

BRAC Europe

Directors' Report and Financial Statements

For the six months ended 30 June 2025

Registered Charity: 1115482

Company number: 5802246

Contents

Statement from the Board Chair	2
Statement from the Executive Director	3
Strategic Report	4
Independent Auditor's Report to the Members of BRAC Europe	19
BRAC Europe Financial Statements for the Six Months Ended 30 June 2025	24

Statement from the Board Chair

This financial reporting period covers the six months from January to June 2025, as we align our financial years with other BRAC entities. Considering this, it is remarkable how many significant events have occurred, profoundly impacting the environment in which BRAC Europe and the wider BRAC family operate.

Since the election of the new US President in late 2024, the geopolitical landscape has undergone a major transformation, marked by policy shifts that have resulted in dramatic reductions in US government aid budgets. Official Development Assistance (ODA) budgets across Europe have also been cut back in many countries, as resources are redirected towards defence and domestic needs. This has created a challenging environment for many organisations reliant on bilateral aid budgets for funding.

Amidst these challenges, BRAC continues to exemplify how organisations can adapt and innovate. Our ability to generate our own resources through diverse income streams, such as our social enterprises and investments in Bangladesh, has strengthened our internal accountability and enabled us to stay agile and focused, regardless of external shifts. This financial resilience allows us to maintain our investment in people and programmes, ensuring that we can continue to deliver impactful solutions even as traditional funding sources dwindle.

I am particularly pleased that BRAC Europe has continued on our journey to becoming a more pan-European entity, with deeper engagement in Denmark, Sweden and Germany. The recruitment of three new Board members from Sweden and Germany ensures our governance is reflective of our pan-European mandate.

As we look to the future, BRAC's global aim is to empower 250 million people on their journey out of poverty and marginalisation by 2030. BRAC Europe continues to play an important role in that vision, leveraging the potential of the European market to deliver resources and policy changes to help BRAC achieve its goals.

I would also like to take this opportunity to thank our existing and emerging partners around Europe for their trust, and the committed staff and Board of BRAC Europe who lead and guide this work.

Ken Caldwell

Board Chair
BRAC Europe

Statement from the Executive Director

2025 has been a year of transformation and consolidation for BRAC Europe. Building on the changes to our business model initiated in 2024, we have strengthened our role as BRAC's 's representatives in Europe — engaging on their behalf with European partners committed to long-term, flexible, and high-impact development collaboration.

During this shorter financial period we raised over £4 million in new programme funding for BRAC from European donors, with over a further £125 million in the pipeline. These resources continue to fuel BRAC's life-changing work, which has reached over 145 million people in Bangladesh since 1972, and lifted more than 33 million out of extreme poverty through education, health and livelihoods interventions.

In an increasingly uncertain global landscape—marked by geopolitical instability, reduced aid budgets and growing humanitarian crises—BRAC Europe has focused its efforts where they can have the greatest systemic impact. We advanced our major donor programme, with the development of a new strategy to engage Ultra High Net Worth Individuals, and deepened partnerships in the Nordics and Germany. Our advocacy has also evolved: we are calling for more direct funding to local organisations, promoting BRAC's model of community-led, scalable development, and pushing for greater investment in locally led climate adaptation.

Our visibility across Europe has grown significantly, with major media coverage in the UK, Germany and the Nordics, and our first staff appointment in Denmark marking an important step toward a pan-European presence.

Looking ahead, BRAC Europe remains steadfast in supporting BRAC's Global Strategy 2030 and its ambition to empower 250 million people with holistic solutions for social and economic advancement. Together with our partners, we will continue to champion locally led change and redefine how development is imagined and delivered.

Divya Bajpai

Executive Director
BRAC Europe

Strategic Report

This is the 2025 Directors' Report for BRAC Europe, a registered charity (**1115482**) and company (**5802246**).

Based in London, BRAC Europe was founded in 2006 and works to amplify BRAC's impact by developing partnerships with local and global organisations, donor agencies, academic and research institutions, governments, and individuals. BRAC Europe also raises awareness about BRAC's cost-effective and evidence-based poverty innovations and uses the practical knowledge BRAC has developed over 50 years to inform and influence the policy and practice of others.

BRAC Europe changed its registered name from BRAC UK in September 2024 to reflect its remit to represent BRAC across Europe.

BRAC is an international development organisation founded in Bangladesh in 1972 that partners with over 100 million people living with inequality and poverty to create opportunities to realise human potential.

Now a family of international entities, BRAC works through affiliates worldwide, including BRAC Europe, which plays a vital role in advancing BRAC's mission across European markets. BRAC Europe's office in London was founded in 2006 and is one of the four members of the BRAC Global Group alongside BRAC in Bangladesh (our global HQ), BRAC International and BRAC USA.

As an affiliate, BRAC Europe focuses on fundraising, awareness-raising, and policy influence, forging strategic partnerships to mobilise resources and advocate for solutions to extreme poverty and global challenges. For further details on BRAC Europe's role and the new affiliate agreement, please refer to the Structure, Governance and Management section of this report on page 9.

Purposes and aims

BRAC envisions a world free from all forms of exploitation and discrimination, where everyone has the opportunity to realise their potential. Our approach is grounded in the conviction that people living in poverty can be agents of change if they are empowered with the tools, skills, and hope they need to change their lives.

BRAC's mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large-scale positive change through economic and social programmes that enable women and men to realise their potential. BRAC sees four interconnected and reinforcing pathways to deliver on the dual goal of economic and social empowerment of people living in poverty: livelihoods and markets, financial inclusion, essential services, and agency and empowerment.

BRAC's [global strategy](#) sets out an ambitious goal to “support the empowerment of 250 million people on their journey out of poverty and marginalisation.”

BRAC's Europe plays a key role in BRAC's efforts to meet that goal by forging strategic partnerships with stakeholders in Europe, in support of BRAC's programmes. We build impactful, long-term relationships with partners whether they be governments, private sector organisations, or major private donors. We also play a leading role in engaging with policymakers in Europe.

2025 activities and achievements

BRAC's work has reached over 145 million people in Bangladesh alone since 1972, profoundly impacting the lives of over 33 million people through health services, education and programmes designed to help people lift themselves out of extreme poverty. You can find out more about the work of BRAC in Bangladesh, and BRAC International, through their [annual reports](#).

BRAC Europe supported this work by raising over £4 million in new programme funding from European donors, with over £125 million of further potential funding in the pipeline. In accordance with BRAC's new global financial operating model this funding passes directly to BRAC and BRAC International rather than to BRAC Europe.

As a result of the agreed changes to BRAC's global financial operating model outlined in our 2024 Annual Report, most new donor funding agreements are being contracted directly with BRAC or BRAC International.

The following remaining donor agreements were still contracted through BRAC Europe in six months to 30 June 2025:

The **Safe Water Development project** (funded by Danida Market Development Partnerships) focuses on inclusive and sustainable economic growth while addressing the impact of COVID-19 and supporting economic recovery in Bangladesh. A key objective is to increase income and create jobs by expanding opportunities in water treatment and distribution, leading to improved livelihoods and new employment. Additionally, the project aims to increase access to safe drinking water by providing 204,000 people with clean and affordable water.

