BRAC - AFGHANISTAN

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2025

PKF F.R.A.N.T.S.
Chartered Accountants
House No 04, Directorate of Milli Bus Street, Khushal Khan, District 05,
Kabul - Afghanistan.

+93 799 195344
kabul@pkf.com.af
qamar@pkf.com.af
www.pkf.com.pk

INDEPENDENT AUDITOR'S REPORT

To the Board Members, BRAC Afghanistan

Opinion

We have audited the financial statements of **"BRAC Afghanistan"** (the Organization), which comprise the statement of financial position as at **December 31, 2025**, and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting policies mentioned in note 2 and 3 to the financial statements.

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 Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting policies described in note 2 and 3 to the financial statements, and for such internal control as the management determines 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, management is responsible for assessing the Organization's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Organization'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 Organization to cease to continue as a going concern.

We communicate with the management, 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.

PKF F.R.A.N.T.S.
Chartered Accountants

PKF F.R.A.N.T.S. KABUL Chartered Accountants

Engagement Partner: Zeeshan Ali, FCA, FCCA
Kabul, Afghanistan

Date: 24 JUL 2026

BRAC AFGHANISTAN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Notes	Dec 31, 2025 AFN	Dec 31, 2024 AFN	Dec 31, 2025 USD	Dec 31, 2024 USD
Assets					
Non-Current Assets					
Property, plant and equipment	4	9,589,006	15,145,348	145,132	214,995
Current-Assets					
Grants receivable	5	115,845,389	61,144,806	1,753,347	867,979
Related Party Receivable	5.1	-	38,056,502	-	540,230
Advances, deposits and prepayments	6	1,266,913	16,110,576	19,175	228,697
Cash in hand and at banks	7	1,172,069	29,773,000	17,740	422,641
Total assets		**127,873,376**	**160,230,232**	**1,935,393**	**2,274,542**
Liabilities and Net Assets					
Liabilities					
Donor fund investments in fixed assets	8	7,028,823	13,694,406	106,383	195,719
Grant Received in Advance	9	72,634,425	20,556,142	1,099,339	291,804
Current liabilities	10	69,802,548	91,028,571	1,056,478	1,292,193
Related party payable	11	26,765	-	405	-
Total liabilities		**149,492,561**	**125,279,119**	**2,262,604**	**1,779,716**
Net Assets					
Reserves:					
Retained earnings		(21,619,185)	34,951,113	(327,211)	494,826
Total net assets		**(21,619,185)**	**34,951,113**	**(327,211)**	**494,826**
Total liabilities and net assets		**127,873,376**	**160,230,232**	**1,935,393**	**2,274,542**

Auditor's report annexed
The annexed notes from 1 to 22 form an integral part of these financial statements.

-	-	-	-

Head of Finance
BRAC Afghanistan

Country Director
BRAC Afghanistan

Shahrukh Y. Mirza

Member, Governing Body
BRAC Afghanistan

BRAC AFGHANISTAN

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Notes	Dec 31, 2025 AFN	Dec 31, 2024 AFN	Dec 31, 2025 USD	Dec 31, 2024 USD
Income					
Grant Income	12	137,750,487	182,293,866	1,982,594	2,571,806
Other Income	13	-	368,077	-	5,193
Foreign exchange gain		2,014,675	839,856	28,997	11,849
Total Income		**139,765,162**	**183,501,799**	**2,011,591**	**2,588,847**
Expenditure					
Salaries & benefits	14	79,549,372	92,677,405	1,144,926	1,307,495
Impairment loss on Receivables	15	-	8,209,230	-	115,816
Occupancy expenses	16	8,991,783	9,818,444	129,416	138,519
Other Operating Expenses	17	99,686,346	130,802,922	1,434,751	1,845,370
Foreign exchange Loss		703,243		10,122	
Depreciation	4	7,404,718	7,177,881	106,574	101,266
Total Expenditure		**196,335,462**	**248,685,882**	**2,825,789**	**3,508,466**
Net (deficit)/surplus for the year		**(56,570,300)**	**(65,184,083)**	**(814,198)**	**(919,619)**

The annexed notes from 1 to 22 form an integral part of these financial statements.

