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Chartered Accountants, United Kingdom

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AL-IJAZ FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **AL-IJAZ FOUNDATION**, which comprise the statement of financial position as at **June 30, 2024**, and the statement of comprehensive income / income and expenditure account,statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects,(or give a true and fair view of) the financial position of **AL-IJAZ FOUNDATION** as at **June 30,2024**, and (of) its financial performance and its cash flows for the year then ended in accordance with Accounting Standard for Not for Profit Organisations (NPOs) issued by the ICAP.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the foundation 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 Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management 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, Management is responsible for assessing the Foundation 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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Foundation 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 Foundation'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 upto the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is Fatima Shumaila.

Clarkson Hyde Saud Ansari & CO.,
CHARTERED ACCOUNTANTS

LAHORE: 18-04-2026
UDIN: AR202410618U5D2t6f4Z

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AL-IJAZ FOUNDATION
(A Company setup under section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30,2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Furniture and equipment	4	**314,284**	352,380
CURRENT ASSETS			
Cash and bank balances	5	**217,000**	317,000
TOTAL ASSETS		**531,284**	669,380
FUNDS AND LIABILITIES			
GENERAL FUNDS			
Accumulated (Deficit)/ Surplus		**(73,199)**	329,756
Total Funds		**(73,199)**	**329,756**
CURRENT LIABILITIES			
Trade and Other Payables	6	301,529	75,000
Provision For Taxation	7	302,954	264,624
		604,483	339,624
TOTAL FUNDS AND LIABILITIES		531,284	669,380
CONTINGENCIES AND COMMITMENTS	8		

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

Chief Executive

Director

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AL-IJAZ FOUNDATION
(A Company setup under section 42 of the Companies Act, 2017)
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	June 30, 2024	FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023
		Rupees	Rupees
INCOME			
Students fee	9	9,189,250	4,251,210
Donation	10	15,047,075	16,918,742
		24,236,325	21,169,952
EXPENDITURES			
Program expenses	12	(20,632,901)	(17,994,918)
Administrative and general expenses	11	(3,703,425)	(2,580,653)
		(24,336,325)	(20,575,571)
(Deficit) / Surplus before tax and levies		(100,000)	594,381
Taxation		(302,954)	(264,626)
(Deficit) / Surplus for the year		(402,954)	329,755
Other Comprehensive Income		-	-
Total Comprehensive (Loss) / Income for the year		(402,954)	329,755

Then 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 YEAR ENDED JUNE 30, 2024

	Restricted Funds	General Funds	Total
	-------Rupees-------		
Balance as at October 19, 2022	-	-	-
Surplus of revenue over expenditure for the year	-	329,755	329,755
Balance as at June 30, 2023	-	329,755.00	329,755
Deficit of revenue over expenditure for the year	-	**(402,954)**	**(402,954)**
Balance as at June 30, 2024	-	**(73,199)**	**(73,199)**

Then 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 YEAR ENDED JUNE 30, 2024

	Notes	June 30, 2024	FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023
		Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
(Deficit) / Surplus before tax		(402,954)	329,756
Adjustment for Non Cash Income and Expense	4.1	38,095	
Operating Cash Flows Before Working Capital Changes		(364,859)	329,756
Trade and Other Payables		226,529	75,000
Provision For Taxation		38,330	264,625
Net Cash Flows From Working Capital Changes		(100,000)	669,381
Financial charges paid		-	-
NET CASH FLOW FROM OPERATIONS (A)		(100,000)	669,381
CASH FLOW FROM INVESTING ACTIVITIES (B)			
Payment for Acquisition of Property, Plant and Equipment		-	(352,381)
		-	(352,381)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+ B)		(100,000)	317,000
Cash and cash equivalents at the beginning of the year		317,000	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		217,000	317,000

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

Chief Executive

Director

CLARKSON HYDE SAUD ANSARI
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AL-IJAZ FOUNDATION
(A Company setup under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 STATUS AND NATURE OF 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 cary 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 STATEMENT OF COMPLIANCE AND SIGNIFICANT ESTIMATES

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:

- Accounting standard for Not for Profit Organizations (Accounting standard for NPO's) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Approved accounting standards comprise of Revised Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued by Securities & Exchange Commission of Pakistan (SECP) under the Companies Act, 2017

- Provision of and directives issued under the Companies Act, 2017.

Where provision of and directives issued under the Companies Act, 2017 differ from the AFRS for SSE's, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2 BASIS OF PREPARATION

These financial statements have been prepared under historical cost convention.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pak Rupees, which is the functional as well as the presentation currency of the Company. All financial information presented in Pak Rupees has

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been rounded-off to the nearest rupee, unless otherwise stated.

2.4 Significant Estimates

The preparation of these financial statements in conformity with guideline for accounting and financial reporting for non government organizations (NGOs) / non profit organizations (NPO) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 judgment about carrying value 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 estimates are revised if the revision affects only that year, or in the year of the revision and any future year affected.

Judgments made by the management in the application of guideline for accounting and financial reporting for non government organizations (NGOs) / non profit organizations (NPO) that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

2.2.1 Property and equipment

The Company reviews the useful lives of property and equipment on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

3 MATERIAL ACCOUNTING POLICIES

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

3.1 Tangible Non Current Assets

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged on straight line method at the rates specified in note 4. Cost of Tangible Non Current Assets comprises of purchase price, and other directly attributable cost.