Despite market and technical challenges, the initiative identified key barriers and made progress towards aligning private sector investment with social and environmental goals. Key achievements include fruitful direct engagement of local water entrepreneurs and other key stakeholders, a regional office established by Grundfos, and the development of a unique financing product for Reverse Osmosis plants. While commercial rollouts were limited, the project generated critical insights to advance sustainable clean water access and industrial wastewater solutions.

Returning to Learning: Supporting Out-of-School Children in Bangladesh was a three-year education project (2022–2024) funded by the Hempel Foundation aimed at addressing barriers to learning and ensuring inclusive educational opportunities. Operating in Kurigram, Rangpur, and Lalmonirhat, the project successfully reintegrated over 25,000 out-of-school and impoverished children into government schools. Under the BRAC Education Programme (BEP), 1,005 community schools (335 per year) operated during the project period, offering accelerated learning programmes to bridge educational gaps. These programmes were led by trained

teachers and emphasised interactive and engaging methods to enhance learning outcomes. Up until June 2025, the project recorded a 99.53% transition rate of accelerated course graduates into formal education systems.

The **Disability Inclusive Graduation project**, funded by Cartier Philanthropy, UBS Optimus Foundation and Whole Foods Market Foundation, aims to deliver socio-economic empowerment and increase the resilience of 1050 ultra-poor households (5250 people in total), including 735 householders where the project holder is a woman and 158 households where the project holder is a person with a disability (PWD). It operates in Chamwino District and Manyoni District of Tanzania using an enhanced inclusivity Graduation Approach to poverty alleviation. Key achievements up until June 2025 include the full package of assets for 1050 households being successfully delivered. 129 participants with disabilities received accommodations such as assistive devices, home modifications, rehabilitation and psychosocial support representing 96% of the 135 person target. 158 caregivers received psychosocial training to equip them with essential skills for providing effective support to persons with disabilities in their communities.

The **Climate Emergency Response** project, funded by Askehave Climate Foundation, focused on two emergency responses, the Philippines Drought Emergency Response and the Bangladesh Cyclone Remal Emergency Response.

BRAC provided humanitarian assistance to communities affected by Cyclone Remal in Khulna and Bagerhat districts to ensure immediate food security and support reconstruction efforts. The project successfully assisted 1,330 households, providing cash support to 1,110 households to meet immediate needs, facilitating the repair and reconstruction of 110 homes and constructing 110 new sanitary latrines.

In response to the severe El Nino-induced drought in the Philippines, BRAC implemented emergency relief efforts to address food security and housing needs for the affected population. The project provided direct cash transfers to 800 families, ensuring they have the means to purchase necessities. To support agricultural recovery and long-term food security, BRAC has distributed seeds and farming tools to the affected families. Furthermore, water systems were installed in two communities, improving access to clean water and strengthening resilience against future droughts.

On 28th April 2025, the Danish Ministry of Foreign Affairs and BRAC, with support from the Rockefeller Foundation, co-hosted a **high-level roundtable** in Copenhagen to catalyse bold, evidence-based, and locally led climate adaptation action focused on women smallholder farmers. Senior officials from the governments of Uganda, Tanzania, Liberia, Bangladesh, and Sweden joined global philanthropic leaders, including those from the Gates Foundation and Novo Nordisk Foundation.

Performance against priorities

In 2023 and 2024 BRAC Europe (then BRAC UK) identified four future priorities. Below is a summary of our activities and achievements under each heading.

Securing high-value / multi-year funding

In 2024 BRAC's Executive Management Committee, endorsed by the Global Board, made the decision to prioritise high-value, long-term, flexible funding partnerships over smaller, competitive funding mechanisms. As a result, BRAC Europe has prioritised the cultivation of relationships with organisations capable of funding and taking part in such partnerships. As referenced in the Executive Director's statement, we have already made significant progress, particularly within Denmark and Sweden, and we look forward to building more such partnerships to realise our goal of providing 250 million people with holistic solutions to achieve their own social and economic empowerment, by 2030.

Progressing the major donor programme

So far in 2025 we have made some progress towards establishing a major donor programme. In June, Executive Director, Divya Bajpai, attended the Profit for Good conference in Amsterdam, generating some important leads and expanding our learning on the best practice for engaging with High Net Worth Individuals. Our Deputy Executive Director, Gulru Dodkhudoeva, initiated a thorough procurement process to identify a consultant to establish an Ultra High Net Worth Individual Strategy for BRAC Europe, which commenced in September 2025. We expect that this will reinforce our organisational capacity and position us to engage more strategically with like-minded philanthropists in pursuit of our shared goals.

Advocating on extreme poverty and climate change

Following the election of the new US President in late 2024, the geopolitical landscape has undergone a major transformation. Policy shifts initiated during the new Administration's first 100 days in office have resulted in the closure of USAID, withdrawal of the US from some UN mechanisms and institutions (including development, humanitarian, global health and climate change), and the application of unprecedented global trade tariffs. The period has also seen new locations of global conflict and growing humanitarian crises. This has had impacts across the world, including the continent of Europe. European governments, including the UK, have been forced to respond to this, domestically and internationally. With Official Development Assistance (ODA) budgets across some European countries also being reduced; increases made to defence budgets and capability (especially closer to home, for the security of Europe); re-prioritisation and focus on addressing domestic needs and services (economy, health and social welfare), and tackling illegal migration.

As a result, BRAC Europe developed a new advocacy strategy to focus more on the way development and humanitarian response is delivered, including through local organisations. Between 2025 and 2027, BRAC Europe will focus more on advocating for more funding to be channelled directly to local organisations, and to reduce the use of intermediaries in the Global North.

Additionally, a cross-cutting theme throughout our advocacy engagements will be positioning BRAC as a grounded alternative to traditional models and a credible, forward-looking leader

shaping the future of the sector by example. Finally, BRAC Europe will advocate on climate change, specifically for greater resourcing of locally led adaptation.

The priority markets in which this advocacy strategy will be delivered are Germany, the UK, the Nordics and the European Union.

Increasing visibility in Europe amongst target audiences

Our media engagement activities and partnerships in Denmark and Germany resulted in continuing significant coverage outside of the UK, including multiple interviews published in German media and an opinion piece in Development Today, a publication which is well respected and read in the Nordics. We arranged a visit to Bangladesh for the journalist Tom Parry, who wrote two pieces highlighting elements of BRAC's work which were published in the Daily Telegraph in January 2025. BRAC's work with supporting Rohingya Refugees was also featured on BBC News.

Future plans

BRAC's Global Strategy 2030 framework forms the basis of BRAC's ambitious plans for 2025-26. Specifically, BRAC and BRAC International prioritise four interconnected and reinforcing pathways to deliver on the dual goal of economic and social empowerment of people living in poverty: livelihoods and markets, financial inclusion, essential services, and agency and empowerment.

Under livelihoods and markets, the aim is to remove barriers to economic inclusion for people in poverty, informal workers, those affected by climate change and displacement, as well as women and youth. Meanwhile, the financial inclusion strategy seeks to enable financial resilience by expanding tailored financial services to marginalised groups, especially women in under-served areas, through community engagement, simple and scalable product offerings, and the use of technology to enhance access to microfinance services.