Head of Finance
BRAC Afghanistan

Adpmadhavan

Country Director
BRAC Afghanistan

Shahrukh Y. Mirza

Member, Governing Body
BRAC Afghanistan

BRAC AFGHANISTAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
		AFN		USD	
Cash flows from operating activities:					
(Deficit)/Surplus for the year		(56,570,300)	(65,184,084)	(814,198)	(919,619)
Adjustment to reconcile changes in net assets to					
Net cash provided by operating activities:					
Depreciation		7,404,718	7,177,881	106,574	101,266
Donor grants - amortization of investment in fixed assets		(6,698,553)	(6,615,135)	(96,410)	(93,326)
		706,165	562,746	10,164	7,939
Adjustments for other accounts:					
Decrease/(Increase) in advances, deposits and prepayments		14,843,663	(15,464,323)	209,522	(219,539)
Decrease/Increase in grants & accounts receivable		(16,644,081)	92,874,424	(345,138)	1,318,490
Decrease/Increase in grant and others received in advance		54,700,584	(62,185,656)	537,816	(882,817)
Decrease/Increase in current liabilities		(21,199,258)	(224,269,635)	(235,310)	(3,183,839)
Increase in deferred income		32,970	466,056	(475)	6,575
		31,733,878	(208,579,134)	166,416	(2,961,131)
Net cash from (used in) operating activities		**(24,130,257)**	**(273,200,471)**	**(637,618)**	**(3,872,810)**
Cash flows from investing activities:					
Purchase of fixed assets		(1,848,376)	(469,856)	(26,603)	(6,629)
Net cash used in investing activities		**(1,848,376)**	**(469,856)**	**(26,603)**	**(6,629)**
Cash flows from financing activities:					
Grants received from donor during the year		134,168,312	254,328,010	1,946,198	3,625,467
Grants utilized during the year for:					
- Operational expenditure (donor grants)		(131,051,934)	(175,678,731)	(1,886,184)	(2,478,270)
Received from capital fund		(1,160,509)	(90,348)	(16,703)	(1,275)
Refunded to Donor		(4,545,200)	(8,453,211)	(63,269)	(119,258)
- Investment in fixed assets		(32,970)	(466,056)	(475)	(6,575)
Net cash provided by financing activities		**(2,622,301)**	**69,639,664**	**(20,433)**	**1,020,089**
Net increase in cash and cash equivalents		**(28,600,934)**	**(204,030,663)**	**(684,654)**	**(2,859,350)**
Translation adjustment		-	-	279,753	(46,174)
Cash and cash equivalents, beginning of the year		29,773,000	233,803,663	422,641	3,328,166
Cash and cash equivalents, end of the year	7	**1,172,069**	**29,773,000**	**17,740**	**422,641**

The annexed notes from 1 to 22 form an integral part of these financial statements.

Head of Finance
BRAC Afghanistan

Adpmadhavan
Country Director
BRAC Afghanistan

Shahrukh Y. Mirza
Member, Governing Body
BRAC Afghanistan

BRAC AFGHANISTAN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Temporarily Restricted	Unrestricted	Total Capital Fund	Temporarily Restricted	Unrestricted	Total Capital Fund
	AFN			USD		
At January 01, 2025	**441,909**	**34,509,204**	**34,951,113**	**4,951**	**489,875**	**494,826**
(Deficit) for the year		(56,570,300)	**(56,570,300)**	-	(814,198)	**(814,198)**
Translation adjustment	-	-	-	1,737	(9,577)	**(7,839)**
At December 31, 2025	**441,909**	**(22,061,096)**	**(21,619,187)**	**6,688**	**(333,900)**	**(327,211)**
At January 01, 2024	**441,909**	**99,693,287**	**100,135,196**	**4,951**	**1,420,461**	**1,425,412**
(Deficit) for the year	-	(65,184,083)	**(65,184,083)**	-	(919,619)	**(919,619)**
Translation adjustment	-	-		-	(10,966)	**(10,966)**
At December 31, 2024	**441,909**	**34,509,204**	**34,951,113**	**4,951**	**489,875**	**494,826**

The annexed notes from 1 to 22 form an integral part of these financial statements.

Head of Finance
BRAC Afghanistan

Adpmadhavan

Country Director
BRAC Afghanistan

Shahrukh Y. Mirza

Member, Governing Body
BRAC Afghanistan

1. The reporting entity

BRAC Afghanistan, an international development organization, started activities in May 2002 and registered under Non-governmental organization Dept., Ministry of Economy, The Islamic Republic of Afghanistan, vide registration no 25 with a view to participating in the rehabilitation and reconstruction efforts of Afghanistan by adapting an environmental friendly sustainable development approach through high-impact education, health, Abadei, employment and income generation and capacity building interventions for the poor, especially for women and children. At present, BRAC Afghanistan has a large number of development programs that cover the areas of ABADEI, Health, Education, Emergency response, and UPG for the people of 21 provinces in Afghanistan.

The registered office of the BRAC Afghanistan is at District No 02, Karte-Aryana ,House No# 24, infront of Shereno High School, Kart-e-Parwan, Kabul, Afghanistan.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements have been prepared in accordance with accounting policies as described in note 3 to the financial statements.

2.2 Basis of Measurement

The financial statements are prepared under the historical cost convention.

2.3 Functional and Presentation Currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the organization operates. The financial statements of the BRAC Afghanistan are presented in Afghanistan Afghani (AFN) which is the BRAC Afghanistan's functional and presentation currency. Amount presented have been rounded to the nearest AFN.

The financial statements include figures which have been translated from AFN to United States Dollars (USD) at the year end rate of USD 1: AFN 66.071 (2024: USD 1: AFN 70.445) for balance sheet items and at the annual average rate of USD 1: AFN 69.480 (2024: USD 1: AFN 70.880) for income and expenditure items. These figures are for memorandum purposes only and do not form part of the audited financial statements.

