



RAHMA
Islamic Relief

AUDITED FINANCIAL STATEMENTS

For the year ended 30 June 2025

Offices in Karachi and Lahore

Pakistan representative of **Clarkson Hyde Global**
Global Association of Auditors Accountants,
Tax Specialists and Business Advisor

INDEPENDENT AUDITOR'S REPORT

To The Members of Rahma Islamic Relief

Report On the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Rahma Islamic Relief (the Trust), which comprise the statement of financial position as at 30 June 2025, and the statement of income and expenditure account, the statement of changes in net assets, the statement of comprehensive income, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies, other 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 purpose of the audit.

In our opinion and to the best of our information and according to the explanation given to us, the statement of financial position, statement of income and expenditure account, the statement of changes in net assets and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, in the manner so required and respectively give a true and fair view of the state of the Trust's affairs as at 30 June 2025 and of the surplus and the statement of changes in net assets and its cash flows for the year 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 statement 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 Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the accounting and reporting standard as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Boards of trustees are responsible for overseeing the Trust's financial reporting process.

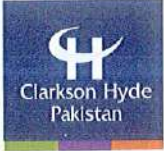
Auditor's Responsibilities for the Audit of the Financial Statements

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 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 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 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 the board of 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.



Clarkson Hyde Saud Ansari
Chartered Accountants

Rahma Islamic Relief
Independent Auditor's Report
For the year ended 30 June 2025

Other Matter

Prior Year Financial Statements Audited by Predecessor Auditor

The financial statements of the Trust for the year ended 30 June 2024 were audited by M/s Parker Russell A.J.S Chartered Accountants whose report dated 26 December 2024 expressed an unmodified opinion.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Azeem Mehmood**.

Clarkson Hyde Saud Ansari

Clarkson Hyde Saud Ansari
Chartered Accountants
Islamabad

Date: 7 NOV 2025

UDIN: AR202410803ugYh4enUb

RAHMA ISLAMIC RELIEF

(Nationally registered trust in Pakistan)

Statement of Financial Position

As at 30 June 2025



		30-Jun 2025	Restated 30-Jun 2024
	Note	----- Rupees -----	
ASSETS			
Non-Current Assets			
Property and equipment	5	104,620,648	113,734,543
Intangibles	6	243,155	283,681
Capital work-in-progress	7	-	-
		104,863,803	114,018,224
Current Assets			
Accounts receivable	8	8,439,920	5,198,592
Loans, advances and deposits	9	2,096,872	4,544,552
Advance tax- net	10	1,344,665	861,070
Short term investment	11	3,923,609	3,115,787
Cash and bank balances	12	40,346,075	60,590,273
		56,151,141	74,310,274
TOTAL ASSETS		161,014,944	188,328,498
FUNDS AND LIABILITIES			
FUNDS			
Un-restricted fund		3,514,512	3,438,278
Endowment fund		9,825,000	9,825,000
		13,339,512	13,263,278
Non- Current Liabilities			
Deferred capital grants	14	81,305,565	89,924,408
Deferred tax liability	15	-	-
		81,305,565	89,924,408
Current Liabilities			
Deferred grants	13	59,166,097	82,043,471
Creditors	16	476,526	145,959
Accrued and other liabilities	17	6,727,243	2,951,381
		66,369,866	85,140,811
TOTAL FUNDS AND LIABILITIES		161,014,944	188,328,498
CONTINGENCIES AND COMMITMENTS	18	-	-

The annexed notes from 1 to 30 form an integral part to these financial statements.

CHAIRMAN


SECRETARY FINANCE

RAHMA ISLAMIC RELIEF

(Nationally registered trust in Pakistan)


Statement of Income and Expenditure
 For the year ended 30 June 2025

	Note	30-Jun 2025			30-Jun 2024			Restated Total
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total	
		Rupees			Rupees			
INCOME								
Grants recognized	19	144,136,971	-	144,136,971	86,587,371	-	86,587,371	
Operational income	20	-	16,888,770	16,888,770	-	14,834,210	14,834,210	
Donations	21	-	4,823,495	4,823,495	-	3,080,337	3,080,337	
Amortization of deferred capital grants	14	8,990,603	-	8,990,603	9,535,141	-	9,535,141	
Finance Income	22	-	3,435,490	3,435,490	-	2,542,240	2,542,240	
		153,127,574	25,147,754	178,275,328	96,122,512	20,456,787	116,579,299	
EXPENDITURE								
Programme expenses	23	(144,136,971)	(16,888,770)	(161,025,741)	(86,587,371)	(14,834,210)	(101,421,581)	
Depreciation on restricted assets	5.2	(8,950,077)	-	(8,950,077)	(9,494,616)	-	(9,494,616)	
Amortization on restricted assets	6.2	(40,526)	-	(40,526)	(40,526)	-	(40,526)	
Provision for receivable from donors		-	-	-	-	(24,601,078)	(24,601,078)	
Administrative expenses	24	-	(8,182,750)	(8,182,750)	-	(4,833,130)	(4,833,130)	
		(153,127,574)	(25,071,520)	(178,199,094)	(96,122,512)	(44,268,418)	(140,390,931)	
Surplus/ (deficit) for the year		-	76,234	76,234	-	(23,811,632)	(23,811,632)	

The annexed notes from 1 to 30 form an integral part to these financial statements.

 CHAIRMAN


 SECRETARY FINANCE

RAHMA ISLAMIC RELIEF

(Nationally registered trust in Pakistan)

Statement of Comprehensive Income

For the year ended 30 June 2025



RAHMA
Islamic Relief

	30-Jun 2025	30-Jun 2024
	----- Rupees -----	
Surplus/ (deficit) for the year	76,234	(23,811,632)
Other comprehensive income	-	-
Total comprehensive income for the year	76,234	(23,811,632)

The annexed notes from 1 to 30 form an integral part to these financial statements.


