

BRAC ENTERPRISES TANZANIA LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

BRAC ENTERPRISES TANZANIA LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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BRAC ENTERPRISES TANZANIA LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

GENERAL INFORMATION

Board of Directors

Name	Position	Gender	Nationality	Age	Date of Appointment	Qualification	Status
Shameran Abed	Chairperson	Male	Bangladesh	44	20 July 2020	Degree	Active
Johannes Maria Eskes	Member	Male	Dutch	71	20 July 2020	Masters	Active

Key management personnel

Elizabeth Mary Gupta	General Manager
Thabit Ndilahomba	Head of Finance
Alex Kibiki	Head of Internal Audit
Florentina Bernard	Head of Human Resource
Amini Amani	Head of Information Technology
Prisila Clemence	Head of Legal and Company's secretary

Registered office and Principal place of business

Natai Plaza Plot 17, Light Industrial Area - Mikocheni
P. O. Box 105213
Dar es Salaam, Tanzania

Auditor

KPMG
Certified Public Accountants
2nd Floor, The Luminary
Haile Selassie Road, Masaki
TIN: 100-144-921
P. O. Box 1160
Dar es Salaam, Tanzania

Banker

CRDB Bank Plc
Azikiwe Street Opposite Posta Mpya
Postal Address 268, Dar es Salaam
Dar es Salaam, Tanzania.

BRAC ENTERPRISES TANZANIA LIMITED

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

Directors of BRAC Enterprises Tanzania Limited are pleased to submit their report, together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of BRAC Enterprises Tanzania Limited ("the company") as at that date.

1. REGISTRATION

BRAC Enterprises Tanzania Limited was incorporated as a company limited by shares on 23 July 2020 under the companies Act, of 2002. BRAC Enterprises Tanzania Limited (BETL) has two main shareholders as disclosed under Note 19. The company began operations effectively from 1 August 2021.

2. VISION

BRAC Enterprises Tanzania Limited is a socially responsible for-profit organization dedicated to scaling impactful and sustainable social enterprises in Tanzania that equip people with the tools, opportunities, and skills to lift themselves out of poverty and reach their potential.

3. MISSION

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realise their potential.

4. OUR VALUES

Innovation- the Company has been an innovator in the creation of opportunities for the poor to lift themselves out of poverty. We value creativity in programme design and strive to display global leadership in ground-breaking development initiatives.

Integrity- the Company values transparency and accountability in all our professional work, with clear policies and procedures, while displaying the utmost level of honesty in our financial dealings. The Company holds these to be the most essential elements of our work ethic.

Inclusiveness- the Company is committed to engaging, supporting and recognising the value of all members of society, regardless of race, religion, gender, nationality, ethnicity, age, physical or mental ability, socioeconomic status and geography.

Effectiveness- the Company values efficiency and excellence in all our work, constantly challenging ourselves to perform better, to meet and exceed programme targets, and to improve and deepen the impact of our interventions.

5. PRINCIPAL ACTIVITIES

To establish, own, manage and/or promote educational institutions and educational programs with the aim of promoting education and skills development for young people, including, without limitation, day care centres, kindergartens, pre-primary, primary and secondary schools, technical and vocational training schools, and any other kinds of educational programs and teaching curriculum approved by the Board of Directors and in conformity with the laws and directives of the United Republic of Tanzania.

6. CAPITAL STRUCTURE

The capital structure as at 31 December 2024 is as shown below.

Share holders	No of shares	TZS "000"
BRAC International Enterprises B. V	9,999	49,995
Shameran Abed	<u>1</u>	<u>5</u>
	10,000	50,000

As at 31 December 2024 the entity has 10,000 shares valued at TZS 5,000 each. All the shares have equal voting rights.

The results for the Company for the year ended 31 December 2024 are set out on page 16.

BRAC ENTERPRISES TANZANIA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024

7. FINANCIAL PERFORMANCE

General Performance

Angaza Academy - Day Care Centre Preparation

- Four (4) total day care and early childhood development centres, including 4 Angaza Academies were in operation during the 2024 academic year.
- As of 31 December 2024, there were a total of 7 Early Childhood Development (ECD) certified caregivers stationed uniformly across all Day Care Centres.
- Renovations, installation of outdoor playgrounds, procurement of teaching and learning materials, and marketing activities were completed at all locations.

Angaza Academy - Teacher Training and Material Development

- The Company's dedicated ECD Specialist conducted upfront training with new caregivers, regular monthly refresher trainings with all caregivers, as well as quarterly material development workshops to develop handmade low-cost play materials for each classroom.

Angaza Academy - Performance and Market Assessment

- A technical fellow from BRAC International was seconded to the BETL team in 2024 to support an evaluation of the business model and assess new iterations.
- This work informed the business plan for 2025, presented to the Board of Directors for review and approval.

Staffing

- A dedicated Finance and Operations manager joined BETL in August 2024.

8. COMPOSITION OF DIRECTORS

The Directors, who served during the period and up to the date of this report unless as otherwise stated, are set out on page 1.

9. DIVIDEND

No dividend has been declared for the year ended 31 December 2024 (2023: Nil).

10. CORPORATE GOVERNANCE

The members of the Board of the directors are committed to the principles of good corporate governance and recognise the need to conduct operations in accordance with best practices. In so doing the members of the board of directors therefore confirm that:

- They retain full and effective control over the Organisation.
- The members of the Board of the directors accept and exercises responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance; and
- They bring skills and experience from their own spheres of expertise to complement the professional experience and skills of the management team.

The members of the Board of the directors continued to carry out their role of formulating policies and strategies of the Company, reviewing the business plan, ensuring that the accounting system is maintained in accordance with acceptable standards, the books of the Organisation are kept properly, and that accounts are checked by authorised auditor, as well as recruitment and development of key personnel.

11. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of BRAC Enterprises Tanzania Limited. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding.

BRAC ENTERPRISE TANZANIA LIMITED

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

11. RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

- The effectiveness and efficiency of operations.
- The safeguarding of the Company's assets.
- Compliance with applicable laws and regulations.
- The reliability of accounting records.
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures.

There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Company's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

Principal risks and uncertainties

The principal risks that may significantly affect the company's strategies, programs and development are mainly operational risk, currency risk, credit risk and liquidity risk. Below we provide a brief description of the currency risk, credit, liquidity, and operational risks facing the initiative and the related management controls in place.

Currency risk

Foreign currency risk is the risk that the company future cash flows will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the operating activities when income or expense is denominated in different currency from functional currency. The Organization manages its foreign currency risk by maintaining the foreign currency bank accounts.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk is managed by limiting credits and advances to employees.

