BRAC ENTERPRISES TANZANIA LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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GENERAL INFORMATION

Board of Directors

Name	Position	Gender	Nationality	Age	Date of Appointment	Qualification	Status
Shameran Abed	Chairperson	Male	Bangladeshi	44	20 July 2020	Degree	Active
Alexandra McGoodwin	Director	Female	American	41	11 Aug 2025	MBA	Active
Anne Mutta	Director	Female	Kenyan	54	11 Aug 2025	Degree	Active
Tushar Bhowmik	Director	Male	British	51	11 Aug 2025	Degree	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 Resources
Amini Amani	Head of Information Technology
Prisila Clemence	Head of Legal and Company 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
P. O. Box 1160
Dar es Salaam, Tanzania
TIN 101-269-027 VAT REG No. 10-007190R
NBAA Reg. No. PF 020

Banker

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

BRAC ENTERPRISES TANZANIA LIMITED

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

Directors of BRAC Enterprises Tanzania Limited are pleased to submit their report, together with the audited financial statements for the year ended 31 December 2025, 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, 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 organisation 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 2025 is as shown below.

Shareholders	Number of shares	TZS "000"
BRAC International Enterprises B.V.	9,999	49,995
Shameran Abed	1	5
	10,000	**50,000**

As at 31 December 2025 the entity has 10,000 shares valued at TZS 5,000 each. All shares have equal voting rights.

The results for the Company for the year ended 31 December 2025 are set out on page 12.

7. FINANCIAL PERFORMANCE

General Performance

Angaza Learning Centres - Day Care Centre Preparation

- Opened one new centre in 2025, bringing the total number of early childhood development centres in operation during the 2025 academic year to five (5).
- As of 31 December 2025, a total of 303 children were enrolled across the centres. Monitoring results indicated that 91% of children met the expected development targets, and 98% of parents reported satisfaction with the services provided.
- During the year, renovations, installation of outdoor playgrounds, procurement of teaching and learning materials, and marketing activities were completed across all locations.

Angaza Learning Centre - Teacher Training and Material Development

- The Company's dedicated ECD Specialist conducted upfront training with new caregivers, regular refresher training with all caregivers, as well as mentoring and coaching sessions with all head caregivers. All caregivers attended training at the International School of Tanganyika from an international phonics expert.

Angaza Learning Centres - Performance and Market Assessment

- Performance of the pilot centres during the year confirmed the viability of the Angaza model. Subsequent to this, the Board approved funding for expansion in 2026, including the planned opening of 15 additional centres. During the year, the programme was rebranded as **Angaza Learning Centres** to ensure compliance with BRELA registration requirements and to reflect a refinement of the operating model.

Staffing

- In 2025, BETL strengthened its internal capacity through the recruitment of an ECD Officer and an Operations Officer, improving programme supervision, operational management, and internal controls in line with the organisation's growth.

8. COMPOSITION OF DIRECTORS

The Directors, who served during the period and up to the date of this report unless otherwise stated, are set out on page 1. During the year, three new Directors were appointed to the Board.

9. DIVIDEND

No dividend has been declared for the year ended 31 December 2025 (2024: Nil).

10. CORPORATE GOVERNANCE

The members of the Board of 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 Directors accept and exercise 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:

- The effectiveness and efficiency of operations.
- The safeguarding of the Company's assets.
- Compliance with applicable laws and regulations.
- The reliability of accounting records.

11. RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

- 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 with 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, programmes 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's 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 operating activities when income or expense is denominated in a different currency from the functional currency. The Organisation manages its foreign currency risk by maintaining foreign currency bank accounts.

Credit risk

Credit risk is the risk that a 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 the risk that arises when the Organisation is unable to meet its obligations from maturing commitments due to insufficient funds. The company monitors its liquidity risk through monthly forecasts of future cash flows to meet its obligations and commitment.

Operational risk

The company's exposure to operational risks relates primarily to high dependency on donor funds to implement our activities and run the organisation. 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 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 2025 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 expectations that the Company has adequate resources to continue in operational existence for the foreseeable future.

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, tribe, religion, and disability, which do not impair the ability to discharge duties.

Training

Training and capacity development remains a priority of the Organisation. During the year, the Finance and Operations Manager provided training on financial record keeping and basic business practices. An Operations Officer was recruited during the year and joined the Organisation towards the end of the reporting period, with further capacity building activities planned for 2026.

Medical assistance

The Organisation enrolled all employees in the medical scheme-NHIF where the employee contributes 3% and the employer contributes 3% of the basic 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 Enterprises Tanzania Limited having no legal or constructive obligation to pay further top-up contributions.

Disabled persons

The Organisation seeks, where reasonable, to accommodate those with disabilities, including staff who became disabled while working for the organisation. As at 31 December 2025, 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 2025. 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 2025 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 2025 is provided below, with detailed results on page 12:

Revenue and expenditure

Fee income rose from TZS 40 million in 2024 to TZS 49 million in 2025, reflecting a 20% increase. Likewise, expenditure grew from TZS 641 million to TZS 665 million. This reflects growth in the current year. The number of students enrolments increased leading to an increase in tuition fees and the entity also hired new employees, which significantly led to the increase in expenditure.

Total assets and liabilities

Total assets increased from TZS 243 million in 2024 to TZS 323 million in 2025, representing a 33% increase. This was mainly driven by the increase in cash and cash equivalents due to funds received from BRAC International to support operational costs thus we expanded leased properties (ROU) and the increase in tuition fees.

Similarly, total liabilities increased from TZS 62 million in 2024 to TZS 138 million in 2025, equivalent to 214%, mainly reflecting the lease liability recognised during the year as we increased the number of leased schools.

16. RESULTS FROM OPERATIONS (CONTINUED)

Cash flows

The Organisation used TZS 536 million (2024: TZS 584 million) in operations, spent TZS 33 million (2024: TZS 6 million) on investing activities. At the year-end, the Organisation's cash balance stood at TZS 108 million (2024: TZS 134 million).

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 2025, the Company had access to sufficient financial resources, primarily from owners' equity funding and some from internally generated revenue, which were utilised 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 12 employees of 3 males and 9 females (2024: 26 employees comprising 10 males and 16 females, reduced staff to reduce overhead costs).

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 2025, the company had no disabled staff.

22. ENVIRONMENTAL IMPACT AND CONTROL PROGRAM

The company is very keen on environmental conservation and ensures that the 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 2026, the Company has the following plans;

Angaza Academy - Owned-and-Operated ECD Centres

- Angaza Learning Centres – Partnership Model
- Continue expansion of the Angaza partnership model through recruitment of 15 new head caregivers.
- Strengthen the partnership agreement, due diligence process, and monitoring framework.
- Provide training on financial management, record keeping, and centre operations.
- Strengthen safeguarding, reporting, and governance systems in line with BRAC policies.

24. FUTURE DEVELOPMENT AND OUTLOOK (CONTINUED)

- Further develop digital systems for centre monitoring and performance tracking.
- Support enrolment growth and improve fee collection discipline across centres.
- Identify 15 new locations and partners for establishment of additional centres.
- Promote the Angaza Learning Centres brand through local marketing and community engagement.

25. AUDITOR

KPMG was the auditor for the year ended 31 December 2025 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.

26. RELATIONSHIP WITH STAKEHOLDERS

The Organisation continued to maintain a good relationship with all stakeholders.

27. 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.

28. STATEMENT OF RESPONSIBILITY OF THE GOVERNING COUNCIL

The Board of Directors of BRAC Enterprises Tanzania Limited is responsible for preparing financial statements for each financial year that present a true and fair view of the organisation's financial position and performance. These statements are compiled using appropriate accounting policies, supported by reasonable and prudent judgements 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.

29. 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.

30. 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 2025 and correctly reflects all the assets and liabilities existing as at that date.

Approved by the Board of directors and authorised for issue on ..23 June 2026... and signed by:

....	....
Elizabeth Mary Gupta	Shameran Abed
General Manager	**Director**

BRAC ENTERPRISES TANZANIA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025, 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.

As disclosed under Note 2 (c), the members of the directors have made an assessment of the ability of the company to continue as going concern and have no reason to believe that the business will not continue as a going concern for a period of at least 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 authorised for issue by the Directors on 23 June 2026

....
Shameran Abed
Director

BRAC ENTERPRISES TANZANIA LIMITED

DECLARATION OF HEAD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2025

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 by 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 a 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 set out in Directors' Responsibility statement on the earlier page.

I, **Thabit Ndilahomba,** being the Head of Finance of BRAC Enterprises Tanzania Limited hereby acknowledge my responsibility for ensuring that the financial statements for the year ended 31 December 2025, 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 at 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: 15|06|26........