CHAIRMAN




SECRETARY FINANCE

RAHMA ISLAMIC RELIEF

(Nationally registered trust in Pakistan)

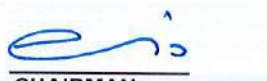
Statement of Cash flows

For the year ended 30 June 2025




		30-Jun 2025	Restated 30-Jun 2024
		Rupees	
Cash flows from operating activities			
Surplus/ (deficit) for the year		76,234	(23,811,632)
Adjustment for non-cash and other items:			
- Depreciation	5.3	10,243,935	10,516,255
- Amortization	6	40,526	40,526
- Liability written off	13	(1,260,000)	-
- Provision for receivables from donars		-	24,601,078
- Funds received during the year	13.1	122,891,357	112,151,156
- Funds amortized during the year		(153,127,574)	(94,862,513)
Cash flows before working capital changes		(21,135,522)	28,634,869
Working capital changes			
(Increases)/decreases in current assets			
Accounts receivables	8	(3,241,328)	(1,999,732)
Loan, advances and deposits	9	2,447,680	(3,098,180)
Increase/(decrease) in current liabilities			
Creditors	16	330,567	(6,015,635)
Accrued and other liabilities	14	3,775,862	(5,932,030)
Net cash generated from / (used in) operating activities		3,312,781	(17,045,577)
Cash generated from/ (used in) operations		(17,822,740)	11,589,293
Income tax paid		(483,595)	(318,708)
Net cash generated from (used in) operating activities		(18,306,335)	11,270,585
Cash flows from investing activities			
Acquisition of property and equipment	5	(1,130,041)	(562,987)
Capital work in progress	7	-	(709,880)
Short term investment	11	(807,823)	(734,474)
Net cash used in investing activities		(1,937,864)	(2,007,341)
Cash flows from financing activities			
Net increase in cash and cash equivalent		(20,244,199)	9,263,244
Cash and cash equivalents brought forward		60,590,273	51,327,027
Cash and cash equivalent at the end of the year		40,346,075	60,590,273

The annexed notes from 1 to 30 form an integral part to these financial statements.


CHAIRMAN




SECRETARY FINANCE

RAHMA ISLAMIC RELIEF

(Nationally registered trust in Pakistan)

Statement of Changes in Net Assets

For the year ended 30 June 2025



Particulars	Restated		Total
	Unrestricted Fund	Endowment Fund	
----- Rupees -----			
Balance as at 1 July 2023	27,249,910	9,825,000	37,074,910
Deficit for the year	(23,811,632)	-	(23,811,632)
Other comprehensive income	-	-	-
Total comprehensive income for the year	(23,811,632)	-	(23,811,632)
Balance as at 30 June 2024	3,438,278	9,825,000	13,263,278
Balance as at 1 July 2024	3,438,278	9,825,000	13,263,278
Surplus for the year	76,234	-	76,234
Other comprehensive income	-	-	-
Total comprehensive income for the year	76,234	-	76,234
Balance as at 30 June 2025	3,514,512	9,825,000	13,339,512

The annexed notes from 1 to 30 form an integral part to these financial statements.


 CHAIRMAN


 SECRETARY FINANCE

RAHMA ISLAMIC RELIEF

(Nationally registered trust in Pakistan)

Notes to the Financial Statements

For the year ended 30 June 2025



1 STATUS AND NATURE OF BUSINESS

Rahma Islamic Relief is a non-government and non-profit organization, founded in August 2009 as a Trust (registration number 1629) under the repealed (Registered under the Trust Act (II) of 1882 (now Charities Registration, Regulations and Facilitation Act, 2021).

The registered office of the Rahma Islamic relief is located at House no. 817 Ammar Chowk, Chaklala Scheme III, Rawalpindi.

Location	Address	Purpose
Rawalpindi	House no. 817 Ammar Chowk, Chaklala Scheme III Rawalpindi	Head office

1.1 Management

The member of board of the trust include the following persons :

a) Mr. Muhammad Saghir	Chairman/ CEO
b) Mr. Tahir Chaudary	Vice Chairman
c) Mr. Somyia Akram	Vice Chairperson
d) Mr. Afzaal Ahmad	General Secretary
e) Mr. Umer Hayat Khan	Finance Secretary
f) Ms. Momina Khan	Member
g) Mr. Riaz Ahmed	Member

1.2 Projects executed by the organization

Names and details of projects and respective donors

Project names and details

Rahma Hospital Janpur

Total grants/ donations: Rs. 9,196,794

Period covered: 01 July, 2024 to 30 June, 2025

Access to quality healthcare, both preventive and curative, remains a significant challenge in Pakistan. Non-communicable diseases alone account for approximately 50.5% of all deaths in the country. Women and children are particularly affected due to the limited availability of quality healthcare services, especially in remote and underserved rural areas.

Rahma Islamic Relief (RIR) is committed to improving access to timely and quality healthcare for demographically remote and economically disadvantaged communities, aiming to reduce health disparities and enhance overall well-being.

Rahma Hospital khuiratta

Total grants/ donations: Rs. 1,179,646

Period covered: 01 July, 2024 to 30 June, 2025

Many women in Pakistan lose their lives due to preventable complications during pregnancy and childbirth, while access to essential newborn care remains limited in several regions of the country.

Rahma Islamic Relief (RIR) is dedicated to improving access to quality and timely maternal, neonatal, and general healthcare services for demographically remote and economically disadvantaged communities, ensuring better health outcomes for mothers and children.

