



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE RAZIA MAHSOOD DEVELOPMENT FOUNDATION
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **The Razia Mahsood Development Foundation** (The Foundation) which comprise the statement of financial position as at June 30, 2026, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information 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 and expenditure, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the 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 Foundation's affairs as at June 30, 2026 and of the deficit, the 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 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.

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

Board of directors 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.

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 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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of accounts have been kept by the Foundation as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds 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 accounts and returns;



Muhammad Ishaq & Co.
Chartered Accountants



- c) investments made, expenditures incurred and guarantees extended during the year were for the purpose of the Foundation's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Foundation for the year ended June 30, 2025, were audited by another auditor who expressed an unmodified opinion on those statements on September 17, 2025.

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

Muhammad Ishaq & Co.

Muhammad Ishaq & Co.

Chartered Accountants

Islamabad

Date: October 5, 2026

UDIN: AR202610904Ji5TL14p7

**RAZIA MAHSOOD DEVELOPMENT FOUNDATION (RMDF)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026**

	NOTE	2026	2025
		<u>— Rupees —</u>	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	458,473	721,986
CURRENT ASSETS			
Cash and bank balances		4,724	1,655
TOTAL ASSETS		<u>463,196</u>	<u>723,641</u>
FUNDS AND LIABILITIES			
General fund	5	142,315	341,080
Deferred capital grant - restricted funds	6	-	382,561
CURRENT LAIBILITIES			
Accrued liabilities		317,593	-
Provision for taxation		3,288	-
TOTAL FUNDS AND LIABILITIES		<u>463,196</u>	<u>723,641</u>

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

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RAZIA MAHSOOD DEVELOPMENT FOUNDATION (RMDF)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
	NOTES	—Rupees—	
INCOME			
Grant - unrestricted		90,761	566,501
Grant - restricted	7	554,800	167,439
		645,561	733,940
EXPENDITURE			
Program expenses	8	(554,800)	(343,877)
General and administrative expenses	9	(286,239)	(388,408)
		(841,039)	(732,285)
(Deficit) / Surplus for the year		(195,478)	1,655
Tax expense		(3,288)	-
Net (deficit) / surplus		(198,765)	1,655

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


Chairman


Director Finance

RAZIA MAHSOOD DEVELOPMENT FOUNDATION (RMDF)
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Surplus / Deficit	Total
	-----Rupees-----	
Accumulated surplus / (deficit) as at July 01, 2024	339,425	339,425
Surplus for the year	1,655	1,655
Accumulated surplus as at June 30, 2025	<u>341,080</u>	<u>341,080</u>
Accumulated surplus as at July 01, 2025	341,080	341,080
(Deficit) for the year	(198,765)	(198,765)
Accumulated surplus as at June 30, 2026	<u>142,315</u>	<u>142,315</u>

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


Chairman


Director Finance

**RAZIA MAHSOOD DEVELOPMENT FOUNDATION (RMDF)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2026**

	2026	2025
	---Rupees---	
CASH FLOW FROM OPERATING ACTIVITIES		
(Deficit) / Surplus for the year	(195,478)	1,655
Adjustments for non cash items		
Depreciation	167,439	167,439
Operating profit before working capital changes	(28,039)	169,094
Changes in working capital:		
Accrued and other liabilities	317,593	-
Cash generated from operations	317,593	-
Taxes paid	-	-
Net cash (used) in / generated from operating activities	289,554	169,094
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(550,000)
Deferred capital grant	(286,485)	382,561
Net cash (used) in / generated from investing activities	(286,485)	(167,439)
Net (decrease) / increase in cash and cash equivalents	3,069	1,655
Cash and cash equivalents at the beginning of the year	1,655	-
Cash and cash equivalents at the end of the year	4,724	1,655

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


Chairman




Director Finance



RAZIA MAHSOOD DEVELOPMENT FOUNDATION (RMDF)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 CORPORATE AND GENERAL INFORMATION

Razia Mahsood Development Foundation (RMDF) was registered with Directorate of Social Welfare, Special Education and Women Empowerment Merged Areas, Peshawar under the Voluntary Social Welfare Agency (Registration and Control) Ordinance, 1961 (XLVI of 1961) on 10th November 2021. The organisation's objectives are to help curtail Special Education, Women Empowerment, conducting advocacy, seminars, research studies, training, capacity building and implementing community based Projects. The Razia Mahsood Development Foundation (RMDF) is located in Sararogha, District South Waziristan.

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: Revised Accounting and Financial Reporting Standards the Small-Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountant of Pakistan.

2.2 The financial statements are prepared for the internal use of members using specified accounting policies of cash basis.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupee (Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupees, unless otherwise stated.

