



YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

AKHUWAT (THE SOCIETY)

AUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2024.



INDEPENDENT AUDITOR'S REPORT TO THE BOARD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Akhuwat** ("the Society"), which comprise of the statement of financial position as at June 30, 2024, and the statement of income and expenditure and other comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at June 30, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with approved 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society 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 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 Board of Directors ("the Board") is responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan, and for such internal controls as the Board 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 Board is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibility 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 controls 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 Society'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 the 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 Society's ability to continue as a going concern. If we conclude that 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 conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society 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 those charged with governance 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 in **Rana Usman Khan**.


Chartered Accountants

Lahore

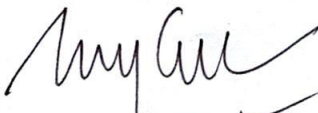
Date: December 30, 2024

UDIN: AR202410088XNga0UrVE

**AKHUWAT
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	Note	2024	2023
-----Rupees-----			
ASSETS			
Non-current assets			
Property and equipment	5	3,618,202,217	2,888,810,036
Intangible assets	6	95,056	407,887
Long term investment	7	69,799,970	69,799,970
Long term loan and advances	8	126,487,073	95,815,472
		3,814,584,316	3,054,833,365
Current assets			
Advances, deposits, receivables and other assets	9	181,749,922	188,563,286
Short term investments	10	4,280,352,995	3,720,028,733
Cash and bank balances	11	941,321,381	635,650,016
		5,403,424,298	4,544,242,035
Total assets		9,218,008,614	7,599,075,400
FUNDS AND LIABILITIES			
LIABILITIES			
Current liabilities			
Creditors, accrued and other liabilities	12	102,303,577	65,196,292
Total liabilities		102,303,577	65,196,292
FUNDS			
Unrestricted			
General fund	4.11	312,565,636	220,794,889
Restricted			
NJV - Akhuwat endowment fund	4.12	-	1,825,982,888
Donated funds	4.12	7,108,842,219	4,078,639,076
Zakat fund	4.12	1,692,271,605	1,406,436,678
Rehabilitation fund	4.12	2,025,577	2,025,577
		8,803,139,401	7,313,084,219
Total funds		9,115,705,037	7,533,879,108
Total funds and liabilities		9,218,008,614	7,599,075,400
Contingencies and commitments	13		

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


Executive Director


Director

AKHUWAT
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

Note	Unrestricted	Restricted				2024	2023	
	General fund	Donated fund	Zakat fund	NJV - Akhuwat endowment fund	Rehabilitation fund			
----- Rupees -----								
Income								
Operating income	14	318,005,139	-	-	60,597,750	-	378,602,889	408,847,986
Other income	15	605,125,613	-	-	161,153,607	-	766,279,220	467,180,929
Donations received	16	-	3,920,347,029	-	-	-	3,920,347,029	3,024,858,867
Zakat received	16	-	-	1,111,596,551	-	-	1,111,596,551	1,070,095,786
		<u>923,130,752</u>	<u>3,920,347,029</u>	<u>1,111,596,551</u>	<u>221,751,357</u>	<u>-</u>	<u>6,176,825,689</u>	<u>4,970,983,568</u>
Expenditure								
Operating expenses	17	675,487,576	391,299,463	649,569,100	208,194,790	-	1,924,550,929	1,414,579,609
General and administrative expen	18	92,432,857	-	-	-	-	92,432,857	77,369,557
Donations paid		-	247,613,906	-	-	-	247,613,906	1,577,029,402
Program promotion		-	251,230,517	-	-	-	251,230,517	380,880,594
Zakat paid		-	-	176,192,524	-	-	176,192,524	200,188,366
Stipends paid		-	-	-	-	-	-	49,500
Total expenditure		<u>767,920,433</u>	<u>890,143,886</u>	<u>825,761,624</u>	<u>208,194,790</u>	<u>-</u>	<u>2,692,020,733</u>	<u>3,650,097,028</u>
Surplus of income over expenditure for the year		<u>155,210,319</u>	<u>3,030,203,143</u>	<u>285,834,927</u>	<u>13,556,567</u>	<u>-</u>	<u>3,484,804,956</u>	<u>1,320,886,540</u>
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		<u>155,210,319</u>	<u>3,030,203,143</u>	<u>285,834,927</u>	<u>13,556,567</u>	<u>-</u>	<u>3,484,804,956</u>	<u>1,320,886,540</u>