Liquidity risk

Liquidity risk is termed as the risk arising when the Organization is unable to meet its obligations from maturing commitments due to insufficient fund. The company monitors its liquidity risk through monthly forecast of future cash flows to meet its obligations and commitment.

Operational risk

The company's exposure to operational risks relates to primarily to high dependency on donor funds to implement our activities and run the organization. To manage and mitigate this risk, the company prepares budgets on an annual basis to ensure that all activities are adequately funded before the commencement of the respective year. The company also ensures the group requirements are complied with to avoid revocation of funding as a result of non-compliance.

The detailed description of the risks and the mitigation strategies are included under Note 5 of the financial statements.

12. MANAGEMENT STRUCTURE

The Company is under the supervision of the members of the Board of Directors and the day-to-day management is entrusted to the General Manager who is assisted by the Country Director and Heads of departments as indicated below.

- Accounts & Finance
- Human Resources
- Internal Audit
- Communications
- Procurement & Administration
- IT
- Early Childhood Development (ECD)

13. SOLVENCY

The Company's state of affairs as at 31 December 2024 is set out on page 13. The Board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

BRAC ENTERPRISE TANZANIA LIMITED

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

14. EMPLOYEES' WELFARE

Management/employee relationship

During the year the relationship between employees and management continued to be good. There were no unresolved complaints received by management from the employees.

The Organisation is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

Training

Training and development of staff capacity is one of the key priorities of the Organisation. During the year, all the Branch Accountants received hands on training for Social Development programs. The Organisation will continue to train, re-train and develop its staff in order to improve service delivery and innovation.

Medical assistance

The Organisation enrolled all employees in medical scheme-NHIF where the employee contributes 3% and employer contribute 3% of the basis salary for medical treatment.

Retirement benefits

All eligible employees are members of the National Social Security Fund (NSSF) which is an approved pension fund. The Organisation contributes 10% of the employees' monthly gross salary.

The NSSF is a defined contribution scheme with BRAC Enterprise Tanzania Limited having no legal or constructive obligation to pay further top-up contributions.

Disabled persons

The organization seeks, where reasonable, to accommodate those with disabilities, including staff who became disable while working for the organisation. As at 31 December 2024, the organisation had no disabled staff.

15. STRATEGY, OBJECTIVES, KEY INDICATORS, AND KEY ACHIEVEMENTS

The achievements outlined below are a result of the organisation's strategic priorities and key performance indicators set for the year 2024. They reflect the deliberate efforts made in alignment with BRAC Enterprises Tanzania Limited's overall strategy, providing insight not only into what was accomplished, but also into how progress was measured and guided.

16. RESULTS FROM OPERATIONS

The Organisation's results for the year ended 31 December 2024 are presented on page 12. The Organisation achieved approximately 90% of its annual budget. A summary of the key financial performance for the year ended 31 December 2024 is provided below, with detailed results on page 12:

Revenue and expenditures

Fee income rose from TZS 25 million in 2023 to TZS 40 million in 2024, reflecting a 60% increase. Likewise, expenditures grew from TZS 517 million to TZS 632 million. This is a reflection of growth in the current year. The number of student enrolment increased leading to the increase in tuition fees and the entity also hired new employees which significantly lead to the increase in expenditure. However, there was a drop in grant income from TZS 517 million recognised in 2023 to TZS 10 million in the current year as the sub grant agreement with BRAC UK and BRAC US came to an end with no replacement in 2024.

Total assets and liabilities

Total assets decreased from TZS 213 million in 2023 to TZS 243 million in 2024, representing a 14% decline. This was mainly driven by the increase in cash and cash equivalents due to funds received from Brac International to support operational costs and the increase in tuition fee.

Similarly, total liabilities decreased from TZS 101 million in 2023 to TZS 62 million in 2024, equivalent to a 38% drop, reflecting the drawdown of previously deferred grant income and corporate tax payable that decrease as a result of decrease in profitability.

Cash flows

The Organisation used TZS 574 million (2023: TZS 464 million) in operations, spent TZS 6 million (2023: TZS 2 million) on investing activities. At the year-end, the Organisation's cash balance stood at TZS 134 million (2023: TZS 96 million).

BRAC ENTERPRISE TANZANIA LIMITED

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

17. RESOURCES

The members acknowledge their responsibility for ensuring that adequate resources are available and effectively managed to support the organisation's operations and strategic objectives.

Financial resources

During the year ended 31 December 2024, the Company had access to sufficient financial resources, primarily from owners equity funding and some from internally generated revenue, which were utilized in accordance with approved budgets and applicable regulations. Internal controls were maintained to safeguard the integrity and proper use of these funds.

Human Capital

The Company also maintained an adequate level of human capital, with qualified staff deployed across key functions. The organisation continuously invests in human resource development focusing on but not limited to training, staff wellness, staff recognition, remuneration, and career growth to maintain the value of this capital.

Capacity building and performance monitoring ensured that the workforce remained competent and aligned with operational needs.

18. GENDER PARITY

The Company had 26 employees, comprising of 10 males and 16 females (2023: 12 employees comprising of 6 males and 6 females).

19. RELATED PARTY TRANSACTIONS

Transactions and balances with related parties are set out in Note 16 to the financial statements.

20. CORPORATE SOCIAL RESPONSIBILITY

BRAC Enterprises Tanzania Limited aims at delivering high quality education to low-income families.

21. DISABLED PERSONS

The Company seeks, where reasonable, to accommodate those with disabilities, including staff who become disabled while working for Organisation. As at 31 December 2024, the company had no disabled staff.

22. ENVIRONMENTAL IMPACT AND CONTROL PROGRAM

The company is very keen with environmental conservation and ensures that environment is conserved and utilised efficiently. The company minimises its impact through the optimal use of its premises and inbuilt facilities to ensure that there is proper waste management.

23. POLITICAL AND CHARITABLE DONATIONS

The Company did not make any political or charitable donations during the year other than the community work that the organisation is involved in.

24. FUTURE DEVELOPMENT AND OUTLOOK

In 2025 the Company has the following plans;

Angaza Academy - Owned-and-Operated ECD Centres

- Shift to exclusive focus on expanding and testing a self-sustaining Angaza Academy model.
- Promote minimum age of enrolment to 2.5 years.
- Allow cash or mobile money payments for any daily services.
- Strengthen a digital management system.
- Angaza Academy - Affiliate Model
- Expand an Angaza affiliate Model.
- Improve legal affiliate agreement, due diligence process, Angaza "solution in a box" offering, and monitoring framework.
- Conduct ongoing global marketing to raise general brand awareness.
- Recruit 10 affiliates, identify two locations and set up new centres.

BRAC ENTERPRISE TANZANIA LIMITED

**REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

24. AUDITOR

KPMG was the auditor for the year ended 31 December 2024 and has expressed willingness to continue in office and is eligible for re-appointment. A resolution to reappoint KPMG as the auditor will be put to the Annual General Meeting.

