Report on the Audit of the financial statements

Opinion

We have audited the annexed financial statements of Nayee Subha Foundation (the Foundation), which comprise the statement of financial position as at June 30, 2025, and the statement of income & expenditure for the year then ended, 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 statement of financial position, the statement of income & expenditure together with the notes forming part thereof conform with the 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 Foundation 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.

Other Matter Paragraph

These Financial Statements have been prepared for specific purpose. As a result, these Financial Statements may not be suitable for any other purpose. Our report is intended exclusively for the specific user and should not be distributed to other parties. 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 the 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

M. MUSTAFA & CO. Karachi

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 Foundation'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 Foundation'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 Foundation 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 also provide the Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

M. Mustafa & Co.

M. Mustafa & Co. Chartered Accountants
Dated: 17 June 2026
Place: Karachi
UDIN: AR202510895IDZrqOeAV

NAYEE SUBAH FOUNDATION

BALANCE SHEET

As at June 30, 2025

	Notes	2025 Rupees	2024 Rupees
ASSETS			
Non-Current Assets			
Property, Plant & Equipment - Net	5	446,348	403,372
Current Assets			
Advances, deposits and other receivables	6	2,291,776	1,939,982
Cash in hand	7	557,252	46,329
Cash at banks	7	919,914	73,932
Total Current Assets		**3,768,942**	**2,060,243**
TOTAL ASSETS		**4,215,290**	**2,463,615**
FUNDS AND LIABILITIES			
Accumulated Fund	8	3,598,457	2,127,564
Total Funds		**3,598,457**	**2,127,564**
Non-Current Liabilities			
Deferred Capital Grant	9	84,019	84,019
Total Non-Current Liabilities		**84,019**	**84,019**
Current Liabilities			
Accrued expenses and other liabilities	10	532,814	252,032
Total Current Liabilities		**532,814**	**252,032**
TOTAL FUNDS AND LIABILITIES		**4,215,290**	**2,463,615**

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

Chairman **Member of Board**

NAYEE SUBAH FOUNDATION

RECEIPT & EXPENDITURE ACCOUNT

For the year ended June 30, 2025

	2025 Rupees	2024 Rupees
RECEIPTS		
Donations	6,412,092	4,271,347
Deferred Capital Grant recognised	-	441,701
Total Receipts	**6,412,092**	**4,713,048**
EXPENSES		
Salaries and allowances	4,257,773	2,788,260
Printing and stationery	168,761	158,157
Travelling and conveyance	-	31,000
Repair and maintenance	621,379	563,756
Bank charges	7,293	8,420
Misc. and general expenses	160,038	168,901
Audit & Tax consultant fees	35,000	17,000
Office rent	630,000	371,250
Computer accessories	272,780	89,018
Communication & internet charges	66,582	64,642
Office electricity	377,998	291,091
Food & refreshment	97,805	36,500
Advertising / marketing	206,266	33,718
Depreciation expense	159,624	137,098
Annual function	-	124,050
Photography & videography	-	32,000
Gift / rewards	-	31,000
Freelancing session	-	16,500
Office renovation	-	89,460
Web development charges	-	22,034
Donation & charity	-	11,915
Total Expenses	**7,061,299**	**5,085,770**
DEFICIT FOR THE YEAR	**(649,207)**	**(372,722)**

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

Chairman

Member of Board

NAYEE SUBAH FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year	(649,207)	(372,722)
Adjustments:		
Depreciation	159,624	137,098
Changes in working capital:		
(Increase) / decrease in advances & deposits	(351,794)	(826,053)
Increase / (decrease) in accounts payable & accruals	364,801	(296,669)
Net cash used in operating activities	**(476,576)**	**(1,358,346)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(202,600)	(103,350)
Net cash used in investing activities	**(202,600)**	**(103,350)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Fund raising activity: donations received	2,036,081	1,491,590
Fund raising activity: zakat	-	(20,300)
Net cash from financing activities	**2,036,081**	**1,471,290**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALEI	**1,356,905**	**9,594**
Cash and cash equivalents at beginning of year	120,261	90,367
CASH AND CASH EQUIVALENTS AT END OF YEAR	**1,477,166**	**99,961**

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

Chairman **Member of Board**

NAYEE SUBAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

Nayee Subah Foundation ("the Foundation") is registered under the Societies Registration Act, 1860 (Act XXI of 1860) bearing Registration No. KAR 318 of 2017-18. The registration has been renewed and is valid till June 04, 2028 as evidenced by the renewal certificate issued by the Provincial Assistant Registrar, Joint Stock Companies, Sindh, Karachi on March 06, 2023.

The registered office of the Foundation is situated at Shop No. 3, Plot No. A-719, Phase-I, Gulshan-e-Hadeed, Bin Qasim, Karachi.

The Foundation is a not-for-profit organization engaged in providing public welfare services, computer education (through the Mobile Computer Training Program – MCTP) and freelancing skills development (through the Freelancing Academy) for less fortunate and needy people.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared under the historical cost convention on the accrual basis of accounting, in accordance with general accounting principles and standards consistent with the objectives of the Foundation. The functional and presentation currency is Pakistan Rupees (PKR).

