

NASEEHA FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees
ASSETS		
NON-CURRENT ASSETS		
Operating fixed assets	4	1,552,110
CURRENT ASSETS		
Advances, deposits and prepayments	5	138,854
Cash and bank balances	6	10,812,737
		10,951,591
Total Assets		12,503,701
LIABILITIES		
CURRENT LIABILITIES		
Accrued and other payables	7	(788,364)
CONTINGENCIES AND COMMITMENTS		
ACCUMULATED NET FUND	8	11,715,337
REPRESENTED BY		
<i>General fund</i>		905,924
<i>Restricted fund</i>		10,809,413
		11,715,337

The annexed notes from 1 to 18 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

NASEEHA FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

	Note	2024 Rupees
Incomes		
Unrestricted income	9	7,366,815
Expenditures		
Expenses related to direct activities	10	(2,038,353)
Expenses related to indirect activities	11	(4,215,624)
Total Expenditures		(6,253,977)
Surplus before taxation		1,112,838
Taxation	12	(206,914)
Surplus after taxation		905,924

The annexed notes from 1 to 18 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

NASEEHA FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

	Note	2024
		Rupees
Surplus for the period		905,924
Other comprehensive income		-
Total comprehensive surplus for the period		905,924

The annexed notes from 1 to 18 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

NASEEHA FOUNDATION
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

	General Fund	Restricted Fund	Total
	----- Rupees -----		
Balance as at November 15, 2023	-	-	-
Funds received during the period	-	10,809,413	10,809,413
Total comprehensive surplus for the period	905,924	-	905,924
Balances as on 30 June 2024	905,924	10,809,413	11,715,337

The annexed notes from 1 to 18 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

NASEEHA FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

	Note	2024 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus before taxation		1,112,838
Adjustment for:		
Depreciation of operating fixed assets	4.2	63,941
Operating surplus before working capital changes		<u>1,176,779</u>
Changes in working capital		
(Increase) /decrease in current assets		
Advance to supplier		(119,404)
Increase / (decrease) in current liabilities		
Accrued and other payables excluding provision for tax		581,450
Net cash generated from operations		<u>1,638,825</u>
Income tax paid		(19,450)
Net cash inflow from operating activities	A	<u>1,619,375</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of operating fixed assets		(1,616,051)
Net cash (outflow) in investing activities	B	<u>(1,616,051)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Funds received during the period		10,809,413
Net cash inflow in financing activities	C	<u>10,809,413</u>
Net increase in cash and cash equivalents	A+B+C	10,812,737
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		<u><u>10,812,737</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

NASEEHA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

1 ENTITY AND ITS OPERATION

- Naseeha Foundation is, a charitable institution, incorporated under the Companies Act, 2017 on November 15, 2023. The Registered Office of the Company is situated in House No 47-C, Street no 6, Phase I, Sui Northern Officers Society, Lahore-Pakistan. The principal object of the Company is to provide and promote Islamic education and training and other charitable works in Pakistan.
- The financial statements have been prepared for a period of less than 12 months, from November 15, 2023, to June 30, 2024, reflecting the commencement of the Company's operations till reporting date.

2 BASIS OF PREPARATION

2.1 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:
 - International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017.
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or the Accounting Standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

- Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees (Rupees) which is also the functional currency of the Company.

3 ACCOUNTING FOR MINIMUM TAXES AND FINAL TAXES".

- The Institute of Chartered Accountants of Pakistan (ICAP) withdrew Technical Release 27, "IAS 12, Income Taxes (Revised 2012)," and issued new guidance titled "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". This guidance mandates that taxes paid under the minimum/final tax regime be classified separately as a levy rather than as current tax. Consequently, there has been no impact of this change to these financial statements.

4 KEY ESTIMATES AND JUDGEMENTS

- The preparation of financial statements in conformity with approved accounting standards require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

NASEEHA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

- The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, results of which form the basis of making judgments about carrying value 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 on-going basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Property, plant and equipment	5.1
Intangible assets	5.2
Taxation	5.3
Provision	5.6
Contingencies	5.7
Impairment of financial instruments	5.1.3

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are consistently applied in the preparation of these financial statements, are the same as those applied in earlier periods presented.