25. RELATIONSHIP WITH STAKEHOLDERS

Organisation continued to maintain a good relationship with all stakeholders.

26. RESPONSIBILITY OF AUDITOR

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

27. STATEMENT OF RESPONSIBILITY OF THE GOVERNING COUNCIL

The Board of Directors of Brac Enterprise Tanzania Limited is responsible for preparing financial statements for each financial year that present a true and fair view of the organization's financial position and performance. These statements are compiled using appropriate accounting policies, supported by reasonable and prudent judgments and estimates, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The Board of Directors confirms that the financial statements provide a true and fair view of the organization's financial position and performance in compliance with IFRS Accounting Standards.

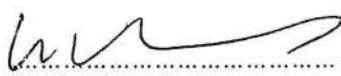
28. STATEMENT OF COMPLIANCE

The report of the governing council has been prepared in full compliance with Tanzania Financial Reporting Standard No. 1 the Report by Those Charged with Governance and other requirements of the laws and regulations of the country.

29. APPROVAL OF THE REPORT AND FINANCIAL STATEMENTS

We certify that to the best of our knowledge and belief, the books records and other information in these financial statements constitute a true and correct record of all transactions of the Company for the year ended 31 December 2024 and correctly reflects all the assets and liabilities existing as at that date.

Approved by the Board of directors and authorized for issue on 17/06/2025 and signed by:


Elizabeth Mary Gupta
General Manager


Shameran Abed
Director

BRAC ENTERPRISE TANZANIA LIMITED

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

The Directors are responsible for the preparation of financial statements that give a true and fair view of BRAC Enterprises Tanzania Limited comprising the statement of financial position as at 31 December 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have assessed the ability of the Company to continue as going concern and have no reason to believe that the business will not be a going concern in a period of at least the next twelve months from the date of approval of these financial statements.

The independent auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of financial statements

The financial statements of BRAC Enterprises Tanzania Limited, as identified in the first paragraph, were approved, and authorized for issue by the Directors on 17.1.06.1 2025.



.....
Shameran Abed
Director

BRAC ENTERPRISES TANZANIA LIMITED

**DECLARATION OF HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2024**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on the earlier page.

I Thabit Ndilahomba being the Head of Finance of BRAC Enterprises Tanzania Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2024, have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements of BRAC Enterprises Tanzania Limited comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: Head of Finance

NBAA Membership No.: ACPA 02477

Date: 17/06/2025



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Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRAC ENTERPRISES TANZANIA LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BRAC Enterprises Tanzania Limited ("the Company") set out on pages 12 to 35, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of BRAC Enterprises Tanzania Limited as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002.

Basis for Opinion

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

Other Matter relating to supplementary information.

We draw attention to the fact that the supplementary information presented in United States Dollar (USD) do not form part of the audited financial statements. We have not audited this supplementary information and, accordingly, we do not express an opinion on this supplementary information.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in *BRAC Enterprises Tanzania Limited Report and Financial Statements for the year ended 31 December 2024* but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors for the financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2002, 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, 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BRAC ENTERPRISES TANZANIA LIMITED (CONTINUED)**

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We are 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 purpose of expressing an opinion relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the 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 our auditor's report. However, future events or conditions may cause the Company 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Companies Act, 2002 we report to you, solely based on our audit of the financial statements, that:

- in our opinion, proper accounting records have been kept by BRAC Enterprises Tanzania Limited.
- the individual accounts agree with the accounting records of the company.
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.
- directors' report is consistent with the financial statements; and
- information specified by the law regarding Directors' emoluments and other transactions with the Company is disclosed.

KPMG
Certified Public Accountants (T)

Signed by: CPA Alexander Njombe (ACPA 2714)
Dar es Salaam

Date: 17/06/2025

BRAC ENTERPRISES TANZANIA LIMITED
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024	Memo 2024	2023	Memo 2023
	Notes	TZS '000	USD	TZS '000	USD
Income					
Fee income	7	40,235	15,379	25,071	10,256
Amortization of capital grant	15(c)	9,772	3,735	10,420	4,263
Grant income	7	10,217	3,905	517,025	211,498
		60,224	23,019	552,516	226,017
Other income	8	14,609	5,584	10,355	4,236
Total operating income		74,833	28,603	562,871	230,253
Operating expenses					
Staff costs	9	(458,016)	(175,071)	(353,666)	(144,673)
Travelling and transportation		(34,343)	(13,127)	(25,072)	(10,256)
Training, workshop, and seminars	10	(5,294)	(2,023)	(5,441)	(2,226)
Occupancy expenses	11	(765)	(292)	(1,165)	(477)
Printing and stationary		(1,217)	(465)	(1,992)	(815)
Other operating expenses	12	(101,912)	(38,957)	(98,424)	(40,261)
Food expenses		(12,695)	(4,852)	(8,085)	(3,308)
Interest Expense on Lease liability	18 (c)	(4,353)	(1,664)	(2,904)	(1,188)
Depreciation on Rights of Use (ROU) of Assets	18 (c)	(13,059)	(4,992)	(20,713)	(8,473)
Total operating expenses before depreciation		(631,654)	(241,443)	(517,462)	(211,677)
Depreciation charge	13	(9,772)	(3,735)	(10,420)	(4,263)
Total operating expenses		(641,426)	(245,178)	(527,882)	(215,940)
Profit before taxation		(566,593)	(216,575)	34,989	14,313
Tax expense	17 (a)	(6,960)	(2,661)	(11,879)	(4,859)
Profit for the year		(573,553)	(219,236)	23,110	9,454
Other comprehensive income:					
<i>Items that are or may be reclassified to profit or loss</i>					
Exchange differences on translation		-	(13,334)	-	(2,939)
Total comprehensive income for the year		(573,553)	(232,570)	23,110	6,515

Notes and related statements forming part of the financial statements appear on pages 12 to 35.

Report of the auditor is on page 10 - 11.

