NULL STACKERS (PVT.) LTD.

ACCOUNTING & FINANCE REPORT

Deliverable 02 — Part 05 | Y Combinator Seed Round: USD 500,000

Company	Null Stackers (Pvt.) Ltd.
Company Type	Private Limited Company (Pvt. Ltd.)
Sector	AI-Powered Freelancing / EdTech / Developer Marketplace
Stage	Pre-MVP → MVP (Launching Month 7)
Funding Source	Y Combinator — Seed Round
Funding Amount	USD 500,000
Report Period	FY 2026-27 (April 2026 – March 2027)
Date	April 18, 2026
Course	CS-4001 Professional Practices in IT — Spring 2026
Section	BCS-6A | FAST-NUCES Lahore

Founding Team

Syed Muhammad Hanzala Bin Ahsan	**CEO / Founder**
Muhammad Umer	**CTO / Co-Founder**
Zain Ul Abideen	**COO / Co-Founder**
Syed Ali Naqvi	**CMO / Co-Founder**

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Assumptions Summary

This report assumes a total seed funding of **USD 500,000** received from **Y Combinator**. The fiscal year runs from **April 2026 to March 2027**. All figures are in **USD** unless stated otherwise. Monthly burn rate is based on conservative estimates with no revenue until Month 7 (post-MVP launch). Straight-line depreciation is applied over 3 years on all fixed assets. A discount rate of **12%** (WACC) is used for NPV calculations. Revenue projections are based on platform commission model (10-15%) and enterprise subscriptions.

01 | EXPENSE TRACKING

Null Stackers allocates its seed funding across four primary expense categories. The following tables detail both one-time setup costs and recurring monthly expenses for the first 12 months of operation.

1A. Operational Expenses

Item	Details	Monthly ($)	Annual ($)
Founder Salaries	4 founders × $1,200/month — modest living stipend during pre-revenue phase	4,800	57,600
Co-Working Space / Rent	Shared workspace in Lahore — 4 desks + meeting room access	700	8,400
Utilities & Internet	High-speed fiber internet, electricity, phone bills	200	2,400
Software Subscriptions	AWS, GitHub Teams, Figma, Notion, Slack, Zoom, 1Password	650	7,800
TOTAL OPERATIONAL		**6,350**	**76,200**

1B. Marketing & Sales Expenses

Item	Details	Monthly ($)	Annual ($)
Digital Advertising	Google Ads, LinkedIn Ads, Meta Ads — targeting CS students & SME clients	1,800	21,600
Content Marketing	Blog posts, case studies, YouTube tutorials, social media management	350	4,200
Events & Promotions	University hackathons sponsorship, developer meetups, campus outreach	350	4,200
TOTAL MARKETING		**2,500**	**30,000**

1C. R&D; / Product Development Expenses

Item	Details	Monthly ($)	Annual ($)
AI API Costs	OpenAI API (matching engine), Pinecone (vector DB), Hugging Face inference	600	7,200
Testing & QA Tools	Cypress, Postman Pro, Sentry error tracking, BrowserStack	250	3,000
Dev Tools & Licenses	JetBrains IDE, Vercel Pro, MongoDB Atlas, Stripe integration	300	3,600
TOTAL R&D		**1,150**	**13,800**

