

**JK FOUNDATION
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**



INDEPENDENT AUDITOR'S REPORT

To the members of **JK FOUNDATION**

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of JK Foundation (the Company), which comprises the statement of financial position as at June 30, 2025, and the statement of Income and Expenditure, the statement of other comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial statements, including material 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, statement of Income and Expenditure and statement of other comprehensive income, the statement of changes in funds and the statement of cash flows together with 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 deficit and comprehensive income, the changes in funds and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the 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 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 Auditor's Report Thereon

The management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's 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 on the other information obtained prior to the date of this auditor's report, 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.

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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 accounting and reporting standards as applicable in Pakistan and the requirements of the 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 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.

Boards of directors are responsible for overseeing the Company'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 misstatements, 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 misstatements 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 the 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 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 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 Company to cease to continue as 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 presentations.

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.

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Report on other Legal and Regulatory Requirements

Based upon 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 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 and returns;
- c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is Nauman Rafique.



Suriya Nauman Rehman & Co.
Chartered Accountants

Islamabad

Date 07 OCT 2025

UDIN:AR202510231mN2CMqtSp

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JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	31/12/2024 to 30/06/2025 Rupees
ASSETS		
Non Current Asset		-
Current Asset		
Cash & Bank	4	-
TOTAL ASSETS		-
FUND AND LIABILITIES		
Accumulated Funds		(75,000)
Non Current Liabilities		-
Current Liabilities		
Trade & Other Payables	5	50,000
Provisions	6	25,000
		75,000
TOTAL FUND & LIABILITIES		-
Contingencies and commitments	7	-

The annexed notes from 1 to 13 form an integral part of these financial statements *CS*


CHIEF EXECUTIVE


DIRECTOR

JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

STATEMENT OF INCOME AND EXPENDITURE

FOR THE PERIOD 31/12/2024 TO 30/06/2025

	Note	31/12/2024 to 30/06/2025 Rupees
INCOME		
Donation	8	2,000,000
EXPENDITURE		
Admin & General Expenditure	9	50,000
Program Expenses	10	2,000,000
		2,050,000
Surplus/(Deficit) Before Taxation		<u>(50,000)</u>
Taxation	11	<u>(25,000)</u>
Surplus/Deficit After Taxation		<u><u>(75,000)</u></u>

The annexed notes from 1 to 13 form an integral part of these financial statements *Shy*


CHIEF EXECUTIVE


DIRECTOR

JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD 31/12/2024 TO 30/06/2025

	Note	31/12/2024 to 30/06/2025 Rupees
Surplus for the period		(75,000)
Other comprehensive income		-
Total comprehensive Income		(75,000)

The annexed notes from 1 to 13 form an integral part of these financial statements


CHIEF EXECUTIVE


DIRECTOR

JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

STATEMENT OF CHANGES IN GENERAL FUND

FOR THE PERIOD 31/12/2024 TO 30/06/2025

	<u>Notes</u>	Accumulated Surplus / (Deficit) Rupees
Balance as at December 31, 2024		-
Surplus/(Deficit) for the year		<u>(75,000)</u>
Balance as at June 30, 2025		<u><u>(75,000)</u></u>

The annexed notes from 1 to 13 form an integral part of these financial statements


CHIEF EXECUTIVE


DIRECTOR

JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

STATEMENT OF CASH FLOWS

FOR THE PERIOD 31/12/2024 TO 30/06/2025

	Note	31/12/2024 to 30/06/2025 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus/Deficit Before taxation		(50,000.00)
Adjustment for non-cash items:		-
Tax Expense		(25,000.00)
Changes in working capital:		-
(increase)/decrease in current assets		-
increase/(decrease) in current liabilities		75,000.00
Cash generated from operations		-
Tax Paid		-
Net cash flow from operating activities		-
CASH FLOW FROM INVESTING ACTIVITIES		-
Investments		-
Net cash flow from investing activities		-
CASH FLOW FROM FINANCING ACTIVITIES		-
Long Term Loan		-
Net Cash flow from financing activities		-
Net Increase/(Decrease) in cash and cash equivalents		-
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		-

The annexed notes from 1 to 13 form an integral part of these financial statements *CSM*


CHIEF EXECUTIVE


DIRECTOR

JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 31/12/2024 TO 30/06/2025

1 LEGAL STATUS AND OPERATIONS

JK Foundation was incorporated under section 42 of the Companies Act, 2017 as a guarantee limited foundation on December 31 2024 as a non profit organization. The Foundation's registered office is located at 4th floor, wazir arcade, business square, Gulberg, Islamabad.

