

**TAQSEEM FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Mohiuddin & Company

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS'

We have audited the annexed Financial Statement of TAQSEEM FOUNDATION as at June 30, 2023 which comprises the Statement of Financial Position as at 30th June 2023 and the Statement of Income and Expenditure, Statement of changes in fund, statement of cash flow for the year then ended including summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of our 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, statement of changes in fund, statement of cash flow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required, in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at June 30, 2023 and of the Deficit / Surplus and for the period 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the trust 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 Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the trustees' 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, then we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Board of Trustees 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 Trust Act, 2020 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Board of trustee are responsible for overseeing the Trust'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.

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 trust'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 trust'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 Trust 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 trustees' 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.

Mohiuddin & Co

Mohiuddin & Company

Chartered Accountants

Dated: August 9, 2023

Karachi



UDIN AR202310380XtWTUFNDn

**TAQSEEM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023**

1. THE TRUST AND ITS OPERATIONS

The principal objective of trust is to provide education services to the under privileged people and to apply its funds to achieve the objective.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

These accounts have been prepared under the Historical cost convention

2.2 Statement of Compliance

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

- a. International Financial and Reporting Standard (IFRS) issued by International Accounting Standard Board (IASB) as notified under the Companies Act 2017;
- b. Accounting Standard for Not-for-Profit Organization (Accounting Standard for NPO) issued by Institute of Chartered Accountants of Pakistan as notified.

Where the provision of and directives issued by the SECP differ from the Accounting Standard for NPO issued by Institute of Chartered Accountants of Pakistan, provision of and directives issued by the SECP have been followed.

New standards, amendments to approved accounting standard and new interpretation

The following amendments to existing standards have been published that are applicable to the Trust's financial statements covering annual periods, beginning on or after the following dates:

2.2.1 Standards and Amendments to approved accounting which become effective during the year ended June 30, 2023.



Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2021 but are considered not to be relevant or to have any significant effect on the Trust's operations and are, therefore, not detailed in these financial statement.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

There are other new standards, amendments to the approved accounting standards and interpretations that are mandatory for the trusts having accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or to have any significant effect on the Trust's operations and are, therefore, not detailed in these financial statements.

2.3 Property, plant and equipment

Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment's are stated at cost less accumulated depreciation i.e., at reducing balance method, the cost of Property, plant and equipment includes:

- (a) Its purchase price including import duties, non-refundable purchases taxes after deducting trade discounts and rebates; and
- (b) Any other costs directly attributable to the asset to the location and condition necessary for it to be capable of operating in the manner intended by managements.
- (c) Borrowing costs, if any.

When parts of an item of property, plant and equipments have different useful lives that are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure (including normal repairs and maintenance)

Expenditures incurred to replace a significant component of an item of assets is capitalized and the asset so replaced is retired. Other subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the items can be measured reliably. All other expenditures (including repairs and normal maintenance) are recognized in the profit and loss account as an expense when it is incurred.

Depreciation



Depreciation on all items is charged on reducing balance method at the rates specified in note. Depreciation on all additions is charged for the whole year irrespective of date of purchase. No depreciation is provided in the year of disposal.

Depreciation methods, useful lives and residual values of each part of assets that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the income and expenditure account.

2.4 Capital Work in Progress

Capital Work in Progress is stated at cost less impairment loss, if any. Capital work in progress includes expenditure incurred and advance made in respect of tangible and intangible assets. Transfers are made to relevant operating asset category as and when assets are ready for use.

2.5 Impairment of Non-Current Assets

The carrying amount of each non-current assets are reviewed at each reporting date to determine whether there is indication of any impairment. If carrying amount exceeds the recoverable amount the impairment loss is recognized as an expense in Statement of income and expenses and other comprehensive income.

2.6 Financial instruments

2.6.1 Non-derivative Financial assets

All non-derivative financial assets are initially recognized on trade debt i.e., date on which the Trust becomes party to the respective contractual provisions. Non derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, loans and deposits, other receivables and cash and cash equivalents. The Trust derecognizes the financial assets when it ceases to be party to such contractual provisions of the instruments.

2.6.1.1 Trade debts, loans and deposits and other receivables

These are recognized initially at fair value and subsequently measured at amortized cost or cost, as the case may be, less provision for impairment, if any. A provision for impairment is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original term of receivables. Items considered irrecoverable are written off.

2.6.1.2 Cash and cash equivalents

Cash and cash equivalents are presented in hand and book balances. For the purpose of statement of cash flows, cash and cash equivalents are presented net of short-term running finance which are repayable on demand.



2.6.2 Financial liabilities

Financial Liabilities are initially recognized on trade date i.e., date on which the Trust becomes party to the respective contractual provisions. Financial liabilities represent short-term running finance and trade and other payables. Financial liabilities are initially recognized on trade date i.e., the date on which the Trust becomes party to the respective contractual provisions of the instruments. The Trust derecognizes the financial liabilities when it ceases to be a party to such contractual provisions of the instrument.

