AL-IJAZ FOUNDATION
(A Company setup under section 42 of the Companies Act, 2017)

AUDITED FINANCIAL STATEMENTS

For The Period Ended June 30th, 2023

Auditor:

Azeemullah & Co.
Chartered Accountants

Azeemullah & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF AL-IJAZ FOUNDATION
(A Company Setup under Section 42 of the Companies Act, 2017)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **M/s AL-IJAZ FOUNDATION** (the Company), which comprise the statement of financial position as at **June 30, 2023**, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and reserves, the statement of cash flow and notes to the financial statements, including a summary of significant 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 comprehensive income, the statement of changes in funds and reserves and the statement of cash flow together with the notes forming part thereof conform with International Financial Reporting Standards (IFRS) for Medium Sized Entities (MSEs) and Accounting standards for Not for Profit Organizations (Accounting Standards for NPOs) as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 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, 2023** and of statement of income and expenditure the statement of comprehensive income, the statement of changes in funds and reserves and the statement of cash flow 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 International Financial Reporting Standards (IFRS) for Medium Sized Entities

AZEEMULLAH & CO
ISLAMABAD
CHARTERED ACCOUNTANT

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(MSEs) and Accounting standards for Not for Profit Organizations (Accounting Standards for NPOs) 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.

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 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 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

AZEEMULLAH & CO CHARTERED ACCOUNTANTS ISLAMABAD 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 comprehensive income, the statement of changes in funds and reserves and the statement of cash flow 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 Usher Ordinance 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Azeemullah (ACA).

Azeemullah & Co.

AZEEMULLAH & CO CHARTERED ACCOUNTANT ISLAMABAD

Azeemullah & Co.
Chartered Accountants
Islamabad
Date: July - 12 - 2024
UDIN: AR202310402M2diUgXlc

AL-IJAZ FOUNDATION

(A Company setup under section 42 of the Companies Act, 2017)

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023 Rupees
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4	352,381
		352,381
CURRENT ASSETS		
Cash and bank balances	5	317,000
		317,000
TOTAL ASSETS		669,381
FUNDS AND LIABILITIES		
GENERAL FUNDS		
Unappropriated Profit		329,756
Total Funds		329,756
CURRENT LIABILITIES		
Trade and Other Payables	6	75,000
Provision For Taxation	7	264,624
		339,624
TOTAL FUNDS AND LIABILITIES		669,381
CONTINGENCIES AND COMMITMENTS	8	

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

Abbas khanum.

CHIEF EXECUTIVE

DIRECTOR

AL-IJAZ FOUNDATION

(A Company setup under section 42 of the Companies Act, 2017)

STATEMENT OF INCOME AND EXPENDITURE

FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023

	Note	FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023
		Rupees
INCOME		
Students fee	9	4,251,210
Donation	10	16,918,742
		21,169,952
EXPENDITURE		
Administrative and general expenses	11	(2,580,653)
Program expenses	12	(17,994,918)
		(20,575,571)
Surplus before tax		594,381
Income tax expense		(264,624)
Surplus/ (Deficit) for the year		329,756

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

CHIEF EXECUTIVE | **DIRECTOR**

AL-IJAZ FOUNDATION
(A Company setup under section 42 of the Companies Act, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023

	Note	FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023 Rupees
Surplus/ (Deficit) for the year		329,756
Other Comprehensive Income		
Items that will not be Subsequently reclassified in profit or loss		-
Total Comprehensive Income/(Loss) for the year		329,756

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

CHIEF EXECUTIVE

DIRECTOR

AL-IJAZ FOUNDATION

(A Company setup under section 42 of the Companies Act, 2017)

STATEMENT OF CHANGES IN FUNDS AND RESERVES

FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023

	Unappropriated Profit/(Loss)	Total
	Rupees	**Rupees**
Opening balance as at October 19, 2022	-	-
Surplus/ (Deficit) for the year	**329,756**	**329,756**
Balance as at June 30, 2023	**329,756**	**329,756**

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

CHIEF EXECUTIVE

DIRECTOR

AL-IJAZ FOUNDATION

(A Company setup under section 42 of the Companies Act, 2017)

STATEMENT OF CASH FLOW

FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023

	FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023
	Rupees
CASH FLOW FROM OPERATING ACTIVITIES	
Surplus/ (Deficit) for the year	329,756
Adjustment for Non Cash Income and Expense	
Operating Cash Flows Before Working Capital Changes	329,756
Trade and Other Payables	75,000
Provision For Taxation	264,624
Net Cash Flows From Working Capital Changes	669,381
Financial charges paid	-
NET CASH FLOW FROM OPERATIONS (A)	669,381
CASH FLOW FROM INVESTING ACTIVITIES (B)	
Payment for Acquisition of Property, Plant and Equipment	(352,381)
	(352,381)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B)	317,000
Cash and cash equivalents at the beginning of the year	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	317,000

The Annexed Notes From 1 to 18 Form An Integral Part of These Financial Statements.

