

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
BAADBAAN FOUNDATION**

Opinion

We have audited the annexed financial statements of **BAADBAAN FOUNDATION** ('the Company') which comprise the statement of financial position as at June 30, 2024, statement of financial position, statement of income and expenditure, statement of cash flows and statement of changes in net assets for the year ended June 30, 2024 and notes to the financial statements, including a summary of significant accounting policies 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 accompanying financial statements give a true and fair view of the financial position of **BAADBAAN FOUNDATION** as at June 30, 2024 and its financial performance for the year ended June 30, 2024 in accordance with the approved accounting and reporting standards as applicable in Pakistan.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan 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.

Other Matter

The financial statements of Baadbaan Foundation for the period from March 07, 2023 to June 30, 2023, were not audited. However, we issued a certificate of inactivity for that period dated 20 May, 2025, based on representations made by the management that the Company had no operations during the period from March 07, 2023 to June 30, 2023. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so. Those Charged with Governance are responsible for overseeing the organization's financial reporting process.

M.B.Q.

Audit | Tax | Accounting | Advisory | Litigation

📍 16th Floor, State Life Building # 5, Jinnah Avenue, F-6 Islamabad.

✉ info@alamaulakh.com.pk 🌐 www.ana-ca.com ☎ 051-8357873 📞 0341-5001000

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 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 statement

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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- 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.

MBQ.



ALAM & AULAKH

Chartered Accountants

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.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Bin Qasim, FCA.



Signed with Odoo Sign

Muhammad Bin Qasim

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Place: Islamabad

UDIN: AR202410676dYvKqIebn

Dated: 26 May 2025

**ALAM & AULAKH
(CHARTERED ACCOUNTANTS)**

BAADBAAN FOUNDATION
(A COMPANY REGISTERED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
<u>Assets</u>			
Non-current assets			
Property, plant and equipment	4	3,482,100	-
Current assets			
Advance tax		205,938	-
Members contribution receivable		-	1,600,000
Cash and bank balances	5	21,692,092	-
		21,898,030	1,600,000
Total assets		25,380,130	1,600,000
<u>Fund and liabilities</u>			
Fund			
Members Contribution		1,600,000	1,600,000
General fund		3,856,310	-
Restricted fund for education facilities		19,500,000	-
		24,956,310	1,600,000
Current Liabilities			
Provision for taxation		348,820	-
Creditor, Accrued & Other Liabilities	6	75,000	-
		423,820	-
Total fund and liabilities		25,380,130	1,600,000

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

MBR.

Chief Executive Officer

Chairman

BAADBAAN FOUNDATION
(A COMPANY REGISTERED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
INCOME			
Zakat Collections		8,714,146	-
Donations		4,795,288	-
Other Income		1,373,019	-
		<u>14,882,453</u>	<u>-</u>
EXPENDITURE			
Administrative expenses	7	<u>(14,840,323)</u>	<u>-</u>
Profit before tax		42,130	-
Taxation		<u>(348,820)</u>	<u>-</u>
Surplus/(Deficit) for the year		<u>(306,690)</u>	<u>-</u>

M.B.Q.

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

Chief Executive Officer

Chairman

BAADBAAN FOUNDATION
(A COMPANY REGISTERED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	Members Contribution	General Fund	Restricted funds For Education Facilities	Total
	-----Rupees-----			
Balance as at March 07, 2023	-	-	-	-
Surplus/ (deficit) for the period	-	-	-	-
Contributions during the period	1,600,000	-	-	1,600,000
Fixed assets from Badbaan Trust	-	-	-	-
Interest income earned on Restricted fund	-	-	-	-
Transferred to deferred grant	-	-	-	-
Contributions utilized for expenditure	-	-	-	-
	1,600,000	-	-	1,600,000
Balance as at June 30, 2023	1,600,000	-	-	1,600,000
Surplus/ (deficit) for the year	-	(306,690)	-	(306,690)
Contributions during the year	-	-	19,500,000	19,500,000
Fixed assets from Badbaan Trust	-	4,163,000	-	4,163,000
Interest income earned on Restricted fund	-	-	-	-
Transferred to deferred grant	-	-	-	-
Contributions utilized for expenditure	-	-	-	-
	-	3,856,310	19,500,000	23,356,310
Balance as at June 30, 2024	1,600,000	3,856,310	19,500,000	24,956,310

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

M.B.R.