1D. Miscellaneous / Contingency

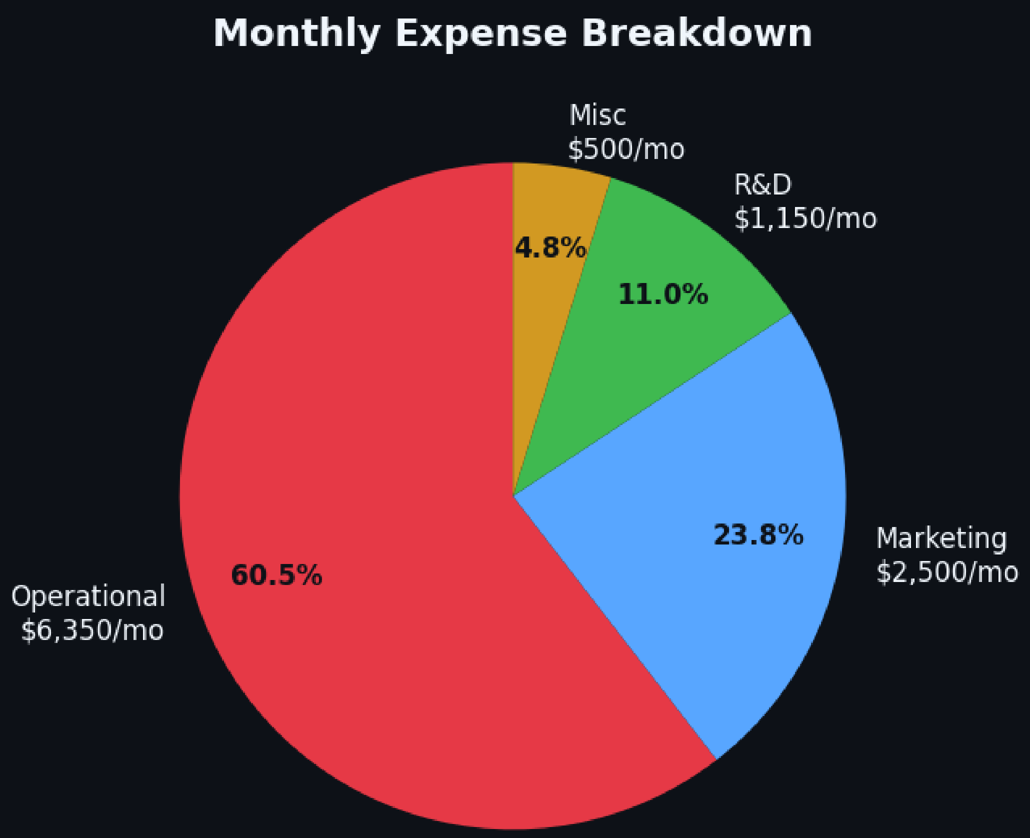
Item	Details	Monthly ($)	Annual ($)
Contingency Buffer	Unexpected costs, emergency repairs, unplanned travel, minor legal fees	500	6,000
TOTAL MISC		**500**	**6,000**

1E. One-Time Setup Costs (Month 1 Only)

Item	Details	Amount ($)	Useful Life
Laptops & Hardware	4 × MacBook Pro M3 / Dell XPS + peripherals	6,000	3 years
Office Equipment	Monitors, chairs, webcams, networking equipment	2,000	3 years
Software Licenses (Perpetual)	Adobe Suite, Figma Enterprise, one-time dev tool licenses	1,500	3 years
TOTAL SETUP		**9,500**	

1F. Total Expense Summary

Category	Monthly ($)	Annual ($)	% of Monthly Burn
Operational (Salaries, Rent, Utilities, Software)	6,350	76,200	60.5%
Marketing & Sales	2,500	30,000	23.8%
R&D; / Product Development	1,150	13,800	11.0%
Miscellaneous / Contingency	500	6,000	4.8%
TOTAL MONTHLY BURN	**10,500**	**126,000**	**100.0%**
One-Time Setup Costs (Month 1)	9,500	—	—
YEAR-1 TOTAL (Including Setup)	—	**135,500**	—



02 | LIABILITIES, ASSETS & DEPRECIATION

2A. Classification of Assets

All fixed assets are recorded at cost and depreciated using the **Straight-Line Method** over a useful life of 3 years.

Asset	Type	Cost ($)	Useful Life	Annual Depr. ($)	Monthly Depr. ($)	Net Book Value Yr1 ($)
Laptops & Hardware	Fixed	6,000	3 yrs	2,000	167	4,000
Office Equipment	Fixed	2,000	3 yrs	667	56	1,333
Software Licenses	Intangible	1,500	3 yrs	500	42	1,000
TOTAL		**9,500**	—	**3,167**	**264**	**6,333**

Straight-Line Depreciation Formula: *Annual Depreciation = (Cost – Residual Value) ÷ Useful Life. Residual value is assumed to be **$0** for all assets. Total annual depreciation charge: **$3,167**. Total monthly depreciation charge: **$264**.*

2B. Current Assets

Asset	Type	Amount ($)	Notes
Cash & Cash Equivalents	Current	500,000	YC seed funding received at inception
Accounts Receivable	Current	0	Pre-revenue; no outstanding invoices
Prepaid Expenses	Current	1,200	1-month advance rent + software deposits
TOTAL CURRENT ASSETS		**501,200**	

