



**JAMSHED AKHTAR QURESHI
EDUCATION TRUST**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2025**

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **JAMSHED AKHTAR QURESHI EDUCATION TRUST** (the Trust), which comprise the statement of financial position as at June 30, 2025 and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the trust as at June 30, 2025 and of its financial performance for the year then ended in accordance with accounting framework and policies as described in note 2 to the financial statements.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust 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 Board of Trustees for the Financial Statements

The management of the Trust is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting framework and policies as described in note 2 to the financial statements, and for such internal control as the 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 of the Trust is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Board of Trustees are responsible for overseeing the Trust financial reporting process.

Auditors' 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 Trust'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 Trust's ability to continue as a going concern. If we conclude that 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 Trust 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 Trustees **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 Atif Riaz.

ISLAMABAD

DATED: December 23, 2025

UDIN: AR2025100609oFSwX0uZ

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

JAMSHED AKHTAR QURESHI EDUCATION TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	8,557,834	9,647,623
CURRENT ASSETS			
Advance, deposits and prepayments	5	222,940	292,567
Bank balances	6	33,251,798	35,990,492
		33,474,738	36,283,059
TOTAL ASSETS		<u>42,032,572</u>	<u>45,930,682</u>
FUNDS AND LIABILITIES			
FUND			
General fund	7	(1,549,718)	2,011,467
Endowment fund	7	32,670,341	28,606,841
		<u>31,120,623</u>	<u>30,618,308</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred capital grant	8	4,241,931	4,617,252
CURRENT LIABILITIES			
Trade and other payables	9	6,670,018	10,695,122
TOTAL FUNDS AND LIABILITIES		<u>42,032,572</u>	<u>45,930,682</u>
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes from 1 to 24 form an integral part of these financial statements.


TRUSTEE



TRUSTEE

JAMSHED AKHTAR QURESHI EDUCATION TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
INCOME			
Donations	11	59,777,028	64,371,538
School income	12	6,222,500	4,554,190
Amortisation of deferred capital grant	4	1,213,821	1,164,284
Other income	13	1,804,314	1,565,222
		<u>69,017,663</u>	<u>71,655,234</u>
EXPENDITURE			
Administrative and educational expenses	14	(71,218,961)	(69,817,345)
Depreciation of donor funded property and equipment	4	(1,213,821)	(1,164,284)
Finance cost	15	(146,066)	(595,121)
		<u>(72,578,848)</u>	<u>(71,576,750)</u>
Deficit before tax		(3,561,185)	78,484
Taxation	16	-	(781,022)
Deficit for the year		<u>(3,561,185)</u>	<u>(702,538)</u>
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		<u><u>(3,561,185)</u></u>	<u><u>(702,538)</u></u>

The annexed notes from 1 to 24 form an integral part of these financial statements.


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JAMSHED AKHTAR QURESHI EDUCATION TRUST
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Endowment Fund	Total
	----- Rupees -----		
Balance at July 01, 2023	2,714,005	24,853,841	27,567,846
(Deficit) / surplus for the year	(702,538)	3,753,000	3,050,462
Balance at June 30, 2024	2,011,467	28,606,841	30,618,308
(Deficit) / surplus for the year	(3,561,185)	4,063,500	502,315
Balance at June 30, 2025	(1,549,718)	32,670,341	31,120,623

The annexed notes from 1 to 24 form an integral part of these financial statements.


