BRAC INTERNATIONAL HOLDINGS B.V. KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	: Bridget Lee Dougherty	- Director*
	: Abhijit Gupta	- Director Finance**
	: Ms. Valentine Okungu	- Local Representative***
	* American	
	** Bangladeshi	
	*** Kenyan	
REGISTERED OFFICE	: FAWE House, Chania Avenue,	
	: Off Wood Avenue, Kilimani,	
	: P.O. Box 22316, 00505	
	: Ngong Road	
PRINCIPAL PLACE OF BUSINESS	: FAWE House, Chania Avenue,	
	: Off Wood Avenue, Kilimani,	
	: NAIROBI	
BANKERS:	: Standard Chartered Bank Kenya Limited	
	: 48 Westlands Road, Chiromo	
	: P.O Box 30003-00100,	
	: Nairobi	
INDEPENDENT AUDITOR	: PKF Kenya LLP	
	: Certified Public Accountants	
	: P.O. Box 14077, 00800	
	: NAIROBI	

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 December 2025, which disclose the state of affair's of the company.

REGISTRATION

The company is registered in Kenya under the Kenyan Companies Act, 2015.

PRINCIPAL ACTIVITIES

The principal activity of the company is to provide strategic and operational technical assistance to the BRAC International Holdings B.V. (BIHBV) operating entities in Africa and Asia.

RESULTS AND PERFORMANCE

The results for the year ended 31 December 2025 are set out in the statement of income and expenditure on page 8.

KEY PERFORMANCE INDICATORS	2025 KES	2025 USD	2024 KES	2024 USD
BRAC contribution	214,882,976	1,662,133	205,743,698	1,536,217

PRINCIPAL RISKS AND UNCERTAINTIES

Risks and uncertainties are an integral part of operations for any kind of organisation. For the Company, significant risks and uncertainties mainly revolve around instability and uncertainties in the post-conflict and in-conflict countries where BIHBV has operations. The Company is taking necessary measures to handle this continuously, based on a risk management framework. The general policy is to mitigate and avoid risks. No activities for trading and/or speculation are executed

The companys activities expose it to a number of financial risks including cash flow and foreign currency risk and liquidity risk as set-out below:

Cash flow and foreign currency risk

The majority of the company's expenses are in Kenya Shillings but where funds are received in foreign currency, the company is exposed to currency risk. The Company strive to match foreign currency payables and receivables in such a manner that the currency risk is minimised, if not mitigated entirely.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the company monitors its need for cash on a regular basis and takes appropriate action through financing arrangements from the Head Office.

DIRECTORS

The directors who held office during the year and to the date of this report are shown on page 1.

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

REPORT OF THE DIRECTORS (CONTINUED)

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:

(a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and

(b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

INDEPENDENT AUDITOR

PKF Kenya LLP, continues in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

Approved by the board of directors on 29th April **2026 signed on its behalf by:**

BY ORDER OF THE BOARD

Signed by Abhijit Gupta Date: 2026.05.01 11:04:48	Signed by Valentine Okungu Date: 026.04.29 18:45:32
MR. ABHIJIT GUPTA **DIRECTOR**	**MS. VALENTINE OKUNGU** **LOCAL REPRESENTATIVE**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that are sufficient to show and explain the transactions of the company; and that disclose, with reasonable accuracy, the financial position of the company and that enables them to prepare financial statements of the company that comply with the IFRS for SMEs® Accounting Standard and the requirements of the Kenyan Companies Act, 2015. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard and and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
ii. Selecting and applying appropriate accounting policies; and
iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The Directors confirm that the financial statements give a true and fair view of the financial position of the company as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Kenyan Companies Act, 2015.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 29th April 2026 signed on its behalf by:

Signed by Abhijit Gupta
Date: 2026.05.01 11:04:48

MR. ABHIJIT GUPTA
DIRECTOR

Signed by Valentine Okungu
Date: 2026.04.29 18:45:32

MS. VALENTINE OKUNGU
LOCAL REPRESENTATIVE

REPORT OF THE INDEPENDENT AUDITOR
TO THE DIRECTORS OF BRAC INTERNATIONAL HOLDINGS BV

Opinion

We have audited the company financial statements of BRAC International Holdings BV set out on pages 8 to 17 which comprise the statement of financial position as at 31 December 2025, statement of income and expenditure, statement of changes in reserves and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the state of financial position of the company as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Kenyan Companies Act, 2015.