CHIEF EXECUTIVE | **DIRECTOR**

AL-IJAZ FOUNDATION

(A Company setup under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023

1 LEGAL STATUS AND OPERATIONS

Al -Ijaz Foundation ('The Foundation'), is a not for profit organisation incorporated in Pakistan as a company limited by guarantee on October 19, 2022 under the section 42 of the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017).

The principal activity of the Company is to carry on the business to promote education in the country by establishing, maintaining, assisting, running and managing Schools and colleges for low-income segment in society in rural areas, To give scholarships to needy and deserving students for their study and allied expenses and to give stipends to widows and impoverished families of Pakistan. The company's registered office is located at Al-Ijaz Foundation, Mony Pahrra, Choa Saiden Shah Road, Kallar Kahar, Pakistan.

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 Medium Sized Entities (MSEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting standards for Not for Profit Organizations (Accounting Standards for NPOs) issued by the Institute of Charetered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for MSE or the Accounting Standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except as otherwise stated in respective notes.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency.

Amounts presented in the financial statements have been rounded off to the nearest Rupees, unless otherwise stated.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 PROPERTY, PLANT AND EQUIPMENT

Initial Recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss (if any).

Depreciation
Depreciation is charged so as to write off the cost of asset using the written down value method at rates specified in note 4 to the financial statements.

Disposals
The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the income and expenditure account. In case of the sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to the unappropriated profit.

JUDGEMENT AND ESTIMATES
The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 METHOD OF PREPARATION OF CASHFLOW STATEMENT
The cash flow statement is prepared using indirect method.

3.3 IMPAIRMENT OF NON FINANCIAL ASSETS OTHER THAN INVENTORIES
The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.
An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.
An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.4 TRADE AND OTHER RECEIVABLES
Measurement
Trade and other receivables are recognised and carried at transaction price less an allowance for impairment.

Impairment
A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income and expenditure account. Bad debts are written-off in the income and expenditure account on identification.

Judgement and Estimates
The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

3.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in theStatement of Financial Position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts and short term running finance.

3.6 TRADE AND OTHER PAYABLES

Trade 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

Income tax comprises of current tax and deferred tax.

Income tax expense is recognised in the income and expenditure account except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), in which case the tax amounts are recognized directly in other comprehensive income or equity.

Current Tax

Current tax is the expected tax payable on the taxable income for the year; calculated using rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credit and tax rebates, if any, and is inclusive of any adjustment to income tax payable or recoverable in respect of previous years.

Deffered Tax

A deferred tax liability is recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and the carryforward of unused tax losses.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the balance sheet date.

Judgement and Estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

3.8 CONTINGENT LIABILITIES

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.9 REVENUE RECOGNITION

Revenue is recognised to the extent the Company has delivered goods or rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

	Note	FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023
		Rupees
11.1 Auditor's Remuneration		
Audit Fee		75,000
Out of Pocket & Other Expenses		-
		75,000
12 PROGRAM EXPENSES		
Salaries and Benefits		11,615,700
Students Exam Fee	12.1	83,285
Students Uniform Expenses		145,600
Vehicle Expenses		1,118,370
Printing and Stationary Expenses		468,339
Repair and Maintenance		144,020
Annual Prize Distribution		168,975
Travelling and Conveyance		1,707,490
Hostel Expenses		2,543,139
		17,994,918
12.1 Student Exam Fee		
Board Exam Fee for 9th Class for needyStudents		24,000
Board Exam Fee for 10th Class for needy Students		12,285
Exam Related Expenses		47,000
		83,285

14.2 Fair Value of Financial Assets and Financial Liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

14.3 Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Comapny 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. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

14.4 Capital Risk Management

The Company's objectives when managing capital is to safeguard the Comapny's ability to continue as a going concern so that it can achieve its primary objectives, provide benefits for other members and to maintain a strong capital base to support the sustained development of its businesses in line with the objects of the Company.

15. RELATED PARTY TRANSACTIONS

Related parties include major shareholders, directors, entities with common directorship, key management personnel and entities over which the directors are able to exercise significant influence.

Following are the related parties with whom the Company had entered into transactions or has agreements in place during the period:

Related party	Basis of Relationship
Pir Shaukat Hussain Shah	Member
Almas Khanum	Member
Shehryar Waqar	Member
Shah Shams Waqar	Member

15.1 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND MANAGER

	Chief Executive	Director	Manager
	Rupees	Rupees	Rupees
Managerial remuneration - 2023	-	-	4,667,000
Number of persons	1	3	1

AL-IJAZ FOUNDATION

(A Company setup under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023

	FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023
	Number
16. NUMBER OF EMPLOYEES	
Number of employees at period end.	35
Average number of employees	38

17. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the company's Chief Executive and Directors and Authorised for issue on 10-07-2024.

18. EVENTS AFTER THE END OF THE REPORTING DATE

No such events have occurred that requires disclosure in these financial statements.

CHIEF EXECUTIVE

DIRECTOR