

FINANCIAL STATEMENTS

OF

HOPE SOURCE WELFARE FOUNDATION

For the Year Ended June 30, 2025

SAJID & CO

Chartered Accountants

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AUDITOR'S REPORT TO THE MANAGEMENT

We have audited the annexed balance sheet of **HOPE SOURCE WELFARE FOUNDATION** as at June 30, 2025 and the related income & expenditure account and cash flow statement, Statement of changes in general fund together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

It is the responsibility of the management committee to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the books and accounting records. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the **HOPE SOURCE WELFARE FOUNDATION** as at June 30, 2025 and results of its operations for the year then ended.



CHARTERED ACCOUNTANT

KARACHI: Dated: August 26, 2025

UDIN: AR202510251dm5KG6YU0

**HOPE SOURCE WELFARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025**

	<i>Note</i>	<i>2025 Rupees</i>	<i>2024 Rupees</i>
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	4	-	-
Current Assets			
Loan receivable	5	-	-
Income tax refunds due from the Government		-	-
Cash and bank balances	6	26,500	-
		<u>26,500</u>	-
Total Assets		<u><u>26,500</u></u>	<u><u>-</u></u>
<u>FUNDS AND LIABILITIES</u>			
Fund			
General fund	7	1,500	-
		<u>1,500</u>	-
Current Liabilities			
Account payables	8	25,000	-
		<u>25,000</u>	-
Total Funds and Liabilities		<u><u>26,500</u></u>	<u><u>-</u></u>

The annexed notes 1 to 15 form an integral part of these financial statements.

Chief Executive



Director

**HOPE SOURCE WELFARE FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

	<i>Note</i>	2025 Rupees	2024 Rupees
Income	9	3,365,000	-
Operating expenses	10	(2,980,000)	-
Administrative and management expenses	11	(385,000)	-
Other income	12	-	-
Surplus before tax		-	-
Less: taxation		-	-
Surplus after tax		-	-
Other comprehensive income		-	-
Total comprehensive income for the year / period		-	-

The annexed notes 1 to 15 form an integral part of these financial statements.

Chief Executive



Director

HOPE SOURCE WELAFRE FOUNDATION
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025

	<i>Internally Restricted</i>	<i>Unrestricted</i>	<i>Total</i>	<i>Total Fund</i>
	----- <i>General Fund</i> -----			
Balance as at June 04, 2024	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Net change in unrestricted fund during the perio	-	-	-	-
Balance as at June 30, 2023	-	-	-	-
Total comprehensive income for the year	-	1,500.00	1,500	1,500
Net change in unrestricted fund during the perio	-	-	-	-
Balance as at June 30, 2025	-	1,500	1,500	1,500

The annexed notes 1 to 17 form an integral part of these financial statements.



HOPE SOURCE WELAFRE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES			
Surplus before tax		1,500	-
Adjustment for:			
Depreciation	4.1	-	-
Cash inflows before working capital changes		1,500	-
Working capital changes			
Increase in current assets			
Loan receivable		-	-
Increase in current liabilities			
Account payables		25,000	-
		25,000	-
Cash generated from operations		26,500	-
Income taxes paid		-	-
Zakat received	7	-	-
Profit on TDR investment from Zakat fund	7	-	-
Zakat utilized	7	-	-
Net cash generated from operating activities		-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	4.1	-	-
Net cash used in investing activities		-	-
Net increase in cash and cash equivalents (A+B)		26,500	-
Cash and cash equivalents at the beginning of the year	6	-	-
Cash and cash equivalents at the end of the year	6	25,000	-

The annexed notes 1 to 15 form an integral part of these financial statements.



**HOPE SOURCE WELAFRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

Hope Source Welfare Foundation (the Foundation) was incorporated in Pakistan on June 04, 2025, under the Social Welfare Agencies (Registration and Control) Ordinance 1961. The principal activity of the Foundation is to raise funds from individuals and institutions and to establish, maintain and administer aid programmes for the animal rights and welfare

Following funds are being managed by the Foundation, in order to pursue its aforementioned objectives:

i General Fund

General Fund is utilized for meeting general and administrative expenses of the Foundation. Donations contributed by the donors, are recognized under the General Fund upon receipt.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs) issued by International Accounting Standards Board (IASB) and Accounting Standards for Not For Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

2.2 Basis of measurement

These financial statement have been prepared under the historical cost convention. Further, accrual basis of accounting is followed except for cash flow information.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is also the functional currency of the Foundation.

2.4 Use of estimates and judgment

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates, if any, are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent year are as follows:

Property and equipment

The Foundation's management determines the estimated useful lives and related depreciation charge for its property and equipment. This also includes estimating the residual values and depreciable and life. Further, the Foundation reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of these assets with a corresponding affect on the depreciation and impairment.



3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses. 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 asset will flow to the Foundation and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to income and expenditure account during the financial year in which they are incurred. Gains and losses on disposal of assets are included in the income and expenditure account.

Depreciation is charged to income and expenditure account applying the reducing balance method, whereby the cost of an asset is written-off at rates specified at note 4. Depreciation is charged from the date in which the depreciable assets are available for use till the date preceding the date of disposal.

The carrying values of tangible fixed assets are reviewed for impairment when event or changes in circumstances indicate that carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

3.2 Loan receivable

These are recorded at amount disbursed less provision for doubtful balances based on a review of all outstanding balances as on the reporting date. Balances considered irrecoverable / unadjustable are written off.