RAHMA ISLAMIC RELIEF

(Nationally registered trust in Pakistan)

Notes to the Financial Statements

For the year ended 30 June 2025



Project names and details

Rahma Model School - RYK

Total grants/ donations: Rs. 2,437,430

Period covered: 01 July, 2024 to 30 June, 2025

Girls' education remains one of the most pressing and long-standing needs in the rural areas of Rahim Yar Khan. At present, there is no institution in the vicinity of Gul Muhammad Langah that offers quality education specifically for girls. As a result, those who wish to study are often compelled to enroll in boys' schools—provided their parents permit it—while many others are left without access to education altogether.

The Education & Sports Complex, an initiative by Rahma Islamic Relief (RAHMA), aims not only to bridge this educational gap but also to foster the holistic development of children by promoting physical well-being and healthy minds through sports and recreational activities.

Rahma Model School - RAWAT

Total grants. donations: Rs. 2,464,499

Period covered: 01 July, 2024 to 30 June, 2025

A large proportion of Out-of-School Children (OOSC) in Pakistan come from the poorest, most marginalized, and socially excluded communities—many of whom cannot afford formal education. It is estimated that around 15,000 children in the Rawalpindi/Islamabad region belong to such disadvantaged groups and remain out of school.

To address this critical issue, Rahma Islamic Relief (RAHMA) began providing education to these children in 2012, starting with a small school established for children who could not afford schooling near the Rawalpindi Railway Station. What began as a humble initiative in a small hut later evolved into a permanent institution—RAHMA successfully constructed and inaugurated its first dedicated school for marginalized children in 2019, marking a major step toward inclusive and equitable education.

1.3 Certification

Rahma Islamic Relief is certified by Pakistan Center for Philanthropy (PCP) for good practices in governance, financial management and programme delivery.

1.4 MOU with Economic Affairs Division

Memorandum of Understanding (MoU) between the Government of the Islamic Republic of Pakistan and Rahma Islamic Relief was originally signed on January 21, 2021, for a period up to January 19, 2023. The MoU has since been renewed on a lifetime basis and remains valid indefinitely.

1.5 Membership/ Affiliation

Rahma Islamic Relief is a member of several international networks and forums, including the Stop TB Partnership and the Union of NGOs of the Islamic World (UNIW).

It operates as a national-level non-profit organization (NPO) in Pakistan, inspired by the principles of Islamic charity and humanitarian service. The organization is dedicated to improving the quality of life of people across the country—irrespective of gender, caste, color, religion, or political affiliation—through its diverse social welfare and development initiatives.

1.6 Nature of activity

The primary aims and objectives of the Trust include the promotion and advancement of education, research, special education, religious education, social infrastructure development, human resource development, rural support programs, health services, charitable initiatives, and sports activities.

RAHMA ISLAMIC RELIEF

(Nationally registered trust in Pakistan)

Notes to the Financial Statements

For the year ended 30 June 2025



The Trust is actively engaged in a diverse range of projects, including healthcare services, education, educational sponsorships for orphans, WASH (Water, Sanitation, and Hygiene) initiatives, as well as seasonal support and emergency relief programs, all aimed at improving the quality of life for underprivileged and marginalized communities.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) for Small and Medium Entities (SMEs) issued by the Institute of Chartered Accounts of Pakistan, and
- Accounting Standards for Not for profit organizations (Accounting Standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of Measurement

These financial statement have been prepared under the historical cost convention.

2.3 Functional and presentation currency

These financial statements are prepared in Pakistan Rupees which is the functional and presentation currency of the Trust. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to address the management's judgements, estimates and assumptions that affect the application of trust's accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates 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 revisions affects both current and future periods.

2.4.1 Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Allowance for impairment of trade debts

2.4.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- | | |
|--|---------|
| i) Useful lives and residual values of property and equipment | 3.1 |
| ii) Financial instruments | 3.3 |
| iii) Nature, timing and and satisfaction of performance obligation | 3.4 |
| a) Income | 3.4 (a) |
| b) Deferred grant (not being government grant) | 3.4 (b) |
| c) Deferred capital grant | 3.4 (c) |
| iv) Taxation | 3.5 |

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property and equipment**Owned*****(i) Recognition and measurement***

Items of property and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment, if any, except for freehold land, building which is carried at revalued amount less accumulated depreciation and accumulated impairment loss, if any.

Freehold land, building excluding vehicles and furniture are recognised at historical cost.

Cost comprises of purchase price and other directly attributable costs less refundable taxes. The cost of self-constructed assets includes the cost of materials and direct labor, and any other costs directly attributable to bringing the assets to a working condition for their intended use. The completed or / acquired capital work in progress and advance for capital expenditure is transferred to the respective item of operating fixed assets when it becomes available for intended use.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

Subsequent costs are included in the asset's carrying amounts and or recognized as separate assets, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably.

(iii) Derecognition

An asset upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

(iv) Depreciation

Depreciation is provided on straight-line method and charged to statement of income and expenditure so as to write off the assets over their expected useful lives. Depreciation is charged on additions in the month from which they become available for use, while no depreciation is charged in the month in which assets are disposed off.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Trust's estimate of residual value of the assets as at 30 June 2025 did not require any adjustment and is in line with the industry practices.

3.2 Financial instruments**3.2.1 Classification**

The Trust classifies its financial instruments on initial recognition: at amortized cost, at fair value through profit or loss (FVTPL) and at cost less impairment.

(a) At amortized cost

A financial instrument is measured at amortized cost if the debt instrument satisfies all the conditions such that:

- returns to the holder in the currency in which the debt instrument is denominated as either a fixed amount or fixed rate of return or variable rate of return,

- there is no contractual provision that results in the holder in losing the principal or interest amount and
- there are no exceptional returns or repayments nor require the holder or issuer of the instrument to prepay the debt before maturity are not contingent on future events.

