

ARSHAD RAHEEM & Co
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

**To the members of Zarina Shamim Foundation
Report on the Audit of the Financial Statements**

Opinion

We have audited the annexed financial statements of **Zarina Shamim Foundation** (the Company), which comprise the statement of financial position as at **June 30, 2025**, the statement of income and expenditure, the statement of changes in funds and the statement of cash flows for the year then ended and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **June 30, 2025** and of the surplus, the changes in funds and its cash flows for the year then ended .

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' 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* as adopted by the Institute of Chartered Accountants of Pakistan (*the Code*) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditors' Report thereon

Management is responsible for the other information. The other information comprises the information included in 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.

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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 Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 as applicable in Pakistan 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 as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' 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 the board of 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

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) investments made expenditure incurred and guarantee extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Arshad Raheem.


ARSHAD RAHEEM & CO.
CHARTERED ACCOUNTANTS
LAHORE

DATED: 07 OCT 2025

UDIN: AR202510216vPnu6MIbA

ZARINA SHAMIM FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Computer equipments	6	1,949,970	-
Deferred cost - <i>Preliminary expenses</i>	7	126,000	157,500
CURRENT ASSETS			
Balances with statutory authorities- <i>Income Tax</i>		51,511	-
Cash and bank balances	8	18,490,000	-
		18,541,511	-
		<u>20,617,481</u>	<u>157,500</u>
FUNDS AND LIABILITIES			
Fund account	9	7,011,281	-
Restricted Funds		13,400,000	-
		20,411,281	-
CURRENT LIABILITIES			
Accrued and other payables		206,200	157,500
CONTINGENCIES AND COMMITMENTS			
	10	-	-
		<u>20,617,481</u>	<u>157,500</u>

The annexed notes form an integral part of the financial statements.


(CHIEF EXECUTIVE)


(DIRECTOR)

ZARINA SHAMIM FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
INCOME			
Donations and subscriptions		12,852,061	-
Promoters funds		600,000	-
Profit on banks		343,403	-
		13,795,464	-
EXPENDITURE			
University and college students fee		9,103,235	-
University and college students books and stationery		565,000	-
School students fee		317,630	-
School students books and stationery		12,090	-
School students uniform		353,800	-
Salaries, wages and other benefits		190,000	-
Entertainment		43,302	-
Postage & freight expense		21,510	-
Printing and stationery		255,115	-
Advertisement		453,474	-
Legal and professional charges		286,512	-
Rent expense		60,000	-
Auditor's remuneration		100,000	-
Other expense		8,200	-
Depreciation	6	514,795	-
Amortization on deferred cost	7	31,500	-
Bank charges		3,132	-
		12,319,295	-
Surplus carried to fund account		1,476,169	-

The annexed notes form an integral part of the financial statements.


(CHIEF EXECUTIVE)


(DIRECTOR)

ZARINA SHAMIM FOUNDATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED 30 JUNE 2025

Fund Account	Restricted Funds	Total
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----- Rupees -----

Balances as on June 30, 2024

	-	-	-
Transferred from Zarina Shamim trust	5,535,112	-	5,535,112
Restricted Funds	-	13,400,000	13,400,000
Total surplus for the year	1,476,169	-	1,476,169
	<u>7,011,281</u>	<u>13,400,000</u>	<u>20,411,281</u>
Balances as on June 30, 2025	<u>7,011,281</u>	<u>13,400,000</u>	<u>20,411,281</u>

The annexed notes form an integral part of the financial statements.



CHIEF EXECUTIVE




DIRECTOR

ZARINA SHAMIM FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		1,476,169	-
Adjustments of non cash items:			
Depreciation	6	514,795	-
Amortization	7	31,500	-
Finance cost - <i>bank charges</i>		3,132	-
		549,427	-
Surplus before working capital changes		2,025,596	-
Effect of working capital changes:			
<i>Increase / (decrease) in current liabilities:</i>			
Accrued and other payables		48,700	157,500
Cash generated from operations		2,074,296	157,500
Less: Finance cost paid		(3,132)	-
Income tax paid		(51,511)	-
		(54,643)	-
Net cash generated from operating activities		2,019,653	157,500
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital Expenditure		(530,353)	-
Deferred cost -Preliminary expenses		-	(157,500)
Net cash used in investing activities		(530,353)	(157,500)
CASH FLOWS FROM FINANCING ACTIVITIES			
Restricted Funds		13,400,000	-
Net cash generated from financing activities		13,400,000	-
Net increase cash and cash equivalents		14,889,300	-
Cash and cash equivalents at the beginning of year		-	-
Transfer of cash and cash equivalent from Zarina Shamim Trust	4	3,600,700	-
Cash and cash equivalents at the end of year	8	18,490,000	-

The annexed notes form an integral part of the financial statements.


CHIEF EXECUTIVE


DIRECTOR

ZARINA SHAMIM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND OPERATIONS

1.1 ZARINA SHAMIM FOUNDATION was incorporated in Pakistan on January 31, 2024 as a company under section 42 of the Companies Act, 2017. The registered office of the company is situated at 93 B 2 Gulberg 3, Gulberg Town, Lahore. The principal line of business of the Company is to provide educational services and provide help and relief to the needy people through philanthropic activities.

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE FOUNDATION'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events affecting the foundation's financial position and performance during the year have been adequately disclosed in the notes to these financial statements where required.

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. A Large Sized Not-for-Profit Organization shall prepare financial statements in accordance with this standard, and the International Accounting Standards (IAS), and International Financial Reporting Standards (IFRS) as applicable in Pakistan and Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

4 TRANSFER OF OPERATIONS FROM ZARINA SHAMIM TRUST

At 30 September 2024, Zarina Shamim Trust ceased its operations and transferred all of its assets, liabilities, and related obligations to the Foundation, in accordance with its governing documents and applicable legal requirements.

The transfer included the following balances:

Computer equipments	1,934,412
Cash and bank balances	<u>3,600,700</u>
	<u><u>5,535,112</u></u>

5 MATERIAL ACCOUNTING POLICY INFORMATION

5.1 Basis of preparation

These financial statements have been prepared under the historical cost convention.

5.2 Accounting convention

These accounts have been prepared under the historical cost convention.

5.3 Income recognition

Donation and other income is recognised on receipt basis.

5.4 Property, plant and equipment

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss (if any).

Depreciation

Depreciation on property, plant and equipment is charged by applying the written down value method at the rates specified in note 6 to the financial statements. Depreciation on additions is charged from the month in which the asset is acquired, while no depreciation is charged for the month in which the asset is disposed off.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

5.5 Deferred cost

Deferred cost of the foundation will be amortized over the period of five years when the operations of the foundation will start.

5.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and balance with banks on current and deposit accounts.

5.7 Trade and other payables


Liability for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

5.8 Taxation- Current

The provision for current taxation is based on current period's profit by using the current rate of taxation after taking into account tax credits, rebates and exemptions, if any.

5.9 Provisions

A provision is recognized when the foundation has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation of which reliable estimate can be made.



ZARINA SHAMIM FOUNDATION

	2025	2024
Note	Rupees	Rupees
6 COMPUTER EQUIPMENTS		
Opening Balance	-	-
Additions during the year	530,353	-
Transferred from Zarina Shamim Trust	1,934,412	-
	<u>2,464,765</u>	<u>-</u>
Depreciation for the year	514,795	-
	<u>1,949,970</u>	<u>-</u>
Depreciation rate	30%	-
7 DEFERRED COST		
Opening Balance	157,500	-
Additions during the year	-	157,500
	<u>157,500</u>	<u>157,500</u>
Amortization for the year	31,500	-
	<u>126,000</u>	<u>157,500</u>
Depreciation rate	20%	20%
Preliminary expenses are amortized over five years at 20% annually, starting from the Foundation's commencement of operations.		
8 CASH AND BANK BALANCES		
Cash in hand	52,934	-
Cash at bank-saving account	18,437,066	-
	<u>18,490,000</u>	<u>-</u>
9 FUND ACCOUNT		
Opening Balance	-	-
Transferred from Zarina Shamim trust	5,535,112	-
Surplus for the year	1,476,169	-
	<u>7,011,281</u>	<u>-</u>

10 CONTINGENCIES AND COMMITMENTS**10.1 Contingencies**

Contingencies as on statement of financial position date were Nil.

10.2 Commitments

Commitments as on statement of financial position date were Nil.

11 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 07 OCT 2025 by the Board of Directors' of the Foundation.

12 GENERAL

- Figures have been rounded off to the nearest Rupee.
- Corresponding figures have not been presented, since it is the first year of operation of the foundation.



(CHIEF EXECUTIVE)



(DIRECTOR)