COMMUNITY CLIMATE DESIGN R&D FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITY CLIMATE DESIGN R&D FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Community Climate Design R&D Foundation** (the company), which comprise the statement of financial position as at June 30, 2025, and income and expenditure statement, the statement of comprehensive income, the statement of changes in net assets and the statement of cash flows for the period from July 05, 2024 to June 30, 2025, and notes to the financial statements, including material accounting policy information 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, income and expenditure statement, the statement of changes in 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, 2025 and of deficit and other comprehensive income, the changes in funds and its cash flows, for the year 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 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 Auditor's Report Thereon

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

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 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 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 managements use of going concern basis of accounting and based on the audit evidence obtained, whether material certainty exist related to events or conditions that may cast significant doubt on the Foundation'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 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 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, the income and expenditure statement, the 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 the books of account and returns;

c) investments 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).

The engagement partner on the audit resulting in this independent auditor's report is **Azeem H. Siddiqui – FCA.**

Naveed Zafar Ashfaq Jaffery & Co
Chartered Accountants

Karachi
Dated : December 26, 2025
UDIN : AR202510232jzNGxbTIM

COMMUNITY CLIMATE DESIGN R&D FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 ----------RUPEES----------
ASSETS		
Non- current assets		
Intangible	4	84,600
TOTAL ASSETS		**84,600**
FUNDS AND LIABILITIES		
Funds Accounts		
Accumulated losses		(443,881)
Current liabilities		
Trade and other payable	5	528,481
TOTAL FUNDS AND LIABILITIES		**84,600**

CONTINGENCIES AND COMMITMENTS

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

[redacted]
Chief Executive

[redacted]
Director

Signatures have been removed in public document

COMMUNITY CLIMATE DESIGN R&D FOUNDATION
STATEMENT OF INCOME OR EXPENDITURE
FOR THE PERIOD ENDED FROM JULY 05, 2024 TO JUNE 30, 2025

	NOTE	For the period ended from July 05, 2024 to June 30, 2025 ----------RUPEES--------
Pre-operational expenses	6	(443,881)
(Deficit) for the period		(443,881)
Other comprehensive income for the period		-
Total comprehensive (loss) for the period		(443,881)

The annexed form an integral part of these financial statements.

[redacted] **Chief Executive**

[redacted] **Director**

Signatures have been removed in public document

COMMUNITY CLIMATE DESIGN R&D FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED FROM JULY 05, 2024 TO JUNE 30, 2025

	NOTE	For the period ended from July 05, 2024 to June 30, 2025 -----RUPEES-----
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) for the period		(443,881)
Adjustments for non-cash and other items:		
Amortization for the period		9,400
(Deficit) before working capital changes		(434,481)
Changes in working capital:		
Accrued expenses		57,500
Net cash (used In) operating activities		(376,981)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in intangible asset		(94,000)
Net cash (used in) Investing activities		(94,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to related party		470,981
Net cash generated from financing activities		470,981
NET INCREASE IN CASH AND CASH EQUIVALENTS		-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		-

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

7

[redacted]

Chief Executive

[redacted]

Director

Signatures have been removed in public document

COMMUNITY CLIMATE DESIGN R&D FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE PERIOD ENDED FROM JULY 05, 2024 TO JUNE 30, 2025

	Issued, Subscribed and paid up capital	Revenue Reserve Unappropriated Profit/(Loss)	Total
	----------------------------	Rupees	----------------------------
Balance as on July 05, 2024	-	-	-
Deficit for the period	-	(443, 8 1)	(443, 8 1)
Other comprehensive income for the period	-	-	-
Total comprehensive (loss) for the period	-	(443,881)	(443,881)
Balance as at June 30, 2025	-	(443,881)	(443,881)

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

[redacted]

Chief Executive

[redacted]

Director

Signatures have been removed in public document

COMMUNITY CLIMATE DESIGN R&D FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM JULY 05, 2024 TO JUNE 30, 2025

1 LEGAL STATUS AND OPERATIONS

1.1 Community Climate Design R&D Foundation was incorporated in Pakistan as a company limited by guarantee and not having share capital on July 05, 2024, the foundation has been granted license under section 42 of repealed Companies Ordinance 1984 now (Companies Act 2017). The registered office of the Foundation is situated at Ground Floor, 75-Q, Block 2, PECHS, Karachi, Pakistan.

