

ALAM WELFARE TRUST

ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2025

AUDITORS' REPORT
TO THE TRUSTEES OF ALAM WELFARE TRUST

Opinion

We have audited the annexed financial statement of **Messrs Alam Welfare Trust (the "Trust")** which comprise the statement of financial position as at June 30, 2025, and the statement of income and expenditure account and notes to the financial statements, including material accounting policy information.

In our opinion, the annexed financial statements present fairly, in all material respects, the financial position of the Trust as at June 30, 2025 and its financial performance for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the 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 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 and reporting standards as applicable in Pakistan, and for such internal control as management of the Trust determine 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 Trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Trustees are responsible for overseeing the Trust's 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 auditors' 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 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 Syed Aftab Hameed, FCA.

Lahore: October 13, 2025
UDIN: AR202510475T089twyC4


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

ALAM WELFARE TRUST
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2025 Rupees	2024
NON-CURRENT ASSETS			
Operating fixed assets	4	26,573,323	21,221,658
CURRENT ASSETS			
Cash at bank- current account	5	2,568,553	5,274,536
TOTAL ASSETS		<u><u>29,141,876</u></u>	<u><u>26,496,194</u></u>
FUNDS AND LIABILITIES			
ACCUMULATED FUNDS			
General fund		200,000	200,000
Restricted funds against specific purpose	6	15,482,305	13,090,190
Accumulated surplus-unsecured			
<i>Opening balance</i>		13,184,354	6,226,983
<i>Surplus for the year</i>		254,217	6,957,371
<i>Closing balance</i>		<u>13,438,571</u>	<u>13,184,354</u>
		<u>29,120,876</u>	<u>26,474,544</u>
CURRENT LIABILITIES			
Accrued liabilities	7	21,000	21,650
CONTINGENCIES AND COMMITMENTS			
	8	-	-
TOTAL FUNDS AND LIABILITIES		<u><u>29,141,876</u></u>	<u><u>26,496,194</u></u>

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

10/3/25

LAHORE:

FOUNDER / AUTHOR

TRUSTEE

ALAM WELFARE TRUST
STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		Rupees	
Income			
Donations			
<i>From Infaq Foundation</i>		5,000,000	5,355,000
<i>Others</i>		1,134,686	4,721,000
Amortization of restricted funds	4.1	1,337,385	1,247,369
		7,472,071	11,323,369
Expenditure			
Salaries to teachers		2,802,100	1,814,200
Electricity expenses		55,055	138,930
Students educational expenses		610,296	682,252
Information technology		25,460	3,600
Printing and stationery		40,000	31,870
Repair and maintainance		1,323,000	-
Fees and subscription		212,500	101,200
Taxes and duties		20,000	1,650
Audit fee		21,000	20,000
Depreciation - restricted	4.1	1,337,385	1,247,369
Depreciation - owned	4.1	758,147	315,160
Bank charges		12,911	9,767
		7,217,854	4,365,998
Surplus for the year		254,217	6,957,371

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

LAHORE:


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TRUSTEE

ALAM WELFARE TRUST
STATEMENT OF CASH FLOWS FOR THE FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	Rupees	
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	254,217	6,957,371
Add: non-cash items		
Depreciation	2,095,532	1,562,529
Amortization	(1,337,385)	(1,247,369)
Surplus before working capital changes	1,012,364	7,272,531
Changes in working capital:		
Increase/(Decrease) in accrued liabilities	(650)	6,650
Cash inflow from operating activities	1,011,714	7,279,181
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets purchased / acquired during the year	(6,847,197)	(2,554,628)
Net cash outflow from investing activities	(6,847,197)	(2,554,628)
CASH FLOWS FROM FINANCING ACTIVITIES		
Grant received for the construction of dispensary	3,129,500	-
Net cash inflow from financing activities	3,129,500	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(2,705,983)	4,724,553
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	5,274,536	549,983
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	2,568,553	5,274,536

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

LAHORE:

FOUNDER / AUTHOR

TRUSTEE

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

1 TRUST AND ITS OBJECTS

Alam Welfare Trust (the "Trust") was established under the Trust Act, 1882, vide a deed of trust dated July 28, 2021, by its founder, Mr. Tahir Khurshid. The Trust was duly registered with the Sub Registrar, Gulberg Town, Lahore, on December 13, 2021. The Trust Act, 1882, under which the Trust was originally registered, has been repealed, the entity has been re-registered under the "Societies Act, 1860" to ensure its continued legal existence and compliance. Consequently, the entity is now formally registered under the new name of "Khurshid Alam Foundation". This change represents a continuation of the same organization under a new legal framework and name. There is no disruption to the operations, activities, or management of the entity as a result of this re-registration. All activities continued to be carried out in the normal course. The financial statements for the period ended 30th June, 2025 reflect the operations of the entity during the period it operated as "Alam Welfare Trust." For all future periods, the entity will be known and reported as "Khurshid Alam Foundation."

