# BRAC KENYA COMPANY LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE PERIOD ENDED 31 DECEMBER 2025

**CONTENTS** **PAGE**

## COMPANY INFORMATION

| | |
|---|---|
| **BOARD OF DIRECTORS** | : Shameran Bahar Abed (Chairperson)<br>: Bridget Lee Dougherty<br>: Malik Asif Russd (CEO/MD) |
| **REGISTERED OFFICE** | : FAWE House<br>: Chania Avenue<br>: P.O. Box 22316-00505<br>: Nairobi, Kenya |
| **INDEPENDENT AUDITOR** | : PKF Kenya LLP<br>: Certified Public Accountants<br>: P.O. Box 14077, 00800<br>: Nairobi, Kenya |
| **COMPANY SECRETARY** | : Qwasha Corporate Services LLP<br>: P.O. Box 27547-00100<br>: Nairobi, Kenya |
| **PRINCIPAL BANKERS** | : NCBA Bank Kenya PLC<br>: Nairobi, Kenya<br><br>: Co-operative Bank of Kenya<br>: Nairobi, Kenya |
| **PARENT** | : BRAC International Holdings B.V.<br>: The Netherlands |

## REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the period ended 31 December 2025, which disclose the state of affairs of the company.

### INCORPORATION

The company was incorporated on 20 February 2024 and commenced its activities in July 2024.

### PRINCIPAL ACTIVITY

The principal activity of the company is to carry on a Digital Credit Provider business, to provide a range of financial services responsibly to people at the bottom of the pyramid, with the focus on women living in poverty in rural and hard-to-reach areas to create self-employment opportunities, build financial resilience, and harness women's entrepreneurial spirit by empowering them economically.

### BUSINESS REVIEW

During the year ended 31 December 2025, the Company received restricted funds amounting to Shs 64,588,690. Out of this balance, Shs 12,229,827 was utilised to finance operating expenditure, while a further Shs 47,169,050 was applied towards the acquisition of tangible and intangible assets.

| KEY PERFORMANCE INDICATORS | 2025 18Months Shs | 2025 18Months USD |
|---|---|---|
| Restricted grant income | 12,229,827 | 94,599 |
| Loss before tax | (18,529,394) | (143,325) |
| Net assets | 60,955,764 | 472,489 |

### PRINCIPAL RISKS AND UNCERTAINTIES

The Company's mission is to provide a range of financial services responsibly to people at the bottom of the pyramid, with a particular focus on empowering women living in poverty in rural and hard-to-reach areas by creating self-employment opportunities, building financial resilience, and harnessing their entrepreneurial spirit.

In line with this mission, the Company is currently in the early stages of establishing its credit operations to offer inclusive, accessible, affordable, and convenient credit products tailored to the needs of the local community. Its core credit products include group-based microloans provided exclusively to women, and small enterprise loans for entrepreneurs seeking to grow their businesses. The Company is also exploring innovative solutions to meet the unique financial needs of rural smallholder farmers and the youth population. In all its endeavours, the Company will adhere to the Universal Standards for Social and Environmental Performance Management (USSEPM) and the Client Protection Standards, placing clients' well-being at the centre of everything it does.

The company's activities expose it to a number of financial risks including credit risk, cash flow and foreign currency risk and liquidity risk as set out below:

**REPORT OF THE DIRECTORS (CONTINUED)**

**PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

**Credit risk**

The company's principal financial assets are cash and bank balances and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company has no significant concentration of credit risk, with exposure spread over a number of counterparties.

**Liquidity risk**
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company monitors its need for cash on a regular basis and takes appropriate action through shareholders injection.

**SHARE CAPITAL**

The company authorised issue of ordinary Share capital during the year representing 900,000 ordinary shares of Shs 500 each representing 450,000,000.

The company's issued and fully paid-up share capital during the year comprised 150,000 ordinary shares of Shs 500 each representing Shs 75,000,000.

**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.

**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.

**TERMS OF APPOINTMENT OF THE AUDITOR**

PKF Kenya LLP was appointed during the year and 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 fee.

**BY ORDER OF THE BOARD**

Signed by Malik Asif Russd
Date: 2026.05.04 15:27:32

**MALIK ASIF RUSSD**
**NAIROBI**

**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 are of the opinion that the financial statements give a true and fair view of the financial position of the company as at 31 December 2025 and of it's 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 05/04/2026 2026 signed on its behalf by:

| | |
|---|---|
| Signed by Malik Asif Russd<br>Date: 2026.05.04 15:27:32 | Bridget Dougherty<br>Signed by Bridget Lee Dougherty<br>Date: 2026.05.05 14:48:38 |
| **DIRECTOR** | **DIRECTOR** |

PKF

**REPORT OF THE INDEPENDENT AUDITOR**
**TO THE MEMBERS OF BRAC KENYA COMPANY LIMITED**

**Opinion**

We have audited the financial statements of BRAC Kenya Company Limited(the company) set out on pages 8 to 22, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss , statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the BRAC Kenya Company Limited as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with 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(ISA's). 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' 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 Kenya, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The directors are responsible for the other information. The other information comprises report of the directors, schedule of expenditure and any other report that comprise the annual report 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 the financial statements that give a true and fair view in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Kenyan Companies Act, 2015, 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, the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF BRAC KENYA COMPANY LIMITED (CONTINUED)

**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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISA's, 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 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 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 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.

- 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 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 OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF BRAC KENYA COMPANY LIMITED (CONTINUED)

**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 Kimundu, - Practising certificate No. 2235**

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

06 May **2026**

**403/26**

UNIQUE CODE: 64230260428

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 PROFIT OR LOSS

| | Notes | 2025<br>18 Months<br>Shs | 2025<br>18 Months<br>US$ |
|---|---|---|---|
| **Revenue** | | | |
| Restricted grant income | 3 | 12,229,827 | 94,599 |
| Amortised capital grants | 4 | 679,733 | 5,258 |
| | | 12,909,560 | 99,857 |
| Administrative expenses | | (24,322,126) | (188,133) |
| Other operating expenses | | (7,116,828) | (55,049) |
| **Loss before tax** | | (18,529,394) | (143,325) |
| Tax credit | | - | - |
| **Loss for the year** | | (18,529,394) | (143,325) |

The notes on pages 12 to 21 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 |
| **CAPITAL EMPLOYED** | **Notes** | **Shs** | **US$** |
| Share capital | | 75,000,000 | 580,297 |
| Share money deposit | | 4,485,158 | 34,703 |
| Retained earnings | | (18,529,394) | (143,325) |
| Translation reserve | | - | 814 |
| | | 60,955,764 | 472,489 |
| **Non-current liabilities** | | | |
| Capital grant | 13 | 46,489,318 | 360,354 |
| | | 107,445,082 | 832,843 |
| **REPRESENTED BY** | | | |
| **Non-current assets** | | | |
| Property and equipment | 8 | 13,714,823 | 106,308 |
| Intangible assets | 9 | 32,774,495 | 254,046 |
| | | 46,489,318 | 360,354 |
| **Current assets** | | | |
| Receivables | 10 | 2,996,713 | 23,229 |
| Cash and cash equivalents | 11 | 71,363,075 | 553,159 |
| | | 74,359,788 | 576,388 |
| **Current liabilities** | | | |
| Trade and other payables | 12 | 7,081,540 | 54,891 |
| Deferred income | 13 | 6,322,484 | 49,008 |
| | | 13,404,024 | 103,899 |
| **Net current assets** | | 60,955,764 | 472,489 |
| | | 107,445,082 | 832,843 |

The financial statements on pages 8 to 21 were approved and authorised for issue by the Board of Directors on 05/04/2026 2026 and were signed on its behalf by:

Bridget Dougherty

Signed by Malik Asif Russd
Date: 2026.05.04 15:27:32

**DIRECTOR**

Signed by Bridget Lee Dougherty
Date: 2026.05.05 14:48:38

**DIRECTOR**

The notes on pages 12 to 21 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