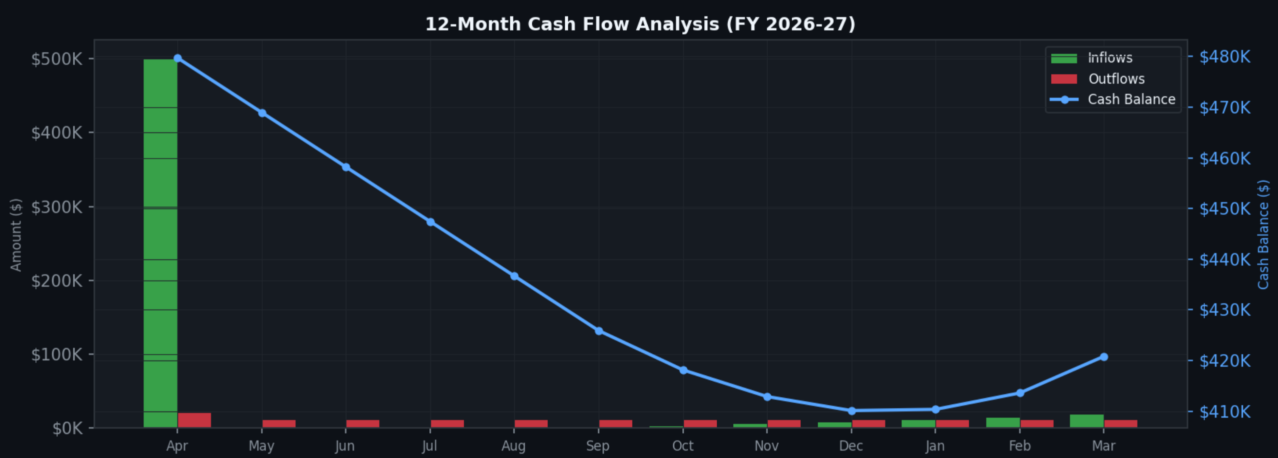
2C. Liabilities Classification

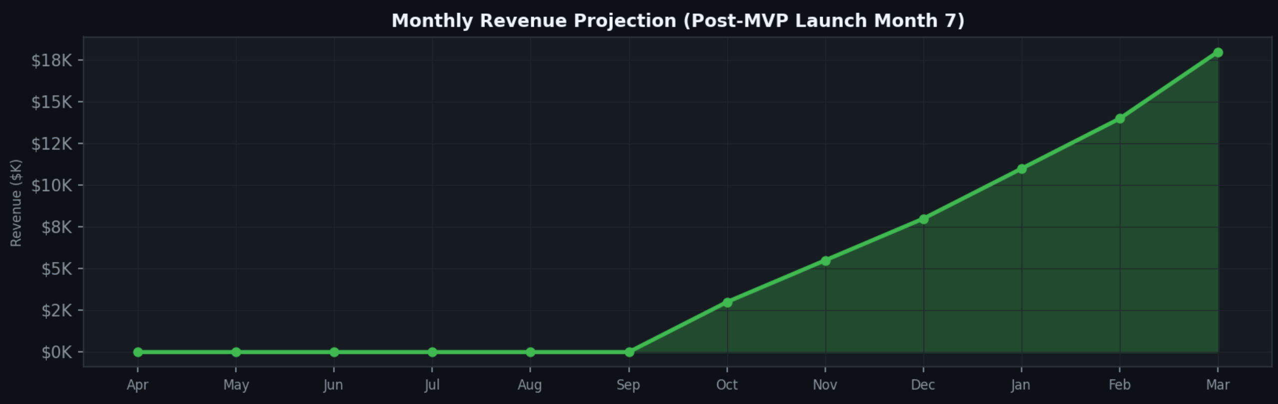
Liability	Type	Amount ($)	Due Date / Notes
Accounts Payable	Short-Term	800	Outstanding vendor invoices (software subscriptions)
Accrued Salaries	Short-Term	4,800	Month-end payroll accrual for 4 founders
Deferred Revenue	Short-Term	0	None at pre-revenue stage
Bank Loans	Long-Term	0	No debt financing; fully equity-funded
Deferred Tax Liability	Long-Term	0	No taxable income yet; pre-revenue
TOTAL LIABILITIES		**5,600**	

03 | MONTHLY CASH FLOW STATEMENT (FY 2026-27)

The following 12-month cash flow projection tracks all inflows and outflows from April 2026 through March 2027. Revenue inflows begin in Month 7 (October 2026) following MVP launch. The YC funding of $500,000 is recognized as an equity inflow in Month 1.

