

**AL-FURQAN WELFARE
ORGANIZATION**

FINANCIAL STATEMENTS

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

Independent Auditor's Report To The Trustees of Al Furqan Welfare Organization

Opinion

We have audited the financial statements of the Al Furqan Welfare Organization, which comprise of the statement of financial position as at June 30, 2025 and the income and expenditure account, the statement of changes in accumulated fund and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the accompanying financial statements present fairly, in all material respects the financial position of the Organization as at June 30, 2025 and its deficit for the year, the changes in accumulated fund, and its cash flows for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

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 Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Organization's management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan 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, the management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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



Page 1 of 2

HMAD, SAQIB, GOHAR & CO.
Chartered Accountants

Level - 7C, Zulfikar Commercial Street No. 4, Phase - VIII - A, D.H.A., Karachi.
1) 34946112, 34932629, Email: rasgkhi@rasgco.com
www.rasgco.com
Offices at Lahore and Islamabad.

A member of  **agn**
INTERNATIONAL

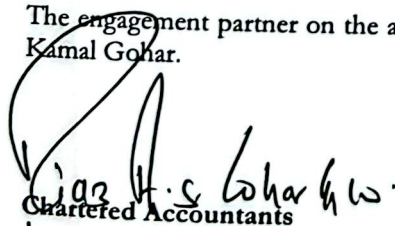
if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Organization'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 Organization'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 Organization 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.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Kamal Gohar.


Chartered Accountants
Karachi: 06 JUL 2026

UDIN: AR2025102539DjepocRu

**AL-FURQAN WELFARE ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025**

		June 30, 2025	June 30, 2024
	Note	------(Rupees)-----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	107,585,278	83,729,899
Long-term deposits	4	4,022,500	3,472,500
Long-term investment	5	41,434,573	7,029,830
Capital work-in-progress	6	-	9,371,668
		<u>153,042,351</u>	<u>103,603,897</u>
CURRENT ASSETS			
Advances, loans and prepayments	7	<u>225,500</u>	<u>4,896,275</u>
Cash and bank balances	8	<u>24,731,022</u>	<u>31,986,152</u>
		<u>24,956,522</u>	<u>36,882,427</u>
TOTAL ASSETS		<u><u>177,998,873</u></u>	<u><u>140,486,324</u></u>
FUNDS AND LIABILITIES			
General fund		<u>61,221,591</u>	<u>67,689,756</u>
Zakat fund	9	<u>9,798,192</u>	<u>210,312</u>
Educational fund	10	<u>129,919</u>	<u>-</u>
Building fund	11	<u>-</u>	<u>5,100,000</u>
Ration and Qurbani fund	12	<u>-</u>	<u>-</u>
Vehicle fund	13	<u>-</u>	<u>-</u>
		<u>71,149,702</u>	<u>73,000,068</u>
NON-CURRENT LIABILITIES			
Deferred grant	14	<u>71,356,321</u>	<u>64,706,213</u>
Deferred income	15	<u>24,479,277</u>	<u>-</u>
		<u>95,835,598</u>	<u>64,706,213</u>
CURRENT LIABILITIES			
Creditors		<u>-</u>	<u>-</u>
Accrued and other liabilities	16	<u>11,013,573</u>	<u>2,780,043</u>
		<u>11,013,573</u>	<u>2,780,043</u>
CONTINGENCIES AND COMMITMENTS			
	17	-	-
TOTAL FUND AND LIABILITIES		<u><u>177,998,873</u></u>	<u><u>140,486,324</u></u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

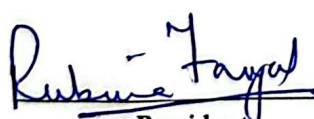

President


General Secretary

**AL-FURQAN WELFARE ORGANIZATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2025**

		June 30, 2025	June 30, 2024
		------(Rupees)-----	
INCOME	Note		
Donations	18	102,666,227	98,551,316
Contributions	19	8,566,090	5,540,865
Grant amortized		4,434,701	4,204,538
Membership fees		28,500	137,500
Sponsorship fees		37,460,794	32,507,549
		<u>153,156,312</u>	<u>140,941,768</u>
Operating expenditure	20	(142,177,623)	(95,569,790)
Administrative and general expenditure	21	(20,380,442)	(21,091,976)
(Deficit) / surplus of income over expenditure		<u>(9,401,753)</u>	<u>24,280,002</u>
Other income	22	2,933,588	845,719
(Deficit) / surplus before taxation		<u>(6,468,165)</u>	<u>25,125,721</u>
Taxation	23	-	-
(Deficit) / surplus after taxation		<u><u>(6,468,165)</u></u>	<u><u>25,125,721</u></u>

The annexed notes from 1 to 26 form an integral part of these financial statements.