TRUSTEE

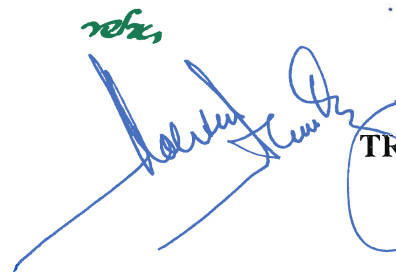

TRUSTEE

JAMSHED AKHTAR QURESHI EDUCATION TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before tax		(3,561,185)	78,484
Adjustments for non-cash income and expense items:			
Depreciation	4	1,995,389	2,040,250
Exchange gain / (loss)		(367,616)	760,589
Amortisation of deferred capital grant	4	(1,213,821)	(1,164,284)
		413,952	1,636,555
		(3,147,233)	1,715,039
Changes in working capital:			
Decrease in current assets			
Advances, deposits and prepayments	5	69,627	4,080
Tax refund due from government		-	8,175
Increase / (decrease) in current liabilities			
Trade and other payables	9	(4,025,104)	5,144,707
		(3,955,477)	5,156,962
Cash (used in) / generated from operations		(7,102,710)	6,872,001
Income tax paid		-	(781,022)
Net cash (used in) / generated from operations		(7,102,710)	6,090,979
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	4	(905,600)	(2,736,387)
Net cash used in investing activities		(905,600)	(2,736,387)
CASH FLOWS FROM FINANCING ACTIVITIES			
Additions to endowment fund	7	4,063,500	3,753,000
Deferred capital grant fund received	8	838,500	1,307,128
Net cash generated from financing activities		4,902,000	5,060,128
Net (decrease) / increase in cash and cash equivalents		(3,106,310)	8,414,720
Cash and cash equivalents at beginning of the year		35,990,492	28,336,361
Exchange gain / (loss) on cash and cash equivalents		367,616	(760,589)
Cash and cash equivalents at the end of the year	6	33,251,798	35,990,492

The annexed notes from 1 to 24 form an integral part of these financial statements.


TRUSTEE


TRUSTEE

JAMSHED AKHTAR QURESHI EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND OBJECTIVES

Jamshed Akhtar Qureshi Education Trust (The Trust) is a Non Government Organisation registered on October, 2000 under the Trust Act of 1882. The Trust has re-registered itself under Islamabad Capital Territory Charters Registration, Regulations and Facilitation Act, 2021 on June 26, 2024. The head office of the Organisation is located in Islamabad.

The objectives of the organisation are to:

- a) Promote literacy and primary education among poor children through a network of informal community based schools;
- b) Safeguard health of poor children;
- c) Enhance access to the formal school system;
- d) Promote awareness building and social mobilisation among poor communities towards self help;
- e) Provide financial assistance to destitute students;
- f) Support programme to enhance income generations skills of girls and women; and
- g) Collaborate/link up with other organisation pursuing similar objectives.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- Accounting Standard for Not-for-Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.
- Revised Accounting and Financial Reporting Standards for Small-Sized Entities (AFRS for SMEs), 2018.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention and on the accrual basis of accounting other than the statement of cash flows.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee (Rs. / Rupees), which is the functional and presentation currency of the Trust. Figures are rounded off to the nearest rupee.

2.4 Key judgements and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Trust's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment – Note 3.1 and 4
- Impairment loss of non-financial assets other than inventories – Note 3.2 and 4
- Estimation of provision - Note 3.5
- Estimation of contingent liabilities - Note 3.14 and 10

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

3.1 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within "other income" in profit or loss.

Subsequent expenditure

Major renewals and improvements are capitalised whereas normal repair and maintenance is charged to income and expenditure account as and when incurred. Capital expenditure exceeding Rs. 10,000 and having useful life over one year is capitalised.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using reducing balance method at the rates specified in note 4.

Full month's depreciation is charged on additions during the month while no depreciation is charged on assets disposed of during the month. Depreciation methods, useful lives, and residual values are reassessed at the end of each reporting date.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Trust recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.3 Financial instruments

Financial assets

Financial assets are classified, at initial recognition and are subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI), and fair value through profit or loss.

Amortised cost

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss and fair value through OCI:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets other than trade receivables

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial

asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Financial liabilities

All financial liabilities are recognised at the time when the Trust becomes a party to the contractual provisions of the instrument.

Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Trust's financial liabilities include trade and other payables and loan from directors.

Subsequent measurement

Subsequently financial liabilities are measured at amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.4 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability are offset against each other and the net amount is reported in the statement of financial position, if the Trust has a legally enforceable right to set off the recognised amounts and intends either to settle them on a net basis or to realise them simultaneously.

3.5 Provisions

A provision is recognised when the Trust has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.



3.6 Taxation

Income of the trust other than surplus funds as defined in Sub-section 1A of section 100C is not subject to tax as 100% tax credit is available u/s 100C of Income Tax Ordinance, 2001. Surplus funds of trust as defined in Sub-Section 1A of Section 100C of Income Tax Ordinance, 2001 are subject to tax at the rate of 10%.

3.7 Finance income

Interest income is recognised using the effective interest method.

3.8 Trade and other payables

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

3.9 Bank balances

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand and balances with banks.

3.10 General fund

Contributions made by the members of the Trust and donors, without any specific purpose or activity, are classified as unrestricted general funds. Accordingly, any income generated and expenses incurred with respect to normal operations of the Trust, which are not related to Specific funds/activities, are charged to statement of income and expenditure.

3.11 Endowment fund

Endowment fund represents amounts received from the trustees or donated exclusively by the donors to the fund. The objective of the fund is to sustain the Trust. The fund is utilised in making investment or to pay for expenditures when the donor fund is insufficient.

3.12 Income

- Donation income is recognised on receipt basis.
- Contribution to school rent/ school income is recognised on receipt basis.
- Income from interest on bank accounts is recognised on accrual basis.
- Restricted grants received for specific purpose are deferred when received and are recognised as income to the extent of actual expenditure incurred.
- The asset received are recorded as deferred capital grant which is recognised as income on a systematic basis over the useful life of the asset.

3.13 Expenditure

Expenses are recorded when incurred.

3.14 Contingencies

A contingent liability is disclosed when the Trust has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Trust; or the Trust has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.15 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary balance sheet items at year end exchange rates are recognised in statement of income and expenditure.

3.16 Related party transactions

Transactions involving related parties arising in the normal course of business are carried out at mutually agreed terms as approved by the Board of Trustees of the Trust.

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4 PROPERTY AND EQUIPMENT

Description	OWNED				DONOR FUNDED					Total	Grand Total	
	Sheds/Steel pools	Office equipment	Furniture and fixtures	Computers and accessories	Total	Sheds/Steel pools	Office equipment	Furniture and fixtures	Computers and accessories			Vehicles
Rupees												

Year ended June 30, 2025

Net carrying value basis

Opening book value
Additions during the year
Depreciation charge
Closing net book value

Gross carrying value basis

Cost
Accumulated depreciation
Net book value

Year ended June 30, 2024

Net carrying value basis

Opening book value
Additions during the year
Depreciation charge
Closing net book value

Gross carrying value basis

Cost
Accumulated depreciation
Net book value

Annual rate of depreciation (%)

4.1 Depreciation has been allocated as follows:

Amortisation of deferred capital grant
Administrative expenses

Note	2025	2024	10	33	33	33	33	20
Rupees	Rupees	Rupees						
8	1,213,821	1,164,284						
14	781,568	875,966						
	1,995,389	2,040,250						

2025

	Note	2025 Rupees	2024 Rupees
5 ADVANCE, DEPOSITS AND PREPAYMENTS			
Prepaid rent		110,440	219,567
Advance against staff salary		62,500	23,000
Security deposit against rent		50,000	50,000
		<u>222,940</u>	<u>292,567</u>

6 BANK BALANCES

Balance with bank:

Savings account;

- Local currency

- Foreign currency

		3,923,332	13,159,174
		29,328,466	22,831,318
6.1		<u>33,251,798</u>	<u>35,990,492</u>

6.1 The effective interest rate on saving account ranges from 9.5% to 19% (2024: 20% to 21% per annum).

	Note	2025 Rupees	2024 Rupees
7 FUND			
Endowment fund	7.1	32,670,341	28,606,841
General fund		<u>(1,549,718)</u>	<u>2,011,467</u>
		<u>31,120,623</u>	<u>30,618,308</u>
7.1 Opening balance		28,606,841	24,853,841
Funds received during the year		<u>4,063,500</u>	<u>3,753,000</u>
Closing balance	8.1.1	<u>32,670,341</u>	<u>28,606,841</u>

8.1.1 This represents amounts received from the trustees or donated exclusively by the donors to the fund. The objective of the fund is to sustain the Trust. The fund is utilised in making investment or to pay for expenditures when the donor fund is insufficient. During the year, amounting to USD 11,000 (2024: USD 13,500) has been received from Pehli Kiran School - United States of America as an endowment fund .