2.4 Use of Estimation and Judgments

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reported period. The estimates and associated assumptions are based on historical experiences, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results ultimately may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.5 Property, Plant and Equipment

BRAC Afghanistan reviews the useful lives and residual value of property, plant and equipment on a regular basis. Any changes in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and the impairment.

2.6 Provisions

BRAC Afghanistan reviews the carrying amount of liabilities on a regular basis and appropriate amount of provision is made as and when necessary.

3. SIGNIFICANT ACCOUNTING POLICIES:

The accounting policy set out below have been applied consistently to all period presented in this financial statements.

3.1 Basis of Preparation of Financial Statements

BRAC Afghanistan maintains its books of account and records on a programme or project-wise basis. The Country Office maintains records of all treasury and management functions. All cash balances, including those held for programs, are held by the Country Office and transferred to programs as required. Balances between projects are eliminated upon combination for the purposes of presentation of the financial statements.

BRAC Afghanistan's accounting records and financial statements are maintained and presented in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and internal reporting into funds established according to their nature and purposes based on the existence or absence of donor-imposed restrictions.

3.2 Donor Grants

Income from donor grants is recognized when conditions on which they depend have been met. Substantially, BRAC Afghanistan's donor grants are for the funding of projects and programs, and for these grants, income is recognized to equate to expenditure incurred on projects and programs. For donor grants which involve funding for Property, Plant & Equipment (PPE), grant income is recognized as the amount equivalent to depreciation expenses charged on the PPE concerned. For donor grants provided to purchase motorcycles for specific projects, income is recognized over the estimated useful lives of the motorcycles.

All donor grants received are initially recorded at fair value as liabilities in the Grants Received in Advance Account. For grants utilized to purchase PPE, the donor grants are transferred to deferred income accounts whilst for grants utilized to reimburse programme-related expenditure, the amounts are recognized as income. Donor grants received in-kind, through the provision of gifts and/or services, are recorded at fair value (excluding situations when BRAC Afghanistan may receive emergency supplies for onward distribution in the event of a disaster which are not recorded as grants).Income recognition of such grants follows that of cash-based donor grants and would thus depend on whether the grants are to be utilized for the purchase of PPE or expended as programme-related expenditure.

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

3.3 Depreciation

Depreciation is recognized in profit or loss and calculated to write off the cost of the property, plant and equipment on a Straight line basis over the expected useful lives of the assets concerned, and intangible assets on a straight line basis.

Depreciation is calculated on monthly basis by charging the whole month depreciation in the month of purchase as per the following rates:

Furniture & Fixtures	10%
Equipment and Machineries	20%
Computers and Peripherals	33%
Vehicles	20%
Building	5%
Land	0%

Management review the depreciation methods, residual value and useful life of an asset at the year end and any change considered to be appropriate in accounting estimate is recorded through the statement of comprehensive income.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the operating result for the reporting period.

3.4 Foreign Currency Transactions.

Transactions in foreign currencies are translated to AFN at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to AFN at the rate prevailing on that date. The resulting difference is treated as foreign currency gain or loss and recorded in statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to (Local currency) at the foreign exchange rate ruling at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to (Local currency) at foreign exchange rates ruling at the dates the fair values were determined. Foreign exchange differences arising on translation are recognized in the statement of

3.5 Convenience Translation Reserve

For the purpose of convenience translation:

The exchange rate of USD 1=AFN 66.071 (2024: USD 1=AFN 70.44) is used for balance sheet items. This represents the selling rate of US Dollar at the end of the year as quoted by the central bank of Afghanistan to conduct foreign exchange transactions. The annual average conversion rate USD 1= AFN 69.480 (2024: USD 1= AFN 70.88) is used for the items of income and expenditure statement ,cash flow statement and statement of comprehensive income.

The average conversion rate is the annual average of the selling rate as quoted by the central bank of Afghanistan to conduct foreign exchange transactions. The difference between average and year end exchange rates is recognized as convenience foreign currency translation reserve. Amounts presented in foreign currencies are for the purpose of convenience only and do not necessarily represent amounts at which assets and liabilities could be realized. Figures on convenience translation reserve are rearranged wherever it's necessary .

3.6 Impairment

i) Financial Assets

At each balance sheet date BRAC Afghanistan assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are considered to be impaired when objective evidence indicates that one or more events that have a negative effect on the estimated future cash flow of an asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

ii) Non Financial Assets

The carrying amounts of BRAC Afghanistan's non financial assets other than inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such condition exists, the assets recoverable amount is estimated and an impairment loss recognized in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

3.7 Other Assets

Other assets comprise prepayments, deposits and other recoverable which arise during the normal course of business; they are carried at original invoice amount less provision made for impairment losses. A provision for impairment of trade receivable is established when there is objective evidence that the fund will not be able to collect all amounts due according to the original terms of receivables. The amount of the provisions is the difference between the carrying amount and the recoverable amount.

3.8 Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise balances that include: cash in hand, deposits held at call with banks, net of bank.

3.9 Other Accounts Receivable

It includes inter project receivable and pre-finance from the control fund to the projects.

3.10 Provision and Other Liabilities

A provision is recognized if, as a result of a past event, BRAC Afghanistan 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.

