

MARKAZ ISLAH DARUL AYTAM
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025



INDEPENDENT AUDITOR'S REPORT

To the Council of Executive of **Markaz Islah Darul Aytam**

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of "**Markaz Islah Darul Aytam**", which comprise the statement of financial position as at June 30, 2025, and statement of income and expenditure, the statement of changes in 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 annexed financial statements present fairly, in all material respects, the financial position of Organization as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with the approved accounting 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 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.

Other Matter

The financial statements of **Markaz Al Islah Darul Aytam** for the year ended **June 30, 2024**, were audited by another auditor who expressed an unmodified opinion on those statements on **September 26, 2024**.

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

The Council of Executive is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Council of Executive 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, Council of Executive 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 Society 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.

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Auditors' Responsibility for the Audit of the Financial Statements

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 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 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 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 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 Council of Executive 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 **Shuja-Ul-Mulk, FCA**.


Rafaqat Babar &
CHARTERED ACCOUNTANTS

PESHAWAR

21 AUG 2025

UDIN#: AR202510401FOCrMgHz5

MARKAZ ISLAH DARUL AYTAM
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

NOTE	2025 Rupees	2024 Rupees
ASSETS		
NON CURRENT ASSETS		
Operating fixed assets		
4	31,603,869	25,111,630
	<hr/>	<hr/>
	31,603,869	25,111,630
CURRENT ASSETS		
Advances deposits and other receivables		
5	1,828,334	1,093,619
6	447,448	542,440
7	7,923,848	2,213,859
	10,199,630	3,849,918
	<hr/>	<hr/>
	41,803,499	28,961,548
TOTAL ASSETS		
FUNDS AND LIABILITY		
FUND BALANCE		
General fund		
	40,060,882	26,251,315
NON CURRENT LIABILITIES		
CURRENT LIABILITIES		
Creditors		
8	1,318,836	2,337,599
9	423,781	372,634
	1,742,617	2,710,233
<i>Contingencies and commitments</i>		
10	-	-
	<hr/>	<hr/>
	41,803,499	28,961,548
TOTAL FUNDS AND LIABILITIES		

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHAIRMAN

CHAIRMAN
 Markaz islah
 Darul Aytam
 Sheikh Maltoon Town Mardan



G. Secretary
 Markaz islah
 Darul Aytam
 Sheikh Maltoon Town Mardan

GENERAL SECRETARY

MARKAZ ISLAH DARUL AYTAM
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025

	NOTE	2025 RUPEES	2024 RUPEES
INCOME			
Donations Corporate	11	5,965,666	6,133,745
General Donations	9	39,854,796	28,888,913
Donation in kind	9	4,119,800	4,823,150
Other Income	12	163,238	1,237,371
		50,103,500	41,083,179
EXPENDITURE			
Operating expenses	13	(36,273,272)	(36,651,216)
Financial charges	14	(20,661)	(32,869)
SURPLUS FOR THE YEAR			
		<u>13,809,567</u>	<u>4,399,094</u>
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		<u>13,809,567</u>	<u>4,399,094</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHAIRMAN
 Markaz Islah
 Darul Aytam
 Sheikh Maltoon Town Mardan

CHAIRMAN



G. Secretary
 Markaz Islah
 Darul Aytam
 Sheikh Maltoon Town Mardan

GENERAL SECRETARY

MARKAZ ISLAH DARUL AYTAM
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2025

	2025 Rupees
BALANCE AS AT 01 JULY, 2023	21,852,221
Surplus for the year	4,399,094
Other comprehensive income for the year	-
BALANCE AS AT 30 JUNE, 2024	26,251,315
Surplus for the year	13,809,567
Other comprehensive income for the year	-
BALANCE AS AT 31 30 JUNE, 2025	40,060,882

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHAIRMAN

CHAIRMAN
 Markaz Islah
 Darul Aytam
 Sheikh Maltoon Town Mardan



GENERAL SECRETARY

MARKAZ ISLAH DARUL AYTAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2025 RUPEES	2024 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	13,809,567	4,399,094
Adjustment for:		
Depreciation	1,262,470	1,417,309
	15,072,037	5,816,403
Changes in working capital:		
(Increase)/decrease In current assets:		
Advances deposits and other receivables	(734,715)	(1,058,027)
	(734,715)	(1,058,027)
Increase/(Decrease) In current liabilities:		
Creditors	(1,018,767)	(5,436,600)
Accruals and other liabilities	51,147	243,252
Cash generated from operations	13,369,702	(434,972)
Net cash generated from/(used in) operating activities	13,369,702	(434,972)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of biological asset	230,000	
Purchase of operating fixed assets	(7,984,705)	(3,166,496)
Net cash used in investing activities	(7,754,705)	(3,166,496)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan to director	94,992	-
Net cash (used in)/generated from financing activities	94,992	-
Net increase/(decrease) in cash and cash equivalents during the year	5,709,989	(3,601,468)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,213,859	5,815,327
CASH AND CASH EQUIVALENT AT END OF THE YEAR	7,923,848	2,213,859

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHAIRMAN
 Markaz Islah
 Darul Aytam
 Sheikh Maltoon Town Mardan

CHAIRMAN



FINANCE MANAGER

MARKAZ ISLAH DARUL AYTAM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED June 30, 2025

1 LEGAL STATUS & OBJECTIVES

MARKAZ ISLAH DARUL AYTAM is registered under the voluntary welfare agencies Registration and control ordinance 1961 (XI VI of 1961) on 10 May 2003. Its registered office is situated in Sector M Mardan, Khyber Pakhtunkhwa, Pakistan.

The objective of Markaz Islah Darul Aytam is to serve humanity in accordance with the principles of Islam as outlined in the Holy Quran and the teachings of the Prophet Muhammad (PBUH). The organization aims to establish and operate orphanages, Islamic schools, and welfare institutions with collaborative support. It endeavors to provide education, shelter, moral training, and essential needs to orphans and underprivileged children. Furthermore, the Markaz organizes religious gatherings, Islamic lectures, and awareness programs to promote Islamic values and spiritual development.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with Accounting Standards for Not-for-Profit Organisation (NPOs) and Accounting & Financial Reporting Standards for Small Sized Entities (AFRS for SSE) as applicable in Pakistan. Management has voluntarily selected this framework for financial reporting.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention and on accrual basis of accounting except for the statement of cash flows or as otherwise stated, in the respective policies and notes given hereunder.

2.3 Functional and presentation currency

These financial statements are presented in pak rupee, which is the functional and presentation currency of the Company.

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 judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement 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 & 4.

The revisions to accounting estimates (if any) are recognised 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

3.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation. Depreciation is charged at the rates mentioned in respective note under reducing balance method. Depreciation on addition is charged from the day asset is available for use till the date the asset is disposed off.

3.2 Fund

The surplus / deficit for the year is accumulated to fund.

3.3 Accrued and other liabilities

Accrued and other liabilities are carried at cost which is the fair value of the consideration to be paid in future for the goods and services received, whether billed or not to the organization.

3.4 Restricted and Unrestricted Funds

The Organization prepares its financial statements in accordance with the Accounting Standard for Not-for-Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), using the Restricted Fund Method of accounting. Under this method:

3.4.1 General Fund (Unrestricted):

General fund (unrestricted) comprises resources which are not subject to externally imposed restrictions and are available for general use.

3.4.2 Restricted Fund(s):

Restricted fund comprise contributions received with donor-imposed restrictions as to purpose and/or time, recognized as revenue in the respective restricted fund.

During the year ended 30-June-2025, the Organization did not receive or hold any restricted donor-imposed contributions. Accordingly, all income and expenditure have been accounted for in the General (Unrestricted) Fund.

MARKAZ ISLAH DARUL AYTAM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED June 30, 2025

3.5 Revenue recognition

Donations are recorded on receipt basis.

3.6 Provisions

Provisions are recognized when the organization has a legal or 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 month can be made.

3.7 Taxation

No tax has been charged as the company is in the compliance of Section 100 C of the Income Tax Ordinance 2001.

3.8 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks.

3.9 Foreign currency translations

Transactions in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing at the balance sheet date. Profit and losses arising on transaction are recognized in the receipt and expenditure account currently. All exchange differences are routed through receipt and expenditure statement.