Chief Executive Officer

Chairman

BAADBAAN FOUNDATION
(A COMPANY REGISTERED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Cash flows from operating activities			
Surplus/(Deficit) for the year		42,130	-
Adjustments for non-cash items:			
Depreciation of property and equipment	4	1,160,700	-
		<u>1,202,830</u>	<u>-</u>
Changes in working capital:			
Decrease/(Increase) in current assets			
Members contribution receivable		1,600,000	(1,600,000)
Increase in Advance Tax		(205,938)	-
Increase/(Decrease) in liabilities			
Increase in Creditor, Accrued & Other Liabilities		75,000	-
		<u>1,469,062</u>	<u>(1,600,000)</u>
Net cash used in operations		2,671,892	(1,600,000)
Cash flows from investing activities			
Payments for acquisition of property and equipment		(4,642,800)	-
Net cash used in investing activities		(4,642,800)	-
Cash flows from financing activities			
Restricted funds received For education facilities		19,500,000	-
Introduction of funds		4,163,000	-
Contributions during the year		-	1,600,000
Net cash generated from financing activities		23,663,000	1,600,000
Net increase/(decrease) in cash and cash equivalents		21,692,092	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		<u>21,692,092</u>	<u>-</u>

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

M.B.Q.

Chief Executive Officer

Chairman

BAADBAAN FOUNDATION
(A COMPANY REGISTERED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 THE SOCIETY AND ITS OPERATIONS

- 1.1** Baadbaan Foundation is an independent, voluntary, non-government, non-political and non-profit organization, registered under section 42 of the Companies Act 2017 on March 7, 2023 with Inc. No. 0224738 . The Foundation has been established to promote educational activities through the establishment of educational institutions, schools, colleges, computer literacy, adult literacy, technical and vocational educational and training centres, coaching centers, reading rooms, libraries and other start-ups for basic education but not to act as a degree awarding. The registered office is situated at 1st Floor, Golf View Plaza, NS 3, 1st East Avenue, Naval Anchorage, Sihala,, Islamabad Islamabad Rural, Islamabad, Islamabad Capital Territory (I.C.T.)

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- The International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified by Securities & Exchange Commission of Pakistan (SECP)
- and Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) (hereinafter referred as the applicable accounting standards).

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupee ,which is the Society's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupees, unless otherwise stated.

2.3 Key judgements and estimates

The preparation of financial statements in conformity with the Accounting Standard for Not-for-Profit Organizations and Revised Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year includes useful life and residual value of Property, plant and equipment and impairment. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the

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BAADBAAN FOUNDATION
(A COMPANY REGISTERED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3 Material accounting policy information

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

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of Property, plant and equipment comprises historical cost.

Depreciation charge is based on the reducing balance method, whereby the cost or revalued amount of an asset is written off to the income and expenditure account over its estimated useful life. Depreciation on addition is charged in the year in which the asset is available for use and no depreciation is charged in the year of disposal. Normal repair and maintenance is charged to statement of income and expenditure, as and when incurred. Gains and losses on disposal of items of Property, plant and equipment are taken to statement of income and expenditure.

Major renewals and improvements are capitalized, when it is probable that respective future economic benefits will flow to the Society, and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired.