(b) At fair value through profit and loss

A financial instrument is measured at fair value through profit and loss if investments in non-convertible preference shares and non-puttable ordinary or preference shares are publicly traded or their fair values can otherwise be measured reliably without undue cost or effort.

(c) At cost less impairment

A financial instrument is measured at cost less impairment if it is not measured at fair value through profit and loss and the commitment to receive a loan that cannot be settled net in cash.

3.2.2 Initial recognition and measurement

The Trust initially recognizes accounts receivables, loan, advances and other deposits, creditors and accrued and other liabilities when they are originated. All other financial assets and financial liabilities are initially recognized when the Trust becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs are directly attributable to its acquisition or issue. Trade receivables and trade creditors are recorded at the transaction price.

3.2.3 Subsequent measurement

(a) Financial assets and liabilities measured at cost less impairment

These assets and liabilities are subsequently measured at cost less accumulated impairment losses.

Interest / markup income or expense and impairment losses arising from such financial assets and liabilities are recognized in the profit and loss account.

(b) Financial assets and liabilities measured at amortized cost

These assets and liabilities are subsequently measured at amortized cost (determined using the effective interest method) less accumulated losses.

Interest / markup income or expense and impairment losses arising from such financial assets and liabilities are recognized in the profit and loss account.

(c) Financial assets and liabilities measured at FVTPL

These financial instruments are subsequently recognized at fair value where the fair value of the instrument can still be reliably be measured.

Net gains or losses arising from remeasurement of such financial instruments as well as any interest income or interest expense accruing thereon during the year are recognized in the profit and loss account.

Significant changes occurring in the fair value of these assets subsequent to the date of statement of financial position is considered as a non-adjusting event and is recognized in the financial statements in the period in which such changes occur.

3.2.4 Impairment

The Trust's financial assets measured at cost or amortized cost are subject to the impairment requirements of Section 11 of IFRS for SME's.

The Trust recognizes an impairment for such assets when observable data or information comes to the attention of the Trust regarding loss events.

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(Nationally registered trust in Pakistan)

Notes to the Financial Statements

For the year ended 30 June 2025



The Trust recognizes the impairment as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest method rate for financial assets measured at amortized cost while the Trust recognizes the impairment as the difference between the asset's cost and the best estimate of the amount that the entity would receive if the asset were to be sold at the reporting date for financial assets measured at cost.

3.2.5 Fair Values

The fair value of the financial assets is estimated using the best evidence of the fair value of an identical asset (or similar asset) quoted in the relevant active market which is considered the current bid price of that asset.

Currently, the Trust has no financial assets or financial liability recognised or classified as fair value through profit and loss.

3.2.6 Derecognition

The Trust derecognizes its financial assets when the contractual rights to the cash flows from the financial assets expire or are settled or the Trust transfers the substantial risks and rewards of the ownership to another party.

The Trust derecognizes its financial liabilities (or part of a financial liability) only when it is extinguished that is when the obligation is discharged through off-setting of financial asset against it or when it is cancelled or expires under a specified contract.

3.3 Nature, timing and satisfaction of performance obligation

(a) Income Recognition

Income from schools and hospitals is recognised when or as performance obligations are satisfied by transferring control of a promised service over time at an amount that reflects the consideration to which the Trust expects to be entitled in exchange for those services.

Income on bank deposits is accrued using the effective interest rate method.

(b) Deferred grant (not being government grant)

Donor-funded grants received for specific operational activities such as education programs, healthcare services, and other welfare initiatives are classified as Deferred Revenue Grants until the related expenditure is incurred.

These grants are recognized as income to the extent of actual expenditure incurred on the funded projects or activities, in accordance with donor-imposed conditions.

Any portion of the grant:

- which remains unutilized at year end is presented as deferred grant in the statement of Financial position
- which is utilized during the year is transferred to income in the statement of Income and Expenditure.

Grant receivable is recorded only when the Trust has incurred eligible expenditure in accordance with donor conditions and such funds are committed under the grant agreement.

(c) Deferred capital grant

Donations and grants received for the acquisition, construction, or improvement of depreciable capital assets (such as buildings, hospital and school equipment, furniture, vehicles, etc.) are classified as Deferred Capital Grants.

These deferred grants are recognized as income over the useful lives of the related assets, on a systematic basis consistent with the depreciation charge of those assets.

In case of disposal or impairment of a donor-funded capital asset, the unamortized balance of the deferred capital grant is transferred to income in the period of disposal or impairment.

Grants received for non-depreciable assets such as land are recognized as income when the asset is acquired, unless

RAHMA ISLAMIC RELIEF

(Nationally registered trust in Pakistan)

Notes to the Financial Statements

For the year ended 30 June 2025



specific donor conditions require deferral.

3.4 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in income and expenditure except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. In accordance with section 100C of the Income Tax Ordinance, 2001 (the Ordinance), the Society is allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final tax payable, under any of the provisions of the Ordinance, subject to conditions as outlined in section 100C. Accordingly, no provision for tax has been recognized in the financial statements of the trust.

4 Summary of other accounting policies

4.1 Intangibles and amortization

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged using the straight-line method over the estimated useful lives of the assets, starting from the month the asset is available for use and discontinued in the month of disposal. Gains or losses on derecognition are recognized in the statement of income. Expenditure on maintenance is expensed as incurred, while costs that enhance future economic benefits are capitalized.

4.3 Cash and cash equivalent

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand and deposits with banks in current and savings accounts.

4.4 Donation-in-kind

Donations-in-kind received has been valued and recorded at their estimated fair value as provided by the donor or in absence of donor's valuation, at wholesale values estimated by the organization. at the time the goods are received from the donor.