	Land	Building	Electronic equipments	Vehicles	Furniture and Fixtures	Weapons	Livestock	Total
	AMOUNT IN RUPEES							
Balance as at July 01, 2023	13,180,000	15,461,009	2,782,605	1,543,300	1,988,380	-	-	34,955,294
Additions	-	-	127,750	2,895,000	358,712	-	230,000	3,611,462
Disposals	-	-	-	(1,543,300)	-	-	-	(1,543,300)
Balance as at June 30, 2024	13,180,000	15,461,009	2,910,355	2,895,000	2,347,092	-	230,000	37,023,456

Balance as at July 01, 2024	13,180,000	15,461,009	2,910,355	2,895,000	2,347,092	-	230,000	37,023,456
Additions	5,001,000	645,360	404,450	-	1,553,895	380,000	-	7,984,705
Disposals	-	-	-	-	-	-	(230,000)	(230,000)
Balance as at June 30, 2025	18,181,000	16,106,369	3,314,805	2,895,000	3,900,987	380,000	-	44,778,161

ACCUMULATED DEPRECIATION

Balance as at July 01, 2023	8,336,742	1,189,071	-	968,700	-	-	-	10,494,513
Charge for the year	356,213	344,257	579,000	137,839	-	-	-	1,417,309
On disposals	-	-	-	-	-	-	-	-
Balance as at June 30, 2024	8,692,955	1,533,328	579,000	1,106,539	-	-	-	11,911,826
Balance as at July 01, 2024	8,692,955	1,533,328	579,000	1,106,539	-	-	-	11,911,826
Charge for the year	338,491	317,353	463,200	132,599	10,827	-	-	1,262,470
Balance as at June 30, 2025	9,031,446	1,850,681	1,042,200	1,239,138	10,827	-	-	13,174,296

Written Down Value as at

June 30, 2024	13,180,000	6,768,054	1,377,027	2,316,000	1,240,549	-	230,000	25,111,630
June 30, 2025	18,181,000	7,074,923	1,464,124	1,852,800	2,661,849	369,173	-	31,603,869

Rate of Depreciation in %

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MARKAZ ISLAH DARUL AYTAM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	NOTE	2025 Rupees	2024 Rupees
5 ADVANCES DEPOSITS AND OTHER RECEIVABLES			
Advance to staff		807,604	584,692
Advance Al Islah Islamabad		36,398	36,398
Advance for expenses		11,803	-
AIC Islamabad		500,000	-
DEPOSITS			
BISE Mardan		40,000	40,000
Wapda		87,000	87,000
PTCL		6,000	6,000
SNGPL		339,529	339,529
		1,828,334	1,093,619
6 LOAN TO CHAIRMAN			
Loan to chairman		447,448	542,440
6.1	This represents an interest-free and unsecured loan to the chairman. The loan is repayable at the discretion of the director.		
7 CASH AND BANK BALANCES			
Cash in hand		21,988	28,364
Cash at banks:			
Current accounts		7,901,860	2,185,495
		7,923,848	2,213,859
8 CREDITORS			
Abu waqar		-	9,000
Abu Bakkar Sanitary Store			2,010
Muzzaffar Milk		-	44,000
Nabeel		-	2,025,000
Masood canteen (Pocket Money)		69,917	52,202
Mardan Cables		20,000	20,000
AJ Ghrapics		-	44,000
Ajmal Dry Fruits		17,000	17,000
Pixels plex Ali shah		-	2,720
FZ Enterprises		1,211,919	-
Tariq store		-	121,667
		1,318,836	2,337,599