1.2 The objects for which the company is established, are as follow:

To provide a platform for research and development about the impact of climate change in Pakistan and in this regard ensure the availability of, an open access online library, database and electronic connectivity, website for research publications and international research initiatives.

To participate in and undertake any activity for research and development such as, to arrange donations for supporting research; and to organize and set up of a think tank related to objects of the company.

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 Standards (IFRS Standards) issued by the International Accounting Standards Boards (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 Standards or the Accounting Standards 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 historical cost convention, except as stated otherwise in these financial statements.

These financial statements have been prepared on accural basis of accounting except for cash flow information which is prepared on cash basis.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Foundation's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand rupee.

2.4 **Use of estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgments made by the management in the application of approved accounting standards, as applicable In Pakistan, that have significant effect on the financial statements and estimates with significant risk of material adjustment in the next year.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property, plant and equipment

Property, plant and equipment except free hold land are stated at cost less accumulated depreciation and identified Impairment losses, if any. Free hold land Is stated at cost less any identified Impairment loss.

Depreciation on all Items of property, plant and equipment except for freehold land Is charged to Income applying the reducing balance method at the rates specified in the relevant notes.

Depreciation on additions is charged from the month In which an Item is available for use while on disposals is charged up to the month of disposal.

Expenditure incurred subsequent to the initial recognition of the asset is capitalized only when it creates the future economic lives embodied in the items of above assets. All other expenditure is recognized in profit and loss account as an expense.

Gain and loss on disposal of property, plant and equipment are charged to income during the period in which they are Incurred.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any.

Subsequent expenditure on capitalized Intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure Is expensed as incurred.

Amortization is charged to the statement of profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to Intangible assets Is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off.

3.3 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement Includes cash In hand, balances with banks, short term highly liquid investments with original maturities of three months or less and short term finances.

3.4 Trade and other payables

These are stated initially 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 and are subsequently measured at amortized cost.

3.5 Foreign currency transactions and translations

The financial statements are presented in Pakistan Rupees which is the Foundation's functional currency.
Transactions in foreign currencies are translated into Pakistan Rupees using exchange rates prevailing at the dates of the transactions.

3.6 Financial instruments

All the financial assets and financial liablities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Any gain or loss on derecognition of the fianacial assets and financial liabilities are taken to profit and loss account currently.

3.7 Offsetting of financial assets and financial liablitles

A financial asset and a financial liability is off set and the net amount is reported in the balance sheet if the company has legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize trhe assets and liabilities simuntaneously.

3.8 Government grant

Government grant are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to income, it is recoggnised as income on a systematic basis over the periods that the related cost, for which it is intended to compensate, are expensed out.

3.9 Offsetting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the balance sheet if the Foundation has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.10 Taxation

The Foundation enjoys exemption from income tax under clause (66) of part 1 of Second schedule to the income Tax ordinance, 2001, consequently no provision for taxation is made in these financial statements. Further by virtue of sub-clause (ia) of Clause (61) part 1 of the Second Schedule of the said Ordinance, any donation made to the Foundation by any person shall be allowed as admissible deduction. The exemption clauses became applicable from 01 July 2012.

3.11 Transfer to fund account

The foundation transfers (deficit) / surplus of income over expenditure to fund account in the year in which it is approved.

3.12 Income recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Foundation and the revenue can be

- Donations received on receipt basis;
- Income on bank deposit accounts on accrual basis; and
- Donation in kind received will be treated as income upon receipt.