Complementing these economic strategies, BRAC's essential services and agency and empowerment initiatives focus on the broader spectrum of human development and rights. The essential services component aims to extend quality healthcare, nutrition, clean water, sanitation and education to the most marginalised, including refugees, displaced people, and vulnerable children. Concurrently, the agency and empowerment strategy is designed to bolster the capacity of the poorest, particularly women, youth and the forcibly displaced, to exercise their agency, challenge harmful social norms and influence policy.

At BRAC Europe, 2025-26 will see the continuation of our transformation from an organisation primarily focused on the UK to a truly pan-European organisation with colleagues and representatives in key markets including Sweden, Denmark and a country in Central Europe Germany.

Establishing our Nordics Cluster

Our primary goal is still to establish a robust presence in the Nordics, particularly focusing on building private sector and bilateral partnerships in Denmark and Sweden, has made good progress during 2025, with continued engagement through visit by the Deputy Executive Director and the hiring of our first member of staff based in Denmark, the Head of Nordics / Trusts & Foundations Manager. That progress will continue in 2025-26 with increased engagement through our presence in the region, and further recruitment of Nordic-based staff.

Visibility and Strategic Engagement in Central Europe

The German elections took place in March 2025, so BRAC Europe is deploying a focused and strategic approach in Central Europe. We have continued working with our external affairs partner, Seeböhm.Berlin, to increase awareness and understanding of BRAC amongst Germany's political decision makers. In the latter half of 2025, we will deliver a more specific set of activities to promote direct funding of local organisations through German Official Development Assistance.

BRAC Europe will also assess potential investments in representation in Brussels, to support our fundraising and advocacy efforts within the European Commission.

Pan-European Communications and Brand Awareness

To elevate our presence across Europe and support our 2025-26 priorities, we will continue to invest in targeted media engagement, a new website, which will launch in October 2025, as well as a new LinkedIn profile. Additionally, BRAC Europe will be conducting four ambitious content-gathering exercises within BRAC's operating countries.

Philanthropy: Relaunching Our Approach

Working with a consultant, BRAC Europe will create and then implement an Ultra High Net Worth Individual Strategy.

Report of the Board of Directors

The Board of Directors presents its report and audited financial statements for BRAC Europe, a registered charity (**1115482**) and company (**5802246**), for the six months ended 30 June 2025. Reference and administrative information set out on page 18 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2025).

Structure, governance and management

i. Structure and constitution

The organisation is a charitable company limited by guarantee, incorporated in the UK on 2 May 2006 and registered in the UK as a charity on 20 July 2006. The company was established under

a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

ii. Governance

BRAC Europe is governed by a Board which is responsible for setting the strategy of the organisation and its governance. The Board maintains a board skills matrix to identify skills and experience gaps. They then undertake the selection and appointment of new members to the board. The appointment of new members is made on the basis of a vote of the Board. All Board members are inducted in BRAC Europe's projects and procedures. When possible, BRAC Europe Board members are also urged to visit BRAC country programmes to become familiar with the work and are invited to go on field visits. All Board members give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

BRAC Europe has three formal Board committees, with terms of reference approved by the Board.

- Finance, Audit, and Risk;
- Board and Organisational Development; and
- Remuneration.

Members of the Board provide additional support to staff through different advisory committees on Fundraising, and on Advocacy and Communications. BRAC Europe also has lead Board members to guide oversight of safeguarding and human resources policies and practices.

iii. Global governance

BRAC Europe is part of the wider BRAC global family of organisations. Whilst BRAC Europe is an independent, self-governing organisation it is closely integrated into the BRAC global family and devotes its support to raising funding for projects implemented by BRAC (in Bangladesh) and BRAC International, and for policy advocacy in line with BRAC's global advocacy priorities. BRAC Europe staff cooperate closely with BRAC and BRAC International staff to agree priorities for these activities.

The BRAC global family of organisations comprises:

- BRAC and BRAC International (operating entities);
- **BRAC Europe** and BRAC USA (affiliate entities); and
- BRAC Global (global governance entity).

In December 2020 BRAC Europe, together with BRAC, BRAC International and BRAC USA, signed a *Global Compact* to create the BRAC Global Board (BRAC Global). The Global Compact is a document which reaffirms the collective BRAC commitment to continue to strive towards becoming a global driver of social change and a thought leader on global development. It is a guiding document for BRAC entities, reaffirming a common vision and shared values, a culture of

mutual accountability and respect, commitment to collaboration and a Global South identity, under the leadership and stewardship of the BRAC Global Board. BRAC Europe nominated its Board Chair, Ken Caldwell, to sit on this Board.

In April 2024 BRAC Europe, together with BRAC, BRAC International and BRAC USA, signed an *Affiliate Agreement* to set out the financial model and decision-making processes for funding the affiliate entities. Under the Affiliate Agreement there is an annual Memorandum of Understanding signed between BRAC and BRAC Europe which defines the funding support that will be provided towards the core operating costs of BRAC Europe.

The Affiliate Agreement includes a *Trade Mark Licence Agreement* that defines the parameters for use of the BRAC brand by BRAC Europe in European territories.

iv. Management

The Executive Director reports to the Board Chair and is responsible for the day-to-day management of the organisation. In the six months ended 30 June 2025 the staff management team that reported to the Executive Director consisted of the Deputy Executive Director and Director of Partnerships, the Director of Communications and External Engagement, and the Director of Finance and Operations. Key decisions, such as approving the organisational strategy, annual budget and appointment of the Executive Director are made by the Board. The Executive Director appoints and manages the staff of the organisation and decides on the efficient use of resources to achieve plans and targets. These resources are detailed in BRAC Europe's Annual Plans.

v. Remuneration policy

The Remuneration Committee oversees the overall remuneration policies of BRAC Europe and agrees the remuneration of the Executive Director and management team.

Objectives and activities

The Board reviews the aims, objectives, and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work within the last six months. The review also helps the Board ensure the charity's aims, objectives and activities remain focused on its stated purposes. The Board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Board considers how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance in the delivery of public benefit

BRAC is committed to creating opportunities for people living in poverty. BRAC was founded in Bangladesh in 1972 by Sir Fazle Hasan Abed, and today is a global leader in developing cost-effective, evidence-based poverty innovations in extremely poor, conflict-prone and post-disaster settings. These include programmes in education, healthcare, microfinance, girls' empowerment, agriculture, human and legal rights, social enterprises, a bank, a university, and the world's largest

mobile money platform. BRAC is also unique among the world's major non-profits in that its overall budget is largely self-financed. In Bangladesh, where BRAC was founded and which is the location of its global headquarters, BRAC financed 80% of its average annual national budget from the profits made by its own socially-responsible businesses.

BRAC Europe works as part of the global BRAC family to raise awareness and funds for this low-cost, high-impact approach through developing partnerships in Europe with non-governmental organisations, academics, research institutes, the private sector, and governments. BRAC Europe also raises awareness about BRAC's cost-effective and evidence-based poverty innovations and uses the practical knowledge BRAC has developed over 50 years to inform and influence the policy and practice of others.

Fundraising disclosures

The below paragraphs are written in accordance with the Charities (Protection and Social Investment) Act 2016.