## STATEMENT OF CHANGES IN EQUITY

| Period ended 31 December 2025 | Note | Share capital Shs | Share money deposit Shs | Retained earnings Shs | Total Shs |
|---|---|---|---|---|---|
| At start of year | | - | - | - | - |
| Issue of ordinary share capital | 8 | 75,000,000 | - | - | 75,000,000 |
| Share money deposit | 15 | - | 4,485,158 | - | 4,485,158 |
| Loss for the year | | - | - | (18,529,394) | (18,529,394) |
| At end of year | | 75,000,000 | 4,485,158 | (18,529,394) | 60,955,764 |

| Period ended 31 December 2025 | | Share capital US$ | Share money deposit US$ | Retained earnings US$ | Translation reserve US$ | Total US$ |
|---|---|---|---|---|---|---|
| At start of year | | - | - | - | - | - |
| Issue of ordinary share capital | 8 | 580,297 | - | - | - | 580,297 |
| Share money deposit | 15 | - | 34,703 | - | - | 34,703 |
| Loss for the year | | - | - | (143,325) | 814 | (142,511) |
| | | 580,297 | 34,703 | (143,325) | 814 | 472,489 |

The notes on pages 12 to 21 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

**STATEMENT OF CASH FLOWS**

| | Notes | 2025 Shs | 2025 US$ |
|---|---|---|---|
| Loss before tax | | (18,529,394) | (143,325) |
| **Adjustments for:** | | | |
| Depreciation on property and equipment | 8 | 350,682 | 2,713 |
| Amortisation on intangible assets | 9 | 329,050 | 2,545 |
| Amortisation of capital grants | 4 | (679,733) | (5,258) |
| Changes in working capital: | | | |
| - trade and other receivables | | (2,996,713) | (23,229) |
| - trade and other payables | | 7,081,540 | 54,891 |
| - deferred income | | 6,322,484 | 49,008 |
| - capital grant | | 47,169,051 | 365,623 |
| Cash generated from operations | | 39,046,967 | 302,968 |
| Net cash generated from operating activities | | 39,046,967 | 302,968 |
| **Investing activities** | | | |
| Purchase of property and equipment | 8 | (14,065,505) | (109,026) |
| Purchase of intangible assets | 9 | (33,103,545) | (256,597) |
| Net cash (used in) investing activities | | (47,169,050) | (365,623) |
| **Financing activities** | | | |
| Proceeds from issue of ordinary shares | 8 | 75,000,000 | 580,297 |
| Share money deposit | 15 | 4,485,158 | 34,703 |
| Net cash received from financing activities | | 79,485,158 | 615,000 |
| **Increase in cash and cash equivalents** | | 71,363,075 | 552,345 |
| **Movement in cash and cash equivalents** | | | |
| At start of year | | - | - |
| Increase | | 71,363,075 | 552,345 |
| Transalation difference | | - | 814 |
| At end of the year | 12 | 71,363,075 | 553,159 |

The notes on pages 12 to 21 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

1) **General Information**

BRAC Kenya Company Limited is incorporated in Kenya under the Kenyan Companies Act, 2015 as a private company limited by shares and is domiciled in Kenya. The address of its registered office is as shown on page 1. The address of its registered office and its principal place of business is in FAWE House, China Avenue, Nairobi, Kenya.

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**

These financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard issued by the International Accounting Standards Board (IASB) and are consistent with the previous period.

The financial statements have been prepared under the historical cost convention except for property, plant and equipment which are measured at fair value.

The financial statements are presented in Kenya Shillings and US dollars.

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 organisation's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 2(b).

**Going concern**

The financial performance of the organisation is set out in the report of the directors and in the statement of income and expenditure. The financial position of the organisation 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 directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

b) **Key sources of estimation uncertainty and judgements**

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2) **Significant Accounting Policies (continued)**

b) **Key sources of estimation uncertainty and judgements (continued))**

- **Useful lives of property and equipment and intangibles assets**

  Management reviews the useful lives and residual values of the items of property and equipment and intangible assets on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amounts of property and and intangible assets are disclosed in notes 9 and 10 respectively.

- **Impairment of non-financial assets**

  Impairment exists when the carrying amount of an asset or exceeds its recoverable amount, which is the determined as fair value less costs of disposal. The carrying amounts of property and equipment and intangible assets are disclosed in notes 13 and 14, respectively.