Other accounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.11 Employee Benefits

The organization doesn't operate any retirement benefit fund. The severance pay is provided for in accordance with the country statute. The organization also provides festival allowance, Insurance and medical benefit to its employees based on a predetermined policy and is recognized in other accruals. Employ entitlements to annual leave are recognized in other accruals when accrue to employees.

3.12 Segment Reporting

An operating segment is a component that engages in business activities providing products and services from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of BRAC Afghanistan's other component programs. All operating segments' operating results are reviewed regularly by BRAC Afghanistan's Country Programme Managers to make decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

3.13 Related Party Transactions

Where transactions have taken place between the related parties, along with terms of transactions, the nature of the related party relationship, and the amount of the transactions are disclosed in the financial statements.

3.14 Commitments and contingencies

(a) Commitments

There was no significant commitments as at 31 December 2025.

(b) Contingent liability

Order issued by Honourable Paktika high court in 2012 against BRAC Afghanistan to cease its operations and pay penalties to MRRD on account of not releasing block grants to CDCs is currently under consideration of Honourable Supreme Court of Afghanistan.

No provision for the penalty so imposed has been provided in the financial statements for the year as the management is reasonably assured that the decision of the Honourable Supreme Court shall be decided in BRAC's favor as the matter has already been settled with MRRD.

3.15 Post Balance Sheet Events

An event, which could be favourable or unfavourable, that occurs between the end of the reporting period and the date that the financial statements are authorized for issue.

Adjusting event: An event after the reporting period that provides further evidence of conditions that existed at the end of the reporting period, including an event that indicates that the going concern assumption in relation to the whole or part of the enterprise is not appropriate.

Non-adjusting event: An event after the reporting period that is indicative of a condition that arose after the end of the reporting period.

4. Fixed assets (property, plan and Equipment)

Dec 31, 2025

	Furniture and fixtures	Equipment and Machineries	Computers and Peripherals	Vehicles	Total	Total
	AFN	AFN	AFN	AFN	AFN	USD
COST						
At 1 January 2025	15,446,019	8,768,555	28,305,696	17,691,584	70,211,854	996,690
Additions during the year	461,240	1,345,880	41,256	-	1,848,376	26,603
Disposal/Adjustment	-	-	-	-	-	-
Translation reserve	-	-	-	-	-	67,355
At 31 December 2025	**15,907,259**	**10,114,435**	**28,346,952**	**17,691,584**	**72,060,230**	**1,090,648**
COST						
At 1 January 2024	15,228,269	8,516,449	28,305,696	17,691,584	69,741,998	992,769
Additions during the year	217,750	252,106	-	-	469,856	6,629
Disposal/Adjustment	-	-	-	-	-	-
Translation reserve	-	-	-	-	-	(2,708)
At 31 December 2024	**15,446,019**	**8,768,555**	**28,305,696**	**17,691,584**	**70,211,854**	**996,690**
Accumulated Depreciation						
At 1 January 2025	10,012,453	5,912,937	23,570,650	15,570,467	**55,066,507**	**781,695**
Charged during the year	676,454	1,157,912	4,978,428	591,924	**7,404,718**	**106,574**
Disposal/Adjustment	-	-	-	-	-	-
Translation reserve	-	-	-	-	-	**57,248**
At 31 December 2025	**10,688,907**	**7,070,849**	**28,549,078**	**16,162,391**	**62,471,225**	**945,517**
Accumulated Depreciation						
At 1 January 2024	**9,377,745**	**4,994,452**	**18,537,886**	**14,978,543**	**47,888,626**	**681,689**
Charged during the year	**634,708**	**918,485**	**5,032,764**	**591,924**	**7,177,881**	**101,266**
Disposal/Adjustment	-	-	-	-	-	-
Translation reserve	-	-	-	-	-	**(1,260)**
At 31 December 2024	**10,012,453**	**5,912,937**	**23,570,650**	**15,570,467**	**55,066,507**	**781,695**
NET BOOK VALUE						
NBV - at 31 December 2024	**5,433,566**	**2,855,618**	**4,735,046**	**2,121,117**	**15,145,347**	**214,995**
NBV - at 31 December 2025	**5,218,352**	**3,043,586**	**(202,126)**	**1,529,193**	**9,589,005**	**145,132**

	Notes	Dec 31, 2025 AFN	Dec 31, 2024 AFN	Dec 31, 2025 USD	Dec 31, 2024 USD
5. Grants receivable					
Donor grants receivable		124,054,619	69,354,036	1,877,596.00	984,513
Provision for impairment loss on Receivables		(8,209,230)	(8,209,230)	(124,249.00)	(116,534)
		115,845,389	**61,144,806**	**1,753,347.00**	**867,979**
5.1. Related Party Receivable					
Stichting BRAC International		-	38,056,502	-	540,230
		-	**38,056,502**	**-**	**540,230**

This balance represents the receivable amount from Stichting BRAC International in respect of funds received from donors on behalf of BRAC Afghanistan.