	Note	2025 Rupees	2024 Rupees
8 DEFERRED CAPITAL GRANT			
Balances at beginning of the year		4,617,252	4,474,408
Additions during the year	4	<u>838,500</u>	<u>1,307,128</u>
		5,455,752	5,781,536
Amortisation during the year		<u>(1,213,821)</u>	<u>(1,164,284)</u>
Balances at end of the year		<u>4,241,931</u>	<u>4,617,252</u>

2024

		2025 Rupees	2024 Rupees
9	TRADE AND OTHER PAYABLES		
	Security deposit payable	9.1 3,344,462	3,845,463
	Accrued expenses	3,294,726	6,724,327
	Withholding tax payable	10,850	16,832
	Trade payable	-	108,500
	Other current liabilities	19,980	-
		<u>6,670,018</u>	<u>10,695,122</u>

9.1 This represents amount deducted from the salaries of employees payable at the time of resignation of employees held as security.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

The Trust has no contingent liabilities as at June 30, 2025 (2024: Nil).

10.2 Commitments

The Trust has no commitments as at June 30, 2025 (2024: Nil).

		2025 Rupees	2024 Rupees
11	DONATIONS		
	Foreign donation	11.1 31,724,000	44,062,000
	Local donation	27,229,558	18,828,458
	Donation in kind	11.2 823,470	1,481,080
		<u>59,777,028</u>	<u>64,371,538</u>

11.1 This represents funds received from Pehli Kiran Schools USA for the purpose of provision of high quality and low cost education to poor communities in Pakistan.

11.2 This mainly represent donation received in form of uniform, text book and batteries for solar panels. These are valued by management on the basis of market price.

		2025 Rupees	2024 Rupees
12	SCHOOL INCOME		
	Monthly school fee	6,008,900	4,337,890
	Computer center fee	190,600	76,900
	Admission fee	23,000	61,200
	Stitching center	-	56,600
	Handicraft	-	21,600
		<u>6,222,500</u>	<u>4,554,190</u>

		2025 Rupees	2024 Rupees
13 OTHER INCOME			
From financial assets			
Profit on bank deposits		778,975	2,182,815
From assets other than financial assets			
Liabilities written back	13.1	657,723	142,996
Exchange gain / (loss)		367,616	(760,589)
		<u>1,804,314</u>	<u>1,565,222</u>

13.1 This represents security deposit deducted from salaries of employees. These are written-off during the year for not serving adequate notice period at the time of resignation.

	Note	2025 Rupees	2024 Rupees
14 ADMINISTRATIVE AND EDUCATIONAL EXPENSES			
Salaries and benefits		46,839,849	48,312,133
Books, stationery and teaching		5,074,758	2,167,087
Rent		4,690,768	4,041,940
Food supplements		2,996,414	2,636,626
Provision for bad debts		-	-
Staff development and quality enhancement		2,179,832	416,738
School uniform		1,727,128	1,840,547
School supplies/ equipment		1,549,597	1,231,834
Transportation		1,467,252	1,582,371
Events		225,126	919,976
Repair and maintenance		949,134	800,386
Professional and legal		843,700	778,740
Utilities		820,379	910,181
Scholarship expense		484,095	442,450
Office supplies / equipment		462,532	397,493
Depreciation	4	781,568	875,966
PKS Scholarships		80,594	-
PKL supplies and equipment		46,235	188,542
Ration distribution		-	1,924,135
Sports equipment		-	190,000
Taleemabad Project		-	160,200
		<u>71,218,961</u>	<u>69,817,345</u>

15 FINANCE COST

Bank charges		<u>146,066</u>	<u>595,121</u>
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	Note	2025 Rupees	2024 Rupees
16 TAXATION			
Tax expense	16.1	-	781,022

- 16.1 The Trust got eligible for tax credit under Section 100C of the Ordinance from donations, voluntary contributions, subscriptions and the income chargeable under the head "income from business" during the year.

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trustees has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Trust is responsible for developing and monitoring the Trust's risk management policies.

The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. The Trust, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Trustees oversee how management monitors compliance with the Trust's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust. The management of the Trust undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Trustees.

The Trust has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Trust finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

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17.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral.