KPMG
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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 2025, 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 2025, 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 Dollars (USD) does 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: 24/06/2026

BRAC ENTERPRISES TANZANIA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 TZS '000	Memo 2025 USD	2024 TZS '000	Memo 2024 USD
Income					
Fee income	7	48,646	19,002	40,235	15,379
Amortisation of capital grant	15(c)	6,461	2,524	9,772	3,735
Grant income	7	7,454	2,912	10,217	3,905
		62,561	**24,438**	**60,224**	**23,019**
Other income	8	24,986	9,760	14,609	5,584
Total operating income		**87,547**	**34,198**	**74,833**	**28,603**
Operating expenses					
Staff costs	9	(432,371)	(168,892)	(458,016)	(175,071)
Travelling and transportation		(19,561)	(7,640)	(34,343)	(13,127)
Training, workshop, and seminars	10	(2,345)	(916)	(5,294)	(2,023)
Occupancy expenses	11	(249)	(97)	(765)	(292)
Printing and stationary		(6,460)	(2,524)	(1,217)	(465)
Other operating expenses	12	(164,777)	(64,365)	(101,912)	(38,957)
Food expenses		(9,302)	(3,635)	(12,695)	(4,852)
Interest Expense on Lease liability	18 (c)	(6,869)	(2,683)	(4,353)	(1,664)
Depreciation of right-of-use (ROU) assets	18 (c)	(13,499)	(5,273)	(13,059)	(4,992)
Total operating expenses before depreciation		**(655,433)**	**(256,025)**	**(631,654)**	**(241,443)**
Depreciation charge	13	(10,012)	(3,911)	(9,772)	(3,735)
Total operating expenses		**(665,445)**	**(259,936)**	**(641,426)**	**(245,178)**
Profit before taxation		**(577,898)**	**(225,738)**	**(566,593)**	**(216,575)**
Tax expense	17 (a)	-	-	(6,960)	(2,661)
Profit for the year		**(577,898)**	**(225,738)**	**(573,553)**	**(219,236)**
Other comprehensive loss:					
Items that are or may be reclassified to profit or loss					
Exchange differences on translation		-	(620)	-	(13,334)
Total comprehensive loss for the year		**(577,898)**	**(226,358)**	**(573,553)**	**(232,570)**

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

The auditor's report is on pages 10-11.

BRAC ENTREPRISES TANZANIA LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Notes	2025 TZS '000	Memo 2025 USD	2024 TZS '000	Memo 2024 USD
ASSETS					
Non-current assets					
Property and equipment	13	53,653	21,678	20,186	8,232
Right-of-use asset (ROU)	18 (a)	159,528	64,456	37,824	15,426
		213,181	**86,134**	**58,010**	**23,658**
Current assets					
Due from related parties	16 (c)	1,463	591	50,000	20,392
Advances		400	161	419	171
Cash and cash equivalents	14	107,983	43,630	134,105	54,692
Corporate tax receivable	17 (b)	59	24	59	24
		109,905	**44,406**	**184,583**	**75,279**
Total assets		**323,086**	**130,540**	**242,593**	**98,937**
Equity					
Share capital	19	50,000	21,763	50,000	21,763
Capital contribution		1,224,780	489,475	642,130	261,880
Accumulated losses		(1,089,807)	(422,356)	(511,909)	(196,618)
Translation reserve		-	(14,146)	-	(13,526)
		184,973	**74,736**	**180,221**	**73,499**
Non-current liabilities					
Lease liabilities	18 (b)	85,429	34,517	14,002	5,874
		85,429	**34,517**	**14,002**	**5,874**
Current liabilities					
Deferred grant	15 (a)	3,129	1,264	17,044	6,951
Due to related Parties	16 (b)	1,424	575	2,047	835
Other payables	20	8,800	3,556	14,393	5,870
Lease liabilities	18 (b)	39,331	15,892	14,886	5,908
Total current liabilities		**52,684**	**21,287**	**48,370**	**19,564**
Total liabilities		**138,113**	**55,804**	**62,372**	**25,438**
Total equity and liabilities		**323,086**	**130,540**	**242,593**	**98,937**

The financial statements on pages 12 to 35 were approved and authorised for issue by the board of directors on ...23 June 2026... 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.
The auditor's report is on pages 10-11.

