

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

Brighter Communities Worldwide's 2020 expenditure on Charitable Activities, including; projects on **Health, Education** and **Economic Empowerment** in Kenya and the relevant support costs, amounted to **€549,241** (2019: €626,295), equating **93%** (2019: 94%) of Brighter Communities Worldwide's total expenditure for the year.

EXPENDITURE ON
**Charitable
Activities**

€549,241

93%

The Directors present their annual report and the audited financial statements of Brighter Communities Worldwide for the financial year ended 31 December 2020. 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 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 December 2016. Brighter Communities Worldwide is one of the registered business names of Brighter Communities Worldwide Company Limited by Guarantee. As of 31 December 2020, there were 8 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.

Brighter Communities Worldwide works in partnership with Brighter Communities Worldwide in Kenya. The partnership is governed by a Memorandum of Understanding (last signed in 2017). This report outlines our programmes in Ireland and in Kenya implemented through this partnership.

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 is: "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.

Our values underpin everything we do, every decision we make and also help communicate the way we work and how we do things.

Directors and Other Information

Board of Directors

Sean O Sullivan (Chairperson – from August 2020); Linden Edgell (Vice Chair Person– from August 2020); Maria Kidney; Anne Healy; Kieran Curtis; Andrew Bird (appointed 1 April 2020); Michele Cashman (appointed 1 April 2020); Avril Warren (appointed 24 November 2020)

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

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

Bankers: Permanent TSB, Patrick Street, Cork

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

Country of Incorporation: Ireland

- **Integrity** – We are an organisation built on integrity and good governance with a track record for success.
- **Passion** – We work passionately in all that we do to realise our vision across communities.
- **Togetherness** – We work together with all our stakeholders; all programmes are based on community needs as identified by themselves.

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 programmes to meet the needs of communities and individuals.

Creating brighter communities means ensuring:

- Access to good, affordable healthcare
- 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

The impact of the work of Brighter Communities Worldwide is measured against targets using a Results Based Management System. Brighter Communities Worldwide has a Monitoring, Evaluation and Learning Policy in place that guides activities in this area. 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. As a learning organisation, BCW reflects on the results of evaluation and applies this knowledge to improve the effectiveness of development projects etc.

During 2020 Brighter Communities Worldwide continually monitored all its programmes through its results framework. Due to the challenging nature of the year, all programme activities were “pivoted” to respond to the impacts of the pandemic and regular updates on progress were given to our key donors. No programme evaluations were carried out in 2020 due to the Covid-19 pandemic. An external evaluation of our Irish Aid three year programme has been planned to take place in 2021.

Brighter Communities Worldwide’s 2020 expenditure on Charitable Activities, including; projects on Health, Education & Economic Empowerment in Kenya and the relevant support costs, amounted to €549,241 (2019: €626,295), equating 93% (2019: 94%) of Brighter Communities Worldwide’s total expenditure for the year.

Achievements and Performance

2020 was a year like no other across the globe. In Brighter Communities Worldwide we found ourselves in a unique situation. Our programmes have been implemented in Kenya for over 18 years. Over this time, these programmes have delivered results through working in a partnership-based approach, with community members, Government Ministries and other organisations. These programmes could not continue to be delivered in the same way during the pandemic due to government restrictions and health concerns. The Ministry of Health imposed guidelines across all community activity and the Kenyan Government closed schools and implemented a curfew once the first case of Covid-19 was confirmed in March and various restrictions continued through the year.

In Ireland our office closed with staff working from home. We facilitated several meetings online with our supporters and volunteers whose commitment enabled us to continue to support our programmes in Kenya.

In Kenya, we supported our partner organisation to pivot its programmes to support the emergency response in Kenya. This ability to rapidly respond to changing community needs resulting from the pandemic has only been possible because of Brighter Communities Worldwide Kenya’s locally based team of 34 staff and more than 2,000 volunteers across the county. The partnerships and capacity of the communities built over the past 18 years meant it had the relationships, programme infrastructure, knowledge and credibility to mobilise and effectively respond. Brighter Communities Worldwide has been the key NGO partner for the Ministry of Health (MOH) who have faced critical shortages in PPE, staff, training, Covid-19 infrastructure (isolation centres) and support.

Between March and December 2020 a total of 464,244 beneficiaries were reached through our response.

This includes 128,094 men, 140,868 women, 93,246 boys and 104,368 girls.

The response in Kenya focused on supporting communities and on health systems strengthening. We leveraged our network of volunteers (Community Health Volunteers, Facilitators, Teachers and Instructors) to rapidly scale up our response. We supported the sensitisation of communities on Covid-19 across Kericho County; we have strengthened health facilities through capacity development of healthcare workers and the provision of essential supplies (PPE, handwashing facilities, and communication materials); we have supported vulnerable children who are out of school and girls and women who are particularly impacted by this pandemic.