(a) Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	Note	2025 Rupees	2024 Rupees
Bank balances	6	33,251,798	35,990,492
Advance and deposits	5	50,000	50,000
		<u>33,301,798</u>	<u>36,040,492</u>

To manage exposure to credit risk in respect of financial assets, management performs credit reviews taking into account the third party's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

	Ratings	2025 Rupees	2024 Rupees
Muslim Commercial Bank	A1+	33,251,798	35,990,492

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Trust's performance to developments affecting a particular industry. The Trust believes that it is not exposed to major concentration of credit risk.

Impaired assets

During the year no assets have been impaired.

17.2 Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting its financial obligations as they fall due. The Trust'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, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Trust's reputation. The Trust uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Trust ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

	2025			2024		
	Upto one year	After one year	Total	Upto one year	After one year	Total
	-----Rupees-----					
Trade and other payables	6,670,018	-	6,670,018	10,695,122	-	10,695,122

17.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Trust is exposed to currency risk.

(a) Currency risk

(i) Exposure to currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises in financial instruments that are denominated in foreign currencies i.e. in a currency other than the functional currency in which they are measured.

At the year end, the Trust is exposed to foreign currency risk since bank balances in foreign currency i.e. US Dollars are translated to Pak Ruppes at year end.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's interest rate risk arises from borrowings and obligations under finance lease. These are benchmarked to variable rates which expose the Trust to cash flow interest rate risk.

At the year end, the Trust is not exposed to any interest risk since the Trust's financial assets and liabilities are non-interest bearing.

(c) Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Trust is not exposed to price risk since there are no financial instruments whose fair value or future cash flows will fluctuate because of changes in market prices.

- (d) The Trust is not exposed to any other type of market price risks.



18 FINANCIAL ASSETS AND LIABILITIES

	Interest/markup bearing				Not interest/ markup bearing
	Total	Maturity upto one	Maturity after one	Sub-total	
		year	year		
----- Rupees -----					
As at June 30, 2025:					
Financial assets carried at amortised cost					
Bank balances	33,251,798	33,251,798	-		-
Advance and deposits	112,500	-	-		112,500
	33,364,298	33,251,798	-	33,251,798	112,500
Financial liabilities carried at amortised cost					
Trade and other payables	(6,659,168)	-	-		(6,659,168)
On statement of financial position gap	26,705,130	33,251,798	-	33,251,798	(6,546,668)
Off statement of financial position items					
Financial commitments	-	-	-		-
Total gap	26,705,130	33,251,798	-	33,251,798	(6,546,668)
As at June 30, 2024:					
Financial assets carried at amortised cost					
Bank balances	35,990,492	35,990,492	-		-
Advance and deposits	73,000	-	-		73,000
	36,063,492	35,990,492	-	35,990,492	73,000
Financial liabilities carried at amortised cost					
Trade and other payables	(10,678,290)	-	-		(10,678,290)
On statement of financial position gap	25,385,202	35,990,492	-	35,990,492	(10,605,290)
Off statement of financial position items					
Financial commitments	-	-	-		-
Total gap	25,385,202	35,990,492	-	35,990,492	(10,605,290)

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19 TRANSACTIONS WITH RELATED PARTIES

The related parties of the trust comprises of key management personnel, entities related by virtue of common directorship and entities related by virtue of close family members of key management personnel. Transactions with related parties during the period are as follows:

Name	Nature	Nature of transactions during the period	2025 Rupees	2024 Rupees
Pehli Kiran USA	Donor	Foreign donation received	31,724,000	44,062,000

20 REMUNERATION OF MANAGING TRUSTEE AND TRUSTEES

No remuneration or benefits have been paid to Managing trustee and trustees.

21 NUMBER OF EMPLOYEES

The number of employees as at year end were 108 (2024: 149), comprising 71 full-time employees (2024: 102) and 37 part-time employees (2024: 47). The average number of employees during the year were 123 (2024: 140).

22 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, where as necessary, to facilitate comparisons. Significant re-classifications made during the year are as follow:

Description	Reclassified from	Reclassified to	2025 Rupees	2024 Rupees
Exchange gain/ (loss)	Exchange loss/ (gain)	Other Income	367,616	(760,589)
Tax expense	Administrative and educational expenses	Taxation	-	(781,022)

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements are authorised for issue by the Board of Trustees of the trust on 17 DEC 2025.

24 GENERAL

Figures have been rounded off to the nearest rupee.

TRUSTEE

TRUSTEE