The directors have not made any judgement that is considered to have significant effect on the amounts recognised in the financial statements.

c) **Translation of foreign currencies**

(i) *Transactions and balances*

Transactions in foreign currencies during the year are converted into Kenya Shillings (the functional currency), at the rates ruling at the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

(ii) *Translation reserve*

The financial statements has been translated to US dollars for presentation purposes as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that reporting date.
- income and expenses for each statement of profit or loss are translated at average exchange rates.
- all resulting translation exchange differences are recognised under a separate component of equity.

d) **Revenue recognition**

Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2) **Significant Accounting Policies (continued)**

e) **Deferred income**

Deferred revenue grants represent unutilised restricted funds as at the end of the reporting period. The grant is for use in procurement of goods and services and equipment's as the company establishes itself in the market. Grants relating to procurement of services and goods which are not property and equipment or intangible assets are recognised immediately to profit and loss to match qualifying expenditure incurred with any unspent funds. For grants relating to procurement of property and equipment or intangible asset, the fair value is credited to deferred income and is released to profit or loss over the expected useful life of the relevant asset on a systematic basis consistent with the depreciation/amortization policy of the related asset. The deferred grant relating to an item of property and equipment and intangible asset which has been derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset is released to the profit and loss in the period.

f) **Property and equipment**

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

The company's capitalises all individual items of equipment in excess of $300 in cost.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

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

| | Rate % |
|---|---|
| Motor Vehicles | 20 |
| Computer and Peripherals | 33 |
| Furniture & Fixtures | 10 |
| Equipment and Machines | 20 |
| Buildings | 5 |
| Land | 0 |

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.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.

2) **Significant Accounting Policies (continued)**

g) **Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**- Computer software**
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 4 years or at a 25% rate.

h) **Receivables**

Receivables are initially recognised at the transaction price. They are subsequently measured at amortised cost using the effective interest method.

At the end of each reporting year, the carrying amounts of trade receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of income and expenditure.

i) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

j) **Taxation**

The tax expense for the period comprises current . Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income or equity.

**Current tax**
The current income tax charge/credit is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

k) **Financial liabilities**

Financial liabilities are initially recognised at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

l) **Employee benefits**

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to the statement of income and expenditure in the year to which they relate they relate.

**Accrued leave**
The estimated monetary liability for employee's accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

**NOTES (CONTINUED)**

2) **Significant Accounting Policies (continued)**

m) **Share capital**

Ordinary shares are classified as equity.

n) **Share money deposit**

The share money deposit are funds injected by shareholders and classified as equity based on the company's irrevocable right not to redeem such fund other than in the form of issue of share at pre-determined fixed value.

**NOTES (CONTINUED)**

## 3 Revenue

| Period ended 31 December 2025 | Receipts Shs | Transfer to Deferred income Shs | Transfer to grant receivables Shs | Capital grants Shs | Grant income Shs |
|---|---|---|---|---|---|
| Stichting BRAC International | 64,588,690 | 6,322,484 | 1,132,671 | 47,169,050 | 12,229,827 |

| | Receipts US$ | Transfer to deferred income US$ | Transfer to grant receivables US$ | Capital grants US$ | Grant income US$ |
|---|---|---|---|---|---|
| Stichting BRAC International | 499,599 | 49,008 | 8,780 | 365,623 | 94,599 |

The funds received during the year represent a sub-grant between the Company and Stichting BRAC International ("BI"). BI, as the Grantor, received funding from the Mastercard Foundation under the 'Accelerating Impact for Young Women in Africa ( AIM)' Programme. This Programme is charitable in nature and is being implemented by BRAC International to support the Mastercard Foundation in achieving its charitable objectives. The objective of the Programme aligns with the Company's principal activity."

## 4 Other operating income

| | 2025 Shs | 2025 US$ |
|---|---|---|
| Amortisation of capital grant (Note 13) | 679,733 | 5,258 |

## 5 Loss before tax

The following items have been charged in arriving at the (loss) before tax:

| | | |
|---|---|---|
| Staff costs (Note 6) | 13,846,825 | 107,106 |
| Audit fees | | |
| - current year | 522,000 | 4,038 |
| - under provision in prior year | | |
| Depreciation on property and equipment (Note 9) | 350,682 | 2,718 |
| Amortisation of intangible assets (Note 10) | 329,050 | 2,551 |

## 6 Staff costs

| | | |
|---|---|---|
| Salaries and wages | 13,768,458 | 106,500 |
| Pension costs: | | |
| - National Social Security Fund | 64,800 | 501 |
| Other staff costs | 13,567 | 105 |
| **Total staff costs** | 13,846,825 | 107,106 |

The average number of persons employed during the year, by category, were:

| | |
|---|---|
| Management | 4 |
| Administration | 2 |
| **Total** | 6 |

**NOTES (CONTINUED)**

| 7 **Tax** | **2025 Shs** | **2025 US$** |
|---|---|---|
| Current tax | - | - |

The tax on the company's (loss) before tax differs from the theoretical amount that would arise using the basic rate as follows:

| | | |
|---|---|---|
| (Loss) before tax | (18,529,394) | (143,325) |
| Tax calculated at a tax rate of 30% | (5,558,818) | (42,998) |
| Tax effect of: | | |
| - expenditure not subject to tax | 9,431,685 | 72,955 |
| - income not subject to tax | (3,872,867) | (29,957) |
| **Tax charge** | - | - |

Deferred tax has not been recognised on this financial statement as there is no significant temporary difference

8. **Share capital**

| | | |
|---|---|---|
| **Authorised:** | | |
| 900,000 ordinary shares of Shs 500 each | 450,000,000 | 3,488,102 |
| **Issued and fully paid:** | | |
| 150,000 ordinary shares of Shs 500 each | 75,000,000 | 580,297 |

The company authorised issue of ordinary share capital during the year comprising of 900,000 ordinary shares of Shs 500 each representing Shs 450,000,000.

The company's issued and fully paid-up share capital during the year comprised 150,000 ordinary shares of Shs 500 each representing Shs 75,000,000.

| 9. **Property and equipment** | **Motor Vehicles Shs** | **Computers and Peripherals Shs** | **Total Shs** | **Total US$** |
|---|---|---|---|---|
| **Cost** | | | | |
| At start of year | - | - | - | |
| Additions | 11,075,605 | 2,989,900 | 14,065,505 | 109,026 |
| | 11,075,605 | 2,989,900 | 14,065,505 | 109,026 |
| **Depreciation** | | | | |
| At start of year | - | - | - | - |
| Charge for the year | 184,593 | 166,089 | 350,682 | 2,713 |
| Translation difference | - | - | - | 6 |
| At end of year | 184,593 | 166,089 | 350,682 | 2,718 |
| **Net carrying amount** | | | | |
| **As at 31 December 2025** | 10,891,012 | 2,823,811 | 13,714,823 | 106,308 |

## 10. Intangible assets

| | Software Shs | Capital Work in progress Shs | Total Shs | Total US$ |
|---|---|---|---|---|
| **Cost** | | | | |
| At start of year | - | - | - | - |
| Additions | 5,461,027 | 27,642,518 | 33,103,545 | 256,597 |
| | 5,461,027 | 27,642,518 | 33,103,545 | 256,597 |
| **Amortisation** | | | | |
| At start of year | - | - | - | - |
| Charge for the year | 329,050 | - | 329,050 | 2,545 |
| Translation difference | - | - | - | 5 |
| At end of year | 329,050 | - | 329,050 | 2,551 |
| **Net carrying amount** | 5,131,977 | 27,642,518 | 32,774,495 | 254,046 |

## 11. Receivables

| | 2025 Shs | 2025 US$ |
|---|---|---|
| Advance to employee | 6,550 | 51 |
| Prepayments | 1,857,492 | 14,398 |
| Grant receivables | 1,132,671 | 8,780 |
| | 2,996,713 | 23,229 |

## 12. Cash and cash equivalents

| | | |
|---|---|---|
| Cash and bank balances | 71,363,075 | 553,159 |

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the above.

## 13. Trade and other payables

| | | |
|---|---|---|
| Other payables | 2,502,771 | 19,400 |
| Accruals | 1,889,248 | 14,644 |
| Payables to related party | 2,689,521 | 20,847 |
| | 7,081,540 | 54,891 |

## 14. Deferred Revenue

| | | |
|---|---|---|
| **Non Current** | | |
| Capital grant | 46,489,318 | 360,354 |
| **Current** | | |
| Deferred income (Note 3) | 6,322,484 | 49,008 |
| **Capital grant** | | |
| At the start of year | - | - |
| Additions | 47,169,050 | 365,623 |
| Amortisation of capital grants | (679,732) | (5,258) |
| Translation difference | - | (11) |
| At end of year | 46,489,318 | 360,354 |

| | 2025 Shs | 2025 US$ |
|---|---|---|
| 15. **Share money deposit** | 4,485,158 | 34,703 |

The share money deposit represents designated funds received for conversion into ordinary share capital. The Company has obtained confirmation from the shareholders that these funds are neither redeemable nor interest-bearing. Accordingly, the deposit has been classified as part of equity.