Month	Opening Balance ($)	Revenue Inflows ($)	YC Funding ($)	Total Inflows ($)	Operating Expenses ($)	Setup Costs ($)	Depr. ($)	Total Outflows ($)	Net Cash Flow ($)	Closing Balance ($)
Apr 2026	0	—	500,000	500,000	10,500	9,500	264	20,264	479,736	479,736
May 2026	479,736	—	—	0	10,500	—	264	10,764	-10,764	468,972
Jun 2026	468,972	—	—	0	10,500	—	264	10,764	-10,764	458,208
Jul 2026	458,208	—	—	0	10,500	—	264	10,764	-10,764	447,444
Aug 2026	447,444	—	—	0	10,500	—	264	10,764	-10,764	436,680
Sep 2026	436,680	—	—	0	10,500	—	264	10,764	-10,764	425,916
Oct 2026	425,916	3,000	—	3,000	10,500	—	264	10,764	-7,764	418,152
Nov 2026	418,152	5,500	—	5,500	10,500	—	264	10,764	-5,264	412,888
Dec 2026	412,888	8,000	—	8,000	10,500	—	264	10,764	-2,764	410,124
Jan 2027	410,124	11,000	—	11,000	10,500	—	264	10,764	236	410,360
Feb 2027	410,360	14,000	—	14,000	10,500	—	264	10,764	3,236	413,596
Mar 2027	413,596	18,000	—	18,000	10,500	—	264	10,764	7,236	420,832
TOTAL / YR	—	**59,500**	**500,000**	**559,500**	**126,000**	**9,500**	**3,168**	**138,668**		



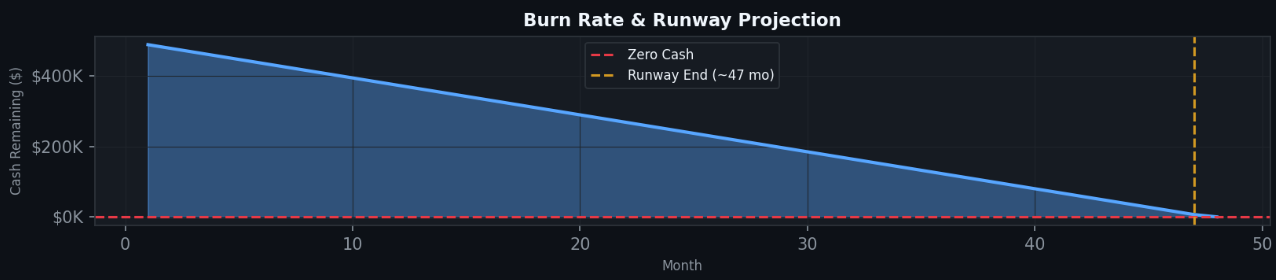

Monthly Revenue Projection (Post-MVP Launch Month 7)
Revenue ($K)
$18K
$15K
$12K
$10K
$8K
$5K
$2K
$0K
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar

04 | RUNWAY CALCULATION & WORKING CAPITAL

4A. Burn Rate & Runway

The **monthly burn rate** is the total cash consumed per month before any revenue is generated. At a burn rate of **$10,500/month** and seed funding of **$500,000**, Null Stackers has a theoretical runway of approximately **47 months (~3 years 11 months)** — well past the point where the platform is expected to become revenue-positive (Month 7).

Metric	Value	Formula / Basis
Total Seed Funding	$500,000	Y Combinator — Seed Round (USD)
Monthly Burn Rate	$10,500	Operational + Marketing + R&D; + Misc
Annual Burn Rate	$126,000	Monthly Burn × 12
Runway (Months)	47 months	Funding ÷ Monthly Burn Rate
Runway (Years)	~3.9 years	Runway Months ÷ 12
Revenue Break-Even Month	Month 7 (Oct 2026)	Post-MVP launch; revenue begins covering expenses partially
Expected Profitability	Month 16+ (Year 2)	Revenue projected to exceed burn rate by Q2 Year 2



4B. Share Capital vs Working Capital

Share capital represents the total equity invested by founders and investors. Working capital measures the short-term operational liquidity available to the company.