3.2 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, advances, accrued interest, other receivables, cash and bank balances and trade and other payables etc. Financial assets and liabilities are recognized when the Society becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are derecognized when the Society loses control of the contractual rights that comprise the financial asset. The Society loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Society surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and derecognition is charged to the statement of income and expenditure currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.3 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

All impairment losses are recognized in statement of income and expenditure. An impairment loss is reversed in the income and expenditure account if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

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BAADBAAN FOUNDATION
(A COMPANY REGISTERED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Non-financial assets

The carrying amount of the Society's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be the value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of income and expenditure. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the statement of income and expenditure. Reversal of impairment loss is restricted to the original cost of asset.

3.4 Trade and other receivables

Accounts receivables are recognized at nominal amount which is the fair value of the consideration to be received in future. Balances considered bad are written off when identified.

3.5 Taxation

Provision for current taxation is based on taxable income at the current rates of tax.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current and saving accounts.

3.7 Foreign currency transactions and translations

Transactions in foreign currencies are accounted for in Pak Rupees, at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange differences are recognized in the statement of income and expenditure.

3.8 Accrued and other liabilities

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

3.9 Provisions

A provision is recognized in the balance sheet when the Society has 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 and the reliable estimate of the amount can be made.

3.10 Income recognition

Cash donations and voluntary contributions are recognized on actual receipt basis. Donations in kind are recognized at value assigned by the donors to the goods at the time of donations.

- Revenue from restricted funds is recognized, using deferral method in statement of income and expenditure over the period necessary to match them with the expenses that they are intended to compensate.

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BAADBAAN FOUNDATION**(A COMPANY REGISTERED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024**

	2024 Rupees	2023 Rupees
4 PROPERTY, PLANT AND EQUIPMENT (Schedule annexed)	3,482,100	-
5 CASH & BANK BALANCE		
Cash at bank		
Baadban foundation	2,376,048	-
BF-Donation	892,738	-
BF-Zakat (Current)	302,117	-
BF-Zakat(Saving)	18,121,189	-
	21,692,092	-
6 CREDITOR, ACCRUED & OTHER LIABILITIES		
Audit fee payable	75,000	-
	75,000	-
7 ADMINISTRATIVE EXPENSES		
Zakat disbursement	11,422,000	-
Zakat deduction by bank	14,008	-
Repairs and maintenance	23,300	-
Rent	210,000	-
Printing and stationery	21,850	-
Legal expenses	6,025	-
IT equipment and accessories	9,800	-
Honorary payments to teachers	1,842,000	-
Freight and courier	29,000	-
Audit fee	75,000	-
Depreciation	1,160,700	-
Certificate distribution event	22,000	-
Bank charges	4,640	-
	14,840,323	-

8 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

No any related party transaction occurred during the year.

9 GENERAL

Figures have been rounded off to the nearest rupees unless otherwise stated.

10 DATE OF AUTHORISATION FOR ISSUEThese financial statements were authorized for issue on 26 MAY 2025 by the Board of Directors of the Foundation.

Chief Executive Officer

Chairman

BAADBAAN FOUNDATION

(A COMPANY REGISTERED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4 PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	COST			Rate %	DEPRECIATION			WDV	
	As at July 01 2023	Additions	(Deletion)		As at July 01 2023	For the year	Disposal		
	------(Rupees)-----				------(Rupees)-----				
Fixture and Furniture	-	563,000	-	25%	-	140,750	-	140,750	422,250
Machinery	-	2,979,800	-	25%	-	744,950	-	744,950	2,234,850
Computer Equipment	-	1,100,000	-	25%	-	275,000	-	275,000	825,000
2024	-	4,642,800	-		-	1,160,700	-	1,160,700	3,482,100

DESCRIPTION	COST			Rate %	DEPRECIATION			WDV As at June 30 2023
	As at Mar 7 2023	Additions	(Deletion)		As at June 30 2023	For the period	Disposal	
	------(Rupees)-----				------(Rupees)-----			
Fixture and Furniture	-	-	-	25%	-	-	-	-
Machinery	-	-	-	25%	-	-	-	-
Computer Equipment	-	-	-	25%	-	-	-	-
2023	-	-	-		-	-	-	-

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