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


 Executive Director


 Director

AKHUWAT
UNCONSOLIDATED STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Unrestricted	Restricted			Total	
	General Fund	Donated fund	Zakat fund	NJV- Akhuwat endowment fund		Rehabilitation fund
	----- Rupees -----					
Balance as at June 30, 2022 - restated	99,972,592	3,421,809,600	889,273,432	1,300,000,000	1,936,944	5,712,992,568
Comprehensive income:						
Surplus of income over expenditure for the year	120,822,297	656,829,476	517,163,246	25,982,888	88,633	1,320,886,540
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	120,822,297	656,829,476	517,163,246	25,982,888	88,633	1,320,886,540
Funds received	-	-	-	500,000,000	-	500,000,000
Balance as at June 30, 2023	220,794,889	4,078,639,076	1,406,436,678	1,825,982,888	2,025,577	7,533,879,108
Comprehensive income:						
Surplus of income over expenditure for the year	155,210,319	3,030,203,143	285,834,927	13,556,567	-	3,484,804,956
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	155,210,319	3,030,203,143	285,834,927	13,556,567	-	3,484,804,956
Funds received	-	-	-	500,000,000	-	500,000,000
Funds transfer	(63,439,572)	-	-	(2,339,539,455)	-	(2,402,979,027)
Balance as at June 30, 2024	312,565,636	7,108,842,219	1,692,271,605	-	2,025,577	9,115,705,037

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



Executive Director


Director

AKHUWAT
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		-----Rupees-----	
Cash flows from operating activities			
Surplus for the year		3,484,804,956	1,320,886,540
Adjustments for:			
Depreciation on property and equipment	5.2.1	245,596,875	152,249,962
Amortization of intangible assets	6	326,966	500,763
Return on term deposit receipts	15	(606,216,876)	(336,002,213)
Return on bank deposits	15	(36,541,016)	(71,024,211)
Dividend income	15	(109,920,412)	(33,713,106)
Exchange loss/(gain)	17	91,487,162	(6,797,107)
Unwinding of present value adjustment	8.1	(8,286,389)	(7,579,245)
Provision of advance tax	9.3	489,522	116,761
		(423,064,168)	(302,248,396)
		3,061,740,788	1,018,638,144
Changes in working capital			
(Increase) in advances, deposits, receivables and other assets		21,165,121	(8,549,431)
(Decrease) / increase in creditors, accrued and other liabilities		37,107,285	(21,117,061)
Advance tax paid		(8,680,633)	(811,961)
		49,591,773	(30,478,453)
Net cash generated from operating activities		3,111,332,561	988,159,691
Cash flows from investing activities			
Purchase of property and equipment	5	(1,038,427,206)	(806,396,735)
Purchase of intangibles	6	(110,000)	-
Long term investment		-	(20,000,000)
Addition in investments		(31,958,204,740)	(21,631,876,853)
Proceeds from redemption / maturity of investments		31,495,580,663	19,796,127,524
Return on term deposit receipts		589,985,688	305,655,101
Return on bank deposits		36,541,016	71,024,211
Net cash used in investing activities		(874,634,579)	(2,285,466,752)
Cash flow from financing activities			
Funds received in NJV - Akhuwat endowment fund		500,000,000	500,000,000
Funds Transferred to NJV - School Management Board		(2,339,539,455)	-
Net increase in cash and cash equivalents		397,158,527	(797,307,061)
Effect of currency translation		(91,487,162)	6,797,107
Cash and cash equivalents at beginning of the year		635,650,016	1,426,159,970
Cash and cash equivalents at end of the year	11	941,321,381	635,650,016

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


Executive Director

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Director