

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION** ("the Foundation") which comprise the statement of financial position as at June 30, 2026, statement of income and expenditure and comprehensive income, statement of changes in accumulated funds and the statement of cash flows for the period from 29 January 2026 to 30 June 2026 and notes to the financial statements, including a summary of significant 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 & expenditure and comprehensive income, statement of changes in accumulated 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 surplus, the statement of changes in accumulated funds and the statement of cash flows for the period from 29 January 2026 to 30 June 2026.

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.

Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors 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, 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.

Audit | Tax | Accounting | Corporate | Advisory | Litigation



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CHARTERED ACCOUNTANTS

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 statement

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.



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CHARTERED ACCOUNTANTS

- 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.

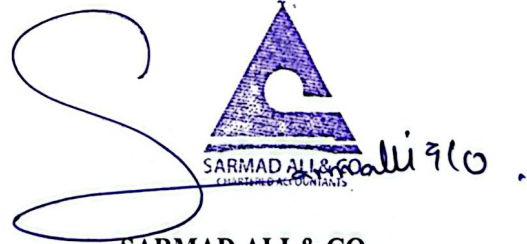
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) Proper books of account have been kept by the Foundation as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, statement of income & expenditure, 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 books of account and returns;
- c) Investment made, expenditure 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).

Place: Islamabad
UDIN: AR2026108460aIhP8juF
Dated:

11 SEP 2026



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(CHARTERED ACCOUNTANTS)

RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	<u>Note</u>	<u>2026</u> <u>Rupees</u>
ASSETS		
NON-CURRENT ASSETS		
Tangible operating fixed assets	4	496,042
		496,042
CURRENT ASSETS		
Advances, deposits, prepayments	5	40,000
Cash and bank balances	6	167,172
		207,172
TOTAL ASSETS		<u>703,214</u>
FUNDS AND LIABILITIES		
FUNDS		
Restricted funds		-
Unrestricted funds		-
Accumulated surplus		39,471
		39,471
NON-CURRENT LIABILITIES		
Deferred capital grants	7	496,042
CURRENT LIABILITIES		
Accrued and other liabilities	8	151,580
Income tax payable	9	16,121
		167,701
CONTINGENCIES AND COMMITMENTS	10	-
TOTAL FUNDS AND LIABILITIES		<u>703,214</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




DIRECTOR

**RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026**

	<u>Note</u>	<u>2026 Rupees</u>
Income		
Unrestricted and restricted grant income	11	1,086,870
Expenditure		
Programme cost	12	121,580
Administrative and general expenses	13	909,698
		<u>1,031,278</u>
Surplus for the year before income tax		55,592
Provision for taxation	9	<u>(16,121)</u>
Surplus for the year after income tax		39,471
Other Comprehensive income		-
Total comprehensive income for the year		<u><u>39,471</u></u>

The annexed notes from 1 to 19 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




DIRECTOR

RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026

	Restricted funds	Un restricted funds	Accumulated	
	For Projects	fund account	Surplus	Total
	<i>Rupees</i>			
Balance as on January 29, 2026	-	-	-	-
Funds received during the year	-	-	-	-
Funds transferred during the year:				-
- to programme activities	-	-	-	-
- to admin cost	-	-	-	-
- Restricted to unrestricted	-	-	-	-
Total comprehensive income	-	-	39,471	39,471
Deficit for the year	-	-	-	-
Balance as on June 30, 2026	-	-	39,471	39,471


CHIEF EXECUTIVE OFFICER





DIRECTOR

RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
STATEMENT OF CASHFLOW
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026

	<u>Note</u>	<u>2026 Rupees</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before tax		39,471
Adjustments for non cash and other items:		
Depreciation	4	46,958
Operating surplus before working capital changes		86,429
Changes in working capital		
Increase in advances and prepayments		(40,000)
Provision for taxation		16,121
Increase in accrued and other liabilities		151,580
		<u>127,701</u>
Cash generated from operations		214,130
Income tax paid		-
Net cash generated from operating activities		<u>214,130</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of Property Plant and equipment		(543,000)
Net cash generated from investing activities		<u>(543,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds received from donors		-
Deffered capital grant		496,042
Net cash generated from financing activities		<u>496,042</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>167,172</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		-
Cash received from trust		-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u><u>167,172</u></u>

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CHIEF EXECUTIVE OFFICER




DIRECTOR

RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026

1 STATUS AND NATURE OF BUSINESS:

Resilience Initiative for Sustainable Empowerment Foundation ("the Foundation" or "RISE") was established on 29 January 2026 as a non-profit organization and is registered under section 42 of the Companies Act, 2017 with the Securities and Exchange Commission of Pakistan (SECP).

The Organization was incorporated during the year ended 30 June 2026. The current financial year represents the organization's first year of operation.

The registered office of the Foundation is situated in Islamabad, Pakistan.

The primary objective of the Foundation is to provide basic healthcare and rehabilitation facilities to poor and needy individuals. To achieve these objectives, the Foundation's operations are structured and carried out through the following functional segments:

1. Donor funded projects
2. Philanthropy and community services

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 approved accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the international Accounting Standards Board (IASB) as notified under the Companies Act, 2017:

Accounting Standard for Not for Profit Organizations (Accounting Standard 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 the Companies Act, 2017 differ from the "IFRS for SMEs or the Accounting Standard for NPOs, 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 the historical cost convention without making any adjustments for the effect of inflation or current values.

2.3 REPORTING CURRENCY

These financial statements are prepared and presented in Pak Rupees which is the Organization's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and bank balances.



RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026

3.2 DONATION RECOGNITION

Income from donations are recognised on receipt basis and is classified as, either restricted or unrestricted income. Restricted income pertains to specific projects being undertaken by the Foundation and is initially credited to restricted funds. It is subsequently transferred on a systematic basis to income when expenses related to these specific projects are being incurred. Whereas unrestricted income is recognised directly to statement of income and expenditure.

3.3 PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment, are stated at cost less accumulated depreciation and any identified impairment loss. Cost includes direct cost, related overheads and mark up.

Depreciation on all property, plant and equipment is charged on straight line method so as to write off the depreciable amount of an asset over its useful estimated life at the rates mentioned in the schedule.

Full month depreciation is charged in the month of purchase and no depreciation is charged in the month of disposal. Any gain or loss on disposal is charged to profit or loss for the year.

Maintenance and normal repairs are charged to profit or loss as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired.

3.4 INTANGIBLE ASSETS

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Organization and that the cost of such asset can also be measured reliably. Cost of the intangible asset for its intended use. Intangible assets, other than goodwill, are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged so as to allocate the cost of assets over their estimated useful life lives, using the straight line method at the rates specified in note 4 to the financial statements.

3.5 RELATED PARTY TRANSACTIONS

Transactions involving related parties arising in the normal course of business are conducted at arm's length on the same terms and conditions as are applicable to third parties or otherwise as approved by the Executive Body.

3.6 ACCRUED AND OTHER LIABILITIES

Liabilities for accrued and other amounts payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026

3.7 FINANCIAL INSTRUMENTS

Financial instruments carried on the balance sheet include investments, deposits, advances, accrued Interest, other receivables, cash and bank balances and trade and other payables etc. Financial assets and liabilities are recognized when the Society becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss which are initially measured at fair value

Financial assets are derecognized when the Society loses control of the contractual rights that comprise the financial asset. The Society loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Society surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and derecognition is charged to the statement of income and expenditure currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.8 IMPAIREMENT

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.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in statement of income and expenditure. An impairment loss is reversed in the income and expenditure account if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

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RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026

Non-Financial Assets

The carrying amount of the Society's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be the value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of income and expenditure. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the statement of income and expenditure. Reversal of Impairment loss is restricted to the original cost of asset.

3.9 PROVISIONS

A provision is recognized in the balance sheet when the Society has legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the reliable estimate of the amount can be made.

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RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026

4 TANGIBLE OPERATING FIXED ASSETS

DESCRIPTION	COST				Rate %	Accumulated Depreciation			WDV
	As at 29 January 2026	Additions / (Deletion)	Transferred from Directors	As at 30 June 2026		As at 29 January 2026	For the year	As at 30 June 2026	As at 30 June 2026
	----- (Rupees) -----					----- (Rupees) -----			
Furniture and fixtures	-	-	238,000	238,000	20%	-	19,833	19,833	218,167
Electronic Equipments	-	-	120,000	120,000	20%	-	4,000	4,000	116,000
Computer Equipments / Hardware	-	-	185,000	185,000	30%	-	23,125	23,125	161,875
2026	-	-	543,000	543,000		-	46,958	46,958	496,042

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RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026

	Note	2026 Rupees
4 TANGIBLE OPERATING ASSETS (Schedule Annexed)		496,042
5 ADVANCES, DEPOSITS AND PREPAYMENTS		
Security deposit		40,000
Due from related party		-
		40,000
6 CASH AND BANK BALANCES		
Cash in hand		1,989
Cash at bank - current accounts		165,183
		167,172
7 DEFERRED CAPITAL GRANTS		
Balance as on January 29, 2026		-
Additions		-
Transferred from Directors	4	543,000
Transferred to the income	11	(46,958)
Balance as on June 30, 2026		496,042
7.1 These deferred capital grants represent non-monetary items of property and equipment contributed by the Foundation's directors and donors (note 4), accounted for under the Foundation's own fund-accounting policy for donated assets. This is not government-grant accounting under Section 24 'Government Grants' of the IFRS for SMEs Accounting Standard, which is scoped only to assistance provided by government.		
8 ACCRUED AND OTHER LIABILITIES		
Accrued expenses		121,580
Audit fee payable		30,000
		151,580
9 INCOME TAX PAYABLE		
Provision for the year		16,121
Income tax withheld during the year		-
Balance as on June 30, 2026		16,121
10 CONTINGENCIES AND COMMITMENTS		
There were neither contingencies nor commitments at the reporting dates.		

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RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026

	Note	2026 Rupees
11 RESTRICTED AND UNRESTRICTED GRANT INCOME		
Restricted Grant (Transfer from Deferred capital grant)	7	46,958
Unrestricted Grant Income	11.1	1,039,912
		<u>1,086,870</u>
11.1 UNRESTRICTED GRANT INCOME		
Grant from Directors		842,261
Grant from Individual Owner		197,651
		<u>1,039,912</u>
12 PROGRAM EXPENSES		
Travel and Accommodation		121,580
		<u>121,580</u>
12.1 These are allocated to program cost on the basis of the hours charged to program activities of various projects by employees, as per the approved time record.		
13 ADMINISTRATION AND GENERAL EXPENSES		
Communication and Postage		9,940
Legal and Professional Charges		302,660
Office Rent Expenses		233,000
Printing and Stationery		47,450
Repair and Maintenance		196,280
Travel and Accommodations		8,000
Utilities		10,410
Website Charges		25,000
Auditors' remuneration		30,000
Depreciation		46,958
		<u>909,698</u>
13.1 AUDITOR REMUNIRATION		
Audit fee		30,000
Out of pocket		-
		<u>30,000</u>
14 BASIC FINANCIAL INSTRUMENTS		
The Company finances its operations through donations and manages its working capital with a view to maintain an approximate mix between various sources of finance to minimize risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments. Detail of financial assets and liabilities is as under:		
<u>Financial Assets</u>		
Cash and bank balances	6	<u>167,172</u>

RESILIENCE INITIATIVE FOR SUSTAINABLE EMPOWERMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 JANUARY 2026 TO JUNE 30, 2026

	Note	2026 Rupees
Financial Liabilities		
Payable to Related Party		-
Audit fee payable		30,000
		<u>30,000</u>

15 REMUNERATION OF KEY EXECUTIVES

No remuneration, meeting fee or other benefit was paid to the Chief Executive Officer, directors or other key management personnel during the period. Directors and executives serve the Foundation in a voluntary capacity.

16 RELATED PARTY TRANSACTIONS

Related parties comprise board of directors, sister organisations, companies where directors also hold directorship and key management personnel. Related party transactions occurred during the year are as under:

	Note	2026
Directors' contributions received during the year	12.1	842,261
Assets transfer by directors during the year	7	543,000

17 NUMBER OF EMPLOYEES

Number of employees as on June 30, 2026	10
Average employees employed during the period	10

The Organization have ten employees who provides his services on a voluntary basis without any salary, wages, honorarium, or other form of remuneration. Accordingly, no employee benefit or staff cost has been incurred or recognized in the financial statements for the period.

Staff retirement benefits - The Foundation operates a contributory provident fund for permanent employees. No contribution was recognized as an expense during the period.

18 DATE OF AUTHORIZATION OF ISSUE

These financial statements have been authorized for issue on 11 SEP 2026 by the board of directors of the Company.

19 CORRESPONDING FIGURES

19.1 Figures in these financial statements have been rounded of to the nearest rupee.


CHIEF EXECUTIVE OFFICER




DIRECTOR