16. **Related party transactions**

The company is controlled by BRAC International Holdings B.V. incorporated in the Netherlands, which owns 100% of the company's shares.

The following transactions were carried out with related parties:

| i) **Grants received** | 2025 Shs | 2025 US$ |
|---|---|---|
| - Other related parties (common directorship) | 64,588,690 | 499,599 |

ii) **Outstanding balances**

| | | |
|---|---|---|
| Payable to BRAC Bangladesh-(Common Founder) | 716,177 | 5,551 |
| Payable to BRAC International Holdings B.V Kenya)-(Common shareholding) | 585,842 | 4,541 |
| Payable to BRAC International Holdings B.V-(Parent) | 156,876 | 1,216 |
| Payable to Stitching BRAC International -(Common Directorship) | 1,230,626 | 9,539 |
| | 2,689,521 | 20,847 |

The payables to related parties are interest free, have no specific dates of repayment and are unsecured.

| iii) **Key management compensation-Directors salaries** | 2025 Shs | 2025 US$ |
|---|---|---|
| Salaries and other short-term employment benefits | 9,688,343 | 74,940 |

17 **Commitments**

**Contractual commitments for the set up of softwares**

At the reporting date these commitments were as follows:

| | 2025 Shs | 2025 US$ |
|---|---|---|
| T24 Software-CBS Implementation-System Build | 12,901,000 | 100,000 |
| Digital Field Application for Microfinance software | 12,901,000 | 100,000 |
| | 25,802,000 | 200,000 |

These commited cost relating to the software implementation which has been classified as Work in progress and presented on Note (10).

**NOTES (CONTINUED)**

18. **Period of reporting**

The financial statements have been prepared for a period of 18 months as the company began activities in July 2024.

19. **Presentation currency**

The financial statements are presented in Kenya Shillings (Shs) and US dollars (US$).

| Rates used in presentation of US$: | **2025** |
|---|---|
| Statement of financial position 1 US $ | 129.01 |
| Statement of income and expenditure (average rate) 1 US $ | 129.28 |

## SCHEDULE OF EXPENDITURE

| 1. ADMINISTRATIVE EXPENSES | 2025 18 Months Shs | 2025 18 Months US$ |
|---|---|---|
| **Employment expenses:** | | |
| Salaries and benefits | 13,846,825 | 107,106 |
| **Total employment costs** | 13,846,825 | 107,106 |
| **Other administrative expenses** | | |
| Audit fees | | |
| - current year | 522,000 | 4,038 |
| Meeting expenses | 63,450 | 491 |
| Professional and consultancy fees | 2,742,459 | 21,213 |
| Recruitment and relocation | 214,100 | 1,656 |
| Regulatory and related expenses | 370,000 | 2,862 |
| Research costs | 20,050 | 155 |
| Telephone and fax | 73,864 | 571 |
| Travelling and transportation local | 116,654 | 902 |
| Work permit | 133,215 | 1,030 |
| Workshop and training | 337,059 | 2,607 |
| Travelling and transportation international | 2,926,445 | 22,636 |
| Accommodation | 1,880,888 | 14,549 |
| Bank charges | 199,017 | 1,539 |
| Other office expenses | 166,866 | 1,291 |
| Fines and penalties | 1,205 | 9 |
| Provision for leave | 456,885 | 3,534 |
| Net foreign exchange | | - |
| Realised foreign exchange gain | (525,103) | (4,062) |
| Unrealised foreign exchange loss | 776,247 | 6,004 |
| **Total other administrative expenses** | 10,475,301 | 81,027 |
| **Total administrative expenses** | 24,322,126 | 188,133 |

| 2. OTHER OPERATING EXPENSES | | |
|---|---|---|
| **Establishment:** | | |
| Depreciation on property and equipment | 350,682 | 2,713 |
| Amortisation of intangible assets | 329,050 | 2,545 |
| Software maintenance cost | 6,417,515 | 49,640 |
| Vehicle maintenance cost | 19,581 | 151 |
| **Total other operating expenses** | 7,116,828 | 55,049 |