The Farmmate Limited

Annual Report Financial Year 2025

Director's Review

Current Year's Performance (Financial Year 2024)

The Company commenced its operations on **5th December 2024**, following the grant of the Commencement of Business certificate. During the year, the Company successfully completed all statutory and regulatory requirements, including registration with the **Securities and Exchange Commission of Pakistan (SECP)**, induction of shares into the **Central Depository Company (CDC)**, and the appointment of the share registrar.

As this was the first year of incorporation, the Company focused primarily on laying the foundation for its future growth. Despite being in the initial setup phase, the Company entered into the trading of livestock and successfully completed the trade of **30 beef animals** during the year. However, due to the expansionary phase and higher setup costs, profitability remained modest. The Company recorded an **after-tax profit of Rs. 1,474** for the financial year.

Future Outlook (Financial Year 2025–2026)

The Company faced operational challenges during the flood season from **June to September 2025**, which temporarily affected livestock handling. However, with the resumption of normal conditions from **October 2025 onwards**, the Company expects stable operations. For the year ending **June 2026**, the Company intends to expand its trading activities to handle **50 beef animals**, which is expected to significantly improve revenues.

In addition, the Company's dairy herd is progressing well, with a **100% pregnancy rate** and nearly **100% growth** in herd size, which is expected to add strength to the Company's core operations. Based on these positive developments, the Directors are optimistic about the financial performance in the coming year and anticipate that the Company will be in a position to **initiate dividend payments** to shareholders for the first time.

The Board remains committed to building a sustainable and profitable livestock business, while continuing to strengthen compliance, governance, and operational efficiency.

FNKCO/09-25/FSC/005

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE FARMMATE LIMTED

Opinion

We have audited the annexed financial statements **THE FARMMATE LIMTED**, which comprise the statement of financial position as at June 30, 2025, the statement of comprehensive income, the statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended, 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, other comprehensive income, statement of cash flows and the statement of changes in equity 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 of the profit and loss and other comprehensive income and the changes in equity for the 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 Company 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 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 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 Company'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 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.

FASIH NAVEED KHAN & CO. * Cost and Management Accountants

FNKCO

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 Company'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 Company'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 Company 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 Company as required by the Companies Act, 2017 (XIX of 2017);

b) the balance sheet, the statement of profit and loss, other comprehensive income and the statement of changes in equity 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 Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

FASIH NAVEED KHAN & CO ★ Cost and Management Accountants ★

Naveed

FASIH NAVEED KHAN & CO
Cost & Management Accountants

Date: 29-9-2025
Place: Islamabad.

THE FARMMATE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 (Rupees)
ASSETS		
Non-Current Assets		
Property, plant and equipment	5	3,125,000
Right-of-use assets		-
Other Intangiibles / Preliminary Expenses	6	350,000
Biological assets	7	6,125,000
		9,600,000
Current Assets		
Stores, Inventory, Stocks	8	2,020,553
Trade debts		-
Short term advances and prepayments	9	50,000
Cash and cash equivalent	10	430,921
		2,501,474
		12,101,474
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital		
Authorized share capital		
2,500,000 ordinary shares of Rs. 10/- each.		25,000,000
Issued, subscribed and paid up capital		
1,000,000 ordinary shares of Rs. 10/- each issued in cash.	11	10,000,000
Reserves		
Accumulated profits/(Loss)		1,474
		10,001,474
Current liabilities		
Trade and other payables	12	2,100,000
		2,100,000
		12,101,474

The annexed notes from 1 to 17 form an integral part of these financial statements.

L. Faisal Khaliah

(Chief Executive)

(Director)

THE FARMMATE LIMITED

PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees)
Revenue	13	1,241,900
Direct Cost	14	(850,000)
Gross profit		391,900
Administrative and general expenses	15	(390,000)
Profit/(Loss) from operations		1,900
Finance costs		(58)
Profit /(loss) before taxation		1,842
Taxation	16	(368)
Profit/(loss) after taxation		1,474
Earning per share	17	0.01

The annexed notes from 1 to 17 form an integral part of these financial statements.

L Taisal Thullah

(Chief Executive)

(Director)

THE FARMMATE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2023
	(Rupees)	(Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,842	-
Adjustment for non-cash / non operating items;		
- finance cost	**58**	**-**
	58	**-**
Cash generated before working capital changes	**1,900**	**-**
Increase / (decrease) in current liabilities		
Trade and other payables	2,100,000	-
Short term borrowing - unsecured (Increase) /	-	-
decrease in current assets		
Stores, Inventory, Stocks	(2,020,553)	
Advances, deposits and prepayments	(50,000)	-
	29,447	**-**
Cash generated from operations	**31,347**	**-**
Finance cost paid	(58)	-
Income tax paid	(368)	-
Cash generated from operating activities	**30,921**	**-**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of operating fixed assets	**(9,250,000)**	**-**
Acquisition of intangible	**(350,000)**	
Cash used in investing activities	**(9,600,000)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital	**-**	**-**
Issuance of share capital	**10,000,000**	**-**
Cash used in financing activities	**10,000,000**	**-**
Net (decrease) / increase in cash & cash equivalents	**430,921**	**-**
Cash and cash equivalent at beginning of the year	**-**	**-**
Cash and cash equivalent at end of the year	**430,921**	**-**

The annexed notes from 1 to 17 form an integral part of these financial statements.

(Chief Executive) **(Director)**

THE FARMMATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	PAID UP CAPITAL	ACCUMULATED PROFIT/ (LOSS)	TOTAL
	----------------	R U P E E S	----------------
As at December 05, 2024	10,000,000	-	10,000,000
profit/(Loss) for the year	-	-	-
As at June 30, 2025	10,000,000	-	10,000,000
As at July 01, 2023	10,000,000	-	10,000,000
profit/(Loss) for the year	-	1,474	1,474
As at June 30, 2024	10,000,000	1,474	10,001,474

The annexed notes from 1 to 17 form an integral part of these financial statements.

