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Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

**AUDITED FINANCIAL STATEMENTS
OF
TRANSFORMATION INTERNATIONAL SOCIETY
FOR THE YEAR ENDED
JUNE 30, 2025**

A member of

Russell Bedford International

A global network of independent accountancy firms,
business consultants and specialist legal advisers.

September 04, 2025

The Board of Governors
Transformation International Society
Main University Road,
Gulshan-e-Iqbal
Karachi

Audit of financial statements for the year ended June 30, 2025

Dear Sirs,

We have completed our fieldwork for the audit of **Transformation International Society** ('the Society') for the year ended **June 30, 2025** and are pleased to enclose the draft financial statements prepared by management, which have been initialed by us for identification purpose, together with our draft audit report thereon. We shall sign our report, in its present or amended form, after the captioned financial statements have been approved and signed by the trustees of the Society authorized in this behalf and after we receive the following:

- (a) Trustees' specific approval for the following:

Particulars	Rupees
Additions to Property and Equipment	7,472,183
Donation Income	139,203,894
Donation to Other NGO's	2,836,563

- (b) Management representation letter duly signed by the Trustee of the Society;
(c) Responses to our request for bank confirmations.

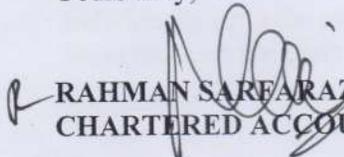
2. RESPONSIBILITIES OF THE AUDITORS AND THE MANAGEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors, in an audit of financial statements, are explained in International Standard on Auditing 200. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for the preparation of the financial statements is primarily that of the Society's management. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Society and prevention and detection of frauds and irregularities. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of accounts and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.

We would like to inform the management that unless we have signed the auditors' report on these financial statements, the same shall remain and be deemed unaudited.

We would like to place on record our appreciation for the co-operation and courtesy extended to us by the management and concerned staff during the course of our audit.

Yours truly,


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

Opinion

We have audited the financial statements of **Transformation International Society** ('the Society') which comprise the statement of financial position as at **June 30, 2025**, the statement of income and expenditure, the statement of cash flows 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 Society as at June 30, 2025 and 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 of 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 Financial Statements section of our report. We are independent of the Society 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 ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

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

The Board of Trustees are 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 Board of Trustees determine 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, Board of Trustees are responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Society'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.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement 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 purposes of expressing an opinion on the effectiveness of the Society'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 Society's ability to continue as 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 conclusion are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society 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.

Further, 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.

Karachi.

Dated: September 04, 2025
UDIN: AR202510210CAz4VRfUI

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Rafiq Dosani

Transformation International Society

Statement of Financial Position

As at June 30, 2025

ASSETS	Note	2025	2024
		Rupees	
Non-current assets			
Property and equipment	5	<u>11,913,582</u>	<u>6,319,957</u>
		11,913,582	6,319,957
Current assets			
Loan, advances and other receivables	6	<u>32,761,965</u>	<u>5,869,830</u>
Cash and bank balances	7	<u>741,995</u>	<u>4,496,756</u>
		33,503,960	10,366,586
Total assets		<u><u>45,417,542</u></u>	<u><u>16,686,543</u></u>
CAPITAL AND LIABILITIES			
Accumulated surplus			
Capital fund	8	<u>(25,288,865)</u>	<u>10,365,388</u>
		(25,288,865)	10,365,388
Current liabilities			
Accrued and other liabilities	9	<u>70,706,407</u>	<u>6,321,155</u>
		70,706,407	6,321,155
Total surplus and liabilities		<u><u>45,417,542</u></u>	<u><u>16,686,543</u></u>

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

R

Trustee

Trustee

Transformation International Society

Statement of Income and Expenditure

For the year ended June 30, 2025

	2025	2024
	— Rupees —	
Income		
Donation	139,203,894	51,341,078
Bank Profit	147,007	52,649
Voluntary Contribution	7,934,294	7,147,441
	147,285,195	58,541,168
Less: Expenses Relating to Welfare Activities (Direct Expenses)		
Direct salaries and allowances	18,588,084	9,195,299
Advertisement and digital marketing expenses	55,388,335	4,967,040
Legal professional fee	917,450	753,050
Audit fee	360,000	300,000
Training and development expense	8,789,319	-
Shadi funds	5,615,000	385,000
Donation to other NGO's	2,836,563	962,085
Ration distribution	2,215,480	1,990,448
Printing stationary	2,200,802	696,114
Qurbani expense	9,354,000	1,599,800
Medical support	655,719	20,009
Research and development	6,964,573	4,482,618
Maintenance services	5,823,975	4,046,400
Membership fee	452,753	31,561
Utilities expense	408,463	148,800
Depreciation	1,878,558	1,269,666
Entertainment	2,312,704	941,059
Travelling expense	3,137,673	1,608,616
Excise and taxation	-	489,652
Rent expense	1,950,000	-
Accommodation charges	2,332,311	1,245,439
Computer repair and maintenance	159,250	150,200
Consultancy charges	1,800,000	1,350,000
Internet charges	77,626	140,293
Postage and couriers	199,470	235,798
Subscription fee	625,704	463,872
Ceremonial expenses	5,155,739	1,900,206
Repair and maintenance	3,271,192	773,426
Clinical office expenditure	10,199,925	3,327,300
Sponsorship	875,000	1,020,000
Staff lunch	1,933,512	1,116,188
Clinic accessories	102,420	471,381
Software expense	4,348,014	343,046
Accessories	758,638	572,960
Educational fee sponsorship	677,181	311,195
Total direct welfare expense	162,365,433	47,308,521
Less: Administrative expense		
Admin salaries and allowances	11,816,334	5,614,758
PTCL expense	42,626	26,055
Bank charges	29,109	2,372
Conveyance expense	1,524,625	322,487
Electricity bill expense	2,924,303	1,464,031
Office supplies	1,266,451	400,552
Transportation	1,645,596	117,800
Wages expense	649,470	240,780
Commission charges	67,500	16,150
Miscellaneous expense	608,001	125,000
Total administrative expense	20,574,015	8,329,985
Total expense	182,939,448	55,638,506
Surplus / (Deficit) for the year	(35,654,253)	2,902,662

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

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Chaitanya P.
Trustee

Seema
Trustee

Transformation International Society

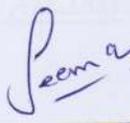
Statement of Changes in Fund Balance

For the year ended June 30, 2025

	Accumulated Fund Rupees	Total
Balance as on July 01, 2023	7,462,726	7,462,726
Surplus for the year ended	2,902,662	2,902,662
Balance as at July 01 2024	10,365,388	10,365,388
Surplus for the year ended	(35,654,253)	(35,654,253)
Balance as at 30 June 2025	<u>(25,288,865)</u>	<u>(25,288,865)</u>

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


Trustee


Trustee

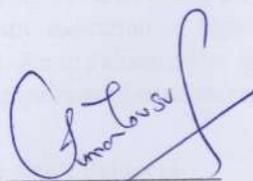
Transformation International Society

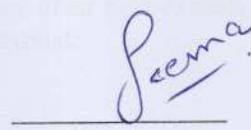
Statement of Cash Flows

For the year ended June 30, 2025

	2025	2024
	————— Rupees —————	—————
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (deficit)/surplus for the year	(35,654,253)	2,902,662
<i>Adjustments for non-cash and other items:</i>		
Depreciation	1,878,558	1,269,666
	(33,775,695)	4,172,328
Changes in working capital		
<i>(Increase) / decrease in current assets</i>		
Loans, advances, and other receivables	(26,892,135)	(5,427,797)
	(60,667,830)	(1,255,469)
<i>Increase / (decrease) in current liabilities</i>		
Accrued and other liabilities	64,385,252	5,050,802
Net cash generated from operating Activities	3,717,422	3,795,333
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(7,472,183)	(1,783,704)
Net cash used in investing activities	(7,472,183)	(1,783,704)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalents	(3,754,761)	2,011,629
Cash and cash equivalents at the beginning of the year	4,496,756	2,485,127
Cash and cash equivalents at the end of the year	741,995	4,496,756

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


Trustee


Trustee

Transformation International Society

Notes to the Financial Statements

For the year ended June 30, 2025

1. NATURE OF THE OPERATIONS

Transformation International Society is a not for profit organization, established under the Society Registration Act, 1860 on April 18, 2016. The principal activity of the society is to promote and establish educational institutions, aftercare clinical services for the benefits of use of public in general. The principal office of the society is situated at Unit No. 101-A, SB 23, 13 C Main University Road, Gulshan Iqbal, Karachi.

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 as approved by SECP. Approved accounting standards comprise of revised accounting and financial reporting standards for small size entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and provision of, and directives issued under Companies Act, 2017. In case of requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

These Financial Statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the trustee's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

Property, Plant and Equipments are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged to income and expenditure applying the reducing balance method and rates are stated in Note 4. Depreciation on assets acquired during the year is charged for the whole year, while no depreciation is charged on items disposed off during the year.

Major renewals and improvements are capitalised. Minor repairs and maintenance are charged to income as when incurred. Gains and Losses on disposal of assets, if any, are included in income.

3.2 Impairment

The carrying value of assets are reviewed at each statement of financial statements date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income and expenditure account.

3.3 Cash and Bank Balances

Cash in hand and at bank are carried at nominal amount.

3.4 Revenue recognition

(a) Donation and Patient Fee

Donations and Patient fee are recognized as income as and when received. Donations and Patient fee received for revenue expenditure are taken to income and expenditure account.

Donations restricted in its use by the donors are utilised for the purpose specified and are classified as donations.

(b) Return on bank deposits

Profit on bank balances is recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.

3.5 Expenses

All expenses are recognised in the income and expenditure account on accrual basis. Expenses incurred out of donation are also reflected in the income and expenditure account.

3.6 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the company has a legally enforceable right to set-off the recognised amounts and the company intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

3.7 Taxation

The Society is registered with the income tax authorities as a non-profit organization under section 2(36)(c) of the Income Tax Ordinance, 2001 read with Rule 212 and 220 of the Income Tax Rules, 2002. The Society does not account for taxation, as non-profit organization's are allowed a tax credit equal to one hundred percent (100%) of the tax payable including minimum tax and final tax payable, under section 100C of the Income Tax Ordinance, 2001.

3.8 Trade and other payables

Accrued and other liabilities are recognised at cost which is the fair value of the consideration to be paid in future for goods and services. The recoverable amount is equal to fair value.

3.9 Provisions

Provisions are recognized when the Association has legal or constructive obligation as a result of past events if it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

3.10 Financial instruments

3.10.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

3.10.2 Impairment

At each reporting date, the society assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

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3.10.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are setoff and the net amount is reported in the statement of financial position if the Company has legally enforceable right to setoff the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4. SIGNIFICANT ACCOUNTING ESTIMATED AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Society accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Society's accounting policies, management has made significant estimates and judgments that are disclosed in respective notes to the financial statements.

5. PROPERTY AND EQUIPMENT	Note	2025	2024
		Rupees	
Operating fixed assets	5.1	<u>11,913,582</u>	<u>6,319,957</u>

5.1 Operating fixed assets

	Furniture and Fixture	Computer & Accessories	Electrical Equipment	Office Equipment	Software	RTMS Machine	Total
As at June 30, 2023							
Cost	1,859,822	802,297	370,343	1,798,289	137,363	5,975,423	10,943,537
Accumulated depreciation	(891,505)	(403,951)	(126,028)	(409,712)	(90,131)	(3,216,290)	(5,137,617)
Net book values	<u>968,317</u>	<u>398,346</u>	<u>244,315</u>	<u>1,388,577</u>	<u>47,232</u>	<u>2,759,133</u>	<u>5,805,920</u>
For the year June 30, 2024							
Additions during the year	51,000	1,100,600	6,604	625,500	-	-	1,783,704
Disposal:							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Depreciation for the year	(152,897)	(449,684)	(37,638)	(201,408)	(14,170)	(413,870)	(1,269,667)
Net book values	<u>866,420</u>	<u>1,049,262</u>	<u>213,281</u>	<u>1,812,669</u>	<u>33,062</u>	<u>2,345,263</u>	<u>6,319,957</u>
As at June 30, 2024							
Cost	1,910,822	1,902,897	376,947	2,423,789	137,363	5,975,423	12,727,241
Accumulated depreciation	(1,044,402)	(853,635)	(163,666)	(611,120)	(104,301)	(3,630,160)	(6,407,284)
Net book values	<u>866,420</u>	<u>1,049,262</u>	<u>213,281</u>	<u>1,812,669</u>	<u>33,062</u>	<u>2,345,263</u>	<u>6,319,957</u>
For the year June 30, 2025							
Additions during the year	-	2,396,500	71,000	5,004,683	-	-	7,472,183
Disposal:							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Depreciation for the year	(129,963)	(1,033,729)	(34,124)	(319,034)	(9,919)	(351,789)	(1,878,558)
Net book values	<u>736,457</u>	<u>2,412,033</u>	<u>250,157</u>	<u>6,498,318</u>	<u>23,143</u>	<u>1,993,474</u>	<u>11,913,582</u>
As at June 30, 2025							
Cost	1,910,822	4,299,397	447,947	7,428,472	137,363	5,975,423	20,199,424
Accumulated depreciation	(1,174,365)	(1,887,364)	(197,790)	(930,154)	(114,220)	(3,981,949)	(8,285,842)
Net book values	<u>736,457</u>	<u>2,412,033</u>	<u>250,157</u>	<u>6,498,318</u>	<u>23,143</u>	<u>1,993,474</u>	<u>11,913,582</u>

	2025	2024
	Rupees	
6. LOAN, ADVANCES AND OTHER RECEIVABLES		
Income tax Deducted at Source	853,444	465,178
Loan & Advances	370,000	50,000
Security Deposit	19,000	19,000
Endowment Fund	30,010,212	5,000,000
Web Hosting & Domains	1,509,309	335,652
	<u>32,761,965</u>	<u>5,869,830</u>
7. CASH AND BANK BALANCES		
Cash at Bank	734,525	4,486,062
Cash In Hand	7,470	10,694
	<u>741,995</u>	<u>4,496,756</u>
8. CAPITAL		
<i>Accumulated Surplus</i>	10,365,388	7,462,726
Opening	(35,654,253)	2,902,662
Surplus during the year	<u>(25,288,865)</u>	<u>10,365,388</u>
9. ACCRUED AND OTHER LIABILITIES		
WHT On Salary	62,806	16,491
Loan from Trustees / Friends	65,469,731	15,532
Accrued expenses and other payables	4,269,650	6,244,543
Withholding Tax Payable	967,026	61,080
	<u>70,706,407</u>	<u>6,321,155</u>
10. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES		
Financial instruments by category		
Financial assets		
Loan, advances and other receivables	32,761,965	5,869,830
Cash and bank balances	741,995	4,496,756
	<u>33,503,960</u>	<u>10,366,586</u>
Financial liabilities		
Accrued and other liabilities	70,706,407	6,321,155
	<u>70,706,407</u>	<u>6,321,155</u>
	2025	2024
	Number	
11. NUMBER OF EMPLOYEES		
Total number of employees at year end	<u>56</u>	<u>28</u>
Average number of employees during the year	<u>66</u>	<u>28</u>

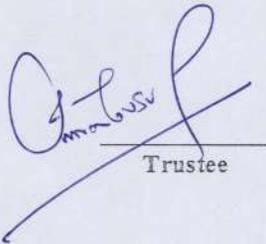
12. RECLASSIFICATION OF CORRESPONDING FIGURES

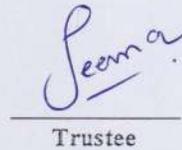
Corresponding figures in these financial statements have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation.

13. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Trustees in their meeting held on _____

M


Trustee


Trustee