BRAC Europe raises the majority of its funds through engagement with institutions and foundations. The public fundraising activities undertaken are through online donations via the bracuk.net website, occasional events and appeals through media partners. BRAC Europe does not use professional fundraisers or involve commercial participators. Any email newsletters with fundraising calls to action have a clearly marked method of unsubscribing. Any member of the public who unsubscribes is automatically removed from BRAC Europe's subscription list. There have been no complaints about our fundraising activities in the six months to 30 June 2025. BRAC Europe has signed up to the Fundraising Regulator and adheres to the fundraising code of practice. We are committed to fundraising in a way that is respectful, open, honest, and accountable to the public. Our fundraising team is also sensitive to indications that an individual considering a donation may be in vulnerable circumstances, such as physical or mental conditions, financial stress, or where English is not their first language, which may impair their capacity to make an informed decision. If we consider that an individual lacks the capacity to make an informed decision we will either not accept, or return, their donation, and update our database accordingly.

Financial Review

i. Change of accounting period from 1 January 2025

As explained in the 2024 Annual Report, in 2025 BRAC Europe changed its financial period end from 31 December to 30 June. This is to align BRAC Europe's financial periods with the other entities in the BRAC global family of organisations. The financial period covered by this report is therefore the six months from 1 January 2025 to 30 June 2025.

ii. Financial results for 2025 and closing reserves

The financial results for the six months ended 30 June 2025 should be understood in the context of BRAC's global financial operating model. As explained in previous Annual Reports, as part of the recent transition to OneBRAC, BRAC's global financial operating model has changed. Under

the new model the majority of programme funding raised by BRAC Europe is now contracted directly between the donor and BRAC or BRAC International rather than via BRAC Europe. This means that programme funds raised by BRAC Europe do not in most cases appear in BRAC Europe's financial results, and BRAC Europe staff and overheads are not charged to restricted funds. Instead, BRAC Europe's operating costs are largely funded via an annual grant from BRAC. BRAC Europe supplements this grant with unrestricted donations in order to reduce the level of support required from BRAC. These changes were formally adopted in 2024 under a new Affiliate Agreement entered into by BRAC Europe along with the other BRAC global family of organisations (see also section g(iii) below).

Total income in the six months ended 30 June 2025 was £1.2m (year to 30 December 2024: £3.4m). There are three principal sources of income:

- The annual grant from BRAC to support BRAC Europe's fundraising, communications and advocacy work in Europe (unrestricted funding). The total value of this grant was £0.8m (year to 31 December 2024: £1.6m);
- Grants from governments, trusts and foundations to fund specific projects (restricted funding). Total income from these sources was £0.4m (year to 31 December 2024: £1.7m). The reduction in income reflects the transition to the new global financial operating model described above. The majority of grant income received in this period was from multi-year grants agreed before that transition;
- Donations from individuals and corporate bodies (unrestricted funding). Income from donations was £38,000 (year to 31 December 2024: £90,000).

Total expenditure in the six months ended 30 June 2025 was £1.2m (year to 31 December 2024: £3.0m). Expenditure falls into two main categories:

- Costs of fundraising, communications and advocacy work in Europe, and associated governance and overheads (unrestricted fund expenditure). These costs were £0.9m (year to 31 December 2024: £1.3m). On an annualised basis this represents an increase in costs, reflecting greater investment in BRAC Europe resources to help deliver its new European strategy;
- Direct costs of delivering projects, principally as grant disbursements to BRAC and BRAC International (restricted funding expenditure). In line with the new global financial operating model direct project expenditure fell to £0.4m (year to 31 December 2024: £1.7m) as the number of grants between the donor and BRAC Europe reduces.

The overall financial result for the six months ended 30 June 2025 was a deficit on the unrestricted fund of £48,000 (year to 31 December 2024: surplus of £0.4m), reducing the size of the unrestricted reserve slightly to £0.9m as at 30 June 2025. This exceeds the target range of £0.45m to £0.55m set with reference to the reserves policy (see below). Management plans to utilise the excess reserves in 2025-26 to continue to invest in BRAC Europe's resources in target markets.

There was a small surplus across restricted funds of £37,000 (year to 31 December 2024: surplus £30,000), and the closing aggregate balance on restricted funds was £75,000. With the shift towards new programme funding now generally being directly between the grantor and BRAC or BRAC International the number and aggregate value of restricted funds has reduced significantly over the last three years.

iii. Going concern

The Board has reviewed BRAC Europe's latest financial plans and have concluded that the level of reserves and actions proposed by management are sufficient to create a reasonable expectation that BRAC Europe has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

iv. Reserves policy

The Board has determined that BRAC Europe requires unrestricted reserves to be held for the following purposes:

- to fund unexpected expenditure, e.g. if projects overrun, or in response to unforeseen events;
- to fund shortfalls in reserves if expected levels of income are not reached, e.g. due to adverse movements in foreign exchange; and
- to fund working capital.

Taking these into account, the Board sets a target level for unrestricted reserves. The target balances the need to apply funds to BRAC Europe's mission in the furtherance of our charitable objectives whilst ensuring there are sufficient funds to run our day-to-day business and to protect from the risk of unanticipated events. The target is reviewed at least annually to ensure it remains relevant to the realities of current operations and their associated risks. At 30 June 2025 the Board determined that the target reserves level should be in a range of £0.45m to £0.55m. The actual unrestricted reserves at year end stood at £0.90m (31 December 2024: £0.95m), and free reserves (excluding fixed assets) were £0.89m (2023: £0.94m).

BRAC Europe also holds restricted reserves, representing funds received for specific project work. At 30 June 2025 restricted funds held were £75,000 (31 December 2024: £38,000). These funds will be disbursed in 2025-26 in line with donor restrictions.

v. Investments policy

BRAC Europe's investments policy forms part of the Treasury Management policy, which is approved by the Board. In accordance with the Reserves policy BRAC Europe does not anticipate holding a significant level of funds which are surplus to short-term requirements and available for investment. In general cash is held in an instant access business current account with a bank. From time to time there may be opportunities to invest surplus funds in order to realise a higher

return. In such cases BRAC Europe's policy is to invest cash in fixed term deposits of up to six months with financial institutions whose credit rating exceeds a minimum threshold.

Risk management

The BRAC Europe Board identifies the key risks facing the organisation, which are documented in a risk register and discussed with and approved by the Board. The risk register is updated to reflect recent operational and financial developments, strategic annual organisational objectives, and changes in the external environment. Each risk item is analysed according to its perceived potential impact and likelihood of occurrence, together with actions that either have been or will be taken in mitigation. It is reviewed quarterly and amended accordingly. The Board is satisfied that there are procedures in place commensurate with the size of identified risks to prevent or manage their effects.