President


General Secretary

**AL-FURQAN WELFARE ORGANIZATION
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund (Rupees)
Balance as at 30 June, 2023	42,564,035
Surplus for the year ended June 30, 2024	25,125,721
Balance as at June 30, 2024	67,689,756
(Deficit) for the year ended June 30, 2025	(6,468,165)
Balance as at June 30, 2025	61,221,591

The annexed notes from 1 to 26 form an integral part of these financial statements.

Ken

Rubina Fayal
President

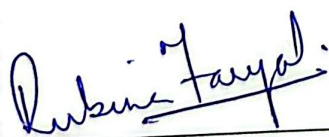
Handwritten Signature
General Secretary

The annexed notes from 1 to 26 form an integral part of these financial statements.

AL-FURQAN WELFARE ORGANIZATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025	June 30, 2024
		------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES			
(Deficit) / surplus for the year		(6,468,165)	25,125,721
Adjustments for:			
Depreciation	3	8,251,113	6,446,036
Deferred Income		24,479,277	-
Grant Amortized		(4,434,701)	4,204,538
Unrealized Gain		(29,150)	-
Operating Surplus before working capital changes		21,798,374	35,776,295
Working capital changes			
(Increase) / decrease in current assets		4,670,775	(66,135)
Increase / (decrease) in creditors		-	-
Increase / (decrease) in current liabilities		8,233,530	1,071,045
		12,904,305	1,004,910
Cash generated from operations		34,702,679	36,781,205
Zakat received		34,660,518	5,410,780
Zakat paid		(25,072,638)	(5,403,350)
		44,290,559	36,788,635
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(23,419,515)	(2,719,600)
Proceeds against disposal of property and equipment		684,691	-
Long term investments		(34,375,593)	858,857
Long term deposits		(550,000)	(1,146,000)
Cash used in investing activities		(57,660,417)	(3,006,743)
CASH FLOW FROM FINANCING ACTIVITIES			
Building fund received		5,984,809	21,995,214
Education fund received		129,919	1,412,398
Net cash generated from financing activities		6,114,728	23,407,612
Net (decrease) / increase in cash and cash equivalent during the year		(7,255,130)	57,189,504
Cash and bank balances at the beginning of the year		31,986,152	24,997,562
Cash and bank balances at the end of the year		24,731,022	31,986,152

The annexed notes from 1 to 26 form an integral part of these financial statements.



President



General Secretary

AL-FURQAN WELFARE ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 NATURE OF THE BUSINESS

Al-Furqan Welfare Organization was established in 2012 as a non-profit organization, under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961, for the socio economic uplift of our society through education, health and cleanliness of the environment. The initial project of the organization is Al-Furqan Schools Network to provide free education to underprivileged children in various areas of Karachi as well as in Sindh, through model of education that strike balance between secular and religious education.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Revised Accounting and Financial Reporting Standard for Small Sized Entities (AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded off to the nearest Rupee.

2.4 Significant accounting estimates

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditures. The estimates and underlying assumptions are reviewed on an ongoing basis. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed in the ensuing paragraphs.

2.5 Property and equipment

These are stated at cost less accumulated depreciation. Depreciation is charged using the reducing balance method by applying rate specified in the relevant note. Depreciation is charged on the basis of full year depreciation in the year of purchase and no depreciation is charged in the year of disposal. Maintenance and normal repairs are charged to income as and when incurred while cost of major replacement and improvements if any are capitalized.

3 PROPERTY AND EQUIPMENT

Particulars	C O S T			JUNE 30, 2025		D E P R E C I A T I O N			W D V
	As at	Addition /	Disposal	As at	Rate	As at	Charge for	As at	As at
	July 01, 2024	Transfer from		June 30, 2025		July 01, 2024	the year	June 30, 2025	June 30, 2025
	Rupees				%	Rupees			
Office equipment	4,377,924	1,262,525	-	5,640,449	25	1,704,385	984,016	2,688,401	2,952,048
Furniture and fixtures	9,877,727	2,816,400	-	12,694,127	10	2,754,214	993,991	3,748,205	8,945,922
Computer equipment	1,518,393	354,564	-	1,872,957	25	831,283	260,419	1,091,702	781,255
Building	70,545,532	20,456,477	-	91,002,009	5	7,936,256	4,153,288	12,089,544	78,912,465
Vehicle	8,701,500	2,713,000	(684,691)	10,729,809	15	1,565,039	1,374,716	2,939,755	7,790,054
Land - Freehold	3,500,000	1,957,000	-	5,457,000	0	-	-	-	5,457,000
Solar system	-	3,231,217	-	3,231,217	15	-	484,683	484,683	2,746,534
2025	98,521,076	32,791,183	(684,691)	130,627,568		14,791,177	8,251,113	23,042,290	107,585,278
2024	55,570,530	42,950,546 (*)	-	98,521,076		8,345,141	6,446,036	14,791,177	83,729,899

(*) This includes Rs.26,495,532 transferred from 'capital work-in-progress' to 'building'.