We have supported the Ministry of Health as they continue delivery of essential services through the provision of Outreach Clinics and Ante-natal Care across the region.

Alongside the Covid-19 response there is a greater and more urgent need for community development. This

is evident through the increased demand for support from communities since March when we ‘pivoted’ how our programmes are delivered. We have continued most of our existing programmes but have had to redesign our delivery models to observe government restrictions and keep the community and our staff team Covid-safe. Due to the emerging economic and social impacts of the pandemic, we have also evolved some of our programmes to meet identified needs. For example, communities requested menstrual hygiene management support and so the Ambassador programme was developed based on our existing menstrual health programmes. With schools closed from March to October, we also developed community learning groups for children. Support for income generation projects was also developed due to the significant economic impacts experienced across the community.

A selection of some of the key outcomes and results in each development programme area are outlined below:

Health Programme

Objectives

1. Communities will have access to a strengthened and more effective healthcare system.
2. Increased resilience of communities through improved health and hygiene practices.

Achievements

Performance Indicator	2020 target	2020 achievement	Comment
No of Healthcare Workers trained in Covid-19	400	422 Healthcare Workers trained	Covid-19 Indicator – Brighter Communities Worldwide focused on strengthening health systems through the training of Healthcare Workers, provision of handwashing facilities, provision of PPE, and the construction of isolation facilities.
No of facilities provided with Handwashing facilities	60	95 Health Facilities	
No of health facilities prepared for Covid-19	3	3 Health Facilities provided with isolation facilities/PPE.	
Incidence of reported cases of water borne diseases	Reduction of 2% annually	Reduction of 32%	Covid-19 Sensitisation on handwashing; provision of soap, handwashing facilities and general awareness contributed positively to the level of water borne disease reported across the region.

Education Programme

Objectives

1. Increased number of boys and girls attending school in healthy and safe environment.
2. Communities will be proactive in addressing community issues and women's rights.

Achievements

Performance Indicator	2020 target	2020 achievement	Comment
% of Boda Boda drivers sensitised; wearing facemasks and promoting awareness across communities	75%	75%	Covid-19 Pivot – Boda Boda (motorbike) drivers are the main source of transport in the region. They are mainly young people. They were also considered “super spreaders” of Covid-19 and so needed to be sensitised on Covid-19 and its prevention.
No. of children and youths sensitised on Covid-19	200,000	248,694 Children and Youths across 77,143 H/Hs	Covid-19 Pivot – Children home from school were also sensitised on Covid-19 and taught how to wash hands correctly; social distance and protect their families from Covid-19
No. of latrines/ washrooms installed in schools	4 latrine blocks for boys; 4 latrine/ washroom structures for girls	4 boys' latrine blocks and 4 latrine /washroom structures for girls were constructed in 8 schools.	4 boys' latrine blocks (impacting 598 boys) and 4 latrine /washroom structures for girls (impacting 924 girls) were constructed in 8 schools.
No. of smokeless stoves installed in schools	12 industrial smokeless stoves	12 smokeless stoves were installed impacting 4,193 students and 216 teachers.	Our school construction projects continued throughout 2020 despite the school closures. All Covid-19 precautions were in place across construction sites. Covid-19 has highlighted the importance of water, sanitation and hygiene facilities.
No. of people sensitised on menstrual health	1500	4,899 people (405M, 1712F, 568 Boys and 2,214 Girls)	

Economic Empowerment Programme

Objectives

1. Increased number of boys and girls attending school in healthy and safe environment.

Achievements

Performance Indicator	2020 target	2020 achievement	Comment
No. of men, women and youth groups provided with resources to engage in income generation activities	20	20	Covid-19 Pivot Activity – Introduced to support young people who lost their income/livelihoods due to the pandemic. Most work in the informal sector and so could not “work from home”.

Irish Aid Programme

In 2020, the organisation completed year two of a three year Irish Aid project “*Healthier Communities, Brighter Futures*” across Kericho County. The outcomes and results above contributed to 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.

Global Citizenship Programme

Brighter Communities Worldwide’s Global Citizenship programme aims to encourage people to question the inequalities of the world we live in, deepen our awareness of global justice issues and act to do something about it. Every community has problems to deal with but we live in an interconnected and interdependent world where all issues are linked and if we are to achieve sustainable development for all, we need to act together.

The Global Goals aim to “leave no one behind” and have a vision of a “just, equitable, tolerant, open and socially inclusive world in which the needs of the most vulnerable are met”. We promote that vision across all of our programmes in Ireland and in Africa.