BRAC ENTERPRISES TANZANIA LIMITED
**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Notes	2024 TZS '000	Memo 2024 USD	2023 TZS '000	Memo 2023 USD
ASSETS					
Non-current assets					
Property and equipment	13	20,186	8,232	25,137	9,995
Deferred tax asset	17 (c)	-	-	6,960	2,768
Rights of use asset (ROU)	18 (a)	37,824	15,426	34,408	13,680
		<u>58,010</u>	<u>23,658</u>	<u>66,505</u>	<u>26,443</u>
Current assets					
Due from related parties	16 (c)	50,000	20,392	50,000	19,881
Advances		419	171	-	-
Cash and cash equivalents	14	134,105	54,692	96,394	38,328
Corporate tax receivable	17 (b)	59	24	-	-
Total current assets		<u>184,583</u>	<u>75,279</u>	<u>146,394</u>	<u>58,209</u>
Total assets		<u>242,593</u>	<u>98,937</u>	<u>212,899</u>	<u>84,652</u>
Equity					
Share capital	19	50,000	21,763	50,000	21,763
Capital contribution		642,130	261,880	-	-
Retained earnings		(511,909)	(196,618)	61,645	24,511
Translation reserve		-	(13,526)	-	(2,085)
		<u>180,221</u>	<u>73,499</u>	<u>111,645</u>	<u>44,189</u>
Non-current liabilities					
Lease liabilities	18 (b)	14,002	5,874	20,368	8,099
Total non-current liabilities		<u>14,002</u>	<u>5,874</u>	<u>20,368</u>	<u>8,099</u>
Current liabilities					
Deferred grant	15 (a)	17,044	6,951	37,033	14,725
Due to related Parties	16 (b)	2,047	835	5,193	2,065
Other payables	20	14,393	5,870	14,394	5,723
Corporate tax payable	17(b)	-	-	17,734	7,254
Lease liabilities	18 (b)	14,886	5,908	6,532	2,597
Total current liabilities		<u>48,370</u>	<u>19,564</u>	<u>80,886</u>	<u>32,364</u>
Total liabilities		<u>62,372</u>	<u>25,438</u>	<u>101,254</u>	<u>40,463</u>
Total equity and liabilities		<u>242,593</u>	<u>98,937</u>	<u>212,899</u>	<u>84,652</u>

The financial statements on pages 12 to 35 were approved and authorised for issue by the board of directors on 17.10.6/..... 2025 and signed by.



Elizabeth Gupta
General Manager



Shameran Abed
Director

Notes and related statements forming part of the financial statements appear on pages 16 to 35.
Report of the auditor's is on page 10 - 11.

BRAC ENTREPRISES TANZANIA LIMITED

**STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR PERIOD ENDED 31 DECEMBER 2024**

	Ordinary Share capital TZS'000	Capital contribution	Retained Earnings TZS'000	Total TZS'000	Memo USD
2023					
Balance as at 1 January 2023	50,000	-	38,535	88,535	37,674
Profit for the year	-	-	23,110	23,110	9,454
Translation reserve	-	-	-	-	(2,939)
As at 31 December 2023	50,000	-	61,645	111,645	44,189
2024					
Balance as at 1 January 2024	50,000	-	61,644	111,644	44,189
Transaction with owners					
Capital contribution	-	642,130	-	642,130	261,880
Profit for the year	-	-	(573,553)	(573,553)	(219,236)
Translation reserve	-	-	-	-	(13,334)
As at 31 December 2024	50,000	642,130	(511,909)	180,221	73,499

Notes and related statements forming part of the financial statements appear on pages 16 to 35.

Report of the auditor's is on page 10 - 11.

BRAC ENTERPRISES TANZANIA LIMITED
**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 TZS '000	Memo 2024 USD	2023 TZS '000	Memo 2023 USD
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before tax		(566,593)	(216,575)	34,989	14,313
Adjustment for non-cash items:					
Depreciation of property and equipment	15	9,772	3,735	10,420	4,263
Depreciation charge ROU	18 (c)	13,059	4,992	20,713	8,473
Amortisation of capital grant	15 (b)	(9,772)	(3,735)	(10,420)	(4,263)
Amortization of deferred grant	15 (b)	-	-	(517,025)	(211,498)
Interest expense on lease liability	18 (c)	4,353	1,664	2,904	1,188
Loss on disposal of assets		1,375	526	-	-
		<u>(547,806)</u>	<u>(209,393)</u>	<u>(458,419)</u>	<u>(187,524)</u>
Changes in working capital:					
Trade and other receivables		(419)	(160)	-	-
Related parties' payables		(3,146)	(1,203)	2,125	845
Other payables		-	-	(3,231)	-
Interest paid on lease liability	18 (d)	(4,353)	(1,664)	(2,904)	(1,188)
Tax paid for the year	17 (b)	(17,793)	(6,801)	(1,332)	(530)
Net cash used in operating activities		<u>(573,517)</u>	<u>(219,221)</u>	<u>(463,761)</u>	<u>(188,397)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property and equipment	13	(6,195)	(2,386)	(2,478)	(1,014)
Cash used in investing activities		<u>(6,195)</u>	<u>(2,386)</u>	<u>(2,478)</u>	<u>(1,014)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Grant received during the year	15 (b)	-	-	362,650	150,000
Movement of deferred Income		(10,220)	(3,905)	-	-
Capital contribution		642,130	245,447	-	-
Payment of lease liability (Principal)	18 (d)	(14,487)	(5,537)	(15,840)	(6,480)
Net cashflow generated from financing activities		<u>617,423</u>	<u>236,005</u>	<u>346,810</u>	<u>143,520</u>
Net increase/(decrease) in cash and cash equivalents		<u>37,711</u>	<u>14,398</u>	<u>(119,429)</u>	<u>(45,891)</u>
Effect of translation		-	1,966	-	(7,542)
Cash and cash equivalents at the beginning of the period		<u>96,394</u>	<u>38,328</u>	<u>215,823</u>	<u>91,761</u>
Cash and cash equivalents at the end of the period	14	<u>134,105</u>	<u>54,692</u>	<u>96,394</u>	<u>38,328</u>

Notes and related statements forming part of the financial statements appear on pages 16 to 35.

Report of the auditor's is on page 10 to 11.

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. REPORTING ENTITY

BRAC Enterprises Tanzania Limited ("the Company") was incorporated as a limited Company on 23 July 2020 under the Companies Act, 2002.

The Company is situated on Plot 17, Natai Plaza, and Coca Cola Road, Dar es Salaam, Tanzania. Information on shareholders and the capital structure is disclosed under Note 19.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the financial instruments at fair value through profit or loss which are measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in thousands of Tanzanian Shillings (TZS'000), which is the Company's functional currency.

Memorandum figures

The memorandum column representing the results in United States Dollars (USD) are for presentation purposes only, and do not form part of the audited financial statements. The exchange rates used to translate the TZS figures to USD memorandum were as follows:

- Assets and liabilities were translated at the closing rate on 31 December 2024 of TZS 2,452 (2023: TZS 2,515) to 1 USD except for additions to property and equipment which were translated at an average rate for the period of TZS 2,616.17 to 1 USD.
- Income and expenses were translated using an average exchange rate for the period of TZS 2,616.17 (2023: TZS 2,431.42) to 1 USD.
- Equity is not translated; and
- All resulting exchange differences are being recognised in other comprehensive income.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 4.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except if mentioned otherwise.