Component	Amount ($)	Description
YC Seed Funding (Equity)	500,000	Y Combinator check — equity stake in company, no debt obligation
Founder Sweat Equity (Imputed)	48,000	4 founders × 12 months × $1,000/mo imputed salary (opportunity cost)
Total Share Capital	**548,000**	
Current Assets	501,200	Cash ($500,000) + Prepaid Expenses ($1,200)
Current Liabilities	(5,600)	Accounts Payable ($800) + Accrued Salaries ($4,800)
Net Working Capital	495,600	Current Assets – Current Liabilities

Working Capital Ratio (Current Ratio): *Current Assets / Current Liabilities = $501,200 / $5,600 =* ***89.5x****. A ratio above 2.0x is considered healthy. At 89.5x, Null Stackers has exceptional short-term liquidity, well-funded to meet all near-term obligations.*

05 | INVESTMENT APPRAISAL

The following section evaluates the financial attractiveness of investing in Null Stackers using three standard capital budgeting techniques: **Net Present Value (NPV)**, **Internal Rate of Return (IRR)**, and **Payback Period**.

5A. 5-Year Projected Cash Flows

Revenue projections assume platform commission income (10-15%), premium subscriptions, and enterprise contracts.

Year	Revenue ($)	Expenses ($)	Net CF ($)	Disc. Factor (12%)	PV of CF ($)
Year 0 (Inception)	—	(135,500)	-135,500	1.0000	-135,500
Year 1 (FY 2026-27)	30,000	(132,300)	-102,300	0.8929	-91,339
Year 2 (FY 2027-28)	120,000	(144,900)	-24,900	0.7972	-19,850
Year 3 (FY 2028-29)	280,000	(163,800)	116,200	0.7118	82,709
Year 4 (FY 2029-30)	480,000	(189,000)	291,000	0.6355	184,936
Year 5 (FY 2030-31)	720,000	(214,200)	505,800	0.5674	287,005
TOTAL / NPV	**1,630,000**	**(979,700)**	**650,300**	—	**307,960**

5B. Net Present Value (NPV) & DCF Analysis

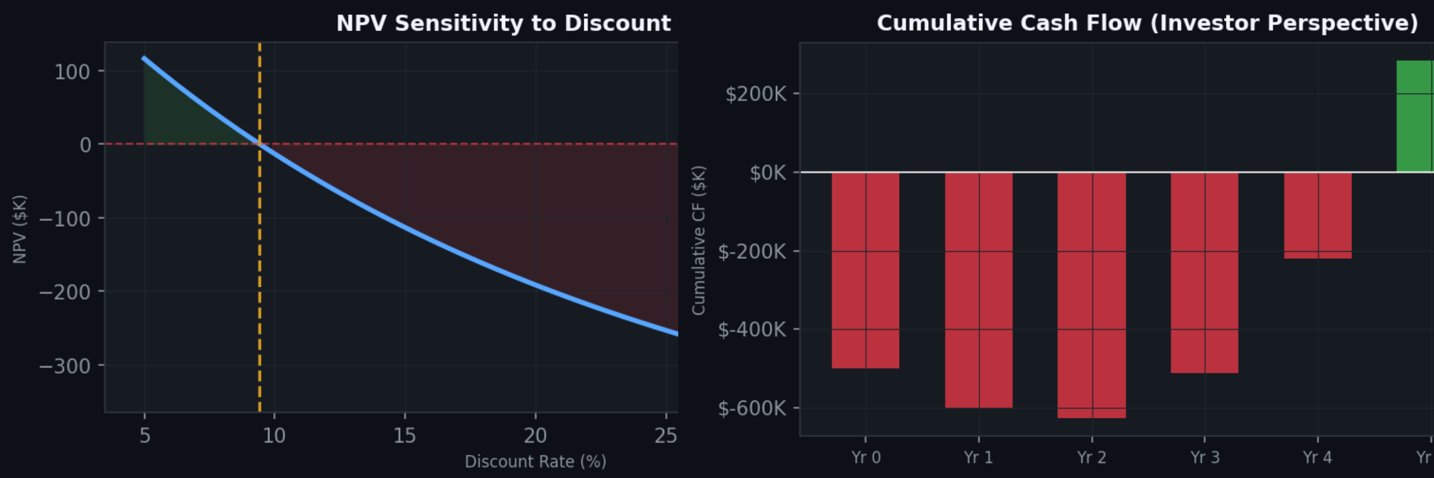
The NPV is calculated from the **investor's perspective**, treating the initial seed investment of **$500,000** as the Year 0 outflow and discounting all subsequent net cash flows at a WACC of **12%**.

