. Brighter Communities Worldwide has a Conflict of Loyalty policy in place and all potential conflicts of interest 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.

### **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 2017.

### **Board performance**

Brighter Communities Worldwide has a self-evaluation process in place using the Dóchas Checklist for Board Self Evaluation. This self-evaluation is undertaken once a year by the board.

### **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/y8anh46v](http://tinyurl.com/y8anh46v)

### **Directors expenses, staff remuneration & 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 does not pay any pension allowances for its employees but has a PRSA scheme in place should any employee wish to avail of this.

### **Equality and diversity**

Brighter Communities Worldwide is committed to encouraging diversity and promoting equality in both its role as an employer and as a development institution. Brighter Communities Worldwide is against all forms of unfair and illegitimate discrimination and is devoted to working towards the elimination of these practices from the society. It aims to promote a culture that respects and values each other's differences, by upholding dignity, diversity and equality. Brighter Communities Worldwide encourages individuals to develop and maximize their true potential. Our promise is to set up a range of actions to discard prejudice, discrimination and harassment within the communities we serve and within our workforce.

## 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. The key objectives for the communications strategy are to:

- Set out the values that underpin the work of Brighter Communities Worldwide.
- Provide clear, consistent messages to be used in all communication.
- Promote the key objectives of working with communities to deliver relevant programmes in the key areas of health, water & sanitation, education and economic empowerment.
- Provide clear strategy for the role of Brighter Communities Worldwide and its beneficiaries in all communications.
- Provide overall strategy for engaging key stakeholders including government, businesses, volunteers, contractors and communities in Brighter Communities Worldwide's work.

## 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 2017.

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](mailto: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](#). The Code is a set of standards for organisations involved in facilitating international volunteer placements in the global south.

The focus of the Code is to ensure overseas volunteering has a positive impact for the three main stakeholders: the volunteer, the sending agency and the local project and community.

The Code has been developed in close consultation with Irish volunteer sending agencies, returned volunteers and with a range of partners that host international volunteers. It is based on the values of sustainable development, solidarity and partnership.

As signatories to the Code, Brighter Communities Worldwide conducts an annual self-audit of our compliance and every 3 years we undertake a desk-based review. Following our 2017 desk-based review, we were referred to the Comhlámh Recognition Panel who is tasked with the responsibility of conferring the Core Indicators and Comprehensive Compliance awards and we were awarded **Comprehensive Compliance** standard for the second time. This means that we have all core indicators and at least 85% of all indicators in place for our international volunteer programmes. Comprehensive Compliance status is the highest award for quality responsible volunteering programmes available to Irish international volunteer sending agencies.

If you feel we are not adhering to the Code please contact us at [admin@brightercommunities.org](mailto:admin@brightercommunities.org) or [info@comhlamh.org](mailto:info@comhlamh.org).

## The Core Humanitarian Standard on Quality and Accountability (CHS)

The CHS sets out nine commitments that organisations and individuals involved in humanitarian response can use to improve the quality and effectiveness of the assistance they provide. It also facilitates greater accountability to communities and people affected by crisis: knowing what humanitarian organisations have committed to will enable them to hold those organisations to account. Brighter Communities Worldwide supports the CHS and is striving to implement the code throughout the organisation. During 2017 the organisation began a self-assessment process which it will complete during 2018.

## Board initiatives during 2017

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 completed the re-branding process during 2017. This included reviewing all policies in place at that time.

- The Board has developed several policies during 2017 including a Health Programme Policy, Water and Sanitation Programme Policy, Education Programme Policy and Economic Empowerment Programme Policy
- During 2017 the Board continued its governance work ensuring compliance with appropriate codes and Charities Regulator.
- During 2017 the Board completed a five year business plan for the organisation.
- The board extended its current strategic plan to the end of 2018, and began a strategic review process towards the end of 2018. This process will review its current strategic plan, and develop a new strategic plan during 2018.

## 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 include 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.

## Audit functions

Brighter Communities Worldwide uses SAGE for its management accounts system. The management accounts were reviewed by the Board at each board

meeting in 2017 (7 times). 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 remain committed to continually strengthen its transparency and accountability in order to maintain trust with the public, donors and partners.

## Transparency and accountability

Brighter Communities Worldwide is satisfied that no incidence of fraud or gross financial mismanagement has occurred during the 2017 financial year.

## Fundraising

Brighter Communities Worldwide is committed to achieving the standards outlined in the Statement of Guiding Principles for Fundraising supplied by Charities Institute Ireland, the organisation representing the interests of Irish charities.

Brighter Communities Worldwide fundraising strategy for 2017 built on the strengths of previous years and challenges encountered and focused on community fundraising activities and key events. The strategy does not include any funds raised through grant applications or from specific donors restricted to certain projects.

Fundraising activities were organised from our office with help from a strong volunteer support base.

The fundraising strategy included regular donations through standing orders; donations from supporters and corporate donors and a targeted Christmas campaign for donations. Events included a Mountain Challenge in August and a Kenya Ball in October. Funds came through from supporter events such as coffee mornings, marathons and a Christmas bucket collection. Christmas was a key time of year for fundraising and sales of crafts produced in Kenya were very successful. The fundraising challenge for 2017 was that we didn't have our usual overseas Harambee volunteer projects due to security issues around the general elections in Kenya.

## Lessons learnt

Throughout 2017, Brighter Communities Worldwide has learnt many lessons, these are outlined below:

**Data Integrity** – We continued to focus on data integrity throughout 2017. As a result better decisions on resource allocation and programme focus were made; for example focusing on Antenatal Care uptake will directly improve the number of facility births.

**Better maternal, child and new-born outcomes** – Our maternal health learnings over the last number of years fed into a new maternal health strategy in 2017. We have learnt that the achievement of better maternal and new-born outcomes needs a multi-faceted approach across clinical and preventative health. Our new strategy is based on an integrated approach to Sexual Reproductive Maternal Neonatal Child and Adolescent Health that promotes a continuum of care throughout life.

**Communications** – Communication is crucial to Brighter Communities Worldwide generating awareness and support for its programmes and wider development issues. It is also essential to the successful implementation of all programmes. Throughout 2017, Brighter Communities Worldwide has strengthened its Ambassador Programme in Kenya through community members becoming advocates for development issues.

**Knowledge Sharing** – During 2017 we shared our programme learnings through conferences such as WEDC, links with Universities (UCC and NUI Galway), membership of the Comhlámh Peer support group, National and County meetings in Kenya and the NGO group attached to the Irish Embassy in Nairobi. As a result of sharing our knowledge, we have strengthened our reputation amongst NGO's, focused on best practice in how we govern the organisation and made new linkages with the potential for partnering.

**National Ministry of Health** – During 2017, Brighter Communities Worldwide continued to interact with the National Ministry of Health, and we learned the vital nature of this relationship. This has contributed to a deeper understanding of structures and processes at national level, which will enable us to better navigate our way.

**Global Goals** – Our programmes are contributing to the achievement of the Global Goals. During 2017 we learned the value of promoting and raising awareness of the goals as a strong motivator in encouraging everyone to take action in whatever way possible on a personal and a community level.

## Monitoring, Evaluation and Learning (MEL) –

Ongoing MEL is essential to programme impact and development. Surveys and focus groups have given valuable insights into factors contributing to challenges in communities. Where funding has allowed we have used outside companies to evaluate particular projects, introducing us to new methods of MEL and a different perspective on how we run projects. We are also working with a software company to develop a mobile data collection platform, which can be used on and off line to improve efficiency and accuracy of our data collection.

## Monitoring, evaluation and learning

### Monitoring

Brighter Communities Worldwide uses a Results Framework as its Monitoring and Evaluation tool. Each objective has a set of indicators and targets, which forms the basis of measuring its progress and achievements. Brighter Communities Worldwide's Staff are responsible for the monitoring and reports on the indicators and outputs at monthly staff meetings. Each Programme Objective has an implementation team including Brighter Communities Worldwide Staff and partners who hold regular meetings to implement the objective and monitor progress. Challenges are dealt with as they arise and necessary changes made to implementation.

Data is gathered by both Brighter Communities Worldwide Staff and its partners who are involved in the programme (Ministries, Teachers, Facilitators, etc.) on a monthly basis. As part of Brighter Communities Worldwide's Standard Operating Protocol with partners, project monitoring is included in all Memorandums of Understanding (MOUs). The data collected matches the indicator data needed, and feeds into the Programme Objective Report which has been designed to match the Results Framework. This report shows clearly how targets are progressing on a monthly basis.

Quantitative Data is collected by accessing existing databases that are updated on a monthly basis. Brighter Communities Worldwide has access to the Kenya Health Information System (KHIS) and works closely with the District Information Officer. The KHIS provides reports on all aspects of the Kenyan Health System by County, District, and by individual health facility on a monthly basis. Brighter Communities Worldwide and the PHO have designed a survey to measure the effectiveness of the smokeless stove intervention. This comprises a pre-installation and post installation survey, and the results are used to evaluate the effectiveness of this programme. Brighter Communities Worldwide's

Healthy Village survey is conducted at the beginning of its Healthy Village Methodology, and used to determine village needs and priorities. Each Community Health Committee undertakes a Community Health Survey to firstly gather a baseline for its community unit, and to assess its needs and priorities. Brighter Communities Worldwide has an internal database, which keeps the static factual data on all the schools it works with, and is updated whenever a school visit takes place. Data is also collected through event reports on a monthly basis for example Event Reports; Meeting Reports; Workshop Attendance Records and Reports.

Qualitative Data particularly knowledge, attitudes and behaviours are collected by using surveys, focus groups, and interviews. In November 2016 a Knowledge, Attitudes and Practice Survey was carried out in communities where Brighter Communities Worldwide works. The information collected will feed into ongoing programme development.

Challenges that arise during programme implementation are dealt with immediately and strategies discussed and developed to bring the programme back in line with objectives. The CEO together with the Staff team are responsible for the achievement of the objectives. They review all programme reports each quarter and monitor progress.

## Evaluation

Brighter Communities Worldwide evaluates its programmes on an annual basis through its partnership seminars, focus groups and analysis of the overall results of the programme to date. Brighter Communities Worldwide has a participatory approach to evaluation, which involves engaging its programme partners, and beneficiaries in the process to work together to design and implement the evaluation, and together analyse the data and reach consensus about findings, conclusions and recommendations. By involving beneficiaries in its evaluation process Brighter Communities Worldwide ensures that the voices of the most vulnerable are heard. Brighter Communities Worldwide's evaluation approach involves the use of surveys, case studies, and the Most Significant Change Approach (MSC). Different approaches will be used at different times throughout the evaluation. Brighter Communities Worldwide also uses case studies gathered to promote positive development stories in Ireland and as inputs to its development education programme. They will also be used to keep Brighter Communities Worldwide's donors and supporters updated through Brighter Communities Worldwide's newsletters, and social media updates.

## Accounting Records

The measures that the 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

There have been no significant events affecting the company since the financial year end which would impact the amounts or disclosures in these financial statements.

## 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



**Anita Layden**  
Director

Date: 21/09/2018

# 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 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 2017 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 28, 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 2017, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities to express an opinion on the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that 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

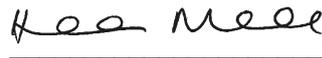
Based solely on the work undertaken in the course of the audit, we report that:

- 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 balance sheet and the 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.



#### Honor Moore

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

Date: 25/09/2018



# Statement of financial activities

(Including income and expenditure account)

For the financial year ended 31 December 2017

Income from	Notes	2017	2017	2017	2016	2016	2016
		Restricted/ designated Funds	Unrestricted Funds	Total	Restricted/ designated Funds	Unrestricted Funds	Total
		€	€	€	€	€	€
Donations and legacies	3	163,558	31,147	194,705	179,339	32,086	211,425
Charitable activities	4	147,716	-	147,716	179,778	-	179,778
Other trading activities	5	40,917	3,309	44,226	-	62,974	62,974
Investment income	6	-	-	-	-	55	55
<b>Total</b>		<b>352,191</b>	<b>34,456</b>	<b>386,647</b>	<b>359,117</b>	<b>95,115</b>	<b>454,232</b>
<b>Expenditure on</b>							
Charitable activities	7	329,331	68,764	398,095	360,149	36,508	396,657
Raising funds	8	-	19,030	19,030	-	20,886	20,886
<b>Total</b>		<b>329,331</b>	<b>87,794</b>	<b>417,125</b>	<b>360,149</b>	<b>57,394</b>	<b>417,543</b>
<b>Net income/(expense)</b>	10	22,860	(53,338)	(30,478)	(1,032)	37,721	36,689
<b>Reconciliation of funds</b>							
Total funds brought forward	19	100,839	222,194	323,033	101,871	184,473	286,344
<b>Total funds carried forward</b>	19	<b>123,699</b>	<b>168,856</b>	<b>292,555</b>	<b>100,839</b>	<b>222,194</b>	<b>323,033</b>