International Volunteer Programme

‘Harambee’ is the Swahili word meaning ‘working together’. We have adopted it as the name for our overseas volunteer programme. Volunteers travel to Kenya to work alongside local volunteers on delivery of our programmes. Unfortunately due to the Covid-19 pandemic there was no international volunteer programme in 2020.

Financial Review

Results

The results for the financial year and appropriation thereof are set out in the Statement of Financial Activities on page 49.

2020 total income was €570,681, a reduction of 7% on 2019 Income (€610,818). The reduction is due to the impacts of Covid-19 on two main income streams – volunteer income and donations and legacies. Due to the pandemic no volunteers travelled to Kenya from March 2020. General donations were reduced to €7,076 (2019: €35,979) and our income from Friends of Kipkelion was reduced by 39% to €84,824 (2019: €117,511). Prior to the pandemic the majority of our fundraising was based on community events. However these were not possible since the onset of the pandemic. New online platforms were engaged and all fundraising moved online. The online events raised

€100,966, and increase of 76% on 2019 (€27,210). New grants from Engineers without Borders; Esther Alliance and SHARP were achieved this year contributed to the alleviation of the Covid-19 impacts on income.

Expenditure for 2020 was reduced by 12% to €592,856 (2019: €663,338). This reduction was a result of efficiency gains across the organisation. The overall deficit for 2020 was €22,175, a reduction of 37% on 2019 (€52,520). The deficit is a result of income from 2019 brought forward (€356,908) being spent in 2020 in line with grant funding.

The contract period of the Irish Aid Civil Society Fund grant is October to October while Brighter Communities Worldwide reports on a calendar year. Irish Aid’s total funding of €260,000 was received during the 2020 calendar year, there was a balance of €150,639 included in the restricted funds at year end. This will be spent during the remaining of the grant period up to October 2021.

Brighter Communities Worldwide is grateful for the support of all its donors and supporters.

Reserves

Brighter Communities Worldwide has a Reserves Policy (last reviewed in December 2020). 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 2020, 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 2020 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 €20,000 in 2020 to cover operational costs in Ireland.
- **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 where the grant year is 12 months from October (At the end of 2020 this was €150,639).

Cost Apportionment

Brighter Communities Worldwide apportions its cost based on a time allocation basis.

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.

It is Brighter Communities Worldwide’s policy to continually identify and monitor the risks across all categories. The Risk Register is updated as the need arises by the delegated named person and reviewed at a meeting of the Executive Committee. Once reviewed and accepted by the Executive Committee it is to be presented to the full Board at a Board Meeting.

The organisation currently has 15 categories of risk including Governance, Finance & Funding, Human Resources, Operations/Infrastructure, Reputation, Programme Delivery, Law & Regulations, Technology & Business Continuity, Political, Environmental, Expanding Geographical Programme areas, Communication Marketing & Branding, Safeguarding, GPR/Data Protection and Covid-19. Each category includes a number of risks, and each risk is scored in terms of likelihood (i.e. the probability of future occurrence, how likely the risk it is that the risk will occur and how frequently it has occurred in the past.); impact (i.e. the impact on the organisation and external stakeholders if the risk occurs) and effectiveness of existing controls (i.e. given the controls which are currently in place, how effective they are at mitigating the risk.)

At the time of writing this report the top five organisational risks are outlined below:

Definition	Category	Likelihood of occurrence	Likelihood of Impact	Mitigation Strategies
Uncertain fundraising income due to impact of Covid-19 across fundraising base.	Finance	M	H	Fundraising strategy in place. Unrestricted income targets achieved over the last 3 years. Fundraising strategy revised in 2021 to incorporate the learnings from fundraising in Covid-19 pandemic.
Uncertainty around Covid-19 pandemic and its impact on programme operations	Programme Delivery	H	H	Learnings from 2020 Covid-19 response have fed into operational plans for 2021. Ongoing monitoring of situation in Kenya continues daily. Incident Management system in place.
Inability to deliver programmes due to political unrest and disruption.	Programme Delivery	L	H	Ongoing monitoring of political situation in Kenya; Strong Partnerships with Government Ministries; Membership of Irish NGO Network in Nairobi.
Allegation of or incident of safeguarding violation against staff/ volunteer.	Reputational	L	H	All staff/volunteers trained in safeguarding; sign adherence to policies; Safeguarding officer/process in place; beneficiaries made aware of safeguarding rights and processes.
Reputational damage to BCW due to ongoing charity sector scrutiny	Reputational	L	H	Ensure compliance with all governance codes, charity and legal regulations.

During 2020 a new section to the risk management register was added to reflect the Covid-19 Pandemic. Brighter Communities Worldwide took a phased approach in its risk management response to Covid-19. This approach included five phases (Safety of Staff; Assessment and response to need; Financial security; Resilience and Return to Operations). Each phase has a number of steps which are reviewed by the Incident Management Team on a regular basis. The safety of our staff, their families, our partners and beneficiaries remain a priority for us throughout the pandemic.

