SOLITON WELFARE FOUNDATION

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

S.MUBEEN&CO.

CHARTERED ACCOUNTANTS

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CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLITON WELFARE FOUNDATION REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of **Soliton Welfare Foundation ('the Foundation')**, which comprise of the statement of financial position as at June 30, 2023 and the statement of income and expenditure and other 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 summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at June 30, 2023 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standard 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 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 THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Board of Directors ('the Board') is responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Islamabad Office:
113, Street-7, E-11/1, Islamabad
+92 51-2700308
smubeen.isd@gmail.com

Lahore Office:
77-J, Gulberg-III, Lahore
+92 42-35853824
smubeen.lhr@gmail.com

In preparing the financial statements, Board 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.

Those charged with governance are responsible for overseeing the Foundation 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 guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it occurs. 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 asses 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 omission, 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 appropriate 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.

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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 disclosure, 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 Sadul Mubeen.

S. Mubeen & Co.
Chartered Accountants



Islamabad
October 6, 2023

Islamabad Office:
113, Street-7, E-11/1, Islamabad
+92 51-2700308
smubeen.isd@gmail.com

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SOLITON WELFARE FOUNDATION

STATEMENT OF FINANCIAL POSITION
AS ON JUNE 30, 2023

	Note	Year | 2023	Period | 2022
		--- rupees ---	
ASSETS			
Current assets			
Advances	4	2,605	52,020
Cash and bank balances	5	1,756,830	117,250
Total assets		1,759,435	169,270
FUNDS AND LIABILITIES			
Current liabilities			
Accrued expenses		60,000	75,000
Funds			
General fund (un-restricted)		1,699,435	94,270
Contingencies and commitments	6		
		1,759,435	169,270

The annexed notes from 1 to 14 forms an integral part of these financial statements.

SOLITON WELFARE FOUNDATION

S.MUBEEN&CO. Chartered Accountants

Chief Executive Officer

Director

SOLITON WELFARE FOUNDATION

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

	Note	Year | 2023	5 Months Period | 2022
		--- rupees ---	
Income			
Donations	7	18,352,560	2,930,000
Expenditure			
Operating expenses	8	(529,786)	(398,700)
Utilization of donations	9	(16,217,609)	(2,437,030)
		(16,747,395)	(2,835,730)
Surplus of income over expenditure for the year | period		1,605,165	94,270
Other comprehensive income for the year | period		-	-
Total comprehensive income for the year | period		1,605,165	94,270

The annexed notes from 1 to 14 forms an integral part of these financial statements.

SOLITON WELFARE FOUNDATION

S.MUBEEN&CO. Chartered Accountants

Chief Executive Officer **Director**

SOLITON WELFARE FOUNDATION

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Unrestricted General Fund	Total Funds
	--- rupees ---	
Comprehensive income:		
Surplus of income over expenditure for the period	94,270	94,270
Other comprehensive income for the period	-	-
Total comprehensive income for the period	94,270	94,270
Balance as at June 30, 2022	94,270	94,270
Balance as at July 01, 2022	94,270	94,270
Comprehensive income:		
Surplus of income over expenditure for the year	1,605,165	1,605,165
Other comprehensive income for the year	-	-
Total comprehensive income for the year	1,605,165	1,605,165
Balance as at June 30, 2022	1,699,435	1,699,435

The annexed notes from 1 to 14 forms an integral part of these financial statements.

SOLITON WELFARE FOUNDATION

S.MUBEEN&CO. Chartered Accountants

Chief Executive Officer

Director

SOLITON WELFARE FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	Year | 2023	Period | 2022
		--- rupees ---	
CASH FLOW FROM OPERATIONS			
Surplus of income over expenditure for the year | period		**1,605,165**	94,270
Working capital changes			
Decrease / (Increase) in advances		**49,415**	(52,020)
(Decrease) / Increase in accrued expenses		**(15,000)**	75,000
		34,415	22,980
Net cash generated from operating activities		**1,639,580**	117,250
CASH FLOWS FROM INVESTING ACTIVITIES		**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
Net increase in cash and cash equivalents from all activities		**1,639,580**	117,250
Cash and cash equivalents at beginning of the year | period		**117,250**	-
Cash and cash equivalents at end of the year | period	5	**1,756,830**	117,250

The annexed notes from 1 to 14 forms an integral part of these financial statements.

SOLITON WELFARE FOUNDATION

S.MUBEEN&CO. Chartered Accountants

Chief Executive Officer **Director**

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF OPERATIONS

Soliton Welfare Foundation ('the Foundation') was registered in Pakistan on February 2, 2022 as a 'Not for Profit Organization' (NPO) under section 42 of the Companies Act, 2012. The registered office of the Foundation is situated at 107 N, Model Town Extension, Lahore.