2 Basis of preparation

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 and Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention without taking into account the effects of inflation and carrying values. In these financial statements, except for the statement of cash flows, all the transactions have been accounted for on accrual

2.3 Functional and presentational currency

These financial statements are presented in Pakistan Rupees which is also the Trust's functional currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies used in the preparation of these financial statements are set out below. These policies have been consistently applied for all periods presented except otherwise stated.

3.1 Taxation

The income of The Trust, being a charitable institution, is exempt from the levy of tax until June 30, 2025 under section 2(36) of the Income Tax Ordinance, 2001 read with rule 212 of the Income Tax Rules, 2002.

Property and equipment

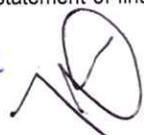
These are stated at cost less accumulated depreciation and impairment losses, if any, except land which is stated at cost. Depreciation, when the construction of school building is completed and the school is fully operative, is charged to income by applying the reducing balance method systematically at the rates specified in note 4. Depreciation on additions to property and equipment is charged from the month in which the property and equipment is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.

The entity assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If such an indication exists the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount; and the impairment losses are recognized in the statement of income and expenditure.

Gains and losses on disposal of assets, if any are included in the income.

3.2 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost for the purposes of statement of cash flows. Cash and cash equivalents comprise of bank balances.

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3.3 Related party transactions

All transactions with related parties are executed at arm's length prices determined in accordance with admissible valuation methods as approved by the Board of Governors / Trustees. Parties are said to be related if they are able to influence the operating and financial decisions of the Trust.

3.4 Provisions

Provisions are recognized when the Trust has a present legal and 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. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.5 Contingencies and commitments

These are not accounted for in the financial statements unless these are actual liabilities and are only disclosed when:

- there is a possible obligation that arises from past events and 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
- there is present 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.

3.6 Basic financial instruments

Financial assets are recognized, when the Trust becomes a party to the contractual provisions of the instrument and de-recognized when the Trust loses control of the contractual rights to receive cash flows from the assets that comprise the financial asset or the rights to receive cash flows from the assets have been expired or have been transferred; and the Trust has transferred substantially all the risks and rewards of ownership.

Financial assets are receivable from related party, cash and bank balances.

Financial liabilities are recognized according to the substance of the contractual arrangements entered into. Significant financial liabilities are accrued and other liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the statement of income and expenditure for the period in which it arises.

3.7 Revenue recognition

Profit on bank deposit is recognized on accrual basis, while donations are recognized when actually received.

4 OPERATING FIXED ASSETS

	Notes	2025 Rupees	2024 Rupees
Operating fixed assets - tangible	4.1	19,726,126	21,221,658
Capital work in progress - civil work	4.2	6,847,197	-
		<u>26,573,323</u>	<u>21,221,658</u>

4.1 Operating fixed assets - at cost

Particulars	Cost			Rate	Depreciation			Written Down Value As at June 30, 2025
	As at July 01, 2024	Additions / Transfer	As at June 30, 2025		As at July 01, 2024	For the year	As at June 30, 2025	
Owned								
Freehold land	550,000	-	550,000	-	-	-	-	550,000
Freehold building	7,896,628	-	7,896,628	10%	315,160	758,147	1,073,307	6,823,321
	8,446,628	-	8,446,628	-	315,160	758,147	1,073,307	7,373,321
Restricted								
Freehold land	2,500,000	-	2,500,000	-	-	-	-	2,500,000
Freehold building	11,119,177	-	11,119,177	10%	2,112,644	900,654	3,013,298	8,105,879
Electrical equipment	1,000,000	600,000	1,600,000	20%	100,000	300,000	400,000	1,200,000
Furniture, fixtures and equipment	1,000,000	-	1,000,000	20%	316,343	136,731	453,074	546,926
	15,619,177	600,000	16,219,177	-	2,528,987	1,337,385	3,866,372	12,352,805
Rupees-2025	24,065,805	600,000	24,665,805	-	2,844,147	2,095,532	4,939,679	19,726,126

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Particulars	Cost			Depreciation				Written Down Value
	As at July 01, 2023	Additions / Transfer	As at June 30, 2024	Rate	As at July 01, 2023	For the year	As at June 30, 2024	As at June 30, 2024
Owned								
Freehold land	550,000	-	550,000	-	-	-	-	550,000
Freehold building	332,800	7,563,828	7,896,628	10%	-	315,160	315,160	7,581,468
	882,800	7,563,828	8,446,628		-	315,160	315,160	8,131,468
Restricted								
Freehold land	2,500,000	-	2,500,000	-	-	-	-	2,500,000
Freehold building	11,119,177	-	11,119,177	10%	1,111,918	1,000,726	2,112,644	9,006,533
Electrical Equipment	-	1,000,000	1,000,000	10%	-	100,000	100,000	900,000
Furniture, fixtures and equipment	659,200	340,800	1,000,000	10-20%	169,700	146,643	316,343	683,657
	14,278,377	1,340,800	15,619,177		1,281,618	1,247,369	2,528,987	13,090,190
Rupees-2024	15,161,177	8,904,628	24,065,805		1,281,618	1,562,529	2,844,147	21,221,658

4.2 Capital work in progress - Civil work

Opening balance
Additions during the year

Less: amount transferred to operating fixed assets

	2025 Rupees	2024 Rupees
	-	5,350,000
	6,847,197	2,213,828
	6,847,197	7,563,828
	-	(7,563,828)
	6,847,197	-
5 CASH AT BANK - with Bank Alfalah Limited in current account	2,568,553	5,274,536

6 RESTRICTED FUNDS AGAINST SPECIFIC PROJECTS - RECEIVED FROM

Mr. Tahir Khurshid - in kind of land for School
Mr. Tahir Khurshid - amounts incurred on construction of boundary walls and School building
Solar system of 7 KVA and water filtration plant installed at school
Infaq Foundation - for purchase of School furniture and equipment

	2,500,000	2,500,000
	11,119,177	11,119,177
	1,600,000	1,000,000
	1,000,000	1,000,000
	16,219,177	15,619,177
	3,129,500	-
Grant received for the construction of dispensary		
Amortization (equivalent to depreciation charge) for the year		
Opening balance	(2,528,987)	(1,281,618)
For the year		
Freehold building	(900,654)	(1,000,726)
Furniture, fixtures and equipment	(136,731)	(146,643)
Electrical equipment	(300,000)	(100,000)
Closing balance	(1,337,385)	(1,247,369)
	(3,866,372)	(2,528,987)
	15,482,305	13,090,190

7 ACCRUED LIABILITIES

Audit fee payable

21,000 21,650

8 CONTINGENCIES AND COMMITMENTS

There are no contingent liabilities and capital commitments of the Trust at the terminal date (2024: Nil).

12/3/24



2025
Rupees

2024
Rupees

9 FINANCIAL INSTRUMENTS - by category

Financial assets

Cash at bank - saving account

2,568,553

549,983

Financial liabilities

Audit fee payable

21,000

21,650

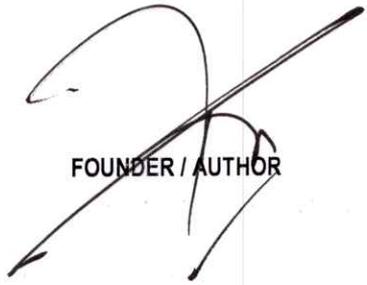
10 GENERAL

10.1 The Board of Trustees of the Fund / Trust authorized the financial statements for issuance on 13-10-25

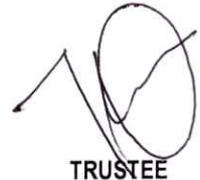
10.2 Figures of the corresponding period have been re-arranged and regrouped where necessary for the purpose of comparison. However, no material re-arrangements have been made in these financial statements.

10.3 Figures in these financial statements have been rounded off to the nearest rupee. *143 R*

LAHORE:



FOUNDER / AUTHOR



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