BRAC ENTREPRISES TANZANIA LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Ordinary Share capital		Capital contribution		Accumulated losses		Total	Translation reserve	Memo
	TZS'000	Memo USD	TZS'000	Memo USD	TZS'000	Memo USD	TZS'000	USD	USD
2024									
Balance as at 1 January 2024	**50,000**	**21,763**	-	-	**61,644**	**22,618**	**111,644**	**(192)**	**44,189**
Transaction with owners									
Capital contribution	-	-	642,130	261,880	-	-	642,130	-	261,880
Loss for the year	-	-	-		(573,553)	(219,236)	(573,553)	-	(219,236)
Translation reserve	-	-	-		-	-	-	(13,334)	(13,334)
As at 31 December 2024	**50,000**	**21,763**	**642,130**	**261,880**	**(511,909)**	**(196,618)**	**180,221**	**(13,526)**	**73,499**
2025									
Balance as at 1 January 2025	**50,000**	**21,763**	**642,130**	**261,880**	**(511,909)**	**(196,618)**	**180,221**	**(13,526)**	**73,499**
Transaction with owners									
Capital contribution	-		582,650	227,595	-		582,650	-	227,595
Profit for the year	-		-		(577,898)	(225,738)	(577,898)	-	(225,738)
Translation reserve	-		-		-		-	(620)	(620)
As at 31 December 2025	**50,000**	**21,763**	**1,224,780**	**489,475**	**(1,089,807)**	**(422,356)**	**184,973**	**(14,146)**	**74,736**

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

The auditor's report is on pages 10-11.

BRAC ENTERPRISES TANZANIA LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 TZS '000	Memo 2025 USD	2024 TZS '000	Memo 2024 USD
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(577,898)	(225,738)	(566,593)	(216,575)
Adjustment for non-cash items:					
Depreciation of property and equipment	13	10,012	3,911	9,772	3,735
Depreciation charge for ROU	18 (c)	13,499	5,273	13,059	4,992
Amortisation of capital grant	15 (b)	(6,461)	(2,524)	(9,772)	(3,735)
Amotization of deferred grant	15 (b)	(7,454)	(2,912)	(10,217)	(3,905)
Interest expense on lease liability	18 (c)	6,869	2,683	4,353	1,664
(Profit)/loss on disposal of assets		(10,353)	(4,044)	1,372	526
		(571,786)	**(223,351)**	**(558,026)**	**(213,298)**
Changes in working capital:					
Trade and other receivables		48,537	18,960	(419)	(160)
Decrease in other assets		18	7	-	-
(Decrease) in other liabilities		(5,591)	(2,184)	-	-
Related parties' payables		(623)	(243)	(3,146)	(1,203)
Interest paid on lease liability	18 (d)	(6,869)	(2,683)	(4,353)	(1,664)
Tax paid for the year	17 (b)	-	-	(17,793)	(6,801)
Net cash used in operating activities		**(536,314)**	**(209,494)**	**(583,737)**	**(223,126)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property and equipment	13	(51,436)	(20,092)	(6,195)	(2,386)
Proceeds from disposal of assets		18,309	7,152	-	-
Cash used in investing activities		**(33,127)**	**(12,940)**	**(6,195)**	**(2,386)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Capital contribution		582,650	227,595	642,130	245,447
Payment of lease liability (Principal)	18 (d)	(39,331)	(15,365)	(14,487)	(5,537)
Net cash flow generated from financing activities		**543,319**	**212,230**	**627,643**	**239,910**
Net (decrease)/increase in cash and cash equivalents		**(26,122)**	**(10,204)**	**37,711**	**14,398**
Effect of translation		-	(858)	-	1,966
Cash and cash equivalents at the beginning of the period		134,105	54,692	96,394	38,328
Cash and cash equivalents at the end of the period	14	**107,983**	**43,630**	**134,105**	**54,692**

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

The auditor's report is on pages 10-11.

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) Going concern

The Company's financial performance for the year ended 31 December 2025 and state of affairs as at 31 December 2025 are set out on page 12 and 13 respectively. As at 31 December 2025, the Company had a total deficit amounting to TZS 577.9 million (2024: TZS 573.6 million), the Company also had net cash out flows from operating activities amounting to TZS 536 million (2024: TZS 584 million) and net cash out flows of TZS 26. 1 million (2024: TZS 37.7 million).