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 2017

	Notes	2017 €	2016 €
<b>Current Assets</b>			
Cash at bank and in hand	14	284,985	315,154
Debtors	15	20,391	20,276
		<b>305,376</b>	<b>335,430</b>
<b>Creditors: Amounts due within one financial year</b>	16	(12,821)	(12,397)
<b>Total net assets</b>		<b>292,555</b>	<b>323,033</b>
<b>Funds of the charity</b>			
Accumulated - designated	19	25,000	25,000
Accumulated funds – unrestricted	19	168,856	222,194
Accumulated funds – restricted	19	98,699	75,839
		<b>292,555</b>	<b>323,033</b>

The financial statements were approved and authorised for issue by the Board of Directors on 21/09/2018 and signed on its behalf by:



**Kieran Curtis**  
Director



**Anita Layden**  
Director

## Statement of cash flows

For the financial year ended 31 December 2017

	Notes	2017 €	2016 €
<b>Cash flows from charitable activities</b>			
Net cash (used in)/provided by charitable activities	18	(30,169)	42,500
<b>(Decrease)/increase in cash and cash equivalents in the financial year</b>		<b>(30,169)</b>	<b>42,500</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>315,154</b>	<b>272,654</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>284,985</b>	<b>315,154</b>
<b>Reconciliation to cash at bank and in hand:</b>			
Cash and cash equivalents at end of the financial year		284,985	315,154

# Notes to the financial statements

For the financial year ended 31 December 2017

## 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, Midleton, 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 3 to 15. 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.
- (vii) Other income reflects income earned by Partner Africa in respect of ethical trade related assignments and is recognised on a receivable

basis. Such income is deferred until such time as the assignment occurs and the related expenditure is incurred.

## 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 Self Help Africa 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*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control

of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Balances that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

## 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.

### Foreign currencies

Transactions in foreign currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities (SOFA). The balance sheet for the subsidiaries are translated at the prevailing year end rates and included in the balance sheet. The

statements of financial activities for the subsidiaries are translated at an average rate for the year and included in the statement of financial activities. Any exchange gains or losses arising on consolidation are recognised in the statement of financial activities.

### 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.

### Comparative amounts

Certain comparative amounts have been reclassified, where necessary, to ensure comparability with current financial year disclosure.

## 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

	2017	2016
	€	€
Friends of Kipkelion	129,907	123,374
Education fund	10,583	10,766
General donations	24,378	30,346
Collection boxes	455	381
Standing orders	20,109	20,373
Taxation refunds	9,273	8,302
Sustainable tourism	-	17,883
<b>Total</b>	<b>194,705</b>	<b>211,425</b>

## 4. Charitable activities – income

	2017 €	2016 €
Irish Aid CSF funding for health	140,000	130,000
Irish Aid WWGS fund	4,484	20,560
Volunteer project costs	3,232	29,218
	<b>147,716</b>	<b>179,778</b>

### Restricted income

#### 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 €98,699 was unspent as at the financial year end (2016: €75,839) and has been included in the restricted reserve at the financial year end.

Summary of Irish Aid funding	Restricted at start of 2017 €	2017 Grant Income €	2017 Grant Spend €	Restricted at end of 2017 €
Irish Aid WWGS	19,653	4,484	(21,302)	2,835
Health projects	56,186	140,000	(100,322)	95,864
	<b>75,839</b>	<b>144,484</b>	<b>(121,624)</b>	<b>98,699</b>

## 5. Other trading activities

Fundraising activities	2017 €	2016 €
Girls for Girls - HECA	2,985	2,515
Starfish collection	313	293
Walks, runs and marathons	3,924	3,551
Kenya Ball	15,817	13,373
Calendars	176	175
Merchandise	3,180	3,692
Fundraising from volunteer events	-	24,278
Golf classic	-	3,897
Other fundraising events	17,831	11,200
	<b>44,226</b>	<b>62,974</b>

## 6. Investment income

	2017	2016
	€	€
Interest receivable	-	55
	-	55

## 7. Charitable activities – expenditure

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

	2017 Direct Costs €	2017 Support Costs €	2017 Total Costs €	2016 Direct Costs €	2016 Support Costs €	2016 Total Costs €
Education projects	60,124	68,929	129,053	95,034	50,025	145,059
Health including water projects	140,445	87,575	228,020	156,541	79,158	235,699
Economic empowerment projects	20,179	2,173	22,352	11,121	4,778	15,899
Uganda project	18,670	-	18,670	-	-	-
	<b>239,418</b>	<b>158,677</b>	<b>398,095</b>	<b>262,696</b>	<b>133,961</b>	<b>396,657</b>