The principal charitable activities of the Foundation are to provide:

- cooked food, ration packages, provision of clothes and other support to the needy, poor, destitute, old aged people, orphans and widows;
- financial support to deserving patients enabling them to purchase medicines and get medical tests; and
- scholarships to students and grant aid, including supply of books, stipends, medals, prizes, educational career support and other incentives for the purposes of advancement of knowledge, education and literacy for the underprivileged in the country particularly in rural areas.

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. Approved accounting standards comprise of International Financial Reporting Standards (IFRSs) for Small Sized Entities (AFRS for SSE) as applicable in Pakistan and Accounting Standards for Not for Profit Organizations issued by the Institute of Chartered Accountants of Pakistan.

2.2 Measurement

These financial statements have been prepared under the historical cost convention except stated otherwise elsewhere in these financial statements.

2.3 Use of estimates and judgements

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

2.4 Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Foundation operates. These financial statements are presented in Pak Rupees ("Rs." or "Rupees" or "rupees"), which is the Foundation's functional and presentational currency. Figures in these financial statements are rounded off to a nearest of a rupee unless otherwise disclosed elsewhere in these financial statements.

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NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below.

3.1 Taxation

Provision for taxation is recognized on taxable income, if any, for the period determined in accordance with the prevailing law and regulations. The Foundation has been approved as a NPO under section 42 of the Companies Act, 2017.

3.2 Cash and cash equivalents

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

3.3 Creditors, accrued and other liabilities

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

3.4 Restricted funds

The Foundation has adopted the restricted fund method for recognition of revenue relating to donated fund, as prescribed by NPO guidelines. Donations received are recognized on receipt basis and presented in 'Donated Fund'. Donations received in kind, if any, are measured at the market value prevailing at the time of relevant transactions. However, the Foundation have no external or internal restrictions on distribution of funds / donations received.

		Year | 2023	Period | 2022
		--- rupees ---	
4 ADVANCES			
Advances to suppliers	- note 4.1	**2,605**	52,020

4.1 Advances to suppliers

This represents advance issued to Metro Cash and Carry for provision of supplies.

5 CASH AND BANK BALANCES

In hand	**17,670**	117,250
With bank (current account)	**1,739,160**	-
	1,756,830	117,250

6 CONTINGENCIES AND COMMITMENTS

There is no known contingent liability and outstanding commitment as at June 30, 2023 (2022: Nil) of the Foundation.

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NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

		Year | 2023	Period | 2022
		--- rupees ---	
7	**DONATIONS**		
	Start-up donations	-	1,500,000
	Donations	18,352,560	1,430,000
		18,352,560	2,930,000
8	**OPERATING EXPENSES**		
	Salaries and allowances	210,000	180,000
	Office supplies	209,786	-
	Traveling and conveyance	-	68,000
	Company incorporation expenses	-	71,200
	Legal and professional charges	10,000	25,000
	Audit fee	100,000	50,000
	Others	-	4,500
		529,786	398,700
9	**UTILIZATION OF DONATIONS**		
	Food	15,471,209	2,218,230
	Clothes	181,400	135,000
	Education	240,000	67,500
	Health	325,000	16,300
		16,217,609	2,437,030

10 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of organizations with common directors and key management personnel. The Foundation in the normal course of business carries out various transactions with its related parties. Details of transactions with related parties are as follows:

Name of related parties	*Basis of relationship*	*Nature of transactions*	*Year | 2023*	*Period | 2022*
			--- rupees ---	
Dr. Fauzia Khan	Promotor/Director	Startup donation	-	500,000
		Donations	600,000	500,000
Dr. Mansoor Khan	Promotor/Director	Startup donation	-	250,000
		Donations	450,000	500,000
Mrs. Mamoona Ali	Promotor/Director	Startup donation	-	200,000
		Donations	50,000	500,000
Scaler Technologies (Private) Limited	Common control	Donations	2,970,000	-
Soliton Technologies (Private) Limited	Common control	Donations	13,595,000	-

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NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

11 REMUNERATION OF DIRECTORS AND NUMBER OF EMPLOYEES

No remuneration is drawn by directors (3) of the NPO during the period and the number of employees to whom the salaries are paid during the year is 3 (2022: 3).

	Year | 2023	Period | 2022
	--- rupees ---	
12 FINANCIAL INSTRUMENTS		
Financial assets		
Advances	**2,605**	52,020
Financial liabilities		
Accrued expenses	**60,000**	75,000

13 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-classification and re-arrangements are made in these financial statements.

14 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized on October 6, 2023 by board of directors of the Foundation.

SOLITON WELFARE FOUNDATION

Chief Executive Officer **Director**