The Company is in a pilot phase and does not generate sufficient income to support its operations. As such, it is dependent on shareholder equity to finance operations. As at 31 December 2025, the Board of Directors of BRAC International Enterprises B.V. the majority shareholder of BRAC Enterprises Tanzania Limited approved an additional capital contribution amounting to USD 347,000 (equivalent to TZS 859 million) to be done in 2026. The Board of Directors of BRAC Enterprises Tanzania Limited has reviewed the Company's funding position and cash flow projections and is satisfied that the Company has access to adequate resources to continue its operations for the foreseeable future.

(d) 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) is for presentation purposes only, and does 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 2025 of TZS 2,475 (2024: TZS 2,452) 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 (2024: TZS 2,431.42) to 1 USD.
- Equity is not translated; and
- All resulting exchange differences are being recognised in other comprehensive income.

(e) 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.

2. BASIS OF PREPARATION (CONTINUED)

(e) Use of estimates and judgements (continued)

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.

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 are 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 contracts 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 the performance obligations 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 over time as the students receive 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 released to income to match the depreciation for the period and amortisation of the fixed assets as charged to the statement of profit or loss and other comprehensive income.

Grants utilised to reimburse programme 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 is classified as temporarily restricted or unrestricted depending upon the existence of donor-imposed restrictions. For completed or phased out projects and programmes, any unutilised amounts are dealt with in accordance with consequent donor and management agreements.

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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Grants (continued)

(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.

(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, 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 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 for 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(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.

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.

(g) 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.

(h) Financial instruments

(i) Recognition and Initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (continued)

(ii) Classification and Subsequent measurement

- ***Financial assets***

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or 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
- 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 at 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 are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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.

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 Company 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 the Company and its cost can be measured reliably. The costs of the day-to-day service 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

At each reporting date, the Company assesses the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the amount of the other assets in the CGU on a pro rata basis.

(k) Employee benefits

(i) Retirement benefit obligations

All the 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 for in the same manner as mentioned above.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits (Continued)

(ii) Termination benefits

Termination benefits are recognised as an expense in the year in which they become 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 accrued expense.

(l) Share capital

Ordinary share 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 recognised 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 Company to external entities that arises in connection with the legal contracts executed by the Company.

(n) New standards, amendments, and interpretations

The Company has adopted the following new standards and amendments during the year ended 31 December 2025, including consequential amendments to other standards with the date of initial application by the Company being 1 January 2025. 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***
Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2025

(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***
Annual Improvements to IFRS Accounting Standards Amendments to: • IFRS 1 First-time Adoption of International Financial Reporting Standards. • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7. • IFRS 9 Financial Instruments. • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash flows	1 January 2026
Amendment to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures' – Classification and Measurement of Financial Instruments (Published May 2024)	1 January 2026
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027

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*
IFRS 19, 'Subsidiaries without Public Accountability' (Published May 2024)	1 January 2027
IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted

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 Company'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 expectations of future events that are believed to be reasonable under the circumstances. The key areas of judgement in applying the Company's accounting policies are dealt with below:

Useful lives and residual values of property and equipment

Critical estimates are made by Directors in determining the useful lives and residual values of 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 utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

5. FINANCIAL RISK MANAGEMENT

The Company'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

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 (i.e. their fair values) at the reporting date and showing maximum exposure to credit risk, if different from carrying amount.

	Carrying amount 2025 TZS "000"	Exposure to credit risk 2025 TZS "000"	Carrying amount 2024 TZS "000"	Exposure to credit risk 2024 TZS "000"
Cash and bank balances (excluding cash in hand)	107,983	107,983	134,104	134,104
Due from related parties	1,463	1,463	50,000	50,000
Total exposure	**109,446**	**109,446**	**184,104**	**184,104**

Advances have been excluded as they are not financial assets,

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 2025 (2024: 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 2025			
Due to related parties	1,424	1,424	1,424
Other payables	8,800	8,800	8,800
Lease liability	124,760	171,120	46,200
Total Liabilities	**134,984**	**181,344**	**56,424**

31 December 2024	Carrying amount TZS'000	Contractual cash flows TZS'000	Within 1 year TZS'000
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	**45,328**	**52,680**	**35,280**

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 2025:

	Carrying amount	Within 1 year	Between 1 to 5 years	Total contractual cash flows
Cash and bank balances	107,983	107,983	-	107,983
Due from related parties	1,463	1,463	-	1,463
Total Assets	**109,446**	**109,446**	-	**109,446**
Due to related parties	1,424	1,424	-	1,424
Other payables	8,800	8,800	-	8,800
Lease liability	124,760	48,600	122,520	171,120
Total Liabilities	**134,984**	**56,424**	122,520	**181,344**
Net liquidity	**(25,538)**	**53,022**	**(122,520)**	**(71,898)**