(Chief Executive) **(Director)**

THE FARMMATE LIMITED

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

Note 1

Company and its Operations

The Farmmate Ltd ('the Company') was incorporated as a Public Limited Company on 05th day of December 2024 under the Companies Ordiance,1984.The registered office of the Company is situated at HOUSE NO.132-A, Street No -7 Hali Road, Westridge-1, Rawalpindi

The principal line of business of the company shall be to set-up and carry on the business of cattle rearers, sheep farmers, poultry farmers, grazers, breeding and to purchase, breed, rear, sell, import, export, improve, deal and trade in cattle, horses, asses, donkeys, mules, sheep, goats, birds, poultry, eggs, meat, milk and live and dead stocks of every description of livestock.

Note 2

Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- Accounting and Financial Reporting Standard for Entities issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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 AFRS for SSEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Note 3

Basis of Preparation

3.1 Measurement

These financial statements have been prepared under the historical cost convention without any adjustments to the effects of inflation or current values. In these financial statements, all transactions have been accounted for on accrual basis.

3.2 Significant accounting judgments and estimates

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

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company’s functional and presentation currency.

Note 4

Summary of Significant Accounting Policies

Significant accounting policies applied in the preparation of these financial statements are setout below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 Trade debts and other receivables

Trade debts are recognized at original invoice value which is the fair value of the consideration to be received less provision for uncollectible amounts. Provision for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written-off when there is no realistic prospect of recovery.

4.2 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, in finances under markup arrangements.

Cash and cash equivalents also consist of bank overdrafts repayable on demand, if any.

4.3 Trade and other payables

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

4.4 Taxation

In making the estimates for income taxes payable by the Company, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined.

4.5 Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably.

Revenue from Consultancy services is recognized as and when invoice is raised to the client to the extent of services provided .

Profit on bank deposits is recognized on receipt basis.

4.6 Provisions

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

4.12 Related party transactions

Related party transactions are carried out on a commercial terms, as approved by the Board.

(Chief Executive) **(Director)**

THE FARMMATE LIMITED
Notes to the Financial Statements

Note 6
Intangible Assets

	Note	2025 (Rupees)
Other Intangibles / Preliminary Expenses		350,000
		-
		350,000
		350,000

Note 7
Biological Assets

	Note	2025 (Rupees)
Animals		6,125,000
		-
		6,125,000
		6,125,000

Note 8
Stock, Stores

	Note	2025 (Rupees)
Stores		25,000
Inventory		1,595,553
Biological Assets		400,000
		2,020,553
		2,020,553

Note 9
Short Term Advances, Prepayments

	Note	2025 (Rupees)
Advance salary to Staff		50,000
		50,000
		50,000

Note 10
Cash and Bank Balances

	Note	2025 (Rupees)
Cash in hand		-
Cash at banks:		
- Local currency		
- Current accounts (PKR)		430,921
- Deposit accounts (PKR)		-
		430,921
		430,921

Note 11
Issued , Subscribed and Paid Up Capital

	Note	2025 (Rupees)
1,000,000 Ordinary shares of Rs .10/- each issued in cash		10,000,000

All ordinary shares rank equally with regard to Company' residual assets and are entitled to one vote per share at general meetings of the company.

Note 12
Trade and Other Payables

	Note	2025 (Rupees)
Trade creditors		2,080,000
Auditor's remuneration		10,000
Other payables	12.1	10,000
		2,100,000

12.1 Other payables

- Suppliers		10,000
		10,000
		10,000

Note 13
Revenue

	Note	2025 (Rupees)
Gross revenue		1,241,900
		1,241,900

Note 14
Direct Cost

	Note	2025 (Rupees)
Animal Purchases		850,000
		850,000

Note 15
Administrative and General Expenditures

	Note	2025 (Rupees)
Management Salaries/ Wages		390,000
		390,000

Note 16
Finance Cost

	Note	2025 (Rupees)
Bank charges		58

Note 17
Taxation

	Note	2025 (Rupees)
Current year		368
Prior years		-
		368

Note 18
Earning Per Share

	Note	2025 (Rupees)
Profit / (Loss) after taxation (Rupees)		1,474

Weighted average number of shares (Numbers)	100,000
Profit / (Loss) per shares (Rupees)	0.01

Note 16

Remuneration of Chief Executive, Chief Operating Officer and Directors

The aggregate amount charged in these financial statements with respect to remuneration and allowances, includ benefits to Chief executive, Chief operating officer and Directors of the Company are as under:

	Chief Executive		Directors	
	2025		2025	
	---- Rupees ----		---- Rupees ----	
Remuneration	-	-	-	-
No. of Person	1	1	1	1

Note 17

General

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

17.2 These financial statements have been authorized for issue by the Board of Directors of the Company on 29/09/2025 .

(Chief Executive) **(Director)**

THE FARMMATE LIMITED
Notes to the Financial Statements

Note 5
Property, Plant and Equipment

The statement of property, plant and equipment is as follows;

	Plant & Equipment	Total
	- - - - - - - - - - - - - R u p e e s - - - - - - - - - - - - - - -	
COST		
Balance as on December 05, 2024	-	-
Addition during the year	3,125,000	3,125,000
Disposal during the year	-	-
Balance as on June 30, 2025	3,125,000	3,125,000
DEPRECIATION		
Balance as on December 05, 2024	-	-
Charge for the year	-	-
Disposal during the year	-	-
Balance as on 30 June 2025	-	-
Carrying amounts as at June 30, 2025	3,125,000	3,125,000
Depreciation Rate (%)	10%	