The Board considers the following risks to be significant in terms of their potential impact on operations:

- *Trends in the political environment in our target markets in Europe, and changes in donor thematic priorities, over the next 3-5 years impede our ability to fundraise or influence policy change with governments.* One such example is the UK Government's announcement in February 2025 of a cut in the overseas aid budget from 0.5% of Gross National Income to 0.3% by 2027. BRAC Europe mitigates this risk through seeking to diversify its income across a range of European governments, charitable trusts and foundations, and private individuals.
- *Changes in the political environment in Bangladesh affect BRAC's ability to deliver its mission globally.* Following the political changes in Bangladesh in 2024 BRAC has successfully continued to deliver its charitable mission both there and around the world. As Bangladesh's new political context takes shape in the coming year BRAC Europe will continue to liaise with BRAC colleagues to understand any implications for the organisation globally.
- *Organisational capacity constraints within BRAC globally restrict our ability to fully capitalise on fundraising opportunities.* BRAC Europe works in partnership with other BRAC entities to respond to funding opportunities and is partly dependent on BRAC for technical and other expertise. BRAC continues to invest in strengthening capacity to ensure that sufficient resources are deployable in support of fundraising efforts.
- *An adverse event such as a safeguarding incident or case of financial malpractice occurring in BRAC globally damages BRAC's reputation with donors and policy-makers.* Such reputational damage to BRAC would potentially harm BRAC Europe's ability to raise new funding or achieve its policy advocacy objectives. This risk is mitigated through ensuring that appropriate policies, processes and cultures are embedded across all BRAC entities, overseen by the global BRAC governance framework.
- *BRAC Europe suffers financial loss or disruption to activities as a result of fraud or cybercrime.* Fraud and cybercrime risk continues to be high for all organisations. BRAC Europe seeks to protect itself from such incidents through a combination of robust IT and internal controls,

organisational policies on areas including fraud, procurement and IT, and staff training to build awareness of good practice.

Statement of the responsibilities of Board members

The Board members (who are also Trustees of BRAC Europe for the purposes of charity law) are responsible for preparing the report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Board members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, Board members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Board members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Board members are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Board members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity. The report of the Directors has been

prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

This report has been prepared in accordance with the duty set out in the Charities Act 2006.

Approved by the Board of Directors on 4 November 2025 and signed on their behalf by

Ken Caldwell

Director and Trustee (Chair)

Administrative details

Address

BRAC Europe, 25 Wilton Rd, London SW1V 1LW

Email: info@braceurope.org

Office phone

+44 (0) 203 434 3071

Directors (Trustees)

Ken Caldwell (Board Chair)

Anne-Marie Harris (Treasurer)

Charles Costa Duarte

Shanthi Flynn

Göran Holmqvist (appointed 1 January 2025, resigned 31 October 2025)

Jack Lundie

Deepali Sood (resigned 30 April 2025)

Serap Altinisik (appointed 13 August 2025)

Florian Witt (appointed 29 September 2025)

Principal staff

Divya Bajpai (Executive Director)

Gulru Dodkhudoeva (Deputy Executive Director and Director of Partnerships)

Chris Lyne (Director of Communications and External Engagement)

Giles Totterdell (Director of Finance and Operations)

Bankers

HSBC, 8 Victoria Street, Westminster, London, SW1H 0NJ

Solicitors

Bates Wells LLP, 10 Queen Street Place, London, EC4R 1BE

Auditor

Sayer Vincent LLP, Chartered Accountants and Statutory Auditor, 110 Golden Lane, London, EC1Y 0TG

Independent Auditor's Report to the Members of BRAC Europe

Opinion

We have audited the financial statements of BRAC Europe (the 'charitable company') for the period ended 30 June 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 June 2025 and of its incoming resources and application of resources, including its income and expenditure for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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 trustees' 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 BRAC Europe's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable

company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)
13 November 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 110 Golden Lane, LONDON, EC1Y 0TG

BRAC Europe

Statement of financial activities (incorporating an income and expenditure account)

For the period ended 30 June 2025

		6 months to 30 June 2025			12 months to 31 Dec 2024		
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations and legacies	2	18,433	20,000	38,433	84,952	5,249	90,201
Charitable activities							
BRAC core support	3	793,790	-	793,790	1,595,518	-	1,595,518
Grants	3	-	390,900	390,900	-	1,707,245	1,707,245
Other income		<u>6,258</u>	<u>-</u>	<u>6,258</u>	<u>12,436</u>	<u>-</u>	<u>12,436</u>
Total income		<u>818,481</u>	<u>410,900</u>	<u>1,229,381</u>	<u>1,692,906</u>	<u>1,712,494</u>	<u>3,405,400</u>
Expenditure on:							
Raising funds	4	441,448	-	441,448	332,879	-	332,879
Charitable activities							
Programme support	4	61,123	15,853	76,976	522,870	152,055	674,925
Grant disbursements	4	-	358,063	358,063	-	1,530,360	1,530,360
Advocacy and communications	4	<u>363,676</u>	<u>-</u>	<u>363,676</u>	<u>414,584</u>	<u>-</u>	<u>414,584</u>
Total expenditure		<u>866,247</u>	<u>373,916</u>	<u>1,240,163</u>	<u>1,270,333</u>	<u>1,682,415</u>	<u>2,952,748</u>
Net (expenditure) / income for the year and Net movement in funds		<u>(47,766)</u>	<u>36,984</u>	<u>(10,782)</u>	<u>422,573</u>	<u>30,079</u>	<u>452,652</u>
Reconciliation of funds:							
Total funds brought forward		<u>948,667</u>	<u>38,039</u>	<u>986,706</u>	<u>526,094</u>	<u>7,960</u>	<u>534,054</u>
Total funds carried forward		<u>900,901</u>	<u>75,023</u>	<u>975,924</u>	<u>948,667</u>	<u>38,039</u>	<u>986,706</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the financial statements.

BRAC Europe**Balance sheet**

Company no. 5802246

As at 30 June 2025

		30 June 2025		31 December 2024	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	11		9,384		11,759
			<u>9,384</u>		<u>11,759</u>
Current assets:					
Debtors	12	676,529		846,157	
Cash at bank and in hand		1,030,672		468,279	
		<u>1,707,201</u>		<u>1,314,436</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	740,661		339,489	
		<u>740,661</u>		<u>339,489</u>	
Net current assets			966,540		974,947
Total net assets			975,924		<u>986,706</u>
			<u>975,924</u>		<u>986,706</u>
The funds of the charity:	15				
Restricted income funds			75,023		38,039
Unrestricted income funds:					
General funds		900,901		948,667	
		<u>900,901</u>		<u>948,667</u>	
Total unrestricted funds			900,901		948,667
Total charity funds			975,924		<u>986,706</u>
			<u>975,924</u>		<u>986,706</u>

Approved by the Board of Directors on 4 November 2025 and signed on their behalf by

Ken Caldwell
Director (Board Chair)Anne-Marie Harris
Director (Treasurer)

Statement of cash flows

For the period ended 30 June 2025

Reconciliation of net (expenditure) / income to net cash flow from operating activities

	30 June 2025 £	31 December 2024 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(10,782)	452,652
Depreciation charges	4,699	8,467
Dividends, interest and rent from investments	(6,258)	(12,018)
Decrease/(increase) in debtors	169,628	(807,555)
Increase/(decrease) in creditors	401,172	(74,334)
Net cash provided by/(used in) operating activities	558,459	(432,788)

	30 June 2025 £	£	31 December 2024 £	£
Cash flows from operating activities				
Net cash provided by/(used in) operating activities		558,459		(432,788)
Cash flows from investing activities:				
Dividends, interest and rents from investments	6,258		12,018	
Purchase of fixed assets	(2,324)		(5,911)	
Net cash provided by investing activities		3,934		6,107
Change in cash and cash equivalents in the year		562,393		(426,681)
Cash and cash equivalents at the beginning of the year		468,279		894,960
Cash and cash equivalents at the end of the year		1,030,672		468,279

Notes to the financial statements

For the period ended 30 June 2025

1 Accounting policies

a) Statutory information

BRAC Europe is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is 25 Wilton Road, London SW1V 1LW.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by 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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Board considers that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Board has reviewed BRAC Europe's financial forecasts for the 12 months from the date on which the accounts were signed, and conducted sensitivity analysis to assess the impact of key risks including inflation and delays in the timing of receipt of funding. They have concluded that even on a prudent 'low case' set of assumptions BRAC Europe would maintain sufficient unrestricted reserves and liquidity to be able to operate until at least the end of this period.