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 2021. We will leverage our learnings and achievements from 2020 to continue to work in partnership with our partner organisation in Kenya as the impacts of the pandemic continue. Kenya will continue to manage the social, health and economic impacts from the pandemic while rolling out the vaccine. Forecasts of the current vaccine rollout are that it will not have significant impact on the population until 2023. Against this backdrop, Brighter Communities Worldwide submitted an application to Irish Aid to and this has been approved a new three year grant starting in October 2021 subject to the successful completion of our current programme. Friends of Kipkelion has committed to its partnership with Brighter Communities Worldwide until 2030.

2019–2023 Strategic Plan

Brighter Communities Worldwide began new strategic plan on 1 January 2019 for a five year period. 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. This strategy is based on four goals:

Goal 1: Implement holistic, impactful programmes that contribute to the global development agenda (SDGs)

Goal 2: Build effective strategic relationships

Goal 3: Strengthen organisational capacity

Goal 4: Ensure strong governance

The strategic plan is translated into the Operational Plan for Ireland which is monitored on a monthly basis. During 2021 we will undertake a mid-term evaluation of our Strategic Plan.

2021 Organisational Strengthening

Our current business plan (2017-2021) will end in 2021. The plan supports our strategic direction and identifies key areas where the organisation will focus on to support its growth and development. A new plan will be developed during 2021 to enable us to build on the learnings of the current plan, and continue to support the strengthening and development of the organisation.

2021 Development Programmes

At the time of preparing this Annual Report, the Covid-19 continues to impact countries across the globe. Our operations in Ireland, and the operations of our partner organisation in Kenya continue to be impacted. During 2020 we pivoted our development programmes to deliver services across communities whilst still achieving our planned outcomes. This will continue throughout 2021 leveraging our learnings and continuing to meet the advice from the health authorities in Ireland and in Kenya.

2021 Fundraising

A fundraising plan for 2021 was developed and is being implemented by the Fundraising Sub-Committee.. It is based on the learnings from the adapted fundraising plan in 2020. A number of creative fundraising methodologies were introduced in 2020 due to the changed context whereby we needed to adopt a more online approach to fundraising as we could not do face to face events. We are building on this knowledge and experience and expect the majority of our fundraising will all be based online. This includes campaigns, virtual events, increased engagement with supporters and development of communication tools to enable us to grow our network of support.

In 2020 Brighter Communities Worldwide became a partner of GlobalGiving, an online crowd funding platform. This enabled the organisation to raise funds online across the globe. We were successful in raising funds for our education and health programmes and in reaching new supporters. The platform enables Brighter Communities Worldwide to avail itself of campaigns, matched funding and bonus funds provided by GlobalGiving throughout the year. In 2021 it will be our main fundraising platform. The 2021 fundraising plan also includes online events made possible by new technology.



Structure, Governance and Management

Organisational Structure

Brighter Communities Worldwide is governed by the Board of Directors who are responsible for directing the affairs of the organisation ensuring it is solvent, well-run and delivering the outcomes for which it was established to deliver. The Board is responsible for the strategic direction of Brighter Communities Worldwide, safeguards the ethos of the organisation and is responsible for the audit and finance of Brighter Communities Worldwide including finance, insurance and legal requirements. The Directors have responsibility for, and are aware of the risks associated with the operating activities of Brighter Communities Worldwide. Systems of internal control are in place which are designed 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 and regular review at Board level. The Chief Executive Officer is not a member of the Board but does attend Board meetings. The day-to-day management of the organisation is delegated to the Chief Executive Officer and the staff Team.

Brighter Communities Worldwide's Board currently has eight members, 63% of whom are women. Their professional biographies are available on the Brighter Communities Worldwide website (tinyurl.com/BCWBoard). During 2020 the board met eleven times (2019: eleven times), with an average attendance of 100% (2019: 85%). 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.

Attendance at Board of Directors Meetings and Membership of Sub Committees

Name	Appointed	Attendance	Sub Committees
Sean O Sullivan	2018	11/11	Executive (from Oct); Fundraising
Linden Edgell	2017	11/11	Executive
Kieran Curtis	2014	11/11	Executive
Andrew Bird	2020	8/9	
Anne Healy	2018	11/11	

Maria Kidney	2014	11/11	Executive
Michelle Cashman	2020	9/9	HR Committee (Chairperson)
Avril Warren	2020	2/2	Audit Committee (Chairperson since November 2020)
Charlie Daly	2014	6/6	HR
Colum Horgan	2017	6/6	Chairperson (until August 2020); Executive; Fundraising; HR
Frederic Spengeman	2017	6/6	Audit Committee (Chairperson until August 2020)

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 to complement the existing Board member skills and any specific needs that have been identified. A board renewal process is in place. This begins with the board identifying the gaps and expertise needed in the board. Candidates are then identified by board members. These candidates are invited to submit an application to the board. The board reviews the applications, voting takes place and the Chairperson informs the new board members.