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Foreign currency transactions (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments which is recognised directly in equity.

(b) Revenue recognition

Revenue comprises fees from students, and the company follows a five-step model framework in recognition of revenue from contract with customers as follows.

- Identify the contract with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligation in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Tuition fees are recognised in profit or loss as income over the period of instruction covered by such fees. Instruction represents performance obligation which is fulfilled overtime as the students receives the instruction.

(c) Grants

(i) Deferred grants

All grants received are initially recognised as deferred revenue grants at fair value and recorded as liabilities in the Grant Received in Advance for the period.

The portion of the grants that are utilised to purchase property and fixed assets are transferred as deferred income in liabilities and subsequently release to income to match the depreciation for the period and amortisation of the fixed assets as charged to statement of profit or loss and other comprehensive income.

Grants utilised to reimburse program related expenditure are recognised as grant income for the year.

Donor grants received in kind, through the provision of gifts and/or services, are recorded at fair value (excluding situations when the entity may receive emergency supplies for onward distribution in the event of a disaster which are not recorded as grants).

Grant income classified as temporarily restricted or unrestricted depending upon the existence of donor-imposed restrictions. For completed or phased out projects and programs, any unutilised amounts are dealt with in accordance with consequent donor and management agreements.

For ongoing projects and programs, any expenditures yet to be funded but for which funding has been agreed at the end of the reporting is recognised as revenue grants receivable. For Expenditures incurred on projects yet to be funded and no funding has been agreed are reported as BRAC contribution from BRAC International.

(ii) Grant income

Grant income is recognised on a cash basis to the extent that the Organisation fulfils the conditions of the grant. This income is transferred from the deferred grant received from donors and recognised as income in the statement of profit or loss and other comprehensive income. A substantial portion of the Entity's donor grants are for funding of 'Not-for-Profit' projects and programs, and for these grants, income recognised is matched to the extent of actual expenditures incurred on projects and programs for the period. For donor grants restricted to funding procurement of fixed assets, the grant income is recognised as the amount equivalent to depreciation expenses charged on the fixed assets.

(d) Provisions

A provision is recognised if, because of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered on or after 1 January 2021.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- variable lease payments that depend on a rate, initially measured using the rate as at the commencement date; and
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties or early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases related to its office premises. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Income tax (Continued)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company can control the timing of the reversal of the temporary differences, and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

(h) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, balance in banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

The fair value of cash and cash equivalents approximates their carrying amount.

(i) Financial instruments

(i) Recognition and Initial measurement

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and Subsequent measurement.

• Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; Fair FVOCI – equity investment; or Fair Value through Profit and Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

(ii) Classification and Subsequent measurement (continued)

• Financial assets (continued)

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

• Financial liabilities – Classification, subsequent measurement, and gains or losses.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

(iii) De - recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset is transferred or in which the Program neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(iv) De - recognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Property and equipment

(i) Initial recognition

Property and equipment are initially recorded at historical cost and subsequently stated at historical cost or valuation less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives for the current and comparative periods are as stated:

Furniture & fixtures	10%
Computer and peripherals	33.33%
Equipment	20%

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(j) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Employee benefits

(i) Retirement benefit obligations

All Company's employees who are Tanzanian are members of the National Social Security Fund (NSSF). The Company and employees both contribute 10% of the employees' gross salaries to the PPF or NSSF. The Company's contributions are recognised as employee benefits expense in the year to which they relate.

For the non-Tanzanians, the Company contributes to overseas retirement schemes which they maintain with their own respective pension funds in their respective countries. This is accounted in the same manner as mentioned above.

BRAC ENTERPRISES TANZANIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****3. MATERIAL ACCOUNTING POLICIES (CONTINUED)****(k) Employee benefits (Continued)***(ii) Termination benefits*

Termination benefits are recognised as an expense in the year when it becomes payable. Termination benefits are determined in accordance with the Tanzanian labour laws and regulations.

(iii) Other entitlements

The estimated monetary liability for employees accrued annual leave entitlement at the end of each reporting period is recognised as an expense accrued.

(l) Share capital

Ordinary shares proceeds are included in equity, net of transaction costs. Dividends and other returns to equity holders are recognised when declared by the board. Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(m) Contingencies and commitments

Contingent assets are disclosed where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is recognized as appropriate.

Contingent liabilities are disclosed in the financial statements where there is a possible obligation, but payment is not probable, or the amount cannot be measured reliably. Commitments are disclosed in respect to the obligation of the Organisation to external entities that arises in connection with the legal contracts executed by the Organisation.

(n) New standards, amendments, and interpretations

The Company has adopted the following new standards and amendments during the year ended 31 December 2023, including consequential amendments to other standards with the date of initial application by the Company being 1 January 2023. The adoption of these new and revised standards and interpretations has not resulted in material changes to the Company's accounting policies.

(i) New and amended standards and interpretations that became effective during the year

The Company adopted the following standards, interpretations and amended standards during the year:

New standards or amendments	Effective for annual period beginning or after
Supplier finance arrangements - amendments to IAS 7 and IFRS 7	1 January 2024
Non-current liabilities with covenants - amendments to IAS 1	1 January 2024
Lease liability in a sale and leaseback	1 January 2024
Classification of Liabilities as Current or Non - Current - Amendments to IAS 1	1 January 2024

(ii) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2024

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

New standards or amendments	Effective for annual period beginning or after
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards.	1 January 2026

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) New standards, amendments, and interpretations (continued)

(iii) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2024 (continued)

New standards or amendments	Effective for annual period beginning or after
Amendments to IFRS 7 Financial Instruments: Disclosures	1 January 2026
Amendments to IFRS 9 Financial Instruments IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2026
Amendments to IFRS 10 Consolidated Financial Instruments	1 January 2026
Amendments to IAS 10 Statement of Cash flows	1 January 2026
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Lack of exchangeability - amendments to IAS 21	1 January 2026

All standards and interpretations will be adopted at their effective date (except for those standards and interpretations that are not applicable to the entity).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

In the process of applying the academy's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are:

continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. The key areas of judgement in applying the academy's accounting policies are dealt below:

Useful lives and residual values of property and equipment

Critical estimates are made by Directors in determining the useful lives and residual values to equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilization of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

5. FINANCIAL RISK MANAGEMENT

The school's activities expose the Company to a variety of financial risks, including credit risk, liquidity risk and the effects of foreign currency exchange rates and interest rates.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

This note presents information about the Company's exposure to financial risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management is carried out by the Company under policies approved by the Board of Directors. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, and services offered. The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees/ stakeholders understand their roles and obligations.