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

	2017 Direct Costs €	2017 Support Costs €	2017 Total Costs €	2016 Direct Costs €	2016 Support Costs €	2016 Total Costs €
Kenya	220,748	158,677	379,425	262,696	133,961	396,657
Uganda	18,670	-	18,670	-	-	-
	<b>239,418</b>	<b>158,677</b>	<b>398,095</b>	<b>262,696</b>	<b>133,961</b>	<b>396,657</b>

## 8. Raising funds

	2017 Restricted Funds €	2017 Unrestricted Funds €	2016 Direct Costs €	2016 Support Costs €
Fundraising expenses	-	4,990	4,990	5,963
Support costs	-	14,040	14,040	14,923
	-	<b>19,030</b>	<b>19,030</b>	<b>20,886</b>

## 9. Support costs

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

	2017 Charitable Activities €	2017 Fundraising €	2017 Total Costs €	2016 Charitable Activities €	2016 Fundraising /Retail €	2016 Total Costs €
Staff salaries	102,932	-	102,932	86,539	-	86,539
Rent	10,780	-	10,780	11,582	-	11,582
Electricity	991	-	991	1,197	-	1,197
Travel expenses	8,179	5,139	13,318	5,228	5,944	11,172
Postage and carriage	608	-	608	544	-	544
Office consumables	9,454	4,883	14,337	10,229	5,235	15,464
Telephone and internet	1,520	-	1,520	1,689	-	1,689
Mobile charges	625	-	625	604	-	604
Insurance	4,688	-	4,688	2,611	-	2,611
Public relations (brochures)	11,103	-	11,103	8,684	-	8,684
Bank charges	201	-	201	265	-	265
Professional fees	7,596	4,018	11,614	4,789	3,744	8,533
	<b>158,677</b>	<b>14,040</b>	<b>172,717</b>	<b>133,961</b>	<b>14,923</b>	<b>148,884</b>

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.

## 10. Net income/(expense)

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

	2017 €	2016 €
Auditors' remuneration, including expenses		
- Audit of the financial statements	4,000	4,000

## 11. Staff costs

	2017	2016
	€	€
Staff costs are comprised as follows:		
<b>Ireland:</b>		
Wages and salaries	96,600	85,195
Social welfare costs	12,447	9,066
Pension costs	-	-
<b>Sub-total</b>	<b>109,047</b>	<b>94,261</b>

	2017	2016
	Number	Number
The average number of employees during the financial year was as follows:		
Ireland	3	2

No employee of the company acts as director. The total remuneration package of the Chief Executive Officer comprised salary of €60,000 (2016: €60,000).

The number of employees whose salaries (excluding employer pension contributions) were greater than €60,000 were as follows:

	2017	2016
	Number	Number
€60,001 - €70,000	-	-
€70,001 - €80,000	-	-
€80,001 - €90,000	-	-
€90,001 - €100,000	-	-
€100,001 - €110,000	-	-
€110,001 - €120,000	-	-

## 12. 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 €688 in 2017 (2016: €918).

## 13. Key management compensation

The total remuneration for key management personnel for the financial year amounted to €90,372 for 2 staff (2016: €90,372 – 2 staff).

## 14. Cash at bank and in hand

	2017	2016
	€	€
<b>By fund designation:</b>		
Restricted	98,699	75,839
Unrestricted	186,286	239,315
	<b>284,985</b>	<b>315,154</b>

	2017	2016
	€	€
<b>By account type:</b>		
Deposit accounts	76,457	76,457
Current accounts	208,528	238,697
	<b>284,985</b>	<b>315,154</b>

## 15. Debtors

	2017	2016
	€	€
Prepayments and other debtors	3,584	4,056
Accrued income	16,807	16,220
	<b>20,391</b>	<b>20,276</b>

## 16. Creditors

	2017	2016
	€	€
(Amounts falling due within one financial year)		
Accruals	5,866	5,428
PAYE/PRSI liability	6,955	6,969
	<b>12,821</b>	<b>12,397</b>

## 17. Financial instruments

The carrying value of the company's financial assets and liabilities are summarised by category below:

	2017	2016
	€	€
<b>Financial Assets</b>		
<i>Measured at undiscounted amount receivable</i>		
Accrued income (note 15)	<b>16,807</b>	<b>16,220</b>

## 18. Reconciliation of net (expenditure)/ income to net cash (used)/ generated in charitable activities

	2017 €	2016 €
<b>Net (expenditure)/ income for the reporting year (as per the Statement of Financial Activities)</b>	(30,478)	36,689
<i>Adjustments for:</i>		
(Increase)/decrease in debtors	(115)	5,573
Increase in creditors	424	238
<b>Net cash (used in)/ provided by charitable activities</b>	<b>(30,169)</b>	<b>42,500</b>