	Notes	Dec 31, 2025 AFN	Dec 31, 2024 AFN	Dec 31, 2025 USD	Dec 31, 2024 USD
6. Advances, deposits and prepayments					
Employees (IOU)		908,299	512,905	13,747.00	7,281
Advance to Partner NGO		358,615	15,597,671	5,428.00	221,416
		1,266,913	**16,110,576**	**19,175.00**	**228,697**
7. Cash in hand and at banks					
Cash in hand		706,955	835,229	10,700	11,856
Cash At bank	7.1	465,113	28,937,772	7,040	410,785
		1,172,067	**29,773,001**	**17,740**	**422,641**
7.1. Cash at banks					
Bank Alfalah Limited		50,346	64,918	762	922
Bank Mili Afghanistan		0	503,065	-	7,141
AIB		57,204	64,465	866	915
Azizi Bank limited		357,564	28,305,324	5,412	401,807
		465,113	**28,937,772**	**7,040**	**410,785**
8. Donor fund investments in fixed assets					
Opening balance		13,694,406	19,843,485	195,719.00	282,470
Transferred from Grants received in advance		32,970	466,056	475.00	6,575
Amortization to Statement of Income and Expenditure		(6,698,553)	(6,615,135)	(96,410.00)	(93,326)
Adjustment for translation difference		-	-	6,599.00	-
Closing balance		**7,028,823**	**13,694,406**	**106,383.00**	**195,719**
9. Grant Received in Advance					
Opening balance		20,556,142	13,102,136	291,804	186,507
Donations received during the year	20.	134,168,312	254,328,011	1,946,198	3,625,467
Investment in fixed assets		(32,970)	(466,056)	(475)	(6,575)
Transferred to Statement of Comprehensive Income		(131,051,934)	(175,678,731)	(1,886,184)	(2,478,270)
Refunded to the donor		(4,545,200)	(8,453,211)	(63,269)	(119,258)
F/X Loss/(Gain)		(1,160,509)	(90,348)	(16,703)	(1,275)
Adjustment for translation difference		-	-	62	(32,037)
		17,933,841	**82,741,801**	**271,433**	**1,174,559**
Receivables from donors during the year		54,700,583	(62,185,659)	827,906	(882,755)
Closing balance		**72,634,424**	**20,556,142**	**1,099,339**	**291,804**

	Notes	Dec 31, 2025 AFN	Dec 31, 2024 AFN	Dec 31, 2025 USD	Dec 31, 2024 USD
10. Current liabilities					
Other Liabilities (Project expenses)		17,186,607	39,914,877	260,123	566,611
Payable to BRAC Bangladesh		25,549,588	27,031,503	386,699	383,725
Payables to BRAC IT Services Ltd.		3,650,576	3,774,020	55,252	53,574
Staff Security deposit		-	1,537,316	-	21,823
External audit fees		-	-	-	-
Withholding Tax Payable Others		2,515,725	1,065,922	38,076	15,131
Income tax payable		-	-	-	-
Festival allowance		2,412,386	1,495,929	36,512	21,235
Employee Insurance Fund (Group Insurance)		8,587,793	8,294,564	129,978	117,745
Employee Insurance Fund (Medical Benefit)		9,899,873	7,914,440	149,837	112,349
Accrued liabilities		-	-	-	-
Leave salary		-	-	-	-
		69,802,548	**91,028,571**	**1,056,477**	**1,292,193**
11. Related Party Payables					
Payable to Stichting BRAC International	11.1	26,765	-	405	-
		26,765	**-**	**405**	**-**

11.1. The amount represents the "management support fee" payable to Stichting BRAC International.

	Notes	Dec 31, 2025 AFN	Dec 31, 2024 AFN	Dec 31, 2025 USD	Dec 31, 2024 USD
12. Donor grants (income)					
Transferred from grants received in advance		131,051,934	175,678,731	1,886,184	2,478,270
Amortization of investment in fixed assets		6,698,553	6,615,135	96,410	93,326
		137,750,487	**182,293,866**	**1,982,594**	**2,571,596**
13. Other operating Income					
Non refundable CCAP fund balance		-	-	-	-
Cost recovered from other projects		-	-	-	-
Liabilities derecognized as obligation expired		-	-	-	-
Other Project Income		-	368,077	-	5,193
Income from BRAC Contribution		-	-	-	-
Foreign exchange gain		2,014,675	-	28,997	-
Staff Salary & Benefits - Recovered		-	-	-	-
		2,014,675	**368,077**	**28,997**	**5,193**
14. Salary & Benefits					
Staff salary & benefits		73,640,110	88,802,322	1,059,876	1,252,333
Severance Allowance Expenses		5,909,262		85,050	
Festival allowances		-	3,458,232	-	49,228
Staff group insurance		-	-	-	-
Medical Benefit		-	416,851	-	5,934
		79,549,372	**92,677,405**	**1,144,926**	**1,307,495**
15. Impairment loss on Receivables		-	8,209,230	-	115,816
		-	-	-	-
		-	**8,209,230**	**-**	**115,816**