The Board does not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Board for particular purposes.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and other international development activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the support functions are apportioned on the following basis, which is an estimate of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff cost, of the amount attributable to each activity:

- Raising funds	59%
- Programme support	6%
- Advocacy & Communications	35%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Notes to the financial statements

For the period ended 30 June 2025

1 Accounting policies (continued)**i) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and Fittings	25%
- Computer Equipment	25%
- Leasehold Improvements	25%
- Website	25%

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l) Creditors and provisions

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 measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

n) Pensions

BRAC Europe deals with its pension arrangements through a NEST money purchase pension scheme. Staff are enrolled in the NEST scheme from the commencement of their employment. BRAC Europe matches staff contributions up to a maximum 6% of gross salary per annum.

o) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net incoming and outgoing resources for the year.

2 Income from donations

	6 months to 30 June 2025			12 months to 31 Dec 2024		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Individual Donations	4,093	20,000	24,093	48,140	5,249	53,389
Corporate Donations	14,340	-	14,340	36,812	-	36,812
	18,433	20,000	38,433	84,952	5,249	90,201

Notes to the financial statements

For the period ended 30 June 2025

3 Income from charitable activities

	6 months to 30 June 2025			12 months to 31 Dec 2024		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
BRAC core support for charitable activities	793,790	-	793,790	1,595,518	-	1,595,518
Grant income						
Askehave Climate Foundation	-	190,000	190,000	-	166,619	166,619
Danida Danish Market Development Partnerships (DMDP)	-	(6,951)	(6,951)	-	(66,587)	(66,587)
German Toilet Organization	-	-	-	-	2,006	2,006
Hempel Foundation	-	3,029	3,029	-	591,217	591,217
IKEA Foundation	-	-	-	-	(1,525)	(1,525)
Shepherds Bush Mosque	-	-	-	-	2,000	2,000
Subtotal - grants for charitable activities in Bangladesh	-	186,078	186,078	-	693,730	693,730
Signify Foundation	-	-	-	-	23,754	23,754
Askehave Foundation	-	190,000	190,000	-	208,690	208,690
Subtotal - grants for charitable activities in The Philippines	-	190,000	190,000	-	232,444	232,444
Cartier Philanthropy	-	-	-	-	710,065	710,065
UBS Optimus Foundation	-	-	-	-	71,006	71,006
Subtotal - grants for charitable activities in Tanzania	-	-	-	-	781,071	781,071
Rockefeller Foundation	-	14,822	14,822	-	-	-
Subtotal - grants for charitable activities in Europe	-	14,822	14,822	-	-	-
Total grant income	-	390,900	390,900	-	1,707,245	1,707,245
Total income from charitable activities	793,790	390,900	1,184,690	1,595,518	1,707,245	3,302,763

Note: The negative income on the Danish Market Development Partnerships (DMDP) project in Bangladesh is due to foreign exchange revaluation of accrued income denominated in Danish krone. The income was recognised and accrued for in 2024, and as the income accrual remained as at 30 June it was revalued resulting in a lower value in British pounds.

Notes to the financial statements

For the period ended 30 June 2025

4a Analysis of expenditure (current period)

	Charitable activities						6 months to 30 June 2025 Total £
	Cost of raising funds £	Programme support £	Grant disbursements £	Advocacy and communications £	Governance costs £	Support costs £	
Staff costs (note 7)	193,064	19,211	-	115,074	66,715	68,581	462,645
Staff training and recruitment (note 7)	19,505	1,941	-	10	24,939	9,221	55,616
Consultants	-	19,747	-	118,771	-	6,511	145,029
Grants payments (note 5)	-	-	358,063	-	-	-	358,063
Travel	22,478	2,237	-	4,938	12,025	3,538	45,216
Office management	11,712	1,165	-	10,916	1,356	66,891	92,040
Fundraising and events	4,585	15,253	-	658	-	-	20,496
Audit & legal fees	-	-	-	-	18,556	-	18,556
Foreign exchange (gains)/losses	-	(1,494)	-	-	-	43,996	42,502
	251,344	58,060	358,063	250,367	123,591	198,738	1,240,163
Governance costs	72,892	7,253	-	43,446	(123,591)	-	-
Support costs	117,212	11,663	-	69,863		(198,738)	-
	190,104	18,916	-	113,309			-
Total expenditure 2025	441,448	76,976	358,063	363,676	-	-	1,240,163

Notes to the financial statements

For the period ended 30 June 2025

4b Analysis of expenditure (prior year)

	Charitable activities						12 months to 31 December 2024 Total £
	Cost of raising funds £	Programme support £	Grant disbursements £	Advocacy and communications £	Governance costs £	Support costs £	
Staff costs (note 7)	156,655	264,813	-	133,971	118,298	190,214	863,951
Staff training and recruitment (note 7)	664	1,122	-	14,279	5,170	19,456	40,691
Consultants	-	82,016	-	79,779	8,774	19,807	190,376
Grants payments (note 5)	-	-	1,530,360	-	-	-	1,530,360
Travel	12,357	26,257	-	19,442	7,044	411	65,511
Office management	8,050	13,583	-	17,019	15,194	119,864	173,710
Fundraising and events	1,329	1,257	-	18,544	-	-	21,130
Audit & legal fees	-	32,236	-	-	27,146	-	59,382
Foreign exchange (gains) / losses	-	(6,388)	-	-	-	14,025	7,637
	179,055	414,896	1,530,360	283,034	181,626	363,777	2,952,748
Governance costs	51,225	86,593	-	43,808	(181,626)	-	-
Support costs	102,599	173,436	-	87,742		(363,777)	-
	153,824	260,029	-	131,550			-
Total expenditure 2024	332,879	674,925	1,530,360	414,584	-	-	2,952,748

Notes to the financial statements

For the period ended 30 June 2025

5 Grant-making

6 months to 30 June 2025	12 months to 31 Dec 2024
Grants to institutions	Grants to institutions
£	£

BRAC Bangladesh	1,072	448,953
BRAC International	356,991	446,084
BRAC Tanzania	-	635,323
	358,063	1,530,360

6 Net (outgoing) resources for the period

This is stated after charging:

6 months to 30 June 2025	12 months to 31 Dec 2024
£	£

Depreciation	4,699	8,467
Operating lease rentals:		
Property	26,130	52,458
Auditor's remuneration, excluding VAT :		
Audit of BRAC Europe accounts	9,500	10,500
External audit of project funds	-	26,863
Other auditor costs	-	2,255

7 Analysis of staff costs, Board remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

6 months to 30 June 2025	12 months to 31 Dec 2024
£	£

Salaries and wages	395,137	743,383
Social security costs (National insurance)	39,172	78,674
Employer's contribution to defined contribution pension schemes	28,337	41,894
Other staff costs	55,616	40,691
	518,262	904,642

6 months to 30 June 2025	12 months to 31 Dec 2024
No.	No.