## 19. Funds of the charity

	Designated Funds €	Restricted Funds €	Unrestricted Funds €	Total Funds €
<b>(i) Reconciliation of funds:</b>				
Funds at 1 January 2017	25,000	75,839	222,194	323,033
Net income/(expense) for the year	-	22,860	(53,338)	(30,478)
<b>Fund balances at 31 December 2017</b>	<b>25,000</b>	<b>98,699</b>	<b>168,856</b>	<b>292,555</b>

	Designated Funds €	Restricted Funds €	Unrestricted Funds €	Balance 31/12/2017 €
<b>(ii) Analysis of net assets between funds:</b>				
Current Assets	25,000	98,699	181,677	305,376
Liabilities	-	-	(12,821)	(12,821)
<b>Total Funds</b>	<b>25,000</b>	<b>98,699</b>	<b>168,856</b>	<b>292,555</b>

	Balance as at 01/01/2017 €	Income €	Expenditure €	Balance 31/12/2017 €
<b>(iii) Movements in funds:</b>				
Designated Funds	25,000	-	-	25,000
Restricted Funds	75,839	352,191	(329,331)	98,699
Unrestricted Funds	222,194	34,456	(87,794)	168,856
<b>Total Funds</b>	<b>323,033</b>	<b>386,647</b>	<b>(417,125)</b>	<b>292,555</b>

Designated funds comprise of the Incident Management Reserve fund of €5,000 (2016: €5,000) and the Operational Reserve fund of €20,000 (2016: €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.

## 20. Contingent liabilities

Grant funding received during the financial year from Irish Aid Worldwide Global Schools fund of €4,484 and Irish Aid Civil Society Fund of €140,000 may be repayable if it is determined that it was not spent on agreed purposes within twelve months of the allocation of the funds.

## 21. 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.

## 22. Related party transactions

### Directors' transactions

There were no 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 €90,372 (2016: €90,372), being remuneration disclosed in note 12 to the financial statements.

## 23. Taxation

The company has agreed charitable status with the Revenue Commissioners, Charity Number CHY 16505, therefore no provision for taxation is necessary.

## 24. Financial risk management

### Currency risk

Much of the organisation's costs, particularly overseas costs, are denominated in euro and local currency while most income is received in euro. A strengthening of the local currency against the euro could have an adverse effect on Brighter Communities Worldwide's ability to deliver its planned programme of work. These currency risks are monitored on an ongoing basis.

### Cash flow risk

Brighter Communities Worldwide hold a number of bank accounts deposited in a Permanent TSB ensuring the security of our funds and also endeavouring to maximise the return available. The organisation's activities expose it primarily to the financial risks of changes in interest rates. Interest bearing assets are held at fixed rates to ensure certainty of cash flows.

### Credit risk

The organisation's principal financial assets are bank balances and cash and trade and other receivables. The credit risk on cash at bank and current asset investments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The organisation has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

## 25. 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.

## 26. Events after the balance sheet date

There have been no significant events affecting the company since the financial year end which would impact the amounts or disclosures of these financial statements.

## 27. Transition to charities statement of recommended practice (Charities SORP (FRS102))

This is the first financial year the company has presented its financial statements under “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)” known at the Charities SORP (FRS102). The following disclosures are required in the transition year:

	At 01/01/16 €	At 31/12/16 €
<b>Reconciliation of Reserves</b>		
Reserves reported under previous FRS102	209,473	247,194
<i>Adjustments to equity on transition:</i>		
Reclassification of restricted funds included in creditors	76,871	75,839
<b>Adjusted Reserves Reported under Charities SORP (FRS102)</b>	<b>286,344</b>	<b>323,033</b>

<b>Reconciliation of surplus of income over expenditure for 2016</b>	€
Surplus of income over expenditure for the financial year under previous FRS102	37,721
Reclassification of restricted funds included in creditors	(1,032)
<b>Surplus of income over expenditure for the financial year under Charities SORP (FRS102)</b>	<b>36,689</b>

As part of the transition to the Charities SORP (FRS102), the directors reviewed the accumulated reserves of the company and noted that in addition to the above adjustment to reserves, a reallocation between restricted and unrestricted funds was required. The impact of this reallocation had no effect on the accumulated reserves at 1 January 2016 or 31 December 2016.