4.5 Transactions with related parties

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions unless stated otherwise.

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5 Property and equipment

Property and equipment- Unrestricted	
Property and equipment- Restricted	

Owned

Cost:

As at 1 July 2023
Additions during the year
Balance as on 30 June 2024

As at 1 July 2024
Additions during the year
Balance as on 30 June 2025

Accumulated depreciation

As at 1 July 2023
Charge for the period
Balance as on 30 June 2024

As at 1 July 2024
Charge for the period
Balance as on 30 June 2025

Carrying Amounts

As at 30 June 2024

As at 30 June 2025

Rate of Depreciation

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Notes to the Financial Statements For the year ended 30 June 2025

5.2 Property and equipment- Restricted

	Owned						Total
	Computer and Hardware	Land	Furniture and Fixtures	Vehicle	Medical equipments	Building	Office Equipments
----- Rupees -----							
Cost:							
As at 1 July 2023	2,344,687	13,825,000	4,320,905	10,589,435	13,575,737	102,674,293	7,834,499
Additions during the year	-	-	44,505	-	276,590	-	40,500
Transfer during the year	-	-	-	-	-	1,897,162	-
Balance as on 30 June 2024	2,344,687	13,825,000	4,365,410	10,589,435	13,852,327	104,571,455	7,874,999
As at 1 July 2024	2,344,687	13,825,000	4,365,410	10,589,435	13,852,327	104,571,455	7,874,999
Additions during the year	-	-	209,260	-	-	-	162,500
Balance as on 30 June 2025	2,344,687	13,825,000	4,574,670	10,589,435	13,852,327	104,571,455	8,037,499
Accumulated depreciation							
As at 1 July 2023	1,961,732	-	2,365,365	8,412,565	12,126,662	26,314,623	5,209,862
Charge for the period	274,319	-	348,859	791,249	375,659	7,058,745	645,785
Balance as on 30 June 2024	2,236,051	-	2,714,224	9,203,814	12,502,321	33,373,368	5,855,647
As at 1 July 2024	2,236,051	-	2,714,224	9,203,814	12,502,321	33,373,368	5,855,647
Charge for the period	108,636	-	443,763	1,059,234	1,321,439	5,229,289	787,716
Balance as on 30 June 2025	2,344,687	-	3,157,987	10,263,048	13,823,760	38,602,657	6,643,363
Carrying Amounts							
As at 30 June 2024	108,636	13,825,000	1,651,186	1,385,621	1,350,006	71,198,087	2,019,352
As at 30 June 2025	-	13,825,000	1,416,683	326,387	28,567	65,968,798	1,394,136
Rate of Depreciation	30%	0%	15%	15%	20%	5%	15%

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Notes to the Financial Statements

For the year ended 30 June 2025



	Note	2025	2024
		----- Rupees -----	
5.3 Depreciation charge for the year			
Property and equipment		10,243,935	10,516,255
		<u>10,243,935</u>	<u>10,516,255</u>
5.4 Depreciation charged for the year has been allocated to:			
Administrative expenses	24	1,293,858	1,021,639
Depreciation on restricted assets	5.2	8,950,077	9,494,616
		<u>10,243,935</u>	<u>10,516,255</u>

5.2 Depreciation on Restricted Assets

Restricted assets represent property and equipment acquired out of restricted project funds or specific-purpose grants, such as those related to schools, hospitals, or other donor-funded projects.

Depreciation on these restricted assets is charged on a straight-line basis over the estimated useful lives of the respective assets. The related depreciation expense is recognized within the restricted funds in the statement of income and expenditure, consistent with the purpose of the original grant.

	Note	2025	2024
		----- Rupees -----	
6 INTANGIBLES- RESTRICTED			
Cost			
Opening balance as at 1 July		405,258	405,258
Additions		-	-
Disposals		-	-
Closing balance as at 30 June		<u>405,258</u>	<u>405,258</u>
Accumulated amortization			
Opening balance as at 1 July		(121,577)	(81,052)
Amortization during the year	6.1	(40,526)	(40,526)
Closing balance as at 30 June		<u>(162,103)</u>	<u>(121,577)</u>
Carrying value			
Cost		405,258	405,258
Accumulated amortization		(162,103)	(121,577)
Balance as at June 30, 2024		<u>243,155</u>	<u>283,681</u>
Amortization rate		<u>10%</u>	<u>10%</u>

6.1 Amortization of Restricted Intangible Asset

Amortization is charged on the Management Information System (MIS), which has been developed from restricted project funds for use in the Trust's schools and hospitals. The amortization is calculated on a systematic basis using the straight-line method over the estimated useful life of five years. The related expense is charged to the statement of income and expenditure within restricted funds.

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For the year ended 30 June 2025



	2025	2024
	----- Rupees -----	
7 CAPITAL WORK IN PROGRESS		
Opening balance as at 1 July	-	1,187,282
Additions during the year	-	709,880
Transfer to property and equipment	-	(1,897,162)
Closing balance as at 30 June	-	-
7.1 Additions during the year		
Civil work for Quran house	-	709,880
	-	709,880
7.2 Capital work in progress represents funds used from donor grants, hence, is part of deferred capital grants.		
	Note	
	2025	2024
	----- Rupees -----	
8 ACCOUNTS RECEIVABLE		
Fee receivable from schools	8.1	2,040,446
Receivable against expenses		28,106
Funds receivable from donors	8.2	6,371,368
		8,439,920
8.1 Movement in the balance is as follows:		
Opening balance as at 1 July		1,351,583
Services rendered during the year		7,580,025
Collection during the year		(6,337,392)
Provision for bad debts		(553,770)
Closing balance as at 30 June		2,040,446
8.2 Movement in the balance is as follows:		
Opening balance as at 1 July		3,808,000
Services rendered during the year		6,371,368
Collection during the year		(3,808,000)
Provision for bad debts		-
Closing balance as at 30 June		6,371,368
9 LOANS, ADVANCES AND DEPOSITS		Restated
Advances to employees against salary		-
Advances against project expenses		625,828
Advances to suppliers		1,050,000
Security deposit		5,000
Loan to employees	9.1	416,044
		2,096,872
9.1 Loan against salary represents the amount provided to employees for personal or domestic purposes, which is recoverable in monthly installments through salary deductions.		
	2025	2024
	----- Rupees -----	
10 ADVANCE TAX- NET		Restated
Balance as at 01 July		861,070
Income tax withheld during the year		483,595
		1,344,665