2.6.2.1 Mark-up bearing borrowings and borrowings cost

Mark-up bearing borrowings are recognized initially at fair value which is usually the cost, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognized in the profit and loss account over the period of the borrowings.

Borrowing costs are expensed in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

2.6.2.2 Trade and other payables

Trade and other payables are recognized initially at fair value of consideration to be paid in future for value of goods or services received and are subsequently measured at amortized cost. These are classified as current liabilities if the payment is due within one year or less, if not, these are classified as non-current liabilities.

Provision

A provision is recognized in the balance sheet when the Trust has legal or constructive obligations as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pretax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect best current estimate.

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.

Individual 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 profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Non-Financial assets

The carrying amounts the Trust's non-financial assets, other than deferred tax assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value of use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets, For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets exceeds its recoverable amount. Impairment losses are recognized in the profit loss account

3.1 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the Trust intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.2 Donation and Grants

Donations and grants for treatment of patients and for development of projects are considered restricted and are accounted for on deferred method. Donations and Grants restricted for capital expenditure which is recognized at fair value, are recognized as deferred capital grant when received and is measured at the fair value of the consideration received and is recognized when the significant risks and rewards of ownership have been transferred to the trust.

Return/interest on bank deposit is recognized when received.



**TAQSEEM FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

	Note	2023 Rupees
ASSETS		
NON-CURRENT ASSETS		
Property and equipment		
	4	1,383,015
Long term advances and deposits		
		1,383,015
CURRENT ASSETS		
Advances, prepayments and other receivables	5	190,000
Cash and bank balances	6	937,392
		1,127,392
TOTAL ASSETS		
		2,510,407
FUNDS & LIABILITIES		
FUNDS		
General fund		1,737,407
Restricted Fund		600,000
		2,337,407
CURRENT LIABILITIES		
Provision for taxation	7	173,000
Accrued and other payables		173,000
		2,510,407
TOTAL FUNDS & LIABILITIES		
CONTINGENCIES AND COMMITMENTS		
	8	-

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

(Signature)
CHIEF EXECUTIVE OFFICER

(Signature)
DIRECTOR



TAQSEEM FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees
INCOME		
Donations	9	1,785,300
TOTAL INCOME		1,785,300
EXPENDITURES		
OPERATIONS		
Operational expenses	10	1,740,968
General and administrative expenses	11	127,684
Finance cost	12	791
		1,869,443
TOTAL EXPENDITURES		1,869,443
SURPLUS/(DEFICITE) FROM OPERATIONS		(84,143)
SURPLUS/(DEFICITE) BEFORE TAXATION		(84,143)
Provision for taxation	13	
SURPLUS/(DEFICITE) AFTER TAXATION		(84,143)
OTHER COMPREHENSIVE INCOME		
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE SURPLUS/(DEFICITE) FOR THE YEAR		(84,143)

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

Amna
CHIEF EXECUTIVE OFFICER

Umar
DIRECTOR



**TAQSEEM FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Total comprehensive income for the year before taxation		(84,143)
Adjustments for non-cash items:		
Depreciation and amortization		<u>248,535</u>
Operating Surplus/(deficit) before working capital changes		164,392
(Increase)/ decrease in current assets		-
Increase/ (decrease) in current liabilities		-
Accrued and other payables		173,000
Net cash used in operating activities		<u>337,392</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of operating assets		-
Long term advances and deposits		-
Net cash generated from investing activities		<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Restricted fund receipt		600,000
Net cash generated from financing activities		<u>600,000</u>
Net increase/(decrease) in cash and cash equivalents		937,392
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents at the end of the year		<u>937,392</u>

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

(Signature)
CHIEF EXECUTIVE OFFICER

(Signature)
DIRECTOR



TAQSEEM FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Note	Funds Rupees	Accumulated Surplus Rupees	Total Rupees
Balance as at 30 June 2022			
Funds Received in kind	1,821,550		1,821,550
Restricted Fund	600,000		600,000
Total comprehensive Surplus/(Deficit) for the year		(84,143)	(84,143)
Balance as at 30 June 2023	2,421,550	(84,143)	2,337,407

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

[Signature]
CHIEF EXECUTIVE OFFICER

[Signature]
DIRECTOR



IVQSEF VI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4 PROPERTY AND EQUIPMENT

Particulars	2023			Depreciation			Carrying value As at 30-Jun-22
	As on 1-Jul-21	Cost Additions	As at 30-Jun-22	Rate % 1-Jul-21	As on 1-Jul-21	For the Year 30-Jun-22	
Furniture and fixtures	-	648,200	648,200	1.5%	-	97,230	550,970
Electrical equipment	-	958,000	958,000	1.5%	-	143,700	814,300
Office equipment	-	25,350	25,350	3.0%	-	7,605	17,745
Others	-	-	-	-	-	-	-
Total June 30, 2022 (Rupees)	-	1,631,550	1,631,550		-	248,535	1,383,015

4.1 Depreciation is allocated as follows:

	2023	2022
General and administrative expenses	-----Rupees-----	
Operational expenses		
	49,707	-
	198,828	-
	248,535	-

Depreciation is allocated as follows:

* 70% of total depreciation is allocated to "General and Administrative expenses" while the remaining 80% is allocated to "Operational expenses".
** Depreciation related to right of use assets is allocated to "General and Administrative expenses".