The most important types of risks are:

- Credit risk.
- Liquidity risk
- Market risk

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash at bank balances and balances due from related parties. The following table summarises the carrying amounts of financial assets – like their fair values at the reporting date and showing maximum exposure to credit risk, if different from carrying amount.

	Carrying amount 2024 TZS '000"	Exposure to credit risk 2024 TZS '000"	Carrying amount 2023 TZS '000"	Exposure to credit risk 2023 TZS '000"
Cash and bank balances (excluding cash in hand)	134,104	134,104	96,161	96,161
Due from related parties	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total exposure	<u>184,104</u>	<u>184,104</u>	<u>146,161</u>	<u>146,161</u>

Other receivables as at 31 December 2024 relate to advance payments hence have been excluded.

The Company limits its exposure to credit loss by placing its cash and cash equivalents in liquid investments with high-quality financial institutions. The Company has assessed the credit risk with respect to above balances and considered it to be immaterial and as such no expected credit losses have been recorded against the balance as at 31 December 2024 (2023: Nil).

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities.

Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The table below summarises the contractual maturities of financial liabilities.

	Carrying amount TZS'000	Contractual cash flows TZS'000	Within 1 year TZS'000
31 December 2024			
Due to related parties	2,047	2,047	2,047
Other payables	14,393	14,393	14,393
Lease liability	28,888	36,240	18,840
Total Liabilities	<u>45,328</u>	<u>52,680</u>	<u>35,280</u>
	Carrying amount TZS'000	Contractual cash flows TZS'000	Within 1 year TZS'000
31 December 2023			
Due to related parties	5,193	5,193	5,193
Other payables	14,394	14,394	14,394
Lease liability	26,900	36,600	14,400
Total Liabilities	<u>46,487</u>	<u>56,187</u>	<u>33,987</u>

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (Continued)

The table below indicates the contractual timing of cash flows arising from financial assets and liabilities as of 31 December 2024:

	Carrying amount	Within 1 year	Between 1 to 5 years	Total contractual cashflows
Cash and bank balances	134,105	134,105	-	134,105
Due from related parties	50,000	50,000	-	50,000
Total Assets	184,105	184,105		184,105
Due to related parties	2,047	2,047	-	2,047
Other Payables	14,393	14,393	-	14,393
Lease liability on ROU assets	28,888	18,840	17,400	36,240
Total Liabilities	48,474	35,280	17,400	52,680
Net liquidity	135,631	148,826	(17,400)	131,425

The table below indicates the contractual timing of cash flows arising from financial assets and liabilities as of 31 December 2023:

	Carrying amount	Within 1 year	Between 1 to 5 years	Total contractual cashflows
Due from related parties	96,394	96,394	-	96,394
Bank balances	50,000	50,000	-	50,000
Total Assets	146,394	146,394	-	146,394
Due to related parties	5,193	5,193	-	5,193
Other Payables	14,394	14,394	-	14,394
Lease liability on ROU assets	26,900	14,400	22,200	36,600
Total Liabilities	46,487	33,987	22,200	56,187
Net liquidity	99,907	112,407	(22,200)	90,207

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates and the fair value interest rate risk is the risk that the value of the financial instrument will fluctuate because of changes in market interest rates Risk management activities are aimed at optimizing net interest income, given market interest rates levels consistent with the Company's business strategies.

As at 31 December 2024 the Company had no interest-bearing assets and liabilities (2023: Nil) hence has no exposure to interest rate risk.

BRAC ENTERPRISES TANZANIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****5. FINANCIAL RISK MANAGEMENT (CONTINUED)***(iii) Market risk (Continued)**Foreign exchange risk*

The Company is exposed to currency risk on payments that are denominated in a currency other than the respective functional currency of Company, the Tanzanian Shilling (TZS). The currencies in which these transactions primarily are denominated are Tanzanian Shilling (TZS) and US Dollars (USD).

The Company's strategy for managing its foreign currency exposure is through transacting mainly using its functional currency.

The table below summarises the exposure to foreign currency exchange rate risk at 31 December 2024. Assets and liabilities are categorised by currency. (Equivalent Amounts in TZS'000).

	2024 TZS '000	2023 TZS '000
Balances denominated in foreign currency		
Financial Assets		
Cash and cash equivalents (denominated in USD)	18,528	28,904
Total assets	<u>18,528</u>	<u>28,904</u>
Financial Liabilities		
Due to related parties	(2,047)	-
Total Liabilities	<u>(2,047)</u>	<u>-</u>
Net exposure	<u>16,481</u>	<u>28,904</u>

Sensitivity analysis

The rate of exchange as at 31 December 2024 is USD 1 = 2,452 (2023: TZS 2,515) strengthening of USD against TZS by 10% means that the rate of exchange will move to USD 1 = TZS 2,697.20 (2023: TZS 2,766.50)

A 10% fluctuation in the exchange rate (USD against TZS) would impact the profit before tax by +/- TZS 1.6 million (2023: TZS 2.9 million) and the net impact on the shareholders equity would have been +/- TZS 1.1 million (2023: TZS 2 million).

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company processes, personnel, technology, and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all the Company's operations and are faced by all business entities.

The Company objective is to manage operational risk to balance the avoidance of financial losses and damage to The Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Training and professional development.
- Risk mitigation, including insurance where this is effective.
- development of contingency plans; and
- Compliance with regulatory and other legal requirements.

Compliance with Company standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of the Internal Audit reviews are discussed with the management of the business unit to which they relate and Country Representative.

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

6. FAIR VALUE MEASUREMENTS

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

The Company measures fair values using the fair value hierarchy which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table sets out the fair values of financial instruments not measured at fair value. The carrying amounts are an approximate of the fair values because of their short-term nature.

	At amortised cost TZS'000	Memo USD
Year ended 31 December 2024		
Financial assets		
Cash and bank balance	134,105	54,692
Due from related parties	50,000	20,392
Total financial assets	184,105	75,084
Financial liabilities		
Due to related parties	2,047	835
Other Payables	14,393	5,870
Total financial liabilities	16,440	6,705
Year ended 31 December 2023		
Financial assets		
Cash and bank balance	96,394	38,328
Due from related parties	50,000	19,881
Total financial assets	146,394	58,209
Financial liabilities		
Due to related parties	5,193	2,065
Other Payables	14,394	5,723
Total financial liabilities	19,587	7,788