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 the International Ethics Standards Board for Accountants' 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 Kenya, 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 information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than 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 the financial statements that give a true and fair view in accordance with IFRS for SMEs Accounting Standard 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.

REPORT OF THE INDEPENDENT AUDITOR
TO THE DIRECTORS OF BRAC INTERNATIONAL HOLDINGS BV (CONTINUED)

Responsibilities of management for the financial statements (continued)

In preparing the financial statements, the board of directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association’s internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;

- Conclude on the appropriateness of board of director’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association’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 association to cease to continue as a going concern; and

- 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.

REPORT OF THE INDEPENDENT AUDITOR
TO THE DIRECTORS OF BRAC INTERNATIONAL HOLDINGS BV (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the directors on pages 2 and 3 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Mike Njuguna Kimundu , Practising certificate No. 2235

Signed by Mike Kimundu
Date: 2026.05.04 16:17:02

For and on behalf of PKF Kenya LLP
Certified Public Accountants
Nairobi, Kenya

05 May **2026**

UNIQUE CODE: 97949260424

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PKF Kenya LLP, Kalamu House, Grevillea Grove, Westlands, P O. Box 14077, 00800, Nairobi, Kenya. +254 207 766400, +254 732 144000

Email: pkfnbi@ke.pkfea.com

STATEMENT OF INCOME AND EXPENDITURE

	Note	2025 KES	2025 USD	2024 KES	2024 USD
Income					
BRAC contributions	3	214,882,976	1,662,133	205,743,698	1,536,217
Other income	3	-	-	-	-
Total income		**214,882,976**	**1,662,133**	**205,743,698**	**1,536,217**
Less: expenditure					
General and administrative expenses	4	213,534,393	1,651,702	204,438,717	1,526,473
Depreciation on property and equipment	5	1,348,583	10,431	1,304,981	9,744
Total expenses		**214,882,976**	**1,662,133**	**205,743,698**	**1,536,217**
Result for the year		-	-	-	-

The notes on pages 12 to 17 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF FINANCIAL POSITION

		As at 31 December			
		2025	**2025**	**2024**	**2024**
	Notes	**KES**	**USD**	**KES**	**USD**
Assets					
Non-current assets					
Property and equipment	6	3,611,516	27,994	3,410,230	26,376
Current assets					
Trade and other receivables	7	11,265,245	87,321	10,792,476	83,474
Related party receivables	7.1	585,842	4,541	1,681,402	13,005
Cash and cash equivalents	8	8,872,043	68,770	5,534,568	42,807
BRAC contribution receivable	10.1	-	-	9,208,985	71,226
Total current assets		20,723,130	160,632	27,217,431	210,511
Total assets		**24,334,646**	**188,626**	**30,627,661**	**236,888**
Reserves and liabilities					
Reserves					
BRAC contribution investment in fixed assets	10.2	3,611,516	27,994	3,410,230	26,376
Current liabilities					
BRAC contribution received in advance	10.1	7,250,631	56,202	-	-
Trade and other payables	9	12,016,798	93,146	16,560,172	128,084
Related party payables	9.1	1,455,701	11,284	10,657,259	82,428
		20,723,130	160,632	27,217,431	210,511
Total reserves and liabilities		**24,334,646**	**188,626**	**30,627,661**	**236,888**