Full period's depreciation is charged on assets in the period of purchase while no depreciation is charged in the period of disposal.

Renewals and replacements are recognized in the carrying amount of the tangible non current assets if it is probable that future embodied economic benefits will flow to the Society. Other maintenance and repairs are charged to the Income & Expenditure account. Gain or loss on disposal is taken to the Income & Expenditure account.

3.2 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3.3 Provisions

Provisions are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.4 Accrued and Other Liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

3.5 Deferred Grants

Grants received are not immediately recognized as income on receipt during the period. Only that portion of grant is recognized as income which is utilized as per the approved work plan.

3.6 Income

Income is accounted for on 'receipt basis'.

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AL-IJAZ FOUNDATION
(A Company setup under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	June 30, 2024	June 30, 2023
		Rupees	Rupees
4 FURNITURE AND EQUIPMENTS	4.1	**314,284**	352,380

4.1 Furniture and fixture schedule

Particulars	COST				DEPRECIATION				W.D.V.
	As At 01-07-2023	Additions/(Deletion)	As At 30-06-2024	Rate	As At 01-07-2023	Adjustments /(Disposals)	For the Year	As At 30-06-2024	As At 30.06.2024
Furniture & Fittings	270,950	-	270,950	10%	20,321		27,095	47,416	223,534
Office Equipment	110,000	-	110,000	10%	8,250		11,000	19,250	90,750
2024	380,950	-	380,950		28,571		38,095	66,666	314,284
2023	-	-	380,950		-		28,571	28,571	352,380

5 CASH & BANK BALANCES

	June 30, 2024	June 30, 2023
Cash on Hand	**217,000**	317,000

6 TRADE AND OTHER PAYABLES

	June 30, 2024	June 30, 2023
Other Payable	219,029	-
Audit Fee	82,500	75,000
	301,529	**75,000**

7 PROVISION FOR TAXATION

	June 30, 2024	June 30, 2023
Provision For Taxation	**302,954**	**264,624**

7.1 This represents minimum tax under section 113c of the income tax ordinance 2001.

8 CONTIGENCIES AND COMMITMENTS

There are no Contigencies and Commitments as at reporting date (2024: nil).

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AL-IJAZ FOUNDATION
(A Company setup under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

9 SCHOOL FEE	**Note**	**June 30,2024**	**FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023**
		-------- Rupees' -------	
School Fee	9.1	9,189,250	4,251,210

9.1 This Represents school fee charges collected from students

10 DONATION			
Donation		15,047,075	16,918,742

11 PROGRAM EXPENSES		**June 30,2024**	**FOR THE PERIOD ENDED FROM 19 OCTOBER 2022 TO JUNE 30, 2023**
		-------- Rupees' -------	
Salaries and Benefits		14,476,301	11,615,700
Students Exam Fee		67,000	83,285
Students Uniform Expenses	12.1	-	145,600
Vehicle Expenses		338,893	1,118,370
Printing and Stationary Expenses		210,104	468,339
Repair and Maintenance		175,670	144,020
Annual Prize Distribution		116,530	168,975
Travelling and Conveyance		-	1,707,490
Hostel Expenses		5,248,403	2,543,139
		20,632,901	17,994,918

12 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and Benefits		1,608,478	874,300
Legal & Professional Fees		-	246,333
Office Supplies		386,960	217,442
Utility Charges		951,104	548,156

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AL-IJAZ FOUNDATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Medical Expenses		-	**38,600**
Website Charges		**43,780**	**15,000**
Fuel Expenses		**62,360**	**336,211**
Depreciation		**38,095**	**28,571**
Auditor's Remuneration	11.1	**82,500**	**75,000**
Miscellaneous Expenses		**530,148**	**201,040**
		3,703,425	**2,580,653**

12.1 Auditor's Remuneration

Audit Fee	**82,500**	**75,000**
Out of Pocket & Other Expenses	-	-
	82,500	**75,000**

13 FINANCIAL INSTRUMENTS	**Fair Value though Profit or Loss**	**Amortised Cost**	**Total**
	----------------	**2024** ----------------	
Financial Assets			
Maturity Upto 1 Year			
Cash & Bank Balances	-	217,000	217,000
Financial Liabilities			
Maturity Upto 1 Year			
Trade & Other Payables	-	301,529	301,529

14 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

14.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Comapny's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (he Board). The Board provides principles for overall risk management, as well policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

(a) Liquidity Risk

Liquidity risk is the risk that the Comapany will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses.

The following are the contractual maturities of financial liabilities:

Period Ended June 30, 2024	**Carrying**	**Less Than 1 A Year**	**Between 1 to 5 Years**	**Over 5 Years**
Trade & Other Payables	301,529	301,529	-	-

AL-IJAZ FOUNDATION
(A Company setup under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 determincd on the basis of objective cevidence 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 determincd 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 Rupees	Director Rupees	Manager Rupees
Managerial remuneration - 2024			6,222,667
Number of persons	1	3	1

16.NUMBER OF EMPLOYEES

	Number	Number
Number of employees at period end.	43	35
Average number of employees	46	38

AL-IJAZ FOUNDATION
(A Company setup under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

17. DATE OF AUTHORIZATION FOR ISSUE

These Financial statements were approved by the company's Chief Executive and Directors and Authorised issue on ________

18. EVENTS AFTER THE END OF THE REPORTING DATE

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

Chief Executive

Director

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