BRAC ENTERPRISES TANZANIA LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
7. INCOME				
Tuition fees from Hub academies	-	-	6,131	2,508
Tuition fees from spoke academies	40,235	15,379	18,940	7,748
Total fee income	40,235	15,379	25,071	10,256
Grant income/donation	10,217	3,905	517,025	211,498
Amortisation of capital grant	9,771	3,735	10,420	4,263
	60,223	23,019	522,516	226,017
8. OTHER INCOME				
Foreign currency loss	(2,935)	(1,122)	10,355	4,236
Food fees	17,343	6,629	-	-
Membership fee	201	77	-	-
	14,609	5,584	10,355	4,236
9. STAFF COSTS				
Staff salaries	350,422	133,945	277,256	113,416
Bonus	25,580	9,778	19,926	8,151
Employer's local retirement scheme contributions (NSSF)	79,316	30,317	49,642	20,307
Work permit Expense	2,698	1,031	6,842	2,799
	458,016	175,071	353,666	144,673
10. TRAINING, WORKSHOPS AND SEMINARS				
Central staff training	5,294	2,023	4,043	1,654
Material development workshop	-	-	1,398	572
	5,294	2,023	5,441	2,226
11. OCCUPANCY EXPENSES				
Utilities	765	292	1,165	477
	765	292	1,165	477
12. OTHER OPERATING EXPENSES				
General Maintenance	4,191	1,602	4,025	1,646
Honorarium	6,231	2,382	17,325	7,087
Other office expenses	11,600	4,434	8,929	3,653
Legal fees	-	-	-	-
Professional and consultancy fee	31,212	11,931	10,347	4,233
Auditing fees	655	250	24,453	10,003
Bank charges	5,899	2,255	4,744	1,941
Software maintenance expense	31,525	12,050	5,193	2,124
Indoor and outdoor facilities installations	3,015	1,153	9,675	3,957
School room maintenance	-	-	-	-

BRAC ENTERPRISES TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

12. OTHER OPERATING EXPENSES (CONTINUED)

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
Registration	1,405	537	2,875	1,176
Sales and promotion	4,167	1,593	10,830	4,430
Communication and Publication Expenses	-	-	28	11
Kitchen Material costs	637	244	-	-
Loss on disposal of items of property, plant and equipment	1,375	526	-	-
	<u>101,912</u>	<u>38,957</u>	<u>98,424</u>	<u>40,261</u>

BRAC ENTERPRISES TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

13. PROPERTY AND EQUIPMENT

Cost	Furniture & Fixtures TZS'000	Equipment TZS'000	Computers and peripherals TZS'000	Vehicles TZS'000	Total TZS'000	Memo USD
As at 01 January 2023	1,500	1,800	10,970	32,500	46,770	19,886
Additions	-	-	2,478	-	2,478	1,014
Disposal	-	(1,800)	-	-	(1,800)	(736)
Translation reserve	-	-	-	-	-	(1,298)
Balance at 31 December 2023	1,500	-	13,448	32,500	47,448	18,866
As at 01 January 2024	1,500	-	13,448	32,500	47,448	18,866
Additions	-	-	6,195	-	6,195	2,386
Disposal	(1,500)	-	-	-	(1,500)	(578)
Translation reserve	-	-	-	-	-	(295)
Balance at 31 December 2024	-	-	19,643	32,500	52,143	20,379
Accumulated depreciation						
At 01 January 2023	222	489	5,670	6,126	12,507	5,318
Charge for the year	37	127	3,756	6,500	10,420	4,263
Disposal	-	(616)	-	-	(616)	(252)
Translation reserve	-	-	-	-	-	(458)
Balance at 31 December 2023	259	-	9,426	12,626	22,311	8,871
At 01 January 2024	259	-	9,426	12,626	22,311	8,511
Charge for the year	(259)	-	3,272	6,500	9,772	3,735
Disposal	-	-	-	-	(259)	(99)
Translation reserve	-	-	-	-	-	-
Balance at 31 December 2024	-	-	12,698	19,126	31,824	12,147
Net book value (NBV)						
At 31 December 2024	-	-	6,812	13,374	20,186	8,232
At 31 December 2023	1,241	-	4,022	19,874	25,137	9,995

BRAC ENTERPRISES TANZANIA LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
14. CASH AND CASH EQUIVALENTS				
Cash in hand	1	1	233	93
Bank balances	134,104	54,691	96,161	38,235
	<u>134,105</u>	<u>54,692</u>	<u>96,394</u>	<u>38,328</u>

15. GRANT

On July 1, 2020, the company entered into a sub-grant agreement with BRAC UK and BRAC US for a two-and-a-half-year project called Playful Learning for Young Children in Tanzania. The total contract value is USD 670,000, funded by BRAC UK and BRAC US through disbursements of USD 300,000 and USD 370,000 respectively, both of which were fully disbursed by December 31, 2023

a) Deferred grants

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
Deferred revenue grants	1,643	670	11,896	5,675
Donor funds invested in fixed assets (Note 15 (c))	15,401	6,281	25,137	9,050
As at 31 December 2024	<u>17,044</u>	<u>6,951</u>	<u>37,033</u>	<u>14,725</u>

b) Deferred grants movement

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
As at 01 January	-	-	203,012	86,314
Funds received from donors	-	-	362,650	150,000
Funds used for approved activities during the period	-	-	(517,025)	(211,498)
Translation reserve	-	-	-	(5,344)
	<u>-</u>	<u>-</u>	<u>48,637</u>	<u>19,472</u>
Amortisation of donor funds invested in fixed assets (Note 13)	(9,772)	(3,735)	(10,420)	(4,263)
Disposal	-	-	(1,184)	(484)
As at 31 December	<u>(9,772)</u>	<u>(3,735)</u>	<u>(11,604)</u>	<u>(4,747)</u>

BRAC ENTERPRISES TANZANIA LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**
15. GRANT (CONTINUED)

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
c) Donor funds invested in fixed assets				
As at 01 January 2024	25,173	10,841	34,263	13,623
Purchase of fixed assets (Note 13)	-	-	2,478	1,014
Depreciation charge during the year (Note 13)	(9,772)	(3,735)	(10,420)	(4,263)
Disposal	-	-	(1,184)	(510)
Translation reserve	-	(825)	-	(814)
As at 31 December 2024	15,401	6,281	25,137	9,050

16. RELATED PARTIES TRANSACTIONS

Below is the nature of related party transactions conducted during the period.

Name of the related party	Nature of the relationship	Nature of the transactions
BRAC Maendeleo and BRAC Finance Tanzania Limited.	Sister companies and under common management.	This includes payments made by BRAC Tanzania Finance Limited and BRAC Maendeleo Tanzania on behalf of BRAC Enterprises Tanzania Limited.

During the year, there were not any emoluments offered to Directors (2023: Nil).