The principal line of business of the foundation is to establish, manage, maintain, own, administer, and promote modern practices and/or technologies in the field of information technology, computer literacy to bring positive impact on society and citizens for improving their living standard.

2 STATEMENT OF COMPLIANCE

2.1 These Financial statements have been prepared in accordance with approved accounting and reporting standards, as applicable in Pakistan. The approved accounting and reporting standard comprise of:

International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SME's) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.

Accounting Standards for Not for Profit organisations (Accounting standards for NPOs.) issued by

the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 and Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under Companies Act, 2017 differ from IFRS for SME's or the Accounting Standards for NPO's 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 historical cost conventions and have been prepared on accrual basis of accounting except cash flow.

2.3 Functional and Presentation Currency

These accompany financial statements are prepared in Pak Rupees, which is the Company's functional and presentation currency.

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JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 31/12/2024 TO 30/06/2025

2.4 Use of accounting estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards for Small and Medium Sized Entities (SMEs) 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 judgment 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 ongoing basis. Revisions to accounting estimates are recognized in the period in which the 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation or impairment, if any.

Depreciation is charged on the basis of the written down value method, whereby the cost of an asset is written off over its useful life without taking into account any residual value. Depreciation is charged from the date the asset is purchased or available for use, and up to the date it is disposed of or deleted from the records.

Major renewals and repairs are capitalized and the assets so replaced are retired. Minor renewals or replacement, maintenance and repairs are charged to income as and when incurred. Gains or losses on disposal of property and equipment are accounted for as profit or loss for the year.

The assets' residual value and useful lives are reviewed, and adjusted if significant, at each statement of financial position date.

Disposal of assets is recognized when significant risks and reward incidental to the ownership have been transferred to buyers. Gain and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in the statement of income and expenditure.

3.2 Intangible Assets

Intangible assets are stated at cost less accumulated depreciation or impairment, if any.

Amortization is charged on the basis of straight line method whereby cost of an asset is written off over its useful life without taking into account any residual value. Full month's depreciation is charged on addition, while no depreciation is charged in the month of disposal or deletion of asset.

The assets' residual value and useful lives are reviewed, and adjusted if significant, at each statement of financial position date.

Disposal of assets is recognized when significant risks and reward incidental to the ownership have been transferred to buyers. Gain and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in the income and expenditure account.

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JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 31/12/2024 TO 30/06/2025

3.3 Capital work in progress

Capital work in progress are stated at cost and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

3.4 Impairment losses

The Company assesses at each balance sheet date whether there is any indication that assets other than stores and spares and deferred tax assets may be impaired. If such an indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognized as expense in the statement of profit or loss , unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

3.5 Trade receivables

Trade receivables are recognized and carried at original invoiced amount which is fair value of the consideration to be received in future. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Debts considered irrecoverable are written-off.

3.6 Advances, prepayments and other receivables

These are recognized at cost, which is fair value of the consideration given. An assessment is made at each statement of financial position date to determine, whether there is an indication that a financial asset, or a group of financial assets, may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying value.

3.7 Trade and other payables

Liabilities 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 the goods and services received, whether or not billed to the Company.

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JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 31/12/2024 TO 30/06/2025

3.8 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, cash at bank and short term investments with maturity of not later than three months at known amount in rupees and balances with banks.

3.9 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.10 Financial Instruments

Non-derivative financial assets and financial liabilities-Recognition and derecognition

The Company initially recognize loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or it transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognized a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 31/12/2024 TO 30/06/2025

Non-derivative financial assets - Measurement

Loans and receivables

Loans and receivables comprise of loans, grant and other receivables, consultancy fee receivables, cash and cash equivalent and deposits. These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Non-derivative financial liabilities-Measurement

Non derivative financial liabilities comprise of accrued expenses, accounts payable and other liabilities. Non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at cost using the effective interest method.