5.1 Property, plant and equipment

- Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Cost in relation to property, plant and equipment signifies acquisition and other directly attributable costs.
- The assets' residual values, useful lives and depreciation method are reviewed, at each financial year end, and adjusted if impact on depreciation is significant.
- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are included in the statement of income and expenditure during the period in which they are incurred.
- An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use.
- Depreciation on all operating fixed assets is charged to the statement of income and expenditure on reducing balance method so as to write off cost / depreciable amount of an asset over its estimated useful life at the rates as disclosed in note 4.1. Depreciation on additions is charged from the month in which the asset is put to use up to the month of disposal.
- CWIP is stated at cost less impairment loss, if any and consists of expenditure incurred. Transfers are made to relevant asset category as and when assets are available for intended use. Advances/deposits against capital assets are stated at cost less impairment loss, if any. Transfers are made to relevant asset category as and when assets are available for intended use.
- Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of the asset's fair value less costs to sell and value in use.

NASEEHA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

5.2 Intangible assets

An intangible asset is recognized if it is probable that future economic benefits attributable to the asset will flow to the Company and cost of such asset can be measured reliably. Intangibles acquired by the Company are initially recognized at cost and are carried at cost less accumulated amortization and impairment, if any. Amortization is charged to income by applying the straight-line method whereby the carrying amount less residual value, if not insignificant, of an asset is amortized over its estimated remaining useful life to the Company. Full month's amortization is charged in the month of acquisition and no amortization is charged in the month of disposal.

5.3 Taxation

5.3.1 Current

The Company is a non-profit organization and is exempt from income tax under the Second Schedule of the Income Tax Ordinance, 2001, subject to approval by the Federal Board of Revenue (FBR). The Company has applied to the FBR for this exemption, allowing it to operate without income tax liability on its charitable activities. Until approval, the financial statements are prepared assuming non-tax-exempt status, with compliance reviewed periodically. However, the management is confident to get exemption on its total charitable income from FBE in next fiscal year.

5.3.2 Deferred

No deferred tax assets or liabilities are recognized in the financial statements. This is because temporary differences between accounting and taxable income do not give rise to tax consequences under the Company's exempt status.

5.4 Trade and other payables

Trade and other payables are recognized initially at cost which is the fair value (undiscounted value) of the goods or services to be paid in the normal business practices.

5.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current accounts, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

5.6 Provision

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events; it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

5.7 Contingent liabilities

- Contingent liability is disclosed when:
 - (i) there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Branch; or
 - (ii) there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measure with sufficient reliability.

NASEEHA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

5.8 Pricing for related party transactions

Transactions with related parties are carried out by the Company at arms' length prices, whereas transactions lacking commercial substance are conducted at mutually agreed prices in accordance with policy approved by Board of Directors, where where majority of the directors are interested in any transaction with approval of Members as prescribed under section 208 of Companies Act, 2017.

5.9 Operating leases

- Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of income and expenditure on a straight-line basis over the period of lease.

6 Income recognition

- Income comprises the increase in economic benefits during financial year in the form of inflows or enhancements in the value of assets or in a decrease in liabilities that results in an increase in the accumulated fund, other than those relating to contributions from donors or contributions to restricted funds that are unutilized at the end of the year.

6.1 Un-restricted income

- Income received generally are recognized on receipt basis and are used for general purposes and can also be used for any of the restricted funds if required. Un-restricted income includes donations and other income etc.

6.2 Restricted income

- Restricted income are not gratuitous and are based on agreements, contracts, or other understanding, where the conditions for receipt of the funds are linked to a performance of a service or other process. Revenue will only be recognized in the "income and expenditure account" when there is reasonable assurance that the contribution will be received, and the conditions stipulated for its receipt have been complied with.

5.1 Financial instruments

5.1.1 Recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company applies amortized cost model for all basic financial instruments except for investments in non-convertible preference shares and non-puttable ordinary or preference shares that are publicly traded or whose fair value can otherwise be measured reliably without undue cost or effort.

A financial asset or financial liability is recognized initially at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through income and expenditure) unless the financing arrangement constitutes. At the end of each reporting period, entity measures financial instruments as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

The Company's financial assets at amortized cost include:

- Cash and bank balances

Whereas the Company's financial liabilities at amortized cost include:

- Accrued liabilities

NASEEHA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

5.1.2 Derecognition

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired.

5.1.3 Impairment of financial instruments

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. If there is objective evidence of impairment, the entity recognizes an impairment loss in income and expenditure immediately. If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the entity shall reverse the previously recognized impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognized. The entity shall recognize the amount of the reversal in income and expenditure immediately.