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Notes to the Financial Statements

For the year ended 30 June 2025



	Note	2025	2024
		----- Rupees -----	
Refundable Income Tax includes,			
Tax u/s 151		398,370	262,272
Tax u/s 236		2,237	-
Tax u/s 150		82,988	56,436
		483,595	318,708
11 SHORT TERM INVESTMENT			
National Investment Trust	11.1	1,554,197	971,974
Al- Meezan Investment Management limited	11.2	2,369,412	2,143,813
		3,923,609	3,115,787
11.1 Movement in the balance is as follows:			
Opening balance as at 1 July		971,974	552,223
Charged to income and expenditure			
- Reinvestment of dividends		43,388	27,540
- Withholding tax		(13,016)	(11,036)
- Zakat		(2,832)	(2,832)
- Remeasurement gain		554,683	406,079
		582,224	419,751
Closing balance as at 30 June	11.1.1	1,554,197	971,974
11.1.1 The Trust has invested in the National Investment trust, which comprised of 11,542 units at a rate of Rs. 135 per unit amounting to Rs. 1,554,196 at year end (2024: 11,328 units at Rs. 85.8 per unit amounting to Rs. 971,974).			
	Note	2025	2024
		----- Rupees -----	
11.2 Movement in the balance is as follows:			
Opening balance as at 1 July		2,143,813	1,818,198
Charged to income and expenditure			
- Reinvestment of dividends		279,889	376,239
- Adjustment		919	-
- Withholding tax on dividend		(69,972)	(56,436)
- Refund of capital		12	-
- Remeasurement gain		14,751	5,812
		225,599	325,615
Closing balance as at 30 June	11.2.1	2,369,412	2,143,813
11.2.1 The Trust has also invested in the AL- Meezan Investment Management Limited which comprised 46,073 units at a rate of Rs. 51 per unit, amounting to Rs. 2,369,412 at year end (2024: 4,1961 units at Rs. 51 per unit amounting to Rs. 26,873).			
	Note	2025	2024
		----- Rupees -----	
12 CASH AND BANK BALANCES			
Cash at bank			
- Current account-local currency		14,899,090	18,753,448
- Saving accounts-local currency	12.1	25,418,300	41,808,714

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Notes to the Financial Statements

For the year ended 30 June 2025



	Note	2025	2024
		----- Rupees -----	
- USD account- foreign currency	12.2	28,684	28,110
		40,346,075	60,590,273

12.1 The Trust maintains saving accounts with Faysal Bank Limited which carry profit rates ranging from 8% to 12% per annum (2024: 9% to 13%).

12.2 This represents a foreign currency (USD) account maintained with Faysal Bank, having a balance of USD 101. The balance has been translated at the year-end exchange rate for financial reporting purposes. The account remains dormant and is not used for regular transactions.

	Note	2025	2024
		----- Rupees -----	

13 DEFERRED GRANT

Opening balance as at 1 July		82,043,471	55,978,043
Funds received	13.1	122,891,357	111,754,394
Receipts from subsidized fee		16,888,770	14,834,210
Transfer to reserve fund		(1,260,000)	1,260,000
Utilization of receipts from subsidized fee		(16,888,770)	(14,834,210)
Transferred to capital grant		(371,760)	(361,595)
Grant amortized during the year	13.2	(144,136,971)	(86,587,371)
Closing balance as at 30 June		59,166,097	82,043,471

13.1 Movement in the balance is as follows:

	Schools	Hospitals	Quran house	Charity for life	Reconstruction of Houses Flood	Seasonal Activities and others	TOTAL
	----- Rupees -----						
Balance as at June 30, 2023	3,402,802	(202,418)	1,774,771	13,923,366	27,767,435	9,312,085	55,978,041
Opening as at July 1, 2023							
Receipts during the year:							
- Grants	-	7,569,322	-	83,613,912	-	15,040,384	106,223,618
- Donations	587,220	2,059,046	-	-	-	2,359,510	5,005,776
Subsidized fee income	5,379,690	9,454,520	-	-	-	-	14,834,210
Transferred to reserved fund	-	-	-	-	1,260,000	-	1,260,000
Transferred to capital grant	(361,595)	-	-	-	-	-	(361,595)
Subsidized fee utilized	(5,379,690)	(9,454,520)	-	-	-	-	(14,834,210)
Amortized during the year	(9,259,366)	(14,379,433)	-	(28,908,742)	(16,742,387)	(16,772,443)	(86,062,371)
Closing as at June 30, 2024	(5,630,939)	(4,953,483)	1,774,771	68,628,536	12,285,048	9,939,536	82,043,471
Opening as at July 1, 2024							
Receipts during the year:							
- Grants	-	5,850,001	-	81,843,647	-	19,394,181	107,087,829
- Donations	5,001,729	4,526,439	-	-	-	6,275,360	15,803,528
Subsidized fee income	7,506,525	9,382,245	-	-	-	-	16,888,770
Transfer	7,458,326	12,341,745	(1,774,771)	-	(9,763,239)	(8,262,060)	-
Transferred to capital grant	(322,760)	(49,000)	-	-	-	-	(371,760)
Transfer to general donation	-	-	-	-	(1,260,000)	-	(1,260,000)
Subsidized fee utilized	(7,506,525)	(9,382,245)	-	-	-	-	(16,888,770)
Amortized during the year	(10,253,971)	(17,837,917)	-	(88,745,650)	(1,261,809)	(26,037,624)	(144,136,971)
Balance as at June 30, 2025	(3,747,616)	(122,216)	-	61,726,533	-	1,309,393	59,166,097

13.2 Grant amortized during the year represents restricted grants recognized in the Statement of Income and Expenditure. In accordance with the applicable accounting standards, these amounts are recognized as income on a systematic basis, consistent with the recognition of the related expenses.

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Notes to the Financial Statements

For the year ended 30 June 2025



	Note	2025	2024
		----- Rupees -----	
14 DEFERRED CAPITAL GRANT			
Opening balance as at 1 July		89,924,408	99,097,954
Received during the year	14.1	371,760	361,595
- Charged to income and expenditure			
Grant amortized during the year	14.2	(8,990,603)	(9,535,142)
Closing balance as at 30 June		81,305,565	89,924,408
14.1	Grant received during the year represents the value of assets acquired for project-related activities and has accordingly been transferred to capital grants.		
14.2	The grant amortized during the year corresponds to the recognition of income relating to the depreciation expense on restricted assets and the amortization of the associated intangible asset.		
15 DEFERRED TAX LIABILITY			
The management has applied for obtaining 100% tax credit under Section 100C of Income Tax Ordinance, 2001 and is confident that credit shall be granted. Hence, no deferred tax has been recorded in these financial statements.			
		2025	2024
		----- Rupees -----	
16 CREDITOR			
Payable against project expenses		476,526	145,959
		476,526	145,959
17 ACCRUED AND OTHER LIABILITY			
Salaries payable		2,799,051	2,282,976
Withholding tax payable		421,299	166,100
Utilities payable		346,893	349,240
Payable to organizations		3,000,000	-
Audit fee payable		160,000	153,065
		6,727,243	2,951,381
18 CONTINGENCIES AND COMMITMENTS			
There is no contingencies and commitments as at June 30, 2025 (2024 : Nil.)			
	Note	2025	2024
		----- Rupees -----	
19 GRANTS RECOGNIZED			
Restricted grants		144,136,971	86,587,371
20 OPERATIONAL INCOME - UNRESTRICTED			
Rahma hospital Janpur, Rahimyar Khan		8,582,655	8,566,501
Rahma hospital Khuiratta		799,590	888,019
Rahma model school Rawat, Rawalpindi		3,564,565	2,304,530
Rahma model school, GML RYK student contribution		3,941,960	3,075,160
	20.1	16,888,770	14,834,210
20.1	This represents income generated from subsidized fees, received from patients in the case of hospital operations and from students in the case of educational institutions.		

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For the year ended 30 June 2025



	Note	2025	2024
		----- Rupees -----	
21 DONATION - UNRESTRICTED			
General donations		4,823,495	3,080,337
		<u>4,823,495</u>	<u>3,080,337</u>
22 FINANCE INCOME			Restated
Profit on saving accounts		2,541,273	1,748,330
Investment income	11	893,642	793,910
Exchange gain		575	-
		<u>3,435,490</u>	<u>2,542,240</u>
23 PROGRAMME EXPENSES			
Rahma hospital Khuiratta	23.1	5,393,083	5,569,379
Rahma hospital Janpur. Rahimyar Khan	23.2	21,827,079	18,264,574
Rahma model school Rawat, Rawalpindi	23.3	9,558,154	8,278,889
Rahma model school GML RYK	23.4	8,202,342	6,360,167
Project audit fee	23.5	-	525,000
Seasonal activities	23.6	20,133,709	9,105,258
Emergency relief activities	23.7	5,343,915	4,653,650
Water and sanitation	23.8	560,000	3,013,535
Charity for life activities	23.9	88,745,650	28,908,742
Reconstruction of Houses Flood	23.10	1,261,809	16,742,387
		<u>161,025,741</u>	<u>101,421,581</u>
23.1 RAHMA HOSPITAL KHUIRATTA			
Salaries and benefits of project medical staff		3,356,076	3,259,584
Medicine and lab material		561,272	554,444
Monitoring and evaluation		225,140	137,942
Project support cost		900,725	1,081,221
Communication and utilities		67,972	150,693
Postage and courier		9,120	10,020
Services and supplies		134,552	161,375
Fuel and transportation		61,056	141,160
Repairs and maintenance		77,170	45,240
Branding and promotion		-	27,700
		<u>5,393,083</u>	<u>5,569,379</u>
23.2 RAHMA HOSPITAL JANPUR - RAHIMYAR KHAN			
Salaries and benefits of project medical staff		8,456,715	7,946,200
Monitoring and evaluation		22,350	22,140
Medicine and supplies		5,080,884	5,087,006
Project support cost		1,075,993	1,366,097
Communication and utilities		1,773,531	1,816,300
Medical camps, branding and promotion		3,516,750	28,500
Printing and stationery		175,256	284,312
Services and supplies		384,315	408,557
Repairs and maintenance		499,371	422,209
Vehicle insurance		72,880	63,000
Fuel travelling and conveyance		769,034	820,253
		<u>21,827,079</u>	<u>18,264,574</u>

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Notes to the Financial Statements

For the year ended 30 June 2025



Note	2025	2024
	----- Rupees -----	
23.3 RAHMA MODEL SCHOOL RAWAT, RAWALPINDI		
Salaries and benefits of project school staff	5,783,308	4,673,049
Services and supplies	665,564	594,613
Project support cost	973,078	1,093,381
Printing and stationery	140,321	67,345
Miscellaneous	113,412	167,713
Repairs and maintenance	480,382	290,545
Travelling and conveyance	157,945	239,585
Ceremonies and events	145,751	293,255
School bus fuel, maintenance and insurance	825,550	638,530
Communication and utilities	272,843	220,873
	9,558,154	8,278,889
23.4 RAHMA MODEL SCHOOL GML RYK		
Salaries and benefits of project school staff	4,622,774	3,793,487
Services and supplies	873,773	590,584
Project support cost	943,678	1,079,391
Ceremonies and events	323,547	150,328
Communication and utilities	146,582	181,566
Printing and stationery	83,825	64,740
Repairs and maintenance	290,414	196,670
Travelling and conveyance	104,719	92,436
Miscellaneous	259,260	210,965
Provision for bad debts	553,770	-
	8,202,342	6,360,167
23.5 PROJECT AUDIT FEE		
Audit fee	-	525,000
	-	525,000
23.6 SEASONAL ACTIVITIES		
Food distribution in ramadan	605,290	434,338
Fidyah and fitrana distribution	-	100,000
Advertisement and banners printing	95,000	-
Transportation and communication	89,019	-
Qurbani programe	19,221,400	8,440,920
Sadqa aqiqha	123,000	130,000
	20,133,709	9,105,258
23.7 EMERGENCY RELIEF ACTIVITIES		
Relief activities in Pakistan	5,343,915	2,253,650
IRF activities	-	2,400,000
	5,343,915	4,653,650
23.7.1 IMDAD RELIEF ACTIVITIES		
Purchasing of food items	-	2,400,000
	-	2,400,000

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	2025	2024
	----- Rupees -----	
23.8 WATER AND SANITATION		
Hand pumps and RO plants, Tharparkar	-	1,462,385
Hand pumps and RO plants in AJK	160,000	-
Hand pump in Afghanistan	400,000	1,551,150
	560,000	3,013,535
23.9 CHARITY FOR LIFE ACTIVITIES		
Water and sanitation installation of hand pumps and solar water pumps	14,815,001	15,616,072
Emergency and relief activities	3,271,280	2,187,000
Financial aid/ livelihood	1,036,585	808,500
Educational support	3,066,268	989,498
Qurbani project	4,829,071	5,623,158
Ramadan program	5,229,300	2,343,466
Reconstruction of primary school havli AJK	25,170,309	1,341,048
Empowering flood-affected communities: solar and bore water pumps	13,337,000	-
DERF-essential WASH assistance flood affected communities	17,870,836	-
Tree plantation	120,000	-
	88,745,650	28,908,742
23.10 RECONSTRUCTION OF HOUSES FLOOD		
Staff salaries and benefits	90,000	1,658,724
Consultancy fee	415,286	676,238
Civil/ labour work	-	375,585
Purchases of material	-	11,269,715
Communication and utilities	5,000	459,844
Printing and stationery	8,000	59,100
Travelling and lodging	462,155	1,562,634
Miscellaneous	146,200	140,840
Project ceremonies	135,168	539,707
	1,261,809	16,742,387
24 ADMINISTRATIVE EXPENSES		
Staff salaries and benefits	1,730,375	1,217,616
Entertainment expense	402,476	323,769
Office repair and maintenance	752,813	137,000
Auditor's remuneration for audit	160,000	153,065
Legal and professional charges	-	82,500
Communication	181,033	31,440
Consultancy and membership Fee	333,600	350,000
Utilities	721,700	381,442
Office supplies	270,829	233,237
Depreciation	1,293,858	1,021,639
Financial aid	1,273,000	513,951
Property tax	255,018	-
Printing and stationery	112,282	62,780
Travelling expense	539,088	36,570
Subscription fee	100,000	73,649
Exchange loss	-	680
Other expenses	2,832	-
Miscellaneous	53,846	213,792
	8,182,750	4,833,130

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Notes to the Financial Statements

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26 INCOME TAX

The management has applied for 100% tax credit under section 100C of Income Tax Ordinance, 2001, and is confident that exemption shall be granted. Hence, no provision has been made in these financial statements.

27 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies/undertakings, directors as well as their close family members, companies with common directorship, executives and key management personnel. Detail of related parties (with whom the company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Related Party	Basis of relationship	Aggregate % of shareholding
Muammad Saghir Qamar	Chairman/ CEO	N/A
Tahir Chaudary	Board member	N/A
Punjab cash and carry	Common board members	N/A
Read Foundation	Common board members	N/A

27.1 Following are the related parties with whom the Company entered into transactions during the year:

Nature of relationship	Nature of transaction	Note	2025	2024
			Rupees	
Chairman	Donation	21	76,000	-
Board member	Donation	21	1,130,000	-
Punjab cash and carry	Donation	13.1	5,000,000	-

27.2 Related party balances

Following are the related party balances at year end:

Related Party	Head of Accounts	Note	2025	2024
			Rupees	
Read Foundation	Accrued and other liabilities	17	3,000,000	-

28 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

28.1 Classification and fair values

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

RAHMA ISLAMIC RELIEF

(Nationally registered trust in Pakistan)

Notes to the Financial Statements

For the year ended 30 June 2025



30 GENERAL

30.1 Figures have been rounded off to the nearest rupee

30.2 Corresponding figures of the previous year have been rearranged, wherever necessary, for the purpose of comparison.

30.3 Authorization Of Financial Statements

These financial statements are authorized by members of the trust for an issue on 15 NOV 2025


CHAIRMAN





SECRETARY FINANCE