MARKAZ ISLAH DARUL AYTAM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	NOTE	2025 Rupees	2024 Rupees
9 ACCRUALS AND OTHER LIABILITIES			
Salaries payable		84,137	20,620
WHT payable		29,101	-
Income Tax payable		-	192,710
Audit fee payable		105,000	-
Staff security		165,804	159,304
Other liabilities		39,739	-
		423,781	372,634
10 CONTINGENCIES AND COMMITMENTS			
There are no contingencies and commitments as at June 30, 2025 (2024: Nil).			
11 LOCAL DONATION & OTHER RECEIPT			
Corporate	11.1	5,965,666	6,133,745
General Donations		39,854,796	28,888,913
Donations in kind	11.2	4,119,800	4,823,150
		49,940,262	39,845,808
11.1 Corporate			
Khyber tobacco company limited		2,800,000	2,400,000
Meesaq school		24,000	24,000
Iqra School		2,400	5,500
Suzuki showroom		108,000	216,000
STC		360,000	360,000
Services Public School		22,000	20,000
Human Foundation		360,000	330,000
Askari Bank		-	1,000,000
ZTBL		1,039,266	1,358,245
kKhalil Foundation		-	120,000
DD Global		1,250,000	300,000
		5,965,666	6,133,745
11.2 Donation in kind			
House Keeping Supplies		34,000	-
Food Items		1,147,060	3,161,390
Clothing		621,100	659,260
Furniture and fixture		86,000	-
Others		2,231,640	1,002,500
		4,119,800	4,823,150
12 OTHER INCOME			
Sale of scrap		63,850	114,830
Rent		48,350	18,500
Other		10,601	1,104,041
Liabilities written off		40,437	-
		163,238	1,237,371

MARKAZ ISLAH DARUL AYTAM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

13 OPERATING EXPENSES

NOTE	2025 Rupees	2024 Rupees
Salaries and other benefits	6,777,763	5,392,911
Educational expenses	3,932,232	4,306,708
Qurbani expenses	524,190	483,350
First Aid/Medicine	198,195	172,854
Food & Kitchen supplies	11,296,785	12,643,859
Fuel charges	391,620	287,706
Repair and maintenance	1,547,552	1,031,221
Printing and stationary	141,336	105,462
House Keeping supplies	648,672	252,800
Office supplies	19,378	49,868
Students pocket money	680,037	484,710
Promotional expenses	574,638	1,005,302
Utilities	3,282,860	2,829,127
Postage and news paper	24,270	39,530
Travelling and transportation	2,073,003	3,261,495
Fee and professional charges	123,599	198,305
Functions and gatherings	548,963	205,890
Clothes and shoes	1,171,345	804,940
Sports supplies	21,450	47,455
Relief Activity	269,395	882,246
Entertainment	296,797	360,032
Auditor remuneration	13.1	105,000
Gaming and cleaning		69,390
Loss on sale of biological asset		110,736
Professional charges		130,000
Income Tax expense		-
Miscellaneous		202,000
Depreciation		-
		32,700
		162,332
		42,700
		1,262,470
		1,417,309
	36,273,272	36,651,216

13.1 Auditor remuneration include statutory audit fee only

14 FINANCE CHARGES

Bank charges	20,661	32,869
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15 RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of associated companies, directors and key management personnel. The company in the normal course of business carries out transactions with various related parties unless specifically mentioned. The company enters into transactions with related parties on arm's length basis. Significant transactions and balances with related parties are as follows:

15.1. Transactions with related parties:

Name of the Party	Relationship with the Company	Basis of Relationship	Nature of Transaction / Balance	2025 Rupees	2024 Rupees
Inayat ur rehman	Director	Chairman	Loan to chairman	(5,008)	542,440
Inayat ur rehman	Director	Chairman	Loan paid on behalf of the entity	100,000	-
15.2. Receivable Balance with related parties					
Inayat ur rehman	Director	Chairman	Loan to chairman	447,448	542,440

16 NUMBER OF EMPLOYEES

Total number of persons employed as at year end are 19 (2024:22).

Average number of persons employed during the year were 20 (2024:21).

17 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been authorized for issue by the Council of Executive

21 AUG 2025

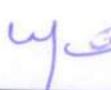
18 GENERAL

- Figures have been rounded off to the nearest rupee.
- Figures of the previous year has been rearranged and reclassified for the purpose of comparison.



CHAIRMAN

CHAIRMAN
Markaz Islah
Darul Aytam
Sheikh Maltoon Town Mardan



GENERAL SECRETARY

General Secretary
Markaz Islah
Darul Aytam
Sheikh Maltoon Town Mardan