	Notes	Dec 31, 2025 AFN	Dec 31, 2024 AFN	Dec 31, 2025 USD	Dec 31, 2024 USD
16. Occupancy Expenses					
Rent		7,969,827	9,163,121	114,707	129,273
Utilities		1,021,956	655,323	14,709	9,245
		8,991,783	9,818,444	129,416	138,519
17. Other operating expenses:					
Program supplies(Including teacher honorarium)		56,292,002	99,779,956	810,191.00	1,407,698.00
HO logistic and management expenses		3,259,632	6,808,681	46,915.00	96,057.00
Audit fees		583,082	700,000	8,392.00	9,876.00
Interest Expenses and similar charge (Bank charge,foreign exchange loss)		324,373	319,827	4,669.00	4,512.00
Stationery		276,493	315,037	3,979.00	4,445.00
Maintenance & general expenses		29,216,262	8,804,550	420,499.00	124,215.00
Traveling and transportation		9,734,502	14,074,871	140,105.00	198,569.00
		99,686,346	**130,802,922**	**1,434,750.00**	**1,845,370.00**

18. Corresponding Figures

Corresponding previous year figures cover the period of 1 January to 31 December 2025.
These corresponding figures in a few cases are regrouped and rearranged wherever necessary.

19. Date of Authorization

The financial statements were issued by the Board Member on **June 21, 2026.**

20. Schedule of donations received

SL No.	Name of the projects	Donor	2025 AFN	2024 AFN	2025 USD	2024 USD
	Education Program:					
1	Girl Education Challenge Transition	PwC/DFID	-	-	-	
2	Afghan Girls Education Project	GAC	-	186,654,461	-	2,658,782
	CCAP and Others :					
3	Citizen Charter Afghanistan Project	MRRD/World Bank	-	-	-	-
4	REACH	IDLG	-	-	-	-
5	Reintegration of Returnees	UNHCR	-	-	-	-
6	Citizen Charter Afghanistan Project (CCAP)-Extension	MRRD/World Bank	-	-	-	-
	Health Program:					
7	Strengthening and Scaling-up Malaria Prevention & Case Management AF-0047	UNDP /GF	-	-		
8	BPHS Sehatmandi Helmand	MoPH/World Bank	-	-	-	-
9	Community Based Outreach Vaccination (CBOV)	MoPH/GAVI	-	-	-	-
10	0	MoPH	-	-	-	-
11	Nutrition	UNOCHA	-	-	-	-
12	UPG	UNHCR	-	-	-	-
13	ABADEI	UNDP	-	-		
14	Humanitarian emergencies	UNFPA	-	-		
15	ASPIRE	UNWOMEN	23,534,506	39,600,442	338,724	558,684
16	Implementation of Ultra-Poor Graduation Programme - PII [AF-0056]	UNHCR	-	-		
17	ABADEI II [AF-0057]	UNDP	-	-		
	We Act	UNDP	72,805,165	28,073,108	1,030,838	408,001
18	Humanitarian Emergency Response (HER) [AF-0058]	UNFPA	37,828,641			
19	BRAC UAS		-	-		
Total			**134,168,312**	**254,328,011**	**1,369,562**	**3,625,467**

21. Segmental Reporting

Statement of Financial Position	AF-0001 BRAC Training and Resource Center(BTRC)	AF-0023 Central Office Control Accounts	AF-0042 Afghan Girls Education AGE in Conflict and Fragile situation	AF-0047 Strengthening and Scaling-up Malaria Prevention and Case Management to Improve Health in Afghanistan-II	AF-0051 Provision of life-saving nutrition services in hard to reach districts	AF-0052 Implementation of Ultra-Poor Graduation Program	AF-0053 ABADEI Programme	AF-0054 Mainstreaming RH and GBV in Humanitarian emergencies	AF-0055 ASPIRE	AF-0056 Implementation of Ultra-Poor Graduation Programme - PII	AF-0057 ABADEI II	AF-0058 Humanitarian Emergency Response (HER)	AF-0059 WE-ACT	AF-0060 AIYA	Other projects	Total
As at 31 December 2025	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN
Assets																
Non-Current Assets																
Property, plant and equipment	48,057	1,922,631	1,598,790	-	355,400	(53,550)	1,990,613	(20,744)	32,152	-	1,825,693	-	269,458	-	1,620,506	**9,589,006**
Current-Assets																
Grants receivable	-	-	44,951,970	221,529	-	499,572	-	20,637,189	17,069,462	293,266	-	7,288,471	22,666,484	827,345	1,390,101	**115,845,389**
Related Party Receivable	16,518,731	56,270,256	(39,389,916)	(198,149)	(18,715)	(429,207)	19,740	(20,637,189)	(6,275,597)	32,099	-	(7,282,017)	(8,273)	2,263,581	(865,345)	**(1)**
Advances, deposits and prepayments	-	945,454	22	-	-	-	-	-	-	-	-	-	-	-	321,437	**1,266,913**
Cash in hand and at banks	136,611	467,232	154,196	-	-	-	-	-	397,369	534	390	7,108	8,627	-	-	**1,172,067**
Total assets	**16,703,399**	**59,605,573**	**7,315,062**	**23,380**	**336,685**	**16,815**	**2,010,353**	**(20,744)**	**11,223,386**	**325,899**	**1,826,083**	**13,562**	**22,936,296**	**3,090,926**	**2,466,699**	**127,873,376**
Liabilities and Net Assets																
Liabilities																
Grant Received in Advance	-	32,745,528	6,022,463	-	-	-	-	-	10,461,574	-	-	-	22,577,515	827,345	-	**72,634,423**
Donor fund investments in fixed assets	-	-	1,045,694	-	355,400	(53,550)	1,899,149	(20,744)	(4,248)	-	1,917,157	-	269,458	-	1,620,507	**7,028,825**
Current liabilities	-	57,118,612	94,361	23,380	(18,715)	70,365	19,740	-	746,628	325,899	390	13,562	89,323	2,263,581	9,055,422	**69,802,548**
Related party payable	-	26,765	-	-	-	-	-	-	-	-	-	-	-	-	-	**26,765**
Total liabilities	**-**	**89,890,905**	**7,162,518**	**23,380**	**336,685**	**16,815**	**1,918,889**	**(20,744)**	**11,203,954**	**325,899**	**1,917,547**	**13,562**	**22,936,296**	**3,090,926**	**10,675,929**	**149,492,561**
Reserves																
Retained earnings	16,703,399	(30,285,332)	152,544	-	-	-	91,464	-	19,432	-	(91,464)	-	-	-	(8,209,229)	**(21,619,187)**
Total net assets	**16,703,399**	**(30,285,332)**	**152,544**	**-**	**-**	**-**	**91,464**	**-**	**19,432**	**-**	**(91,464)**	**-**	**-**	**-**	**(8,209,229)**	**(21,619,187)**
Total liabilities and net assets	**16,703,399**	**59,605,573**	**7,315,062**	**23,380**	**336,685**	**16,815**	**2,010,353**	**(20,744)**	**11,223,386**	**325,899**	**1,826,083**	**13,562**	**22,936,296**	**3,090,926**	**2,466,700**	**127,873,376**