2.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any). Depreciation is charged to the Receipt & Expenditure Account using the straight-line method over the estimated useful lives of the assets. Full year's depreciation is charged in the year of acquisition; no depreciation is charged in the year of disposal.

Useful lives applied:

Category	Useful Life
Furniture & Fixtu	10 years
Office Equipment	5 years
Computers & Per	3–5 years

2.3 Revenue Recognition

Donations and grants are recognised as income in the period in which they are received or when the right to receive them is established, whichever is earlier. Deferred capital grants related to specific assets are recognised as income systematically over the useful life of the related assets or when the conditions attached to the grants are fulfilled.

2.4 Deferred Capital Grant

Grants received for the purchase of specific assets (computers, laptops, CCTV cameras, etc.) are initially recognised as deferred capital grants (non-current liabilities) and released to income on a systematic basis over the useful life of the related assets.

2.5 Receivables

Advances and receivables are carried at their estimated realisable values. Amounts considered irrecoverable are written off.

2.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and current accounts with banks. Bank overdrafts, if any, are shown within current liabilities.

2.7 Provisions and Contingencies

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Contingent liabilities are disclosed but not recognised.

2.8 Taxation

The Foundation is exempt from income tax as a charitable and not-for-profit organisation registered under the Societies Registration Act, 1860, subject to compliance with applicable provisions of the Income Tax Ordinance, 2001.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, income, and expenditure. Estimates are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. The areas involving significant estimates include useful lives of property, plant and equipment, and the recoverability of receivables.

4. RELATED PARTY TRANSACTIONS

Key management personnel include the Chairman, Member of Board, and other trustees. No remuneration has been paid to trustees during the year. Advances to employees are disclosed in Note 6.

11. EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred after the balance sheet date that would require adjustment to or disclosure in these financial statements.



NAYEE SUBAH FOUNDATION

NOTE 5 — PROPERTY, PLANT AND EQUIPMENT

As at June 30, 2025

Description	Furniture & Fixtures	Office Equipment Rupees	Computer & Peripherals	Total 2025 Rupees	Total 2024 Rupees
Cost	76,300	170,850	681,500	928,650	726,050
Less: Accumulated Depreciation	(30,520)	(68,340)	(383,442)	(482,302)	(322,678)
Net Book Value	**45,780**	**102,510**	**298,058**	**446,348**	**403,372**

Depreciation charge for the year is Rs. 159,624 (2024: Rs. 137,098).



NAYEE SUBAH FOUNDATION

NOTE 6 — ADVANCES, DEPOSITS AND OTHER RECEIVABLES

As at June 30, 2025

Description	2025 Rupees	2024 Rupees
Receivable from DP World – MCTP Program	572,354	12,269
Receivable from DP World – Freelancing Academy	1,547,403	1,918,713
Advance to employees (expenses)	4,019	-
Advance to employees (salary)	15,000	-
Advance for office rent	50,000	-
Advance for expenses	23,000	9,000
Advance for expenses	80,000	-
Total (as reported)	**2,291,776**	**1,939,982**



NAYEE SUBAH FOUNDATION

NOTE 7 — CASH AND CASH EQUIVALENTS

As at June 30, 2025

Description	2025 Rupees	2024 Rupees
Cash in hand	557,252	46,329
JS Bank	11,703	73,932
National Bank of Pakistan	908,211	-
Total	**1,477,166**	**120,261**



NAYEE SUBAH FOUNDATION

NOTE 8 — ACCUMULATED FUND

As at June 30, 2025

Description	2025 Rupees	2024 Rupees
Zakat Fund	72,276	-
Donations accumulated	4,567,690	2,500,286
Opening balance brought forward	(392,302)	-
Add: Surplus / (Deficit) for the year	(649,207)	(372,722)
Total (as reported)	**3,598,457**	**2,127,564**



NAYEE SUBAH FOUNDATION

NOTE 9 — DEFERRED CAPITAL GRANT

As at June 30, 2025

Description	Amount Received Rupees	Settled / Released Rupees	Balance Rupees
Setup cost – Freelancing Academy	407,500	407,500	-
Laptop/Computer donation – Amin Jahangir	80,000	-	80,000
Computer/Laptop/CCTV – DP World invoice	400,500	78,380	322,120
Freelancing Academy – Mar-23 additional	154,500	30,900	123,600
Less: Released to Revenue during the year	-	441,701	(441,701)
Net Deferred Capital Grant	**1,042,500**	**958,481**	**84,019**

Deferred Capital Grant represents receipts for acquisition of specific assets. The amount is released to income as the related assets are used / depreciated or the conditions of the grant are fulfilled.



NAYEE SUBAH FOUNDATION

NOTE 10 — ACCRUED EXPENSES AND OTHER LIABILITIES

As at June 30, 2025

Description	2025 Rupees	2024 Rupees
Freelancing Academy – June 2025 salary (accrued)	307,814	169,000
MCTP – June 2025 salary (accrued)	103,000	68,032
Tax consultant fee (accrued)	15,000	-
Audit fee (accrued)	20,000	15,000
Accounts payable – others	87,000	-
Total	**532,814**	**252,032**