The financial statements on pages 8 to 17 were approved and authorised for issue by the board of management on 29th April 2026 and were signed on its behalf by:

Signed by Abhijit Gupta
Date: 2026.05.01 11:04:48

MR. ABHIJIT GUPTA
DIRECTOR
BRAC International

Signed by Valentine Okungu
Date: 2026.04.29 18:45:32

MS. VALENTINE OKUNGU
LOCAL REPRESENTATIVE
BRAC International

The notes on pages 12 to 17 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CHANGES IN RESERVES

Year ended 31 December 2024	**BRAC contribution investment in fixed assets KES**	**Total USD**
At start of year	3,450,665	22,054
Funds received for investment in fixed assets	1,325,880	10,255
Amortization of investment in fixed assets	(1,304,981)	(9,744)
Disposals	(124,500)	(963)
Charge on disposal	63,166	489
Translation adjustment	-	4,285
At end of year	**3,410,230**	**26,376**
Year ended 31 December 2025		
At start of year	3,410,230	26,376
Funds received for investment in fixed assets	1,549,869	11,975
Amortization of investment in fixed assets	(1,348,583)	(10,431)
Translation adjustment	-	74
At end of year	**3,611,516**	**27,994**

The notes on pages 12 to 17 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CASH FLOWS

	Note	2025 KES	2024 KES	2025 USD	2024 USD
Cash flows from/(used in) operating activities					
Surplus for the year		-	-	-	-
Adjustments for:					
Depreciation on property and equipments	6	1,348,583	1,304,981	10,431	9,744
Changes in working capital:					
- receivables		622,791	25,975,024	4,617	193,946
- payables		(13,744,932)	16,360,153	(106,082)	122,155
Net cash (used in)/generated from operating activities		(11,773,558)	43,640,158	(91,034)	325,846
Cashflow (used in) investing activities					
Purchase of property and equipment	6	(1,549,869)	(1,325,880)	(11,975)	(10,255)
Net cash flows (used in) investing activities		(1,549,869)	(1,325,880)	(11,975)	(10,255)
Cashflow from financing activities					
Increase/(decrease) in BRAC contribution received in advance		16,459,616	(36,800,609)	127,428	(274,777)
Sales proceeds from disposal of property and equipment		-	61,334	-	474
Increase/(decrease) in BRAC contribution investment in fixed assets		201,286	(40,435)	1,618	(313)
Net cashflow generated from/(used in) financing activities		16,660,902	(36,779,710)	129,046	(274,616)
Increase in cash and cash equivalents		3,337,475	5,534,568	26,038	40,976
Movement in cash and cash equivalents					
At start of year		5,534,568	-	42,807	-
Change in cash and cash equivalent		3,337,475	5,534,568	26,038	40,976
Translation adjustment		-	-	(75)	1,832
At end of year	8	8,872,043	5,534,568	68,770	42,807

The notes on pages 12 to 17 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

NOTES

1. **General information**

BRAC International Holdings B.V. Kenya is registered as a branch of BRAC International Holdings B.V. The staff members based in this branch provide strategic support and technical assistance to the parent Company's operating entities.

2. **Significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention except as indicated otherwise below and are in accordance with the IFRS for SMEs accounting standard.The historical cost convention is generally based on the fair value of the consideration given in exchange of assets.

The preparation of financial statements in conformity with the IFRS for SMEs Accounting Standard requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements.

b) **Going concern**

The financial performance of the association is set out in the report of the board of directors and in the statement of income and expenditure. The financial position of the company is set out in the statement of financial position.

Based on the financial performance and position of the company and its risk management policies, the management is of the opinion that the company is well placed to continue in operation for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

c) **Revenue including grants and donations received**

Revenue comprises the fair value of the consideration received or receivable from the Head Office.

Contributions are initially recognised at fair value and recorded as liabilities as contribution received in advance for the year and the portion of the contribution utilised to purchase property and equipment's are transferred as BRAC contribution investment in fixed assets and subsequently the portion of the depreciation expenses of the same assets for the period is recognised in the Income statement as BRAC contribution. Contribution relating to expenditure for the year is released to income and expenditure as it is utilised or incurred.

d) **Translation of foreign currencies**

Transactions in foreign currencies are translated to the respective functional currency of the entity at exchange rates at the dates of the transaction. BRAC International Holdings B.V. Kenya branch used an exchange rate of USD 1: KES 129.01 (closing rate) and KES 129.31 (average rate) for the year 2025. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate on that date.

NOTES (CONTINUED)

2. **Significant accounting policies (continued)**

e) **Property and equipment**

All property and equipment acquired from unrestricted funds are initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

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 can be reliably measured.

Depreciation is calculated on straight line method to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	Rate %
Furniture and fittings	10.00
Equipment	20.00
Computers	33.33

All depreciation costs are charged and written off in the year it was written off.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit or loss.

f) **Trade and other receivables**

Other receivables include deposits and prepayment for services/goods to be delivered in future and advances to staff. Other receivables are only accounted for if there is tangible evidence that the service will be performed in future or a refund will be made in the event the service is not performed.

g) **Taxation**

No taxation has been provided in these financial statements as discussed further in Note 11 to the financial statements.

h) **BRAC contribution**

BRAC contribution is recognized to the extent that BRAC International Holdings BV, Kenya branch fulfils the condition and recorded as income for the year in the statement of income and expenditure.

i) **Trade and other payables**

Other payables are obligations on the basis of normal credit terms and do not bear interest.

j) **Comparatives**

There were no changes in presentation in the current year.

NOTES (CONTINUED)

	2025 KES	2025 USD	2024 KES	2024 USD
3. BRAC contributions				
Regional Office Support	213,534,393	1,651,702	204,438,717	1,526,472
Investment in fixed assets	1,348,583	10,431	1,304,981	9,745
	214,882,976	1,662,133	205,743,698	1,536,217
Other operating income				
Non Operating Income	-	-	-	-
4. General and administrative expenses				
Salaries and other staff cost (4.1)	182,702,458	1,413,215	152,103,725	1,135,705
Computer and internet expenses	382,960	2,962	328,636	2,454
Office rent	4,085,720	31,603	4,080,620	30,469
Travelling and Transportation	14,586,660	112,829	19,134,247	142,869
Writebacks	(1,307,430)	(10,113)	-	-
Office expenses	2,669,519	20,649	3,881,372	28,981
Software Maintenance	2,690,045	20,808	-	-
Audit fees	1,035,888	8,013	746,000	5,570
Printing and Stationary	237,155	1,834	151,331	1,130
Legal and professional fees	4,762,669	36,840	19,106,479	142,662
General expenses	471,946	3,651	2,606,375	19,461
Foreign exchange loss	1,216,803	9,412	2,299,932	17,173
	213,534,393	1,651,702	204,438,717	1,526,473
4.1 Salaries and other staff cost				
Salaries and wages	176,313,419	1,363,795	148,200,264	1,106,559
Other staff cost	6,389,039	49,420	3,903,461	29,146
	182,702,458	1,413,215	152,103,725	1,135,705

	No. of employees 2025	No. of employee 2024
The average number of persons employed during the year were:		
Micro finance staff	20	21

5. Depreciation

	2025 KES	2025 USD	2024 KES	2024 USD
Depreciation on property and equipment	1,348,583	10,431	1,304,981	9,744

6. Property and equipment

	Furniture & fittings KES	Equipment KES	Computers KES	Total KES	Total USD
Cost					
At start of year	2,298,826	588,426	3,263,492	6,150,744	47,573
Additions	284,309	255,200	1,010,360	1,549,869	11,975
Translation adjustment	-	-	-	-	142
At end of year	2,583,135	843,626	4,273,852	7,700,613	59,690
Depreciation					
At start of year	783,048	287,212	1,670,254	2,740,514	21,196
Charge for the year	233,075	222,076	893,432	1,348,583	10,431
Translation adjustment	-	-	-	-	68
At end of year	1,016,123	509,288	2,563,686	4,089,097	31,696
Net book value 2025	**1,567,012**	**334,338**	**1,710,166**	**3,611,516**	**27,994**
Net book value 2024	1,515,778	301,214	1,593,238	3,410,230	26,376

NOTES (CONTINUED)

7. **Trade and other receivables**	**2025 KES**	**2025 USD**	**2024 KES**	**2024 USD**
Prepaid utilities	4,890,638	37,909	2,432,540	18,814
Prepaid insurance	3,357,695	26,027	4,128,916	31,935
Deposits and advances	3,016,912	23,385	4,231,020	32,725
	11,265,245	**87,321**	**10,792,476**	**83,474**

7.1 **Receivable from related party**				
Receivable from BRAC International Finance B.V.	-	-	1,681,402	13,005
Receivable from BRAC Kenya Company Limited	585,842	4,541	-	-
	585,842	4,541	1,681,402	13,005

8. **Cash and cash equivalents**	**2025 KES**	**2025 USD**	**2024 KES**	**2024 USD**
Cash at bank	8,872,043	68,770	5,534,568	42,807

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise the above.

9. **Trade and other payables**	**2025 KES**	**2025 USD**	**2024 KES**	**2024 USD**
Provision for NSSF	187,314	1,452	1,289,776	9,976
Gratuity payable	635,581	4,927	1,499,294	11,596
Withholding tax payable	-	-	1,345,515	10,407
Pay As You Earn (PAYE)	8,049,232	62,392	6,538,426	50,571
Other accrued liabilities	3,144,672	24,375	5,887,161	45,534
	12,016,798	93,146	16,560,172	128,084

9.1 **Related party Payable**				
Payable to Stiching Brac International (10.3 & 10.4)	1,455,701	11,284	10,657,259	82,428

10. **Related party transactions**

The following transactions were carried out with the related parties:

	2025 KES	**2025 USD**	**2024 KES**	**2024 USD**
BRAC contribution received in advance (10.1)	7,250,631	56,202	(9,208,985)	(71,226)
BRAC contribution investment in fixed assets (10.2)	3,611,516	27,994	3,410,230	26,376
Payable to related party-SBI Kenya (Note 10.3)	1,345,527	10,430	9,574,070	74,050
Payable to related party-SBI (Note 10.4)	110,174	854	1,083,189	8,378

NOTES (CONTINUED)

10. **Related party transactions (continued)**

10.1 **BRAC contribution**

	2025 KES	2025 USD	2024 KES	2024 USD
At start of year	(9,208,985)	(71,226)	27,591,624	176,347
Contributions received during the year	231,543,878	1,790,800	171,334,533	1,217,094
Transferred to BRAC contribution investment in fixed assets	(1,549,869)	(11,975)	(1,325,880)	(10,255)
Transfer to statement of income and expenditure	(213,534,393)	(1,651,702)	(204,438,717)	(1,526,473)
Translation difference	-	305	-	89,577
At end of year	7,250,631	56,202	(9,208,985)	(71,226)

10.2 **BRAC contribution investment in fixed assets**

	2025 KES	2025 USD	2024 KES	2024 USD
At start of year	3,410,230	26,376	3,450,665	22,054
Transferred from BRAC contribution received in advance	1,549,869	11,975	1,325,880	10,255
Disposal	-	-	(61,334)	(474)
Amortization of BRAC contribution investment in fixed assets	(1,348,583)	(10,431)	(1,304,981)	(9,744)
Translation adjustment	-	74	-	4,285
At end of year	3,611,516	27,994	3,410,230	26,376

10.3 **Payable to related party-Stichting BRAC International Kenya (Note 9.1)**

	2025 KES	2025 USD	2024 KES	2024 USD
At the start of the year	9,574,070	74,050	10,106	65
Expenses paid by related party	8,979,330	69,456	21,161,741	163,674
Amounts paid to related party	(17,207,873)	(133,104)	(10,308,001)	(79,727)
Translation adjustment	-	28	-	(9,962)
At the end of the year	1,345,527	10,430	9,574,070	74,050

10.4 **Payable to related party - Stichting BRAC International (Note 9.1)**

	2025 KES	2025 USD	2024 KES	2024 USD
At the start of the year	1,083,189	8,378	-	-
Expenses paid by related party	110,174	854	1,083,189	8,378
Amounts paid to related party	(1,083,189)	(8,378)	-	-
Translation adjustment	-	-	-	-
At the end of the year	110,174	854	1,083,189	8,378

10.5 **Receivable from related party-Stitching Brac International Kenya (Note 7.1)**

	2025 KES	2025 USD	2024 KES	2024 USD
At start of the year	-	-	25,409,005	162,397
Refunds from related parties	-	-	(25,409,005)	(162,397)
Receipts from head office during the year	-	-	-	-
Expenses paid by related party	-	-	-	-
Repayment to related party	-	-	-	-
At the end of the year	-	-	-	-

NOTES (CONTINUED)

11. **Taxation**

Whilst the company does not have a tax exemption certificate at present, the company deals in activities which are not for profit and therefore the management is of the view that the company would not be subject to Therefore no provision for current or deferred tax is recognised in these financial statements.

12. **Registration**

The company is registered in Kenya under the Kenyan Companies Act, 2015.

13. **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (Kenya Shillings). Major activities were measured in Kenya Shillings and translated in USD. BRAC International Holdings BV, Kenya branch uses an exchange rate of USD 1: KES 129.29 (closing rate) and KES 192.31 (average. rate) for 2025 and of USD 1: KES 129.29 (closing rate) and KES 133.93 (average rate) for 2024.

The exchange rates used are as follows:	**2025**	**2024**
Statement of financial position 1 USD	129.01	129.29
Statement of profit and loss (average rate) 1 USD	129.28	133.93

14 **Commitments**

Operating lease commitments - as a lessee

The future minimum lease payments payable under non-cancellable operating leases are as follows:

	2025 **KES**	**2024** **KES**
Not later than 1 year	3,268,572	3,268,572
Later than 1 year and not later than 5 years	3,268,572	6,537,144
	6,537,144	9,805,716

The company leases office space through operating lease agreements. The lease terms is 4 years and is renewable at the end of the tenure of the lease.

APPENDIX I: SCHEDULE OF EXPENDITURE

	2025	2025	2024	2024
1. **General and administrative expenses**	**Shs**	**USD**	**Shs**	**USD**
Salaries and wages	176,313,419	1,363,795	148,200,264	1,106,559
Other staff costs	6,389,039	49,420	3,903,461	29,146
Computer and internet expenses	382,960	2,962	328,636	2,454
Office rent	4,085,720	31,603	4,080,620	30,469
Writebacks	(1,307,430)	(10,113)	-	-
Travelling and Transportation	14,586,660	112,829	19,134,247	142,869
Office expenses	2,669,519	20,649	3,881,372	28,981
Software Maintenance	2,690,045	20,808	-	-
Audit fees	1,035,888	8,013	746,000	5,570
Printing and Stationary	237,155	1,834	151,331	1,130
Legal and professional fees	4,762,669	36,840	19,106,479	142,662
General expenses	471,946	3,651	2,606,375	19,461
Foreign exchange loss	1,216,803	9,412	2,299,932	17,173
	213,534,393	1,651,702	204,438,717	1,526,473

2. **Depreciation**

	2025 Shs	2025 USD	2024 Shs	2024 USD
Depreciation on property and equipment	1,348,583	10,431	1,304,981	9,744