3.3 Cash and bank balances

It comprises of cash in hand and cash at banks which are recognized at their nominal amounts which is considered to be their amortized cost.

3.4 Account payables

These are carried at nominal amounts which is the fair value of the consideration to be paid in the future for services received, whether or not billed to the Foundation. Liabilities no longer payable are written back and recognized as other income in the statement of income and expenditure.

3.5 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the statement of income and expenditure, except to the extent that it relates to the items recognized directly in other comprehensive income or in equity, in which case it is recognized there.

Current

The Foundation is subject to tax credit at the rate of 100% of the tax payable as per section 100C of the Income Tax Ordinance, 2001. However, surplus funds, as defined in the said Section are chargeable to tax at the rate of 10%.

Deferred

The Foundation does not account for the deferred tax as its income is subject to tax credit as discussed above, therefore, no temporary differences arise.

3.6 Income recognition

The Foundation follows deferral method of accounting for the recognition of contributions / grants / donations. Recognition of restricted contribution/grant/donation is deferred till the date when the conditions associated with the contribution/grant/donation have been fulfilled by the Foundation.

Accordingly, these are recognized where there is reasonable assurance that these will be received and all attached conditions will be complied with. If the grant / contribution / donation relates to the expenses to be incurred, then, it is initially recognized as liability (deferred income) and transferred gradually to income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate or on completion of the project it relates to. Accordingly, if a grant / contribution / donation relates to a depreciable / amortizable asset, then income for the year is recognized to the extent of depreciation / amortization charged during the year.



Cash donation

These are recorded on occurrence of transactions.

Donation in kind

Donation of fixed assets is recognized as income in the statement of income and expenditure when the title is transferred in the name of the Foundation. Donation received in the form of prosthesis, or other consumable are recognized as income in the statement of income and expenditure when they are received.

Donation in kind is recognized at lower of cost to the donor or net market value at the time of the transfer.

3.7 *Financial instruments*

All the financial assets and liabilities are recognized at the time when the Foundation becomes a party to the contracted provisions of the instruments. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account currently.

3.8 *Off-setting of financial assets and financial liabilities*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Foundation has a legally enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

3.9 *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.

Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).



4 PROPERTY AND EQUIPMENT

Note	2025 Rupees	2024 Rupees
4.1	0	0

4.1 Operating fixed assets

Particulars	Written Down Value			As At June 30, 2025	Cost As At June 30, 2025	Accumulated Depreciation As At June 30, 2025	Written Down Value As At June 30, 2025	Rate %
	As At July 01, 2024	Additions During the Year	Depreciation Charge for the Year					
Office equipment	-	-	-	-	-	-	-	0
Furniture and fixtures	-	-	-	-	-	-	-	0
	-	-	-	-	-	-	-	

Particulars	Written Down Value			As At June 30, 2024	Cost As At June 30, 2024	Accumulated Depreciation As At June 30, 2024	Written Down Value As At June 30, 2024	Rate %
	As At June 04, 2024	Additions During the Period	Depreciation Charge for the Period					
Office equipment	-	-	-	-	-	-	-	0
Furniture and fixtures	-	-	-	-	-	-	-	0
	-	-	-	-	-	-	-	



	Note	2025 Rupees	2024 Rupees
5 LOAN RECEIVABLE			
Loan to staff	5.1	-	-

5.1 This represents unsecured and interest free loan given to staff which is recoverable by way of deduction from monthly salary.

	Note	2025 Rupees	2024 Rupees
6 CASH AND BANK BALANCES			
Cash in hand		26,500	-
Cash at banks			
- current accounts	6.1	-	-
		<u>26,500</u>	<u>-</u>

7 GENERAL FUND

Opening balance		-	-
Add: Surplus for the year		1,500	-
		<u>1,500</u>	<u>-</u>

8 ACCOUNT PAYABLES

Payables to vendors		-	-
Accrued liabilities		-	-
Withholding tax payable		-	-
		<u>-</u>	<u>-</u>



	Note	2025 Rupees	2024 Rupees
9 INCOME			
Donation	9.1	<u>3,365,000</u>	-

9.1 This represents unrestricted and general donation received from individuals and from members for supporting the cause of the Foundation.

	Note	2025 Rupees	2024 Rupees
10 OPERATING EXPENSES			
Procurement of medicine and animal foods		2,978,500	-
Salaries and other benefits		-	-
		<u>2,978,500</u>	-

11 ADMINISTRATIVE AND MANAGEMENT EXPENSES

Salaries and other benefits		360,000	-
Repair and maintenance		-	-
Rent		-	-
Printing, stationary and postage		-	-
Software and website maintenance		-	-
Professional charges		-	-
Auditors' remuneration		25,000	-
Miscellaneous		-	-
Depreciation	4.1	-	-
		<u>385,000</u>	-

12 OTHER INCOME

Profit on term deposits		-	-
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13 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments by category

Financial assets at amortized cost

Loan receivable	5	-	-
Cash and bank balances	6	<u>26,500</u>	-
		<u>26,500</u>	-

Financial liabilities at amortized cost

Account payables	8	-	-
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14 GENERAL

- Figures have been rounded off to a nearest rupees.
- Number of employees as on the reporting date and average number of employees during the year were 4 and 2 (2024: 1 and 1), respectively.

15 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue by the Board of Directors of the Foundation on August 26, 2025.