New Directors participate in an induction programme to ensure they have the necessary knowledge and are aware of the governance requirements of the charity. Three new members joined the board in 2020, and four members retired. 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 and where there are significant developments, these are highlighted at a board meeting. Some Board members also participate in charity and related sector networks and peak bodies to ensure the Board is abreast of new information. Throughout 2020 board members attended several online meetings, workshops and webinars hosted by Dóchas, Charities Institute Ireland, Charities Regulatory Authority among others and relevant information was circulated to board members.

Directors are appointed to serve a three year term of office. 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. During 2020 the term of office of two board members (Maria Kidney and Kieran Curtis) were extended by one year due to the exceptional circumstances of the Covid-19 pandemic.

Board Sub Committees

The board has a number of sub-committees including Audit, Human Resources (HR), Executive and Fundraising. The chairperson for each of these provides an update at each board meeting as to activities undertaken and decisions made. The term of office for members of all subcommittees is three years with an option to renew for a further three year term.

The **Audit Committee** assists the board in discharging oversight responsibilities, and overseeing the financial reporting process. It is responsible for management and financial reporting; ensuring compliance with laws and regulations; reviewing and auditing internal controls and the implementation of an effective and efficient audit. In September 2020 the board reviewed the functions of the Audit Committee. It was agreed to incorporate finance, audit and risk into the same committee. Up to September 2020 risk was the responsibility of a Board Member with that specific portfolio. A new terms of reference has been developed and was approved by the board in February 2021. In 2020 this committee included one Board Member and 2 External Members.

The **Human Resources (HR) Committee** is responsible for the Annual Review of the CEO covering both performance and remuneration. It advises on training needs for staff and deals with any HR issues that may arise. This committee also ensures that Brighter Communities Worldwide keeps up to date with changes in Irish Labour Law. In 2020 this Committee was chaired by a Board Member, and included 2 other Board Members.

The **Executive Committee** is responsible for ensuring that board decisions are implemented, and to deal with any urgent matters. They authorise volunteer projects and approve visits to Kenya when required. They provide oversight of resourcing matters and communicate emerging issues to the Board – particularly important during the pandemic in the past year. The Executive Committee meets regularly throughout the year.

The **Fundraising Committee** is responsible for the overall fundraising strategy, and its implementation. They propose annual draft fundraising targets for the organisation to be agreed by the board. They also make recommendations to the board on budgets, hiring, management and oversight of fundraising staff

members and provide ongoing support to fundraising staff with the assistance of external advisers where required. The fundraising committee meets at least once a month. It will meet more frequently should the need arise for example the start of a new fundraising campaign. The committee includes two board members, CEO, Office Manager and Communications Lead.

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 and Office Manager. The profiles of all staff members are available at: tinyurl.com/BCWStaff. From time to time, third party services are provided to Brighter Communities Worldwide and these are coordinated by the Chief Executive Officer. These include suppliers, auditors and solicitors.

Brighter Communities Worldwide has a recruitment policy in place (last reviewed June 2018). This policy outlines its approach to recruitment in the organisation. Brighter Communities Worldwide has a Human Resources Manual (last reviewed June 2018) which includes its remuneration procedures.

Brighter Communities Worldwide has a performance management policy in place (last reviewed in June 2018). This policy includes performance principles, the mandatory activities of planning, developing, and reviewing individual performance and the annual performance management timetable which are applied to all staff employed by the organisation.

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, network with other organisations and share learnings.

Governance Codes

Brighter Communities Worldwide has adopted the Charities Regulatory Authority Charities Governance Code, and during 2020 it reviewed the charities

compliance across all six principles. The Board reviewed its compliance in August 2020 and agreed that the organisation is compliant across all six principles of the code. It will complete the obligatory reporting to the Charities Regulatory Authority in October 2021.

Brighter Communities Worldwide has a **Conflict of Interest** policy in place (last reviewed in December 2019) 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 to be dealt with.

Brighter Communities Worldwide has a **Conflict of Loyalty** policy in place (last reviewed April 2021) 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.

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 31 October 2020.

Board Performance

Brighter Communities Worldwide undertook a self-evaluation process during 2020. Each board member completed a questionnaire on the key areas of board roles and responsibilities and these fed into the Board development workshop held in October.

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/AnnualFinances](https://www.brightercommunitiesworldwide.com/AnnualFinances).

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. During 2020 no expenses were paid to board members.

The pay of the Chief Executive Officer is reviewed annually by the HR Committee and no increments have been approved in 2020. The pay of other staff is reviewed by the Chief Executive Officer in conjunction with the HR Committee. Brighter Communities Worldwide pays pension allowances for its CEO (direct contribution scheme) and has a PRSA scheme in place should any employee wish to avail of this.

Investments

Brighter Communities Worldwide does not have any investments in place.

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 Charter

Brighter Communities Worldwide are signatories to the **Dóchas Charter** which outlines what it means to be a member of Dóchas and the principles that define the relationships between Dóchas, the member organisations and the wider world. The leaders of Ireland's International development and humanitarian NGOs are committed to creating a world where justice, equality, solidarity and respect for human rights are the norm. This includes ensuring that those who work in and with our organisations, and communities and children, with whom we work, are kept safe from all forms of violence, abuse and exploitation. We

do this through robust and effective approaches to safeguarding which, in turn, enable organisations to deliver programmes and activities of the highest standard.

Dóchas Safeguarding Code

Brighter Communities Worldwide are signatories to the [Dóchas Safeguarding Code](#) and we are committed to creating a world where justice, equality, solidarity and respect for human rights are the norm. This includes ensuring that those who work in and with our organisations, and communities and children with whom we work, are kept safe from all forms of violence, abuse and exploitation. We will do this through robust and effective approaches to safeguarding which, in turn, enable us to deliver programmes and activities of the highest standard.

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 to 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 2020. All feedback and comments on Brighter Communities Worldwide’s compliance with the Code can be sent to Brighter Communities Worldwide’s Code Champion (details on the website) 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 2020 continued its self-assessment process to implement the code throughout the organisation.

Board Initiatives During 2020

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

- Navigate the organisation through the Covid-19 pandemic.
- Continued work on governance ensuring compliance with appropriate codes and Charities Regulator.
- Maintain compliance with the Charities Regulator Authority Governance Code for Charities.
- Assessing the longer-term implications of Covid-19 for the organisation, succession planning and the financial health of the organisation (in a series of workshop sessions).

Communication with Stakeholders

Brighter Communities Worldwide’s stakeholders include donors, partners, supporters, volunteers, employees and the communities we work with. We communicate with these stakeholders in a number of ways including donor reports, monthly newsletters, social media updates, website updates, partnership seminars, project meetings, community meetings etc.

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.

Audit Functions

Brighter Communities Worldwide uses SAGE for its management accounts system. The management accounts were reviewed by the Board a total of 7 times during 2020. 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 no incidence of fraud or gross financial mismanagement has occurred during the 2020 financial year.

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. Brighter Communities Worldwide has formally adopted and adheres to the Charities Regulator *Guidelines for Charitable Organisation on Fundraising from the Public* which provides Irish charities with good practice standards for fundraising.

Brighter Communities Worldwide are members of the Charities Institute Ireland and operate their 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.



Best Practice in Transparency and Accountability

Post balance sheet events

There have been no significant events affecting Brighter Communities Worldwide since the financial year end.

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

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:



Sean O Sullivan
Director



Kieran Curtis
Director

Date: 10 August 2021



Children arriving for Community Learning Group (September 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 2020 and of the 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

In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate:

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months form when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant section of this report.

Other Information

The other information comprises the information included in the Reports and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 expected 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 expected 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.

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

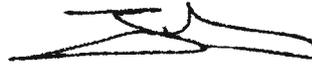
Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors’ report.

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.

Use of Our Report

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.



John Kelly

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

Date: 13 October 2021



Taking delivery of vaccinations fridge at Maso Dispensary (July 2020)

Statement of Financial Activities

(Including Income and Expenditure Account)

For the Financial Year Ended 31 December 2020

	Notes	2020	2020	2020	2019	2019	2019
		Restricted Funds	Unrestricted/ designated Funds	Total	Restricted Funds	Unrestricted/ designated Funds	Total
Income from		€	€	€	€	€	€
Donations and legacies	3	84,824	45,174	129,998	117,511	74,377	191,888
Charitable activities	4	303,998	13,540	317,538	267,669	80,935	348,604
Other trading activities	5	-	123,145	123,145	-	70,326	70,326
Total		388,822	181,859	570,681	385,180	225,638	610,818
Expenditure on							
Charitable activities	6	398,480	150,761	549,241	397,408	228,887	626,295
Raising funds	7	-	43,615	43,615	-	37,043	37,043
Total		398,480	194,376	592,856	397,408	265,930	663,338
Net deficit	9	(9,658)	(12,517)	(22,175)	(12,228)	(40,292)	(52,520)
Reconciliation of funds							
Total funds brought forward	17	181,049	175,859	356,908	193,277	216,151	409,428
Total funds carried forward	17	171,391	163,342	334,733	181,049	175,859	356,908

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 2020

		2020	2019
	<i>Notes</i>	€	€
Current Assets			
Cash at bank and in hand		355,162	367,041
Debtors	13	1,966	4,337
		357,128	371,378
Creditors: Amounts due within one financial year			
	14	(22,395)	(14,470)
Total net assets		334,733	356,908
Funds of the charity			
Accumulated funds – unrestricted	17	138,342	150,859
Accumulated funds – restricted	17	171,391	181,049
Accumulated – designated	17	25,000	25,000
		334,733	356,908

The financial statements were approved and authorised for issue by the Board of Directors on 10 August 2021 and signed on its behalf by:



Sean O Sullivan
Director



Kieran Curtis
Director

Statement of Cash Flows

For the Financial Year Ended 31 December 2020

	<i>Notes</i>	2020 €	2019 €
Cash flows from charitable activities			
Net cash used in by charitable activities	16	(11,879)	(50,448)
Decrease in cash and cash equivalents in the financial year		(11,879)	(50,448)
Cash and cash equivalents at the beginning of the financial year		367,041	417,489
Cash and cash equivalents at the end of the financial year		355,162	367,041
Reconciliation to cash at bank and in hand:			
Cash and cash equivalents at end of the financial year		355,162	367,041

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 3 to 13. 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 has 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 are recognised as income when the charity is legally entitled to the income because it is fulfilling the conditions contained in the related funding agreement. All statutory grants are treated as restricted income.
- (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).

Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due. Income recognised by the charity from statutory and other sources, but not yet received at the year end, is included in debtors.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be reliably measured or estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due and at their present value where the time value of money is deemed.

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

	2020	2019
	€	€
Friends of Kipkelion	84,824	117,511
Education fund	5,000	7,500
General donations	7,076	35,979
Standing orders	21,847	19,374
Taxation refunds	11,251	11,524
	129,998	191,888

4. Charitable Activities – Income

	2020 €	2019 €
Irish Aid CSF funding for health	260,000	260,000
Irish Aid WWGS fund	-	7,669
Electric Aid	7,850	9,713
Engineers Without Borders	17,248	-
Irish Forum Global Health Esther Alliance	5,400	-
SHARP	13,500	-
Temporary wage subsidy scheme	13,040	-
Volunteer project income	500	42,263
Other charitable activity income	-	28,959
	317,538	348,604

Charitable Activities – Irish Aid

Irish Aid provide support to Brighter Communities Worldwide under the Civil Society Fund (CSF). The CSF fund supports Brighter Communities Worldwide projects in health, water, education and economic empowerment. An amount of €150,639 was unspent as at the financial year end (2019: €181,049) and has been included in the restricted reserve at the financial year end.

Summary of Irish Aid Funding

	Restricted at start of 2020 €	2020 Grant Income €	2020 Grant Spend €	Restricted at end of 2020 €
Irish Aid WWGS				
Development projects – 2019/20	181,049	-	(181,049)	-
Development projects – 2020/21	-	260,000	(109,361)	150,639
	181,049	260,000	(313,656)	150,639

5. Other Trading Activities

	2020 €	2019 €
Fundraising activities		
Walks, runs and marathons	3,935	5,828
Kenya Ball	150	36,233
Merchandise	8,094	1,055
Other fundraising events (online)	110,966	27,210
	123,145	70,326

6. Charitable Activities – Expenditure

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

	2020 Direct Costs €	2020 Support Costs Note 8 €	2020 Total Costs €	2019 Direct Costs €	2019 Support Costs Note 8 €	2019 Total Costs €
Education projects	160,004	60,802	220,806	137,158	64,342	201,500
Health including water	218,963	80,081	299,044	234,019	105,448	339,467
Economic Empowerment	19,513	7,415	26,928	21,277	8,936	30,213
Uganda project	-	-	-	4,954	2,621	7,575
Development Education	-	2,463	2,463	-	47,540	47,540
	398,480	150,761	549,241	397,408	228,887	626,295

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

	2020 Direct Costs €	2020 Support Costs Note 8 €	2020 Total Costs €	2019 Direct Costs €	2019 Support Costs Note 8 €	2019 Total Costs €
Kenya	398,480	148,298	546,778	392,454	178,726	571,180
Uganda	-	-	-	4,954	2,621	7,575
Ireland	-	2,463	2,463	-	47,540	47,540
	398,480	150,761	549,241	397,408	228,887	626,295

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. The funds are provided directly to the Kenyan entity to assist them in undertaking approved projects as a result of a detailed application process undertaken in advance of provision of funds.

7. Raising Funds

	2020 Restricted Funds €	2020 Unrestricted Funds €	2020 Total Costs €	2019 Total Costs €
Fundraising expenses	-	5,440	5,440	7,530
Support Costs (Note 8)	-	38,175	38,175	29,513
	-	43,615	43,615	37,043

8. Support Costs

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

	2020 Charitable Activities <i>Note 6</i> €	2020 Fundraising/ Retail <i>Note 7</i> €	2020 Total Costs €	2019 Charitable Activities <i>Note 6</i> €	2019 Fundraising /Retail <i>Note 7</i> €	2019 Total Costs €
Staff Salaries	93,730	16,541	110,271	132,796	10,185	142,981
Office Expenses	11,387	2,010	13,397	12,704	8,288	20,992
Website & IT	5,094	-	5,094	3,441	-	3,441
Insurance	4,111	726	4,837	3,092	545	3,637
PR/Events	23,536	16,930	40,466	14,984	3,970	18,954
Governance	9,406	1,660	11,066	8,913	5,212	14,125
Travel Expenses	1,033	309	1,342	5,417	1,313	6,730
Development Education	2,463	-	2,463	47,540	-	47,540
	150,761	38,175	188,936	228,887	29,513	258,400

The basis of allocation of the support costs identified above is the percentage of time spent by employees on each activity.

9. Net Deficit

The net deficit for the financial year is stated after charging:

	2020 €	2019 €
Government grants	260,000	260,000
Auditors' remuneration, including expenses – Audit of the financial statements	7,500	6,510

10. Staff Costs

Staff costs are comprised as follows:

	2020	2019
Ireland:	€	€
Wages and salaries	92,789	121,076
Social welfare costs	6,682	13,265
Pension costs	10,800	8,640
Sub-total	110,271	142,981

Where pension costs are incurred in more than one activity, they are apportioned between the related activities based on the amount of staff cost that each activity absorbs. Approximately 85% of defined contribution pension costs are paid from restricted funds.

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

	2020 Number	2019 Number
Ireland	3	4

No employee of the company acts as director. The total remuneration package of the Chief Executive Officer comprised salary of €57,987 (2019: €58,232).

No member of staff received remuneration in excess of €60,000 during the financial year (2019: Nil).

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 €Nil in 2020 (2019: €879).

12. Key Management Compensation

The total remuneration for key management personnel for the financial year amounted to €85,755 – 2 Staff) (2019: €96,476 – 3 staff).

13. Debtors

	2020	2019
	€	€
Prepayments	1,966	4,337
	1,966	4,337

14. Creditors

(Amounts falling due within one financial year)

	2020	2019
	€	€
Other creditors and accruals	16,600	7,544
PAYE/PRSI liability (Note 15)	5,795	6,926
	22,395	14,470

15. Financial Instruments

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

	2020	2019
	€	€
Financial liabilities		
<i>Measured at undiscounted amount payable</i>		
Other creditors and accruals (Note 14)	5,795	7,154

16. Reconciliation of Net Deficit to Net Cash Used in Charitable Activities

	2020	2019
	€	€
Net expenditure for the reporting year (as per the Statement of Financial Activities)	(22,175)	(52,520)
<i>Adjustments for:</i>		
Decrease in debtors	2,371	-
Increase in creditors	7,925	2,072
Net cash used in charitable activities	(11,879)	(50,448)

17. Funds of the Charity

	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds
	€	€	€	€
(i) Reconciliation of funds:				
Funds at 1 January 2020	150,859	181,049	25,000	356,908
Net deficit for the year	(12,517)	(9,658)	-	(22,175)
Fund balances at 31 December 2020	138,342	171,391	25,000	334,733

	Unrestricted Funds	Restricted Funds	Designated Funds	Balance 31/12/2020
	€	€	€	€
(ii) Analysis of net assets between funds:				
Current Assets	160,737	171,391	25,000	357,128
Liabilities	(22,395)	-	-	(22,395)
Total Funds	138,342	171,391	25,000	334,733

	Balance as at 01/01/2020	Income	Expenditure	Balance 31/12/2020
	€	€	€	€
(iii) Movements in funds:				
Unrestricted Funds	150,859	181,859	(194,376)	138,342
Restricted Funds	181,049	388,822	(398,480)	171,391
Designated Funds	25,000	-	-	25,000
Total Funds	356,908	570,681	(592,856)	334,733

Designated funds comprise of the Incident Management Reserve fund of €5,000 (2019: €5,000) and the Operational Reserve fund of €20,000 (2019: €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 organisation.

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

18. 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.

19. 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.

20. 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 €85,755 (2019: €96,476).

21. Taxation

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

22. 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.

23. Events after the Balance Sheet Date

The global pandemic outbreak of coronavirus Covid-19 is an ongoing event since the financial period end. 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.