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
(a) Related party transactions				
BRAC Maendeleo Tanzania Limited	15,027	5,744	-	-
Stichting BRAC International	1,436	249	-	-
BRAC IT Services	611	586	5,193	2,065
	17,074	6,578	5,193	2,065
(b) Balances due to related parties				
Payable to BRAC IT SERVICES	611	249	5,193	2,065
Due to Related Parties	1,436	586	-	-
	2,047	835	5,193	2,065
(c) Balances due from related parties				
BRAC International Enterprises B. V	50,000	20,392	50,000	19,881
	50,000	20,392	50,000	19,881

(d) Compensation of key management personnel

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Organisation, directly or indirectly, including any director of the Organisation as well as senior management team. The following table summarises remuneration paid to the key management personnel

Remuneration for Key Management Personnel	128,628	52,459	94,458	39,339
	128,628	52,459	94,458	39,339

No remuneration was paid to the board of directors who are not part of the key management team during the year.

BRAC ENTERPRISES TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

16. RELATED PARTIES TRANSACTIONS (CONTINUED)

(e) Ultimate parent company

Stichting Brac International, a foundation registered under the laws of The Netherlands is the ultimate parent of the Brac Enterprises Tanzania Limited.

17. TAXATION

		Memo		Memo
	2024	2024	2023	2023
	TZS'000	USD	TZS'000	USD
(a) Tax expense				
Tax charge for the period	-	-	17,734	7,254
Prior period current tax under provision	-	-	(438)	(179)
Derecognition of deferred tax	(6,960)	(2,661)	-	-
Deferred tax (credit) (Note 17 c)	-	-	(5,417)	(2,154)
Translation reserve	-	-	-	(62)
	<u>(6,960)</u>	<u>(2,661)</u>	<u>11,879</u>	<u>4,859</u>

Tax reconciliation

(Loss)/profit before tax	(566,593)	(216,575)	34,989	14,313
Tax calculated at statutory tax rate 30%	(169,978)	(64,976)	10,497	4,294
Tax effect of:				
Expenses not deductible for tax purposes	3,551	1,361	944	386
Prior period current tax under provision	-	-	438	179
Current year deferred tax not recognised	166,427	63,615	-	-
Derecognition of prior year deferred tax	(6,960)	(2,661)	-	-
	<u>(6,960)</u>	<u>(2,661)</u>	<u>11,879</u>	<u>4,859</u>

(b) Tax payable

		Memo		Memo
	2024	2024	2023	2023
	TZS'000	USD	TZS'000	USD
At 01 January 2024	17,734	7,254	1,770	753
Charge for the period	-	-	17,734	7,254
Paid during the period	(17,793)	(6,801)	(1,332)	(530)
Prior period tax adjustment	-	-	(438)	(197)
Foreign Exchange Translation reserve	-	(477)	-	(26)
At 31 December 2024	<u>(59)</u>	<u>(24)</u>	<u>17,734</u>	<u>7,254</u>

(c) Deferred tax

The movement in the deferred tax asset during the year is as follows

At 01 January 2024	6,960	2,661	1,543	656
Movement for the year	166,427	63,615	5,417	2,154
Balance as at 31 December	173,387	66,276	6,960	2,768
Deferred tax not recognised	(173,387)	(66,276)	-	-
	<u>-</u>	<u>-</u>	<u>6,960</u>	<u>2,768</u>

BRAC ENTERPRISES TANZANIA LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**
17. TAXATION (CONTINUED)
(d) Deferred tax

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
Deferred tax arises from temporary- differences on the following items				
Property, plant and equipment	(541)	(221)	(33)	(13)
Tax losses carried forward	(166,347)	(63,405)	-	-
Provisions	(6,499)	(2,650)	(6,927)	(2,755)
	<u>(173,387)</u>	<u>(66,276)</u>	<u>(6,960)</u>	<u>(2,768)</u>

18. LEASE (IFRS 16)

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
a) Right of use asset (ROU)				
Opening balance	34,408	13,680	62,353	26,511
Addition for the year	16,475	6,719	16,854	6,701
Modification	-	-	11,741	4,668
De-recognition due to termination of lease contracts	-	-	(35,827)	(14,245)
Depreciation charge	(13,059)	(4,992)	(20,713)	(8,237)
Foreign translation reserve	-	19	-	(1,718)
Closing balance at 31 December	<u>37,824</u>	<u>15,426</u>	<u>34,408</u>	<u>13,680</u>
b) Lease liability				
Opening balance	26,900	10,696	49,974	21,247
Addition for the year	16,475	6,719	16,854	6,701
Interest expense for the year	4,353	1,775	2,904	1,188
Payments for the year (principal and interest)	(18,840)	(7,345)	(18,744)	(7,668)
Modification	-	-	11,739	4,883
De-recognition due to termination of lease contracts	-	-	(35,827)	(14,246)
Foreign translation reserve	-	(63)	-	(1,409)
Closing balance	<u>28,888</u>	<u>11,782</u>	<u>26,900</u>	<u>10,696</u>
Current portion of the lease liability	14,886	5,908	6,532	2,597
Non-current portion of the lease liability	<u>14,002</u>	<u>5,874</u>	<u>20,368</u>	<u>8,099</u>
	<u>28,888</u>	<u>11,782</u>	<u>26,900</u>	<u>10,696</u>
c) Items recognized statement of profit or loss				
Depreciation expense – ROU	13,059	4,992	20,713	8,473
Interest on lease liability	4,353	1,664	2,904	1,188
Total	<u>17,412</u>	<u>6,656</u>	<u>23,617</u>	<u>9,661</u>

BRAC ENTERPRISES TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

18. LEASE (IFRS 16) (CONTINUED)

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
d) Items recognized statement of cashflow				
Depreciation Expense ROU	13,059	5,091	20,713	8,473
Payment interest on lease liability	4,353	1,664	2,904	1,188
Lease payments (principal)	(14,487)	(5,537)	(15,840)	(6,480)

19. SHARE CAPITAL

Ordinary share capital

The company's capital structure is as follows.

	Ownership	No	TZS'000	Memo USD
BRAC International Holding B. V	99.99%	9,999	49,995	21,761
Shameran Abed	0.01%	1	5	2
		<u>10,000</u>	<u>50,000</u>	<u>21,763</u>

20. OTHER PAYABLES

	2024	Memo 2024	2023	Memo 2023
	TZS'000	USD	TZS'000	USD
Accrued liabilities	2,642	1,077	2,441	971
Provision for Audit and advisory fees	11,751	4,793	11,133	4,427
Other accounts payable	-	-	820	325
	<u>14,393</u>	<u>5,870</u>	<u>14,394</u>	<u>5,723</u>

23. CONTINGENT LIABILITIES

The board of directors are not aware of any contingent liabilities as at the date of this report.

24. CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2024 (2023: Nil).

25. SUBSEQUENT EVENTS

At the date of signing the financial statements, the directors are not aware of any other matter or circumstance arising since the end of the financial period, not otherwise dealt with in these financial statements that requires an adjustment or disclosure to the financial statements as at 31 December 2024.