£60,000 - £69,999	-	1
£70,000 - £79,999	-	1
£80,000 - £89,999	-	2

The total employee benefits including pension contributions of the key management personnel were £199,415 (2024: £366,884).

There were no ex-gratia termination payments made to staff in the period to 30 June 2025 (2024: £nil). Termination payments are recognised in full in the accounting period in which they fall due.

The charity Board members were not paid or received any other benefits from employment with the charity in the period to 30 June 2025 (2024: £nil). No charity Board member received payment for professional or other services supplied to the charity (2024: £nil).

Board members' expenses totalling £1,422 were incurred by three members in the period to 30 June 2025 (2024: £5,122, six members) relating to travel and subsistence costs incurred in relation to attendance at meetings of the Board.

Notes to the financial statements

For the period ended 30 June 2025

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the the period was 14.8 (2024: 15.0). The average number of staff on the FTE basis is as follows:

	6 months to 30 June 2025 No.	12 months to 31 Dec 2024 No.
Raising funds	6.2	2.3
Programme support	0.6	5.1
Advocacy and communications	3.7	2.3
Governance	1.7	1.4
Support	2.2	3.0
	14.4	14.1

9 Related party transactions

The charity enjoys a close working relationship with BRAC and BRAC International who provide funding to enable the charity to carry out its core charitable objectives (see the Directors' Report). The charity recognised income of £793,790 from BRAC and BRAC International during the period to 30 June 2025 (2024: £1,595,518), of which £387,371 was owed by BRAC as at 30 June 2025.

The funding was received to enable BRAC Europe to conduct activities including fundraising, advocacy, and raising of BRAC's profile in Europe, in furtherance of BRAC's charitable purposes and has been included in the financial statements under incoming resources from charitable activities.

In addition to this, from time to time BRAC Europe pays suppliers on behalf of other BRAC entities (BRAC, BRAC International, BRAC USA, and BRAC Global), and is reimbursed in full by those entities, and from time to time those entities pay suppliers on behalf of BRAC Europe and are reimbursed in full by BRAC Europe. As at 30 June 2025 BRAC Europe was owed £16,482 by BRAC USA, and BRAC Europe owed BRAC USA £8,995.

As at 30 June 2025 BRAC Europe was also owed £136,784 by BRAC in respect of funding for a project which ended in December 2024. □

There were no donations received from Board members (2024: £nil).

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Leasehold Improvements £	Fixtures and fittings £	Computer equipment £	Website £	Total £
Cost					
At the start of the period	13,834	4,164	15,216	6,350	39,564
Additions in period	-	-	2,324	-	2,324
Disposals in period	-	-	(1,380)	-	(1,380)
At the end of the period	13,834	4,164	16,160	6,350	40,508
Depreciation					
At the start of the period	11,634	3,571	9,940	2,660	27,805
Disposals in period	-	-	(1,380)	-	(1,380)
Charge for the period	1,729	354	1,822	794	4,699
At the end of the period	13,363	3,925	10,382	3,454	31,124
Net book value					
At the end of the period	471	239	5,778	2,896	9,384
At the start of the period	2,200	593	5,276	3,690	11,759

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the period ended 30 June 2025

12 Debtors

	30 June 2025 £	31 December 2024 £
Trade debtors	538,838	574,764
Other debtors	12,898	12,150
Prepayments	26,268	30,724
Accrued income	98,525	228,519
	676,529	846,157

13 Creditors: amounts falling due within one year

	30 June 2025 £	31 December 2024 £
Trade creditors	42,026	21,964
Taxation and social security	25,212	21,664
Accruals	673,423	295,861
	740,661	339,489

The increase in creditors as at 30 June 2025 compared to the previous year-end relates to the Climate Disaster Relief programme funded by the Askehave Climate Foundation. £337,000 funding for 2025 was received by BRAC Europe prior to 30 June but was not transferred to BRAC International until after 30 June.

14a Analysis of net assets between funds (current period)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	9,384	-	9,384
Net current assets	891,517	75,023	966,540
Net assets at the end of the year	900,901	75,023	975,924

14b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	11,759	-	11,759
Net current assets	936,908	38,039	974,947
Net assets at the end of the year	948,667	38,039	986,706

Notes to the financial statements

For the period ended 30 June 2025

15a Movements in funds (current period)

		At 1 January 2025 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2025 £
Restricted funds:						
BD018	Bangladesh: Safe Water Development (donor: Danida)	-	(6,951)	6,951	-	-
BD020	Bangladesh: Education (donor: Hempel Foundation)	(10)	3,029	(3,019)	-	-
BD026	Bangladesh: Climate Disaster Relief Efforts (donor: Askehave Climate Foundation)	-	190,000	(168,496)	-	21,504
EU001	Europe: Contribution to Climate Round Table event co-hosted by BRAC and Danish Govt in Copenhagen (donor: Rockefeller Foundation)	-	14,822	(14,822)	-	-
IN001	India: UPGI (donor: private individual)	-	20,000	(20,000)	-	-
PH002	Philippines: Climate Disaster Relief Efforts (donor: Askehave Climate Foundation)	-	190,000	(168,495)	-	21,505
TZ006	Tanzania: Disability Inclusive Ultra-Poor Graduation (donor: Cartier Philanthropy, UBS Foundation, Whole Planet Foundation)	38,049	-	(6,035)	-	32,014
Total restricted funds		38,039	410,900	(373,916)	-	75,023
Unrestricted funds:						
General funds		948,667	818,481	(866,247)	-	900,901
Total unrestricted funds		948,667	818,481	(866,247)	-	900,901
Total funds		986,706	1,229,381	(1,240,163)	-	975,924

Note: For explanation of the negative income for BD018 see Note 3.

Foreign exchange gains/losses

Funding for some projects is transacted through foreign currency bank accounts - namely US dollars and Danish krone - and therefore the project funds themselves do not suffer foreign exchange gains and losses. The bank balances are held in BRAC Europe's accounts in the home currency of GBP and revalued on a monthly basis, and transactions are converted to GBP at the exchange rate at the date of transaction as per the SORP requirements. This causes exchange gains and losses to be accounted for, and these are included in the restricted fund to which they relate.