Statement of Financial Position	BRAC Training and Resource Center(BTRC)	Central Office Control Accounts	Afghan Girls Education AGE in Conflict and Fragile situation	Strengthening and Scaling-up Malaria Prevention and Case Management to Improve Health in Afghanistan-II	Provision of life-saving nutrition services in hard to reach districts	Implementation of Ultra-Poor Graduation Program	ABADEI Programme	Mainstreaming RH and GBV in Humanitarian emergencies	ASPIRE	Implementation of Ultra-Poor Graduation Programme - PII	ABADEI II	Humanitarian Emergency Response (HER)	WE-ACT	AIYA	Other projects	Total
As at 31 December 2025	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Assets																
Non-Current Assets																
Property, plant and equipment	727	29,099	24,198	-	5,379	(810)	30,128	(314)	487	-	27,632	-	4,078	-	24,527	**145,132**
Current-Assets																
Grants receivable	-	-	680,359	3,353	-	7,561	-	312,349	258,350	4,439	-	110,313	343,063	12,522	21,040	**1,753,347**
Related Party Receivable	250,015	851,663	(596,176)	(2,999)	(283)	(6,496)	299	(312,349)	(94,983)	486	-	(110,215)	(125)	34,260	(13,097)	-
Advances, deposits and prepayments	-	14,310	0	-	-	-	-	-	-	-	-	-	-	-	4,865	**19,175**
Cash in hand and at banks	2,068	7,072	2,334	-	-	-	-	-	6,014	8	6	108	131	-	-	**17,740**
Total assets	**252,810**	**902,144**	**110,715**	**354**	**5,096**	**254**	**30,427**	**(314)**	**169,869**	**4,933**	**27,638**	**205**	**347,146**	**46,782**	**37,334**	**1,935,393**
Liabilities and Net Assets																
Liabilities																
Grant Received in Advance	-	495,611	91,151	-	-	-	-	-	158,338	-	-	-	341,716	12,522	-	**1,099,339**
Donor fund investments in fixed assets	-	-	15,827	-	5,379	(810)	28,744	(314)	(64)	-	29,017	-	4,078	-	24,527	**106,383**
Current liabilities	-	864,504	1,428	354	(283)	1,065	299	-	11,300	4,933	6	205	1,352	34,260	137,056	**1,056,478**
Related party payable	-	405	-	-	-	-	-	-	-	-	-	-	-	-	-	**405**
Total liabilities	**-**	**1,360,520**	**108,406**	**354**	**5,096**	**254**	**29,043**	**(314)**	**169,574**	**4,933**	**29,023**	**205**	**347,146**	**46,782**	**161,583**	**2,262,604**
Reserves																
Retained earnings	252,810	(458,376)	2,309	-	-	-	1,384	-	294	-	(1,384)	-	-	-	(124,249)	**(327,211)**
Total net assets	**252,810**	**(458,376)**	**2,309**	**-**	**-**	**-**	**1,384**	**-**	**294**	**-**	**(1,384)**	**-**	**-**	**-**	**(124,249)**	**(327,211)**
Total liabilities and net assets	**252,810**	**902,144**	**110,715**	**354**	**5,096**	**254**	**30,427**	**(314)**	**169,869**	**4,933**	**27,638**	**205**	**347,146**	**46,782**	**37,334**	**1,935,393**

