INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Nizam Trust
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **The Nizam Trust** (the Trust), which comprise the statement of financial position as at **June 30, 2024** and the income and expenditure account, the statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **The Nizam Trust** as at **June 30, 2024** and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

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 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the management determine(s) 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.

Those charged with governance are responsible for overseeing the Trust 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 those charged with governance 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Mehran Ur Rashid, ACA.

Z. M. T. & Co.
Chartered Accountants
Lahore
Date: 03 February 2025
UDIN: AR202410654ZmLISe1vC

Z.M.T. & Co. Chartered Accountants

THE NIZAM TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	4	234,813	276,250
		234,813	276,250
CURRENT ASSETS			
Tax refund due from government		12,144	930
Cash and bank balances	5	261,300	152,032
		273,444	152,962
TOTAL ASSETS		508,257	429,212
FUNDS AND LIABILITIES			
FUNDS AND RESERVE			
Accumulated funds		473,257	41,382
LIABILITIES			
NON CURRENT LIABILITIES		-	-
CURRENT LIABILITIES			
Accrued and other payables	6	35,000	387,830
TOTAL LIABILITIES		35,000	387,830
CONTINGENCIES AND COMMITMENTS	7		
TOTAL FUNDS AND LIABILITIES		508,257	429,212

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

Z.M.Tala

CHAIRMAN

GENERAL SECRETARY

THE NIZAM TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Income:			
Donations	8	990,933	351,600
Other income	9	37,379	3,100
		1,028,312	354,700
Expenditure:			
Direct project expenses	10	561,438	364,850
Administrative expenses	11	35,000	72,830
Finance cost	12	-	638
		596,438	438,318
Surplus/(deficit) for the year before taxation		431,875	(83,618)
Taxation	14	-	-
Net surplus/(deficit) for the year after taxation		431,875	(83,618)

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

CHAIRMAN

GENERAL SECRETARY

THE NIZAM TRUST
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Accumulated Fund	Total
	---Rupees---	
Balance as at June 30, 2023	41,382	41,382
Total comprehensive profit for the year	**431,875**	**431,875**
Balance as at June 30, 2024	**473,257**	**473,257**

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

E.M.T.Co.

CHAIRMAN

GENERAL SECRETARY

THE NIZAM TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Net surplus/(deficit) for the year		**431,875**	(83,618)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		**431,875**	(83,618)

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

Z.M.Tkl.

CHAIRMAN

GENERAL SECRETARY

THE NIZAM TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) for the year before taxation		431,875	(83,618)
Adjustment for:			
Depreciation	4	41,438	48,750
Finance cost	12	-	638
		41,438	49,388
Operating cash flow before working capital changes		473,312	(34,230)
Changes in working capital			
(Increase)/decrease in Current Assets			
Tax refund due from government		(11,214)	(930)
		(11,214)	(930)
Increase/(Decrease) in Current Liabilities			
Accrued and other payables		(352,830)	387,830
		(352,830)	387,830
Working capital changes		109,268	352,670
Cash used in operations			
Finance cost		-	(638)
		-	(638)
Net cash used in operating activities		109,268	352,032
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of operating fixed assets		-	(325,000)
Net cash used in investing activities		-	(325,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital Donations		-	125,000
Net cash used in financing activities		-	125,000
Net increase in cash and cash equivalents		109,268	152,032
Cash and cash equivalent at beginning of the year		152,032	-
Cash and cash equivalent at the end of the year	5	261,300	152,032

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

Z.M.Tlle.

CHAIRMAN

GENERAL SECRETARY

THE NIZAM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Notes

1 **Trust and its operations**

The Nizam Trust was established on April 20, 2022 under Societies Registration Act, 1860. It is principally engaged in providing Education and Educational Support activities for poor and needy students of the society. The Trust is duly approved as a non-profit organization within the meaning of section 2(36) of the Income Tax Ordinance, 2001.

The registered office of the company is situated at 266-N, Phase-I, Defense Housing Authority, Cantonment, Lahore.

2 **Statement of compliance**

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in Pakistan, and the Guidelines for Accounting and Financial Reporting by Non-Government/Non-Profit Organizations issued by the Institute of Chartered Accountants of Pakistan (ICAP).

3 **Material accounting policies**

3.1 **Accounting convention**

These financial statements have been prepared on the basis of the historical cost convention, except where stated otherwise.