		June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
4	LONG TERM DEPOSITS		
	Rent deposits		
		<u>4,022,500</u>	<u>3,472,500</u>
5	LONG-TERM INVESTMENT		
	Investment in mutual fund - at fair value		
	5.1	<u>41,434,573</u>	<u>7,029,830</u>
5.1	This represents investment in 409,271.9913 units of Al-Ameen Islamic Cash Fund of United Bank Limited, being restated at closing NAV of Rs. 101.2397 per unit at the reporting date.		
		June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
6	CAPITAL WORK-IN-PROGRESS		
	Opening balance	9,371,668	26,495,532
	Add: Additions during the year	6.1 11,084,809	9,371,668
	Less: Transfer to fixed assets	6.2 (20,456,477)	(26,495,532)
	Construction work in progress	<u>-</u>	<u>9,371,668</u>
6.1	This represents the amount being paid against the construction of a new building (i.e., Branch No.11). The said building has been completed at year's end.		
6.2	This represents the amount being transferred after the completion of building (i.e. Branch No.11).		
		June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
7	ADVANCES, LOANS AND PREPAYMENTS		
	Advance salaries	-	261,099
	Prepayments	20,000	1,775,394
	Receivable against the purchase of vehicle	-	2,527,282
	Other Receivables	18,000	-
	Loans to employees	187,500	332,500
		<u>225,500</u>	<u>4,896,275</u>
8	CASH AND BANK BALANCES		
	Cash in hand	922,049	620,443
	Cash at bank - in current account	23,808,973	31,365,709
		<u>24,731,022</u>	<u>31,986,152</u>
9	ZAKAT FUND		
	Opening Balance	210,312	695,810
	Add: Addition during the year	34,660,518	9,113,731
	Less: Disbursement during the year	9.1 (25,072,638)	(9,599,229)
		<u>9,798,192</u>	<u>210,312</u>
9.1	Zakat disbursements are made to zakat deserving students as per the policy of the organization.		

	Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
10 EDUCATIONAL FUND			
Opening Balance		-	2,528,675
Add: Addition during the year		20,577,969	24,288,511
Less: Disbursement during the year	10.1	(20,448,050)	(26,817,186)
		<u>129,919</u>	<u>-</u>

10.1 Fund of (Aspiring Futures & GEAR) is disbursed and utilized as per the policy of the organization.

	Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
11 BUILDING FUND			
Opening Balance		5,100,000	18,271,594
Add: Addition during the year	11.1	5,984,809	5,750,000
Less: Fund utilized during the year		(11,084,809)	(18,921,594)
		<u>-</u>	<u>5,100,000</u>

11.1 This represents fund created for the purchase and renovation of school buildings. During the year, the organization received Rs. 5,984,809/- and utilized the entire fund balance of Rs.11,084,809/- for construction and improvement of school premises. Accordingly, the building fund has been fully utilized and the balance as at June 30, 2025 is nil (2024: Rs.5,100,000/-).

	Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
12 RATION AND QURBANI FUND			

12.1 <u>Ration fund:</u>			
Opening Balance		-	-
Add: Addition during the year		-	3,430,050
Less: Disbursement during the year		-	(3,430,050)

12.2 <u>Qurbani fund:</u>			
Opening Balance		-	-
Add: Addition during the year		-	1,327,850
Less: Disbursement during the year		-	(1,327,850)

13 VEHICLE FUND		-	-
Opening Balance		-	5,062,718
Add: Addition during the year		-	(5,062,718)
Less: Disbursement during the year	13.1	-	-

13.1 This represents fund created for the purchase of vehicle for teachers.

	Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
14 DEFERRED GRANT			
Balance at the beginning of the year		64,706,213	34,825,219
Transfer on purchase of school buildings		11,084,809	34,085,532
Grant amortized during the year		(4,434,701)	(4,204,538)
Balance at the end of the year		<u>71,356,321</u>	<u>64,706,213</u>

15 DEFERRED INCOME

Balance at the beginning of the year		-	-
Transfer on purchase of school buildings		38,936,250	-
Grant amortized during the year		(14,456,973)	-
Balance at the end of the year	15.1	<u>24,479,277</u>	<u>-</u>

- 15.1 This represents the unamortized portion of sponsorship fee received for students, to be recognized as income in future periods upon fulfillment of the related conditions.

	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
16 ACCRUED AND OTHER LIABILITIES		
Accrued expenses	185,861	513,290
Salaries payable	6,319,237	-
Audit fees payable	124,200	110,000
Income tax payable	833,713	162,290
Other payables	3,550,562	1,994,463
	<u>11,013,573</u>	<u>2,780,043</u>

17 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2025 (2024: Nil).

	Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
18 DONATIONS			
Donations	18.1	<u>102,666,227</u>	<u>98,551,316</u>

- 18.1 This represents donations received to manage and improve schools to provide schooling to underprivileged students free of cost.

		June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
19	CONTRIBUTIONS		
	Concessional fee	19.1 <u>8,566,090</u>	<u>5,540,865</u>

19.1 This represent concessional fees received from students enrolled in the school managed by the organization. Different fees are collected from different students as per their affordability.

		June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
20	OPERATING EXPENDITURE		
	Board exam fees	817,600	316,620
	Books and copies	8,723,461	7,466,049
	School fee expense	77,200	27,250
	Brokerage fee	-	75,000
	Conveyance	-	1,012,600
	Depreciation	3 8,100,129	5,156,829
	Donation	-	313,184
	Eidi & gifts	786,320	-
	Entertainment expense	4,311,096	2,777,081
	Event	4,799,268	3,940,618
	Fee and subscription	40,000	800,667
	Fuel for generator	107,207	207,228
	Internet expense	306,436	-
	Labour charges	-	1,016,325
	Ration distribution	5,535,174	110,250
	Medical	288,770	53,352
	Miscellaneous expense	2,337,775	609,118
	Office supplies	477,563	293,826
	Printing and stationery	2,045,959	1,685,370
	Rent expense	13,017,523	11,887,027
	Repair and maintenance	4,753,687	2,345,978
	Salary and other benefits	66,635,351	48,699,970
	Educational expense	8,659,732	-
	Sports	-	4,550
	Teacher training	161,000	40,000
	Transportation	3,291,553	2,673,838
	Uniform	3,312,433	1,602,321
	Utility charges	3,385,386	2,144,026
	HR service charges	-	181,893
	Shariah advisory fee	207,000	128,820
		<u>142,177,623</u>	<u>95,569,790</u>

h

			June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
21	ADMINISTRATIVE AND GENERAL EXPENSES	Note		
	Bank charges		59,550	60,940
	Commission on sales		2,012,586	296,579
	Depreciation expense	3	150,984	1,289,207
	Donation expense		6,000	78,296
	Eidi & gifts		190,600	278,200
	Conveyance		-	253,150
	Entertainment expense		334,867	694,270
	EOBI contribution		539,051	281,250
	Fuel for generator		1,600	51,807
	Internet expense		18,046	270,757
	Legal & professional charges		799,525	1,568,405
	Miscellaneous expense		45,062	152,279
	Office supplies		35,384	73,456
	Auditor's remuneration	21.1	348,650	110,000
	Printing and stationery		251,178	421,343
	Publicity and promotion expense		240,000	1,871,781
	Website maintenance		492,847	92,704
	Rent expense		1,746,829	1,112,743
	Salary and other benefits		12,118,292	10,831,082
	Tax expense		467,532	99,262
	Transportation		182,820	668,459
	Utility charges		339,039	536,006
			<u>20,380,442</u>	<u>21,091,976</u>
21.1	Auditor's remuneration			
	Annual audit fee		152,250	110,000
	Advisory fee		196,400	-
			<u>348,650</u>	<u>110,000</u>
22	OTHER INCOME			
	Sadqa		-	240,488
	Dividend income on long-term investments		1,834,125	-
	Unrealized gain on long-term investments		29,150	-
	Others		1,070,313	605,231
			<u>2,933,588</u>	<u>845,719</u>
23	TAXATION			
	Current tax	23.1	<u>-</u>	<u>-</u>

- 23.1 The Organization has been granted the status of Non-Profit Organization by Commissioner Inland Revenue for the year ended June 30, 2026. Further the Organization is in compliance of section 100C of Income Tax Ordinance, 2001, therefore, no provision has been recognized in the financial statements.

24 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified, where necessary, for fair and better presentation and disclosure in these financial statements. Major reclassifications are as follows:

2024
(Rupees)

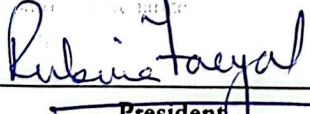
Reclassified from	Reclassified to	
<i>Income And Expenditure Account</i>	<i>Income And Expenditure Account</i>	
<u>Administrative and general expenditure</u>	<u>Operating expenditure</u>	
School fee expense	School fee expense	27,250
Ration distribution	Ration distribution	22,050
Medical expense	Medical expense	10,670
Rent expense	Rent expense	(1,112,743)
Repair and maintenance	Website maintenance	(92,704)
Labour charges	Labour charges	203,265

25 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the authorized members of the executive committee on 101 JUL 2026.

26 GENERAL

Figures in these accounts have been rounded off to the nearest rupee.


President


General Secretary