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 cash flows
Bank balances	134,104	134,104	-	134,104
Due from related parties	50,000	50,000	-	50,000
Total Assets	**184,104**	**184,104**	-	**184,104**
Due to related parties	2,047	2,047	-	2,047
Other Payables	14,393	14,393	-	14,393
Lease liability	28,888	18,840	17,400	36,240
Total Liabilities	**45,328**	**35,280**	**17,400**	**52,680**
Net liquidity	**138,776**	**148,824**	**(17,400)**	**131,424**

(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 optimising net interest income, given market interest rate levels consistent with the Company's business strategies.

As at 31 December 2025 the Company had no interest-bearing assets and liabilities (2024: Nil) hence has no exposure to interest rate risk.

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 the 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).

Balances denominated in foreign currency	2025 TZS '000	2024 TZS '000
Financial Assets		
Cash and cash equivalents (denominated in USD)	14,165	18,528
Total assets	**14,165**	**18,528**
Financial Liabilities		
Due to related parties	(1,424)	(2,047)
Total Liabilities	**(1,424)**	**(2,047)**
Net exposure	**12,741**	**16,481**

Sensitivity analysis

The rate of exchange as at 31 December 2025 is USD 1 = 2,475 (2024: TZS 2,452) strengthening of USD against TZS by 10% means that the rate of exchange will move to USD 1 = TZS 2,722.50 (2024: TZS 2,697.20)

A 10% fluctuation in the exchange rate (USD against TZS) would impact the profit/loss before tax by +/- TZS 55.9 million (2024: TZS 1.6 million) and the net impact on the shareholders equity would have been +/- TZS 18.5 million (2024: TZS 1.1 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's 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.

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.

Year ended 31 December 2025	At amortised cost TZS'000	Memo USD
Financial assets		
Cash and bank balance	107,983	43,630
Due from related parties	1,463	591
Total financial assets	**109,446**	**44,221**
Financial liabilities		
Due to related parties	1,424	575
Other Payables	8,800	3,556
Lease liabilities	124,760	50,408
Total financial liabilities	**134,984**	**54,539**

Year ended 31 December 2024	At amortised cost TZS'000	Memo USD
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
Lease liabilities	28,888	11,781
Total financial liabilities	**43,328**	**18,486**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

		2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
7.	**INCOME**				
	Tuition fees from spoke academies	48,646	19,002	40,235	15,379
	Grant income/donation	7,454	2,912	10,217	3,905
	Amortisation of capital grant	6,461	2,524	9,772	3,735
		62,561	**24,438**	**60,224**	**23,019**
8.	**OTHER INCOME**				
	Foreign currency loss	578	226	(2,935)	(1,122)
	Food fees	13,844	5,407	17,343	6,629
	Gain on Disposal of PPE	10,352	4,044	-	-
	Membership fee	212	83	201	77
		24,986	**9,760**	**14,609**	**5,584**
9.	**STAFF COSTS**				
	Staff salaries	353,957	138,262	350,422	133,945
	Bonus	25,294	9,880	25,580	9,778
	Employer's local retirement scheme contributions (NSSF)	47,450	18,535	79,316	30,317
	Work permit Expense	5,670	2,215	2,698	1,031
		432,371	**168,892**	**458,016**	**175,071**
10.	**TRAINING, WORKSHOPS AND SEMINARS**				
	Central staff training	2,345	916	5,294	2,023
	Material development workshop	-	-	-	-
		2,345	**916**	**5,294**	**2,023**
11.	**OCCUPANCY EXPENSES**				
	Utilities	249	97	765	292
		249	**97**	**765**	**292**
12.	**OTHER OPERATING EXPENSES**				
	General Maintenance	1,378	538	4,191	1,602
	Honorarium	1,400	547	6,231	2,382
	Other office expenses	13,893	5,427	11,600	4,434
	Professional and consultancy fee	32,755	12,795	31,212	11,931
	Auditing fees	-	-	655	250
	Bank charges	6,600	2,578	5,899	2,255
	Software maintenance expense	12,373	4,833	31,525	12,050
	Indoor and outdoor facilities installations	91,799	35,858	3,015	1,153