3.2 **Property and equipment and depreciation**

Property and equipment are stated at cost less accumulated depreciation and impairment losses, except for freehold land, which is stated at cost. Capital work in progress is stated at cost. These costs are transferred to property and equipment as and when the assets are available for intended use.

Depreciation on property and equipment is charged on reducing balance method.

Leasehold land is amortized over the lease period.

Full Depreciation charge in the year of purchase while no depreciation in the year of disposal.

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognized in the income and expenditure account.

Normal repairs and maintenance is charged to revenue as and when incurred, while, major repairs and renewals are capitalized.

Gains and losses on disposal of property and equipment are included in current year's income and expenditure.

3.3 **Short term investments**

Short term investments are stated at cost.

3.4 **Bank and imprest balances**

These are carried in balance sheet at cost.

3.5 **Accrued and other liabilities**

Accrued and other liabilities are recognized at cost, which reflects the fair value of the consideration to be paid for goods and services received.

Notes

3.6 Income

Income is recognized as follows;
Donations are recognized on receipt basis.

3.7 Donations received in kind

Property, equipment, and other assets (except land) received as donations are recognized at their fair value at the time of acquisition. The land received free of cost as donation is recognized at nominal value plus any incidental cost incurred on acquisition thereof.

3.8 Deferred Income

Grants related to assets are presented in the balance sheet as deferred income, which is recognized as income on a systematic and rational basis over the useful life of the related assets.

Operating fixed assets	4	234,813	276,250

4 Operating fixed assets-Tangible owned

Net Book Value:			
Year ended 30 June 2023			
Opening net book value	-	-	-
Additions	150,000	175,000	325,000
Depreciation charge for the year	(22,500)	(26,250)	(48,750)
Cloing net book value as at 30 June 2023	127,500	148,750	276,250
Net Book Value:			
Year ended 30 June 2024			
Opening net book value	127,500	148,750	276,250
Additions	-	-	-
Depreciation charge for the year	(19,125)	(22,313)	(41,438)
Cloing net book value	108,375	126,438	234,813
At 30 June 2023			
Cost	150,000	175,000	325,000
Accumulated depreciation	(22,500)	(26,250)	(48,750)
Closing net book value	127,500	148,750	276,250
At 30 June 2024			
Cost	150,000	175,000	325,000
Accumulated depreciation	(41,625)	(48,563)	(90,188)
Closing net book value	108,375	126,438	234,813
Depriciation Rates	15%	15%	

	Note	2024 Rupees	2023 Rupees
5 Cash and bank balances			
Cash in hand		2,144	25,500
Cash at bank:			
Savings Account		259,156	126,532
		261,300	152,032
6 Accrued and other liabilities			
Accrued expenses		-	362,830
Auditors' remuneration		35,000	25,000
		35,000	387,830

7 Contingencies and commitments

There were no contingencies and commitments as at year end June 30, 2024 (2023: Nil).

	Note	2024 Rupees	2023 Rupees
8 Donations			
From trustees		364,475	351,600
Other than trustees		626,458	-
		990,933	351,600
9 Other Income			
Bank profit		37,379	3,100
		37,379	3,100
10 Direct project expenses			
Scholarships		520,000	226,600
Depreciation	4	41,438	48,750
Fuel and power		-	89,500
		561,438	364,850
11 Administrative expenses			
Travelling and conveyance		-	4,580
Repair & maintenance		-	8,950
Utilities		-	18,500
Auditors' remuneration		35,000	25,000
Miscellaneous		-	15,800
		35,000	72,830
12 Finance cost			
Bank charges		-	638

13 Transactions with related parties

The related parties comprise associated undertaking having common directors and key management personnel. Details of transactions disclosed in the financial statements are as follows:

	2024	2023
- From Trustees	364,475	351,600

Name of related party	Basis of relationship	Nature of transaction
Trustee	Key management personnel	Donations

14 Taxation

No provision for taxation has been made in the financial statements, as the foundation's income is entitled to a 100% tax credit under section 2(36)(c) of the Income Tax Ordinance, 2001, being an approved 'non-profit organization'.

	Note	2024	2023
		Rupees	Rupees

15 Events after the Balance Sheet date

There were no events occurred after the balance sheet date that require adjustments in the financial statements.

16 Date of authorization

The financial statements were authorized for issue on 3/12/25 by the Board of trustees of the Company.

17 Corresponding figures

There were no significant rearrangement/ reclassification during the year.

18 General

Figures presented in these financial statements have been rounded off to the nearest Pak Rupee.

I.M.T.W.

CHAIRMAN

GENERAL SECRETARY