

INDEPENDENT AUDITORS REPORT

To M/s. SR HOMES
Report on the Audit of the Financial
Statements

Opinion

We have audited the annexed financial statements of **M/S. SR HOMES** (the firm) which comprise the statement of financial position as at June 30, 2025 and the statement of profit or loss, the statement of changes in equity, the statement of cash flows for the year ended June 30, 2025 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 explanation 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 profit or loss, the statement of comprehensive income, the statement of changes in equity 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 company's affairs as at June 30, 2025 and the profit or loss accounts, the changes in equity and its cash flows for the period 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 company in accordance with the International Ethics Standards Board for Accountants, Code of Ethics for Professional Accountant as adopted by the Institute of Chartered Accountant 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 the Companies Act. 2017 (XIX of 2017) and for such internal controls as management determines 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 company ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis for accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.
Auditors Responsibilities for the Audit of 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 auditors 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 judgement and maintain professional skepticism throughout the audit. We also

Identify and assess the risk 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 much 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 Company's internal controls.

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 significantly doubt on the Company's ability to continue as going concern. If we conclude a material uncertainty exists, we are required to draw attention in our auditors 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 auditors report. However, future events or conditions may cause the Company to cease to continue as 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Company as required by the Companies Act,2017 (XIX of 2017)
- b) The statement of financial position, the statement of profit or loss, the statement in changes in equity and the statement of cash flows together with the notes there on have been drawn in conformity with the Companies Act 2017(XIX of 2017) and in agreement with the books of accounts
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of Company's business and
- d) No Zakat was deductible at source under Zakat and Ushr Ordinance, 1980(XVIII of 1980)

The engagement proprietor on the audit resulting in this independent auditors report is Syed Farrukh Mateen Zaidi

Karachi : 30-9-21
UDIN AR202510711ChDKfoamz



SR HOMES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	2025 Rupees	2024 Rupees
NON CURRENT ASSETS		
Operating fixed assets (At cost less accumulated depreciation)	4 4,072,376	4,074,863
CURRENT ASSETS		
Capital Work in Progress	7	4,000,000
Advance to staff		
Receivable From Sr Homes Staff		439,337
Tax Asset Refundable Asset		-
Cash and Bank balance	6 241,750	249,452
	<u>4,314,126</u>	<u>8,763,652</u>
CURRENT LIABILITIES		
Accrued expenses - audit fee	70,000	70,000
Payable to Creditors	3,278,349	3,091,896
Provision for taxation		
NET ASSETS	<u>965,777</u>	<u>5,601,756</u>
REPRESENTED BY:		
General and reserve funds	<u>965,777</u>	<u>5,601,756</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

Bushra Khan
 CHIEF EXECUTIVE

Samia Rehman
 DIRECTOR



SR HOMES
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
INCOME			
Donation	5	28,787,968	56,432,487
EXPENDITURES			
Operational expenses	8	33,252,697	56,202,687
Administrative expenses	9	171,250	160,000
		(33,423,947)	(56,362,687)
Surplus for the year / period before taxation		(4,635,979)	69,800
Less: Taxation - current			
Surplus for the year / period before taxation		(4,635,979)	69,800
Other comprehensive surplus			
Total comprehensive surplus for the year / period		(4,635,979)	69,800

The annexed notes 1 to 10 form an integral part of these financial statements.

Bushra

CHIEF EXECUTIVE

Sanaea Rafiq

DIRECTOR



SR HOMES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year / period before taxation		(4,635,979)	69,800
Non cash item adjustments			
Depreciation		452,486	452,763
Operating surplus/(Deficte) before working capital		<u>(4,183,492)</u>	522,563
Increase/decrease in current assets			
Increase/decrease in current liabilities		4,439,337	(4,273,992)
		186,453	3,091,896
Tax Paid			
Net cash used in operating activities		442,299	(659,532)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets			<u>(450,000)</u>
Net cash used in investing activities			
CASH FLOW FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		(7,703)	(659,534)
Cash and cash equivalent at the beginning of the year		249,452	908,986
Cash and cash equivalent at the end of the year		<u>241,750</u>	<u>249,452</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

Bushra Ali
 CHIEF EXECUTIVE

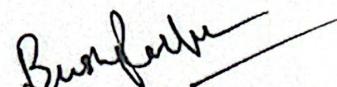
Sandima Rajput
 DIRECTOR



SR HOMES
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Descriptions	Opening	Reserve Fund	Net Surplus/(Deficit) for the year	Total
	Rupees			
Balance as at June 30, 2023	5,531,956		69,800	5,601,756
Total comprehensive surplus for the year			69,800	69,800
Balance as at June 30, 2024	5,531,956		69,800	5,601,756
Balance as at June 30, 2024	5,531,956		69,800	5,601,756
Total comprehensive surplus for the year			(4,635,979)	(4,635,979)
Balance as at June 30, 2025	5,531,956		(4,566,178)	965,778

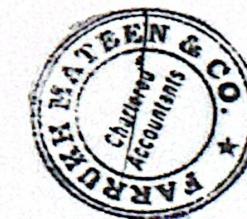
The annexed notes 1 to 10 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



SR HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 THE SR HOMES AND ITS OPERATION

1.1

The SR Homes (the Home) is registered under Section 42 of the Companies Act , 2017, as Guarantee Limited Company dated: April 07, 2020 at Karachi. The registered office of the company is situated at 56 - F, SME Bank Building, Lower Ground, Nazim udin Road, F-6/1, Islamabad. The Home is to provide, educational facilities to the uneducated people of the underprivileged class, to provide foods, shelter, warm clothes, shoes and other associated goods to poor and needy people and provide scholarships to deserving and needy students and hearing or other aids etc.,

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 standards applicable in Pakistan comprise of:

International Financial Reporting Standards for " Small and Medium-Sized Entities (IFRS for SMEs) issued by IASB as notified by SECP and Accounting standard for Not For Profit organization issued by Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Act 2017. In case requirements differ, the provisions and directives of Companies Act 2017 shall Prevail."

2.2 Accounting convention

These accounts have been prepared under the historical cost convention basis.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to Income by applying reducing balance method.

Depreciation on additions is charged from the month the asset is available for use and on disposals up to the preceding month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major repairs and renewals are capitalized. The rates of depreciation are stated in note no. 4.

3.2 Income recognition

Donations and zakat are accounted for on receipt basis. Donations in kind are recognised at fair value determined at the time when the donations are received. Donations restricted in its use by the donors are utilised for the purpose specified and are classified as donations under restricted funds.

Profit on investments is recognized on accrual basis.

3.3 Loan and advances

Loans and advances are consist of advance to staff, deposits and various advances paid to others.

Interest free loans to employees are stated at cost and recovered in equal monthly installments through salary of the employees.

3.4 Other Payables

Liabilities for trade and other accounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the company or not.

3.5 Taxation

SR Homes is eligible for the tax credit under section 100C of the Income Tax Ordinance, 2001 resultantly no tax liability is recorded in these financial statements under the provisions of Income Tax Ordinance, 2001 and rules made thereunder.

4 OPERATING FIXED ASSETS

Descriptions	Electrical equipment	Furniture & Fixture	Total
***** Rs.*****			
Value as at July 01, 2023	3,162,043	1,365,582	4,527,625
Addition during the period			
Depreciation during the year	316,204	136,558	452,763
Written down value as at June 30, 2024	2,845,839	1,229,024	4,074,863
Value as at July 01, 2024	2,845,839	1,229,024	4,074,863
Addition during the period	450,000	-	450,000
Depreciation during the year	329,584	122,902	452,486
Written down value as at June 30, 2025	2,966,255	1,106,121	4,072,376

Rate of annual depreciation %age 10% 10%



	Note	2025 Rupees	2024 Rupees
5	Donation		
	Sr Inc.	8,147,142	6,289,660
	J.A. Metal	-	30,500,000
	Al Haaj Enterprises	1,800,000	1,500,000
	Enterprises SNBL	287,000	-
	General Donation	18,553,826	18,142,827
		<u>28,787,968</u>	<u>56,432,487</u>
6	Cash and Bank Balances		
	Cash with banks	241,750	249,452
	Cash in hand	<u>241,750</u>	<u>249,452</u>
7	Capital Work In Progress		
	Opening	4,000,000	-
	Addition during the year		4,000,000
	Expensed Out	<u>(4,000,000)</u>	<u>4,000,000</u>
	Closing	-	
8	Operational Expense		
	Orphanage Education and Shelter Project		
	- Salaries, wages and other benefits	7,599,118	11,640,993
	- Education Expense for Needy Children's	6,301,106	11,295,656
	- Milk, meat , veg and fruits	3,926,432	8,371,820
	- School Related Expense	8,899,371	8,808,859
	- Depreciation	452,486	920,695
	- General Expense	657,871	1,303,020
		<u>27,836,384</u>	<u>42,341,042</u>
	Other Projects		
	- Ration distribution	719,391	1,174,745
	- WASH Projects	696,922	3,340,000
	- Mosques Repair	4,000,000	6,087,900
	- Donation to Mosques	-	3,259,000
		<u>5,416,313</u>	<u>13,861,645</u>
9	Administration and selling expenses		
	Audit fee	70,000	70,000
	Legal and Professional Charges	101,250	90,000
		<u>171,250</u>	<u>160,000</u>

10 Number of Employees

The number of employees as of date of statement of financial position date 12 15
 Average number of employees during the period 12 15

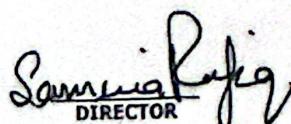
11 Date of Authorization

These financial statements were authorized for issue by the Board of Directors of the Company on _____, The financial statements are issued by the express approval of the Board of Directors and any subsequent amendment shall be likewise approved by the Board of Directors also.

12 General

Figures have been rounded off to the nearest rupee.


Bushra
CHIEF EXECUTIVE


Samia Rafiq
DIRECTOR