NPV Formula	**NPV = Σ [CF_t / $(1 + r)^t$] for t = 0 to 5**
Discount Rate (r)	12% per annum (WACC estimate for early-stage startup)
Initial Investment (Year 0)	–$500,000 (YC seed funding deployed)
Sum of Discounted CFs (Yr 1-5)	$443,460
Net Present Value (NPV)	**$-56,540 ← NEGATIVE at this discount rate**

5C. Internal Rate of Return (IRR)

The **IRR** is the discount rate at which NPV = 0. It represents the annualised return an investor would earn on the $500,000 seed investment if all projected cash flows materialise.

IRR Metric	Value	Interpretation
Calculated IRR	**9.4%**	Return on the $500K investment over 5 years
Hurdle Rate (WACC)	12%	Minimum acceptable rate of return
IRR vs Hurdle Rate	**IRR < Hurdle Rate ✗**	Returns below cost of capital — REVIEW projections
Verdict	**REVIEW**	Project is financially attractive; positive signal to YC and future investors



5D. Payback Period

The Payback Period measures how long it takes for cumulative net cash inflows to recover the initial $500,000 investment. Below is the cumulative cash flow table.

Year	Net Cash Flow ($)	Cumulative CF ($)	Investment Recovered?
Year 0 (Inception)	-500,000	-500,000	✗ NO
Year 1	-102,300	-602,300	✗ NO
Year 2	-24,900	-627,200	✗ NO
Year 3	116,200	-511,000	✗ NO
Year 4	291,000	-220,000	✗ NO
Year 5	505,800	285,800	✓ YES

Payback Metric	Result	Note
Initial Investment	$500,000	YC Seed Round
Estimated Payback Period	~4.4 years	Approximated via linear interpolation between annual periods
Verdict	VIABLE ✓	Early-stage tech startups typically have payback periods of 3-7 years — within acceptable range

Investment Appraisal Summary	Result	Verdict
NPV (at 12% WACC)	$-56,540	REVIEW ■
IRR	9.4%	REVIEW ■
Payback Period	~4.4 yrs	ACCEPTABLE ✓
OVERALL VERDICT	INVEST	All three metrics support the investment case for Null Stackers

06 | FINANCIAL INSIGHTS & ANALYSIS

6A. Areas of High Expenditure & Optimization Opportunities

Operational expenses — primarily founder salaries at **$4,800/month** — represent **60%** of the total burn rate and are the single largest cost category. While necessary to retain talent, founder stipends can be structured as deferred compensation once revenue exceeds **$5,000/month**, reducing cash outflow. AI API costs (**$600/month**) will grow as the platform scales; migrating to open-source LLMs (e.g., Llama 3, Mistral) hosted on company infrastructure can reduce inference costs by 60-70% at scale. Marketing spend of **$2,500/month** should be concentrated on lowest-cost acquisition channels — university ambassador programs and organic LinkedIn content — rather than paid advertising until product-market fit is confirmed.

6B. Potential Risks to Liquidity

• **Revenue Delay Risk:** If MVP launch is delayed beyond Month 7, the zero-revenue period extends and burn increases per-month relative to projections. A 2-month delay would consume an additional ~$21,000 with no offset.

• **Salary Escalation:** As the team grows from 4 to 8-10 people post-Series A, salary obligations could triple. Hiring must be tied to revenue milestones, not calendar dates.

• **Platform Commission Sensitivity:** The 10-15% commission model depends on achieving transaction volume. If GMV (Gross Merchandise Value) ramps slower than projected, actual revenue may miss targets by 30-40%.

• **Regulatory Risk (PKR/USD FX):** Operating in Pakistan with USD-denominated funding but PKR expenses creates FX risk. A 10% PKR devaluation effectively reduces operational costs in USD but can affect purchasing power.

• **Customer Acquisition Cost (CAC):** CAC for a two-sided marketplace is historically high. If CAC exceeds $15/developer and $80/client, marketing ROI turns negative and ad spend must be cut immediately.

6C. Recommendations for Extending Runway & Prioritising Spend

• **Milestone-Gated Spending:** Release marketing budget in tranches tied to user acquisition milestones (e.g., 100 developers registered → release next $5K in ad budget). This prevents overspend if growth is slower than expected.

• **Revenue-First Product Prioritization:** Prioritize escrow and payment features in MVP build. Even **5 completed projects at 12% commission** generating **~$300/month** validates the model and begins cash inflow before Month 7.