12. OTHER OPERATING EXPENSES (CONTINUED)

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
Registration	1,766	690	1,405	537
Sales and promotion	2,813	1,099	4,167	1,593
Kitchen Material costs	-	-	637	244
Loss on disposal of items of property, plant and equipment	-	-	1,375	526
	164,777	**64,365**	**101,912**	**38,957**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

13. PROPERTY AND EQUIPMENT

	Furniture &Fixtures TZS'000	Equipment TZS'000	Computers and peripherals TZS'000	Vehicles TZS'000	Total TZS'000	Memo USD
Cost						
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 as at 31 December 2024	-	-	**19,643**	**32,500**	**52,143**	**20,379**
As at 01 January 2025	-	-	19,643	32,500	52,143	20,379
Additions	5,740	-	4,696	41,000	51,436	20,092
Disposal	-	-	-	(32,500)	(32,500)	(12,695)
Translation reserve	-	-	-	-	-	943
Balance as at 31 December 2025	5,740	-	**24,339**	**41,000**	**71,079**	**28,719**
Accumulated depreciation						
As at 01 January 2024	259	-	9,426	12,626	22,311	8,511
Charge for the year	-	-	3,272	6,500	9,772	3,735
Disposal	(259)	-	-	-	(259)	(99)
Translation reserve	-	-	-	-	-	-
Balance as at 31 December 2024	-	-	**12,698**	**19,126**	**31,824**	**12,147**
As at 01 January 2025	-	-	**12,698**	**19,126**	**31,824**	**12,147**
Charge for the year	362	-	3,550	6,100	10,012	3,911
Disposal	-	-	-	(24,543)	(24,543)	(9,587)
Adjustment**	133	-		-	133	52
Translation reserve	-	-	-	-	-	464
Balance as at 31 December 2025	**3496**		**16,248**	**683**	**17,426**	**6,987**
Net book value (NBV)						
At 31 December 2025	**5,244**	-	**8,091**	**40,317**	**53,653**	**21,678**
At 31 December 2024	-	-	**6,812**	**13,374**	**20,186**	**8,232**

14. CASH AND CASH EQUIVALENTS

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
Cash in hand	-	-	1	1
Bank balances	107,983	43,630	134,104	54,691
	107,983	**43,630**	**134,105**	**54,692**

15. GRANT

a) Deferred grants

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
Deferred revenue grants	-	-	1,643	670
Donor funds invested in fixed assets (Note 15 (c))	3,129	1,264	15,401	6,281
As at 31 December 2025	**3,129**	**1,264**	**17,044**	**6,951**

b) Deferred grants movement

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
As at 01 January	17,044	6,951	37,033	14,725
Funds received from donors	-	-	-	-
Funds used for approved activities during the period	(7,454)	(2,912)	(10,217)	(3,905)
Translation reserve	-	(251)	-	(134)
	9,590	**3,788**	**26,816**	**10,686**
Amortisation of donor funds invested in fixed assets (Note 15c)	(6,461)	(2,524)	(9,772)	(3,735)
As at 31 December	**3,129**	**1,264**	**17,044**	**6,951**

c) Donor funds invested in fixed assets

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
As at 01 January 2024	15,401	6,281	25,173	10,841
Depreciation charge during the year (Note 13)	(6,461)	(2,524)	(9,772)	(3,735)
Transferred to statement of income and expenses	(5,811)	(2,270)	-	-
Translation reserve	-	(223)	-	(825)
As at 31 December 2025	**3,129**	**1,264**	**15,401**	**6,281**

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 emoluments paid to directors (2025: Nil).

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
(a) Related party transactions				
BRAC Maendeleo Tanzania Limited	-	-	15,027	5,744
BRAC Finance Tanzania Ltd	4,955	1,936		
Stichting BRAC International	1,463	591	1,436	249
BRAC IT Services	1,424	575	611	586
	7,842	**3,102**	**17,074**	**6,579**
(b) Balances due to related parties				
Payable to BRAC IT SERVICES	1,424	575	611	249
Due to Related Parties	-	-	1,436	586
	1,424	**575**	**2,047**	**835**
(c) Balances due from related parties				
BRAC International Enterprises B.V.		-	50,000	20,392
Stichting BRAC International	1,463	591	-	-
	1,463	**591**	**50,000**	**20,392**

(d) Compensation of key management personnel

Key management personnel are described as those people who have 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 the senior management team. The following table summarises remuneration paid to the key management personnel.

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
Remuneration for Key Management Personnel	122,345	47,790	128,628	52,459
	122,345	**47,790**	**128,628**	**52,459**

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

(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.

BRAC ENTERPRISES TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

17. TAXATION

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
(a) Tax expense				
Tax charge for the period	-	-	-	-
Derecognition of deferred tax	-	-	(6,960)	(2,661)
	-	-	**(6,960)**	**(2,661)**
Tax reconciliation				
Loss before tax	**(577,898)**	**(225,738)**	(566,593)	**(216,575)**
Tax calculated at statutory tax rate 30%	(173,369)	(67,721)	(169,978)	(64,976)
Tax effect of:				
Permanently disallowable items	2,587	1,010	3,551	1,361
Prior period current tax under provision			-	-
Current year deferred tax not recognised	170,782	66,711	166,427	63,615
Derecognition of prior year deferred tax	-	-	(6,960)	(2,661)
	-	-	**(6,960)**	**(2,661)**

(b) Tax payable

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
At 01 January 2024	(59)	(24)	17,734	7,254
Paid during the period	-	-	(17,793)	(6,801)
Foreign Exchange Translation reserve	-	-	-	(477)
At 31 December 2025	**(59)**	**(24)**	**(59)**	**(24)**

(c) Deferred tax

The movement in the deferred tax asset during the year is as follows				
As at 1 January	173,387	66,276	6,960	2,661
Movement for the year	170,782	66,711	166,427	63,615
Balance as at 31 December	**344,169**	**132,987**	**173,387**	**66,276**
Deferred tax not recognised – prior year	(173,387)	(66,276)	(6,960)	(2,661)
Deferred tax not recognised – current year	(170,782)	(66,711)	(166,427)	(66,276)
	-	-	-	-

(d) Deferred tax

	2025 TZS'000	Memo 2024 USD	2024 TZS'000	Memo 2024 USD
Deferred tax arises from temporary differences on the following items				
Property, plant and equipment	(4,064)	(1,642)	(541)	(221)
Tax losses carried forward	349,484	141,206	(166,347)	(63,405)
Provisions	(1,250)	(505)	(6,499)	(2,650)
Translation reserve	-	(6,072)	-	-
	344,169	**132,987**	**(173,387)**	**(66,276)**

18. LEASE (IFRS 16)

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
a) Right of use asset (ROU)				
Opening balance	37,824	15,426	34,408	13,680
Addition for the year	151,858	61,357	16,475	6,719
Modification	(16,655)	(6,729)	-	-
Depreciation charge	(13,499)	(5,273)	(13,059)	(4,992)
Foreign translation reserve	-	(325)	-	19
Closing balance at 31 December	**159,528**	**64,456**	**37,824**	**15,426**
b) Lease liability				
Opening balance	28,888	11,782	26,900	10,696
Addition for the year	151,858	61,357	16,475	6,719
Interest expense for the year	6,869	2,683	4,353	1,775
Payments for the year (principal and interest)	(46,200)	(18,048)	(18,840)	(7,345)
Modification	(16,655)	(6,729)	-	-
Foreign translation reserve	-	(636)	-	(63)
Closing balance	**124,761**	**50,409**	**28,888**	**11,782**
Current portion of the lease liability	39,331	15,892	14,886	5,908
Non-current portion of the lease liability	85,429	34,517	14,002	5,874
	124,760	**50,409**	**28,888**	**11,782**

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
c) Items recognised in the statement of profit or loss				
Depreciation expense – ROU	13,499	5,273	13,059	4,992
Interest on lease liability	6,869	2,683	4,353	1,664
Total	**20,368**	**7,956**	**17,412**	**6,656**
d) Items recognised in the statement of cashflow				
Interest paid on lease liabilities	(6,869)	(2,683)	(4,353)	(1,664)
Lease payments (principal)	(39,331)	(15,365)	(14,487)	(5,537)

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
		10,000	**50,000**	**21,763**

20. OTHER PAYABLES

	2025 TZS'000	Memo 2025 USD	2024 TZS'000	Memo 2024 USD
Accrued liabilities	-	-	2,642	1,077
Provision for Audit and advisory fees	8,366	3,380	11,751	4,793
Other accounts payable	434	176	-	-
	8,800	**3,556**	**14,393**	**5,870**

21. CONTINGENT LIABILITIES

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

22. CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2025 (2024: Nil).

23. 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 2025.