22. Segmental Reporting

Statement of Comprehensive Income	AF-0001 BRAC Training and Resource Center(BTRC)	AF-0023 Central Office Control Accounts	AF-0042 Afghan Girls Education AGE in Conflict and Fragile situation	AF-0047 Strengthening and Scaling-up Malaria Prevention and Case Management to Improve Health in Afghanistan-II	AF-0051 Provision of life-saving nutrition services in hard to reach districts	AF-0052 Implementation of Ultra-Poor Graduation Program	AF-0053 ABADEI Programme	AF-0054 Mainstreaming RH and GBV in Humanitarian emergencies	AF-0055 ASPIRE	AF-0056 Implementation of Ultra-Poor Graduation Programme - PII	AF-0057 ABADEI II	AF-0058 Humanitarian Emergency Response (HER)	AF-0059 WE-ACT	AF-0060 AIYA	Total
For the year ended 31 December 2025	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN	AFN
Income															
Grant Income	-	-	61,025,481	-	74,400	123,756	3,746,748	124,656	21,000,655	-	1,006,104	-	47,239,881	3,408,806	137,750,487
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gain	-	2,014,675	-	-	-	-	-	-	-	-	-	-	-	-	2,014,675
Total Income	**0**	**2,014,675**	**61,025,481**	**0**	**74,400**	**123,756**	**3,746,748**	**124,656**	**21,000,655**	**0**	**1,006,104**	**0**	**47,239,881**	**3,408,806**	**139,765,162**
Expenditure															
Salaries & benefits	-	31,505,293	25,436,423	-	-	-	-	-	6,854,885	-	-	-	13,386,223	2,366,548	79,549,372
Impairment loss on Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy expenses	-	3,643,668	2,533,117	-	-	-	-	-	1,123,959	-	-	-	1,160,591	530,448	8,991,783
Other Operating Expenses	-	21,756,673	31,772,505	-	-	-	-	-	12,998,131	-	-	-	32,647,227	511,810	99,686,346
Foreign exchange Loss	-	703,243	-	-	-	-	-	-	-	-	-	-	-	-	703,243
Depreciation	-	706,165	1,572,801	-	74,400	123,756	3,655,284	124,656	4,248	-	1,097,568	-	45,840	-	7,404,718
Total Expenditure	**-**	**58,315,042**	**61,314,846**	**-**	**74,400**	**123,756**	**3,655,284**	**124,656**	**20,981,223**	**-**	**1,097,568**	**-**	**47,239,881**	**3,408,806**	**196,335,462**
Net (deficit)/surplus for the year	-	**(56,300,367)**	**(289,365)**	-	-	-	**91,464**	-	**19,432**	-	**(91,464)**	-	-	-	**(56,570,300)**

Statement of Comprehensive Income	BRAC Training and Resource Center(BTRC)	Central Office Control Accounts	Afghan Girls Education AGE in Conflict and Fragile situation	Strengthening and Scaling-up Malaria Prevention and Case Management to Improve Health in Afghanistan-II	Provision of life-saving nutrition services in hard to reach districts	Implementation of Ultra-Poor Graduation Program	ABADEI Programme	Mainstreaming RH and GBV in Humanitarian emergencies	ASPIRE	Implementation of Ultra-Poor Graduation Programme - PII	ABADEI II	Humanitarian Emergency Response (HER)	WE-ACT	AIYA	Total
For the year ended 31 December 2025	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Income															
Grant Income	-	-	878,317	-	1,071	1,781	53,926	1,794	302,255	-	14,481	-	679,907	49,062	1,982,594
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gain	-	28,997	-	-	-	-	-	-	-	-	-	-	-	-	28,997
Total Income	**0**	**28,997**	**878,317**	**0**	**1,071**	**1,781**	**53,926**	**1,794**	**302,255**	**0**	**14,481**	**0**	**679,907**	**49,062**	**2,011,591**
Expenditure															
Salaries & benefits	-	453,445	366,097	-	-	-	-	-	98,660	-	-	-	192,663	34,061	1,144,926
Impairment loss on Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy expenses	-	52,442	36,458	-	-	-	-	-	16,177	-	-	-	16,704	7,635	129,416
Other Operating Expenses	-	313,136	457,291	-	-	-	-	-	187,078	-	-	-	469,880	7,366	1,434,751
Foreign exchange Loss	-	10,122	-	-	-	-	-	-	-	-	-	-	-	-	10,122
Depreciation	-	10,164	22,637	-	1,071	1,781	52,609	1,794	61	-	15,797	-	660	-	106,574
Total Expenditure	**-**	**839,309**	**882,483**	**-**	**1,071**	**1,781**	**52,609**	**1,794**	**301,976**	**-**	**15,797**	**-**	**679,907**	**49,062**	**2,825,789**
Net (deficit)/surplus for the year	-	**(810,312)**	**(4,166)**	-	-	-	**1,317**	-	**279**	-	**(1,316)**	-	-	-	**(814,198)**