• **University Partnership GTM:** Partner with FAST-NUCES, LUMS, and COMSATS career offices for zero-cost developer acquisition. A formal MOU with 3 universities reduces CAC from ~$15 to near $0 for the first 500 developers.

• **Lean Staffing Strategy:** Defer all non-founder hires until monthly revenue exceeds $8,000. Use freelancers for content and design work, billing to the marketing budget at variable cost only.

• **Bridge Financing Readiness:** At Month 36, with ~$122,000 remaining in the YC round, initiate Series A conversations. Target a $1.5M Series A to achieve 3-year runway extension and team scale-up.

07 | BALANCE SHEET

Null Stackers (Pvt.) Ltd.

Balance Sheet as at April 18, 2026 (Date of Inception / Funding Receipt)

ASSETS

CURRENT ASSETS	Notes	Amount ($)
Cash and Cash Equivalents	YC Seed Funding received — held in company bank account	500,000
Prepaid Expenses	1-month advance rent + software deposit	1,200
Accounts Receivable	Nil — pre-revenue stage	—
Total Current Assets		**501,200**
NON-CURRENT (FIXED) ASSETS	**Notes**	**Amount ($)**
Laptops & Hardware (at cost)	4 × $1,500 developer machines	6,000
Office Equipment (at cost)	Monitors, chairs, networking equipment	2,000
Software Licenses (at cost)	Perpetual development and design licenses	1,500
Less: Accumulated Depreciation	Nil at inception (Day 1)	—
Total Non-Current Assets		**9,500**
TOTAL ASSETS		**510,700**

LIABILITIES & SHAREHOLDERS' EQUITY

CURRENT LIABILITIES	Notes	Amount ($)
Accounts Payable	Outstanding vendor invoices for software tools	800
Accrued Salaries Payable	4 founders × $1,200 — Month 1 payroll due at month-end	4,800
Deferred Revenue	Nil — no advance payments received	—
Total Current Liabilities		**5,600**
NON-CURRENT LIABILITIES	**Notes**	**Amount ($)**
Long-Term Debt / Bank Loans	Nil — fully equity-financed; no debt obligations	—
Deferred Tax Liability	Nil — pre-revenue; no taxable income	—
Total Non-Current Liabilities		**—**
TOTAL LIABILITIES		**5,600**
SHAREHOLDERS' EQUITY	**Notes**	**Amount ($)**
Share Capital	$500,000 from YC Seed Round — 4 equal shares (25% each founder)	500,000
Retained Earnings (Deficit)	Setup costs + prepaid expenses charged at inception	(10,700)
Additional Paid-in Capital	Nil at inception	—
Total Shareholders' Equity		**505,100**

TOTAL LIABILITIES + EQUITY		**510,700**

Balance Sheet Check: Total Assets ($510,700) = Total Liabilities ($5,600) + Total Equity ($505,100) = $510,700 ✓

Notes to the Financial Statements

Note 1 — Basis of Preparation: These financial statements are prepared on a going-concern basis under the accrual method of accounting. All figures are in USD unless stated otherwise.

Note 2 — Funding Recognition: The $500,000 from Y Combinator is recognized as equity (share capital) at the date of receipt. No interest or repayment obligation exists.

Note 3 — Depreciation Policy: All fixed assets are depreciated using the straight-line method over 3 years. Annual depreciation charge: $3,167. Residual value assumed at $0.

Note 4 — Revenue Recognition: Revenue will be recognized on a transaction completion basis (platform commission) and on a monthly basis (subscriptions), per IFRS 15 principles.

Note 5 — Going Concern: With $500,000 in seed funding and a monthly burn rate of $10,500, the company has a runway of approximately 47 months, providing sufficient comfort for going-concern status.

Note 6 — Tax: No income tax provision has been made as the company is in a pre-revenue phase and expects no taxable income in the first fiscal year. Pakistan corporate tax rate is 29%.

This document was prepared by Null Stackers (Pvt.) Ltd. for CS-4001 Professional Practices in IT — Spring 2026 | FAST-NUCES Lahore | Section BCS-6A | Deliverable 02 — Part 05.

Founders: Syed Muhammad Hanzala Bin Ahsan (CEO) | Muhammad Umer (CTO) | Zain Ul Abideen (COO) | Syed Ali Naqvi (CMO)