TAQSEEM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees
5 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
Security deposits for campuses:-		
Campus I		80,000
Campus II		50,000
Campus III		60,000
		<u><u>190,000</u></u>
6 CASH AND BANK BALANCES		
Cash at bank	6.1	935,722
Cash in hand		1,670
		<u><u>937,392</u></u>
6.1 Cash at bank		
Current accounts		935,722
Saving accounts		<u><u>935,722</u></u>
7 ACCRUED AND OTHER PAYABLES		
Rent of school building		83,000
Rent of vehicle		30,000
Audit fee payable		60,000
		<u><u>173,000</u></u>
8 CONTINGENCIES & COMMITMENTS		
Contingencies		
No contingencies and commitments are recorded on balance sheet date.		
9 INCOMES		
Donation		1,785,300
		<u><u>1,785,300</u></u>
10 OPERATIONAL EXPENSES		
Salaries, benefits and allowances		1,109,567
Rent for school buildings		352,000
Rent for vehicles		60,000
Vehicle running expenses		18,873
Depreciation		198,828
Miscellaneous		1,700
		<u><u>1,740,968</u></u>
11 GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries, benefits and allowances		2,927
Utilities		8,450
Printing and stationary		6,600
Repair and maintenance		60,000
Auditor's remuneration	11.1	49,707
Depreciation		<u><u>127,684</u></u>



TAQSEEM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees		
11.1 Auditor's remuneration				
Audit fee		60,000		
		60,000		
12 FINANCE COST				
Bank charges		791		
		791		
13 PROVISION FOR TAXATION				
The Company has been established as a non-profit organization under section 42 of the Companies' Ordinance, 1984 (now the Companies Act, 2017) and have not obtained the status of Non Profit Organization under the section 2 (36) of the Income Tax Ordinance 2001 for the tax year 2023. Therefore turnover tax liability 1.5% under section 113 have been created under section 113 of Income Tax Ordinance, 2001.				
14 RELATED PARTY TRANSACTIONS				
Related parties include associated organisations, directors, key management personnel, entities under common control, entities with common directors. The directors of the company governs and controls the Company through direct ownership, therefore all associated relationship and related parties of the Company.				
The amounts received from associated entities are disclosed in note 7 to the financial statements. Remuneration to chief executive, directors and executives under the terms of their employment are disclosed in note 17 to the financial statements. Transactions with related parties during the year are as follows:				
Name	Relationship with the company	Basis of relationship	Nature of Transaction	2022
Jahangir Waheed	Associated entity	Common directorship	Donation received	300,000
Ambreen Waheed	Associated entity	Common directorship	Donation received	300,000
Imran Jahangir	Associated entity	Common directorship	Donation received	300,000
				900,000

15 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration, including all benefits, to the chief executive, directors and executives of the Company are as follows:

2023	Chief Executive*	Directors**	Executives***
	'Rs.	'Rs.	'Rs.
Remuneration and bonus	-	-	-
Medical	-	-	-
Meeting fee	-	-	-
No of person(s)	1	2	0
2022	Chief Executive	Directors	Executives
	'Rs.	'Rs.	'Rs.
Remuneration and bonus	-	-	-
Medical	-	-	-
Meeting fee	-	-	-
No of person(s)	1	2	0

* The CEO are not paid for any remuneration including meeting fee

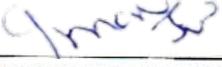
** Directors are not paid any remuneration including meeting fee.

*** Executive means an employee whose basic salary exceeds Rs 1,200,000 (2021:Rs 1,200,000) during the year.



**TAQSEEM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees
15. NUMBER OF EMPLOYEES		
Total number of employees at the end of the year were 34 (2022: 0). Average number of employees during the year were 34 (2022: 0).		
16. GENERAL		
- The figures have been rounded to nearest rupee.		
- Corresponding figures, wherever necessary, have been rearranged and reclassified for the purpose of comparison and better presentation. However, these are not considered material enough to be disclosed separately.		
- These financial statements have been authorized for issue on <u>04-09-23</u> by the Board of Directors of the Company.		


CHIEF EXECUTIVE OFFICER


DIRECTOR