	NOTE	For the period ended from July 05, 2024 to June 30, 2025 -----RUPEES-----
4 INTANGIBLE		
Cost		94,000
Amortization charge for the period		(9,400)
		84,600
Amortization rate (straight line basis)		10%
5 TRADE AND OTHER PAYABLE		
Due to related party	5.1	470,981
Accrued expenses		57,500
		528,481

5.1 This represents the amount payable to one of director Mrs. Namra Khalid against the pre-operational

6 PRE-OPERATIONAL EXPENSES		
Salaries and allowences	6.1	-
License charges		150,000
Trademark registration charges		94,000
Web hosting charges		50,351
Domain charges		26,055
Company incorporation charges		30,695
Government dues		25,880
Amortization expense		9,400
Auditors' remuneration	6.2	57,500
		443,881

6.1 No remuneration has been paid or is payable to Chairman of the Foundation for the period ended June 30, 2025.

6.2 Auditors' remuneration

Audit fee	50,000
Out of pocket expense	7,500
	57,500

7 RELATED PARTY TRANSACTIONS

Related parties include associated undertakings having common directors and key management personnel. Details of transactions with related parties other than those disclosed else in the financials are as follows:

7.1 NAME AND TRANSACTION WITH RELATED PARTY

Name of the Related Party	Nature of relationship	Nature of Transaction	For the period ended from July 05, 2024 to June 30, 2025 -----RUPEES-----
Namra Khalid	CEO & Director	Payment of pre-operational expenses	**470,981**
Habib ur Rahman	Director	N/A	-
Shifa Salman Habib	Director	N/A	-

8 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Foundation has overall responsibility for the establishment and oversight of the Foundation's risk management framework. The Board is also responsible for developing and monitoring in the Foundation's risk management policies.

The Foundation's activities expose it to a variety of financial risk such as:

- Market risk
- Credit risk
- Liquidity risk

8.1 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Foundation's income or the value of its holdings of financial instruments.

The Foundation manages market risk by monitoring exposure in marketable securities by following the investment guidelines approved by the Board of Directors (BOD). The investment Committee is responsible for making investment decisions.

Market risk comprises of three types of risks; currency risk, interest risk, and price risk.

8.1.1 Currency risk

Currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Foundation is not exposed to foreign currency risk as at year-end and there are no financial assets and liabilities.

8.1.2 Interest rate risk

Interest rate is the rate that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is not exposed to interest rate risk as at year-end and there are no financial assets and liabilities.

Fair value sensitivity analysis for fixed rate instruments.

The Foundation does not account for any fixed rate financial assets and liabilities at fair value through income and expenditure. Therefore, any change in interest rates at the reporting date would not affect income and expenditure account.

8.1.3 Price risk

Price risk is that the fair value of a financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

8.1.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or other counter parties to fulfill their contractual obligations resulting in financial loss to the Foundation. The Foundation is exposed to counterparty credit risk on bank balances and other receivable balances.

Credit risk management

The Foundation assesses all counterparties for credit risk before contracting with them. It is the Foundation's policy to enter into financial contracts with reputable creditworthy counterparties. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Foundation uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery.

8.2 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring losses or risking damages to the Foundation's reputation.

The following are the contractual maturities of the non interest bearing financial liabilities:

	2025			
	Carrying Amount	Contractual cash flows	Upton one year	More than one year
	----------Rupees----------			
Financial liabilities:				
Payable to directors	470,981	470,981	470,981	-
Accrued expenses	57,500	57,500	57,500	-
	528,481	528,481	528,481	-

8.3 Fair value of financial Instruments

Certain accounting policies and disclosures require the measurement of fair values, for both financial, if any non-financial assets and financial liabilities.

Management engaged an independent external expert/ valuer to carry out valuation of its non-financial assets (i.e. Land, building and equipment). Involvement of external valuers is decided upon by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

8.4 Fund management

The Foundation is funded by contributions received from its members and donors from different sections of society within and outside Pakistan.

The Foundation is a company limited by guarantee having no share capital and is not exposed to any externally imposed capital requirements.

9 GENERAL

	2025
	Numbers
9.1 Number of employees	
Total number of employees at the year end	-
Average number of employees during the year	-

9.2 Figures in these financial statements have been rounded off to the nearest rupee.

10 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 15-12-2025 by the Board of Directors of the Foundation.

[redacted] Chief Executive

[redacted] Director

Signatures have been removed in public document