2.4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved Accounting and Financial Reporting Standards of Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan require 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

a) Useful lives of property, plant & equipment

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

b) Income Taxes

The company takes into accounts the current income tax law and the decision taken by the appellate authorities. Instances where the Authority's view differs from the view taken by the income tax department at the assessment stage and where the authority considers that its views on the terms of material nature is in accordance with the law, the amount is shown as contingent liability.

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RAZIA MAHSOOD DEVELOPMENT FOUNDATION (RMDF)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are given below,

3.1 Property, Plant and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Depreciation is charged using the reducing balance method using rates specified in note 4.

Depreciation on additions is charged from the month in which the asset is put in use and on disposal up to the month the respective asset was in use.

Maintenance and normal repairs are charged to income as and when incurred while cost of major replacements and improvements, if any, are capitalized.

Gain and losses on disposal of fixed assets are included in the profit and loss account.

3.2 Impairment

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized in the income and expenditure account. A previously-recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years. Reversal of impairment loss is restricted to the original cost of the asset.

3.3 Other receivables

Other receivables are stated initially at their fair value, subsequent to initial recognition these are stated at their amortized cost as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful of recovery are fully provided for.

3.4 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalent comprise of cash in hand and bank balances.

3.5 Grants

Restricted grant

Grant received for specific purposes are classified as restricted grant. Such grant is transferred to income and expenditure account as grant income to the extent of actual expenditure incurred there against. Expenditures incurred against committed grant but not received is accrued and recognised in income and is reflected as grant receivable only if conditions of agreement are met. Unspent portion of such grant are reflected as restricted grant in the balance sheet.

Unrestricted grant

Grants received without any conditions are recognized as income during the year of receipt.

3.6 Taxation

Tax on taxable income is charged on rates as prescribed in Income Tax Ordinance 2001.

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RAZIA MAHMOOD DEVELOPMENT FOUNDATION (RMDF)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

4 PROPERTY AND EQUIPMENT

PARTICULARS	ACCUMULATED DEPRECIATION					WDV
	COST		RATE	Depreciation for the year		As at June 30, 2025
	July 01, 2024	Additions (Disposals) June 30, 2025		July 01, 2024	June 30, 2025 (Disposals)	
			%			
					Pak Rupees	
Property Plant and Equipment	-	350,000	10	-	35,000	315,000
Computer and Printers	143,500	200,000	30	61,500	103,050	240,450
Office Equipment	68,000	-	15	12,000	22,200	57,800
Furniture and fixtures	127,925	-	15	22,575	41,764	108,736
2025	339,425	550,000	-	96,075	167,439	721,986

PARTICULARS	ACCUMULATED DEPRECIATION					WDV
	COST		RATE	Depreciation for the year		As at June 30, 2026
	July 01, 2025	Additions (Disposals) June 30, 2026		July 01, 2025	June 30, 2026 (Disposals)	
			%			
					Pak Rupees	
Property Plant and Equipment	350,000	350,000	10	35,000	70,000	280,000
Computer and Printers	343,500	343,500	30	164,550	267,600	75,900
Office Equipment	68,000	68,000	15	22,200	32,400	35,600
Furniture and fixtures	127,925	127,925	15	41,764	60,953	66,973
2026	889,425	-	-	263,514	430,953	458,473

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RAZIA MAHSOOD DEVELOPMENT FOUNDATION (RMDF)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	— Rupees —	
5 Cash and Bank Balances		
Cash in Hand	-	-
Cash at Bank - Current Account	4,724	1,655
	<u>4,724</u>	<u>1,655</u>
6 Deferred Capital Grant		
Opening balance	382,561	339,425
Add: Grant received during the year	263,000	210,575
Less: Amortized / recognized as income during the year	(645,561)	(167,439)
Closing balance	<u>-</u>	<u>382,561</u>
7 GRANT INCOME		
Grant - unrestricted	90,761	566,501
Grant - restricted	554,800	167,439
	<u>645,561</u>	<u>733,940</u>
8 PROGRAM EXPENSES		
Project direct cost	509,000	318,679
Travel expenses	45,800	25,198
	<u>554,800</u>	<u>343,877</u>
9 Administrative Expenses		
Salaries and benefits	-	180,000
Office rent	40,000	12,000
Office supplies	-	5,052
Telephone & Internet	58,800	6,299
Audit fee	20,000	-
Meeting	-	2,236
Legal and professional	-	8,000
Travelling & conveyance	-	2,022
Utilities	-	2,800
Printing & Stationery	-	2,373
Miscellaneous	-	187
Depreciation	167,439	167,439
	<u>286,239</u>	<u>388,408</u>
10 Number of Employees		
Total employees at the year end	0	1
Average employees during the year	0	1

11 Date of Authorization for Issue

These Financial Statements were Authorized for issue by the Board of Trustees in their meeting held on

25/10/2026