3.11 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet, if the company has a legally enforceable right to set off the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.12 Impairment

Financial assets

A financial asset is assessed at each statement of financial position 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 the asset.

Non-financial assets

The carrying value of non-financial assets are assessed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the non-financial assets is estimated. An impairment loss is recognized as an expense in the statement of income and expenditure account, for the amount by which the non-financial assets' carrying value exceeds its recoverable amount.

3.13 Contingencies

A contingent liability is disclosed when the Company has a probable obligation as a result of past event, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive 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 measured with sufficient reliability.

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JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 31/12/2024 TO 30/06/2025

3.14 Income recognition

i) **Grants**

All other grants/donations are recognized when actually received/transferred to the Foundation.

ii) **Income related grants**

Grants related income are recognized on systematic basis as income over the periods necessary to match them with related expenses incurred on accordance with terms of the respective grant agreements.

iii) **Capital grants**

Grants received for the purchase of fixed assets are initially recorded as deferred income upon receipt. Subsequently, these are recognized in the statement of income and expenditure, on a systematic basis, over the periods necessary to match them with the carrying value of the related assets.

iv) **Profit on bank deposits and investments**

Mark up/Interest on bank deposits and return on investments is recognized using the effective interest rate method.

v) **Other income**

Income comprises of the fair value of the consideration received or receivable from the services rendered in the ordinary course of the Company's activities.

Income is recognized when it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of income can be measured reliably. The

income arising from different activities of the Company is recognized on the following basis:

Income from projects is recognized in accordance with the terms of agreement.

3.15 EXPENDITURE

Expenditure recognized when incurred, using accrual basis. Assets purchased for specific project are charged to income and expenditure account in the year of purchase.

Foreign currency transactions are recognized at the exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into Rupees using exchange rates applicable at the Balance sheet date. Gains or losses on settlement and transaction at the year end are recognized in the Income and Expenditure account.

3.16 RELATED PARTY TRANSACTIONS

Transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method.

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JK FOUNDATION

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 31/12/2024 TO 30/06/2025

3.17 Taxation

The company has approached CIR. RTO, Islamabad with an application under section 2 (36) for recognition as a non profit organization. However at the year ended June 30, 2023. The CIR has not granted permission u/s 2 (36), accordingly tax has been accounted for @ 20% for income generated from local services being a small company, and @ 0.25% on the Gross amount received from export services as in accordance with ITO 2001.

(a) Current and Prior year

Provision for current taxation is based on taxable income and the current rates of taxation after taking into account tax credits and rebates available, if any. The tax charge also includes adjustments, where necessary relating to prior year which arise from assessments finalized during the year.

(b) Deferred

Deferred tax is accounted for using statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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FOUNDATION FOR CIVIC TECH
(A Company Limited by guarantee under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31/12/2024 TO 30/06/2025

	Note	31/12/2024 to 30/06/2025 RUPEES
4 CASH AND BANK		
Cash at Bank		-
Cash at Hand		-
		<u>-</u>
5 TRADE & OTHER PAYABLES		
Audit Fees Payable		50,000
		<u>50,000</u>
6 PROVISIONS		
Provision for Taxation		25,000
		<u>25,000</u>
7 CONTINGENCIES & COMMITMENTS		
There are no contingencies and commitments as at June 30, 2025.		
8 INCOME		
Donations		2,000,000
		<u>2,000,000</u>
9 ADMINISTRATIVE & GENERAL EXPENSES		
Audit Fee	11.1	50,000
		<u>50,000</u>
10 PROGRAM EXPENSES		
Charity Work		2,000,000
		<u>2,000,000</u>
11 TAXATION		
Current Tax		25,000
Deferred Tax Expense/(income)		-
		<u>25,000</u>

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FOUNDATION FOR CIVIC TECH

(A Company Limited by guarantee under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 31/12/2024 TO 30/06/2025

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 07 OCT 2025 by the board of directors of the Company. *SMS*

13 GENERAL

13.1 NUMBER OF EMPLOYEES

Total number of employees as at year ending June 30, 2025 are 1.

Average number of employees during the year were 1.

13.2 Figures have been rounded off to the nearest rupee.

[Signature]

CHIEF EXECUTIVE

[Signature]

DIRECTOR