Notes to the financial statements

For the period ended 30 June 2025

15b Movements in funds (prior year)

		At 1 January 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2024 £
Restricted funds:						
BD010	Bangladesh: Rohingya crisis (individual	(443)	250	193	-	-
BD012	Bangladesh: Youth in Retail (donor: IKEA Foundation/UBS Foundation)	-	(1,525)	1,525	-	-
BD018	Bangladesh: Safe Water Development (donor: Danida)	26,869	(66,587)	39,718	-	-
BD020	Bangladesh: Education (donor: Hempel Foundation)	(19,669)	591,217	(571,558)	-	(10)
BD026	Bangladesh: Climate Disaster Relief Efforts	3,617	166,619	(170,236)	-	-
BD027	Bangladesh: The Humanitarian Sanitation Knowledge Hub (SANIHUB) (donor: German Toilet Organisation)	(196)	2,006	(1,810)	-	-
BD028	Bangladesh: Flood Support (donor: Shepherds Bush Mosque)	-	2,000	(2,000)	-	-
BD029	Bangladesh: BBC Radio 4 Appeal (individual donations)	-	4,999	(4,999)	-	-
PH001	Philippines: Youth Skills (donor: Signify Foundation)	956	23,754	(24,710)	-	-
PH002	Philippines: Climate Disaster Relief Efforts (donor: Askehave Climate Foundation)	-	208,690	(208,690)	-	-
TZ006	Tanzania: Disability Inclusive Ultra-Poor Graduation (donor: Cartier Philanthropy, UBS	(3,174)	781,071	(739,848)	-	38,049
Total restricted funds		7,960	1,712,494	(1,682,415)	-	38,039
Unrestricted funds:						
General funds		526,094	1,692,906	(1,270,333)	-	948,667
Total unrestricted funds		526,094	1,692,906	(1,270,333)	-	948,667
Total funds		534,054	3,405,400	(2,952,748)	-	986,706

Notes to the financial statements

For the period ended 30 June 2025

Purposes of restricted funds

BD010	<p>Bangladesh: Rohingya crisis (individual donations)</p> <p>Alongside the projects that were funded through partnerships with like minded organisations, BRAC Europe also receives some restricted donations from members of the public for specific campaigns. In 2024 we received donations for our work in responding to the Rohingya Crisis in Bangladesh. As at the end of 2024 we no longer receive donations for this work and the fund is closed.</p>
BD012	<p>Bangladesh: Youth in Retail (donor: IKEA Foundation/UBS Foundation)</p> <p>This purpose of this pilot project was to provide sustainable livelihoods for low-income urban youth in Bangladesh in partnership with the retail sector and the Government of Bangladesh. It provided decent work opportunities for disadvantaged urban youth (particularly women and People With Disabilities (PwD)) and supported industry standardisation in major cities in Bangladesh through an innovative approach to testing and scaling effective, efficient and sustainable training and employment models; one focusing on apprenticeships and the other on institute based training. This project ended in 2023 and the fund is closed.</p>
BD018	<p>Bangladesh: Safe Water Development (donor: Danida)</p> <p>The objective of this project was to create new jobs and income opportunities in water treatment and distribution, and to increase access to safe and affordable drinking water for over 200,000 people in Bangladesh, tackling the impact of COVID-19 and supporting economic recovery in the coming years. The business objective was for commercial partners to create a commercially viable business partnership model for cleaning industrial effluent, reducing the harmful impacts of effluent on people and the environment, and delivering safe drinking water whilst creating green jobs and additional income for the sector in the process. The project ended in 2024 and the fund is closed.</p>
BD020	<p>Bangladesh: Education (donor: Hempel Foundation)</p> <p>This project provided quality primary education to children in northern Bangladesh who were not previously in the school system. It aimed to reach over 25,000 children through an accelerated learning programme, with access to trained teachers and technology, to support them to bridge learning gaps and transition to government primary schools. The project ended in December 2024 and the fund is closed.</p>
BD026	<p>Bangladesh: Climate Disaster Relief Efforts (donor: Askehave Climate Foundation)</p> <p>Under this project BRAC provides rapid emergency response to communities affected by climate-related disasters in Bangladesh and the Philippines. In 2024 funds were used to provide humanitarian assistances to ensure immediate food security of 1,000 of the most vulnerable families affected by Cyclone Remal in the Khulna and Bagerhat districts. This included reconstruction of damaged houses and latrines, and cash support to ensure immediate needs for food and other essentials were met. The project continues for one further year in 2025.</p>
BD027	<p>Bangladesh: The Humanitarian Sanitation Knowledge Hub (SANIHUB) (donor: German Toilet Organisation)</p> <p>This funding from the German Toilet Organisation was to support the work being carried out by BRAC at the Rohingya refugee camps in Cox's Bazar to ensure that lessons learned in the field of sanitation and faecal sludge management are made available to the global humanitarian sector through SANIHUB. SANIHUB is a platform for consolidating and sharing knowledge on sanitation and faecal sludge management issues in emergency situations. The project ended in 2024 and the fund is closed.</p>
BD028	<p>Bangladesh: Flood Support (donor: Shepherds Bush Mosque)</p> <p>This funding was provided to support communities affected by severe flooding in Eastern Bangladesh in August 2024. The fund is now closed.</p>
BD029	<p>Bangladesh: BBC Radio 4 Appeal (individual donations)</p> <p>Donations from this appeal on BBC Radio 4 in September 2024 supported BRAC's work in Bangladesh to counter the impacts of climate change on the most vulnerable communities, including improving the resilience and adaptive capacity of the most vulnerable people in coastal cities and towns, rethinking shelters to enable people to stay in their home village for longer and creating climate-resilient cities for people who have already been forced to migrate. The fund is now closed.</p>
EU001	<p>Europe: Climate Round Table Event (donor: Rockefeller Foundation)</p> <p>This was a convening event co-hosted by BRAC and the Danish Ministry of Foreign Affairs in April 2025 with the aim to develop a coalition of donors for BRAC's Integrated Climate Change Programme (ICCP). ICCP will offer a comprehensive bundle of services including access to agricultural inputs and technologies, training, financial services, market linkages, and support for accessing water. Rockefeller Foundation provided funding to contribute to the costs of this convening event. The fund is now closed.</p>
IN001	<p>India: Ultra-Poor Graduation Initiative</p> <p>A donation was received to support BRAC's Ultra Poor Graduation Initiative (UPGI) programme in India. UPGI is a global programme within the BRAC network in which BRAC partners with governments, policymakers, multilaterals, and civil society to expand adoption of our proven approach worldwide and enact local and global policy changes that better serve people living in extreme poverty. The fund is now closed.</p>
PH001	<p>Philippines: Youth Skills (donor: Signify Foundation)</p> <p>The aim of this project was to provide meaningful and sustainable livelihood opportunities for women and girls aged 16-30 from marginalised</p>
PH002	<p>Philippines: Climate Disaster Relief Efforts (donor: Askehave Climate Foundation)</p> <p>Under this project, BRAC provides rapid emergency response to communities affected by climate-related disasters in Bangladesh and the Philippines. In 2024 funds were used to support over 3,600 families, comprising almost 2,300 households in 2 municipalities in BARMM (Bangsamoro Autonomous Region in Muslim Mindanao), who were severely affected by El Niño-induced drought. BRAC provided seeds, farming tools, water systems and cash transfers to affected families. The project continues for one further year in 2025.</p>
TZ006	<p>Tanzania: Disability Inclusive Graduation (donor: Cartier Philanthropy, UBS Foundation, Whole Planet Foundation)</p> <p>This project is introducing disability-inclusive ultra-poor graduation programming in Tanzania through leveraging its ongoing partnership with Humanity & Inclusion and SHIVYAWATA (a national organisation of persons with disabilities). The project launched in early 2023, reaching participants in two districts of Tanzania over a period of 30 months. The project will graduate ultra-poor households out of ultra-poverty and into sustainable livelihoods, targeting 70% women and 15% persons with disabilities. The project ended in June 2025 and the fund will be closed in the next financial year.</p>

Notes to the financial statements

For the period ended 30 June 2025

16 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	At 30 June 2025	At 31 December 2024
	£	£
More than five years	-	-
1 - 5 years	-	-
Less than one year	15,179	40,618
	15,179	40,618

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.