5.1.4 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

NASEEHA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

4 OPERATING FIXED ASSETS

Note	2024
	Rupees
	<u>1,552,110</u>

Tangible fixed assets

4.1 Tangible Fixed Assets

Reconciliation of carrying amounts at the end of twelve months period ended June 30, 2024 is as follows:

Description	Computers	Furniture and Fixtures	Electrical Equipments	Total
	Rupees			

Net Carrying Value Basis

As at November 15, 2023

Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Net book value	-	-	-	-
Additions during the period	60,900	558,724	996,427	1,616,051
Depreciation charge for the year	(1,523)	(18,624)	(43,794)	(63,941)
Closing net book value	59,377	540,100	952,633	1,552,110

Gross Carrying Value Basis

As at June 30, 2024

Cost	60,900	558,724	996,427	1,616,051
Accumulated depreciation	(1,523)	(18,624)	(43,794)	(63,941)
Net book value	59,377	540,100	952,633	1,552,110
<i>Depreciation rates</i>	<i>30%</i>	<i>20%</i>	<i>20%</i>	

4.2 Depreciation charge for the year has been allocated as follows:

Note	2024
	Rupees
Expenses related to direct activities	10 31,971
Expenses related to indirect activities	11 31,971
	<u>63,941</u>

4.3 No impairment relating to operating fixed assets has been charged to during the year. Furthermore, operating fixed assets are free from any charge/mortgage/lien.

NASEEHA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

		Note	2024 Rupees
5	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Advance to supplier (<i>Interest free and unsecured but considered good</i>)		119,404
	Advance income tax		19,450
			<u>138,854</u>
6	CASH AND BANK BALANCES		
	Cash in hand		-
	Cash at bank		
	- <i>Current account</i>		10,812,737
			<u>10,812,737</u>
7	ACCRUED AND OTHER PAYABLES		
	Accrued liabilities		521,082
	Withholding income tax payable		267,282
			<u>788,364</u>
8	CONTINGENCIES AND COMMITMENTS		
	There are no contingencies and commitments as at reporting date.		
9	UNRESTRICTED INCOME		
	Donation income		5,509,370
	Other incomes		1,857,445
			<u>7,366,815</u>
10	EXPENSES RELATED TO DIRECT ACTIVITIES		
	Salaries and other benefits		753,400
	Utilities		428,081
	Repair and maintenance		522,401
	Rent, rates and taxes		302,500
	Depreciation of operating fixed assets	4.2	31,971
			<u>2,038,353</u>
11	EXPENSES RELATED TO INDIRECT ACTIVITIES		
	Salaries and other benefits		3,741,463
	Utilities		149,921
	Rent, rates and taxes		150,000
	Auditor's remuneration	11.1	50,000
	Marketing and subscription		45,000
	Legal and professional charges		25,000
	Communication charges		22,269
	Depreciation of operating fixed assets	4.2	31,971
			<u>4,215,624</u>

NASEEHA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

	Note	2024
		Rupees

11.1 Auditor's Remuneration

Audit fee	50,000
Out of pocket expenses	-
	50,000

12 TAXATION

Current tax for the period	206,914
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13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of Key Management Personnel. Transactions with the key management personnel are disclosed in note 14. Significant related party transactions have been disclosed in respective notes in these financial statements other than the following:

Party	Relation	Transactions	Rupees
Arsalan Ahmed	CEO	Donation received	225,000
Moeen Mehmood	Director	Donation received	90,000

14 REMUNERATION OF PRESIDENT, EXECUTIVE COMMITTEE AND EXECUTIVES

Particulars	CEO	Directors	Executives
	Rupees	Rupees	Rupees
Managerial remuneration	-	-	-
Number of person	1	2	-

15 NUMBER OF EMPLOYEES

	2024
Number of employees at the year end	11
Average number of employees during the year	12

16 FINANCIAL INSTRUMENTS

Particulars	Amortized Cost
	2024
	Rupees

Financial assets as of reporting date

Cash and bank balances	10,812,737
Total	10,812,737

Financial Liabilities as of reporting date

Accrued liabilities	314,168
Total	314,168

NASEEHA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM NOVEMBER 15, 2023 TO JUNE 30, 2024

	Note	2024
		Rupees

17 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by Board of Trustees of the trust on October 25, 2024.

18 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR