



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF KHAIR KHAWA RELIEF FOUNDATION
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **Khair Khawa Relief Foundation** (the Company), which comprise the statement of financial position as at June 30, 2025 and the statement of income and expenditure, the statement of changes in funds, the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of material accounting policies 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 and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the loss, the changes in funds and its cash flows for the period then ended.

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 Company 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 Directors for the Financial Statements

Management 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 the requirements of Companies Act, 2017 (XIX of 2017) 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, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company'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 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 Company'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 Company'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 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 Company 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The Company was incorporated during the current financial year, and these financial statements represent its first set of audited financial statements since incorporation. Accordingly, no comparative financial information has been presented.

Engagement partner on the audit resulting in this independent auditors' report is Muhammad Salman Butt.

Lahore
UDIN: AR202510868SVadu9RKE
Date: December 04, 2025



M.S. Butt & Co.
Chartered Accountants

**KHAIR KHAWA RELIEF FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

**KHAIR KHAWA RELIEF FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025**

ASSETS	<u>NOTE</u>	2025 <u>RUPEES</u>
NON - CURRENT ASSETS		-
CURRENT ASSETS		
Cash and bank	4	24,572
TOTAL ASSETS		<u>24,572</u>
FUNDS AND LIABILITIES		
FUND AND RESERVES		
Capital fund		24,572
NON - CURRENT LIABILITIES		-
CURRENT LIABILITIES		-
CONTINGENCIES AND COMMITMENTS	5	-
TOTAL FUNDS & LIABILITIES		<u>24,572</u>

The annexed notes from (1) to (12) form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**KHAIR KHAWA RELIEF FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE PERIOD ENDED JUNE 30, 2025**

PARTICULARS	NOTE	2025 RUPEES
INCOME		
Donation		-
EXPENDITURE		
Administrative expenses	6	(225,428)
Financial expenses		-
		(225,428)
Surplus/(loss) before taxation		(225,428)
Taxation	7	-
NET LOSS FOR THE PERIOD		<u>(225,428)</u>

The annexed notes from (1) to (12) form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**KHAIR KHAWA RELIEF FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE PERIOD ENDED JUNE 30, 2025**

PARTICULARS	NOTE	CAPITAL FUND -----RUPEES-----
Balance as at December 11, 2024		-
Member's contribution during the period		250,000
Loss for the period		(225,428)
BALANCE AS AT JUNE 30, 2025		<u>24,572</u>

The annexed notes from (1) to (12) form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**KHAIR KHAWA RELIEF FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2025**

	2025 <u>RUPEES</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(225,428)
Adjustments for non-cash transactions	-
Operating profit before working capital changes	<u>(225,428)</u>
Working capital changes	-
Cash generated from operations	<u>(225,428)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Member's contribution	250,000
	<u>250,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>24,572</u></u>

The annexed notes from (1) to (12) form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

**KHAIR KHAWA RELIEF FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2025**

1 LEGAL STATUS & OPERATIONS

Khair Khawa Relief Foundation hereinafter referred to as "the Foundation" was incorporated since December 11, 2024 u/s 42 of Companies Act, 2017. The registered office of the entity is situated at House No 1944, Street no 1, Block F NPF Housing, Islamabad. Its objective is to raise awareness among individuals of all ages, genders, classes, and statuses regarding human health and other social work activities. Its incorporation number is 0278178.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Revised Accounting and Financial Reporting Standards applicable for Small Sized Entities (SSE) in Pakistan. Where the provisions of and directives issued under the Companies Act, 2017 differ from the Revised AFRS for SSEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 BASIS OF MEASUREMENT

These accounts have been prepared under the "historical cost" convention using accrual basis of accounting.

2.3 FUNCTIONAL & PRESENTATION CURRENCY

These financial information are presented in Pakistani Rupee which is the entity's functional & presentational currency. Amounts presented in these financial information have been rounded off to the nearest of rupee unless otherwise stated.

2.4 KEY JUDGMENTS & ESTIMATES

The preparation of financial information requires the management to exercise judgments in the process of applying the entity's accounting policies. The areas involving a high degree of judgments or complexity or other areas where assumptions and / or estimates are significant are stated in the following accounting policies and notes:

- Useful lives, residual values and depreciation method of the property & equipment
- Useful lives, residual values and amortization method of the intangible assets;
- Estimation of contingent liabilities.

The revisions to accounting estimates, if any, are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statement are set out below. These polices have been consistently applied to all the Periods presented.

**KHAIR KHAWA RELIEF FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2025**

3.1 PROPERTY AND EQUIPMENT

Owned

All the property and equipment are stated at cost less accumulated depreciation except for freehold land which is stated at cost. Cost comprises acquisition and other directly attributable costs and includes the purchase price and all other incidental expenses incurred up to the date the asset is put to use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with that item will flow to the entity and the cost of that item can be measured reliably. All other repair and maintenance costs are charged to surplus during the period in which they are incurred.

Depreciation on property and equipment is charged over its estimated useful life so as to write off the historical cost of an asset at the specified rates. Depreciation on all additions / disposals is being charged on monthly basis. Full month's depreciation is charged on additions in the month of purchase while no depreciation is charged on items in the month of disposal.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of income and expenditure for the period during which the asset is derecognized.

3.2 IMPAIRMENT OF ASSETS

An assessment is made at each statement of financial position date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the statement of income and expenditure. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior periods.

3.3 INTANGIBLE ASSETS

Intangible assets, if any, other than goodwill, are measured at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged so as to allocate the cost of an asset over the estimated useful lives, using the straight-line method.

3.4 CASH & CASH EQUIVALENTS

Cash & cash equivalents are carried in the statement of financial position at cost.

3.5 TRADE & OTHER RECEIVABLES

Trade & other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful, a provision is made and charged to surplus.

3.6 TRADE & OTHER PAYABLES

Trade & other payables are obligations under normal short-term credit terms. These are measured at the undiscounted amount of cash to be paid.

3.7 INCOME TAX

Provision for taxation is based on taxable income at current rates after taking into account tax rebates and credits available, if any, or minimum tax on turnover or alternate corporate tax on accounting profit and tax paid under final tax regime under relevant provisions of Income Tax Ordinance, 2001. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made for previous Periods arising from orders under Income Tax Ordinance, 2001 passed during the Period or any previous Period(s). The amount of unpaid income tax in respect of annual or prior periods is recognized as liability and any excess paid over what is due in respect of current or prior periods is recognized as an asset.

3.8 FUNDS

Capital fund

This is a general-purpose unrestricted fund. All donations and zakat, other than those that are required to be retained for the benefit of the entity, are recognized in this fund.

3.9 CONTINGENCIES & COMMITMENTS

Contingencies and commitments are accounted for when these become due.

**KHAIR KHAWA RELIEF FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2025**

	<u>NOTE</u>	<u>RUPEES</u>
4 CASH AND BANK BALANCES		
Cash in hand		24,572
Cash at bank		-
		<u>24,572</u>
5 CONTINGENCIES AND COMMITMENTS		
5.1 Contingencies		
There are no material contingencies to report as at reporting date.		
5.2 Commitments		
There are no commitments to report as at reporting date.		
6 ADMINISTRATIVE EXPENSES		
Legal and professional charges		182,900
Utilities		42,528
		<u>225,428</u>
7 TAXATION		
Provision for the period		-
7.1 No donations were received during the period. Hence, no provision for income tax has been made in these financial statements.		
8 REMUNERATION OF BOARD MEMBERS, PRESIDENT AND EXECUTIVES		
No remuneration has been paid to the Board Members, President, and Executives during the year ended June 30, 2025.		
9 NUMBER OF EMPLOYEES		
Total number of employees as at year end		-
Average number of employees during the year		-
10 TRANSACTIONS WITH RELATED PARTIES		
The related parties comprise members, executives and key management employees of the Foundation. The Foundation, in the normal course of business, carries out transactions with various related parties on the basis of mutually agreed terms. During the year, no such transactions with related parties have been made.		

**KHAIR KHAWA RELIEF FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2025**

11 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue by the Executive Committee on December 4th, 2025.

12 GENERAL

Figures have been rounded off to the nearest Pak Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR