Clarkson Hyde PAKISTAN

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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, 2025**, 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 30,2025**, 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.

LAHORE: 18-04-2026
UDIN:AR202510618wlaolLh2M

Clarkson Hyde Saud Ansari & CO.,
CHARTERED ACCOUNTANTS

AL-IJAZ FOUNDATION
(A Company setup under section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30,2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**31,704,670**	314,284
CURRENT ASSETS			
Cash and bank balances	5	**200,483**	217,000
TOTAL ASSETS		**31,905,153**	531,284
FUNDS AND LIABILITIES			
GENERAL FUNDS			
Fund Account-Restricted		34,576,090	-
Accumulated Deficit		(3,605,963)	(73,199)
Total Funds		**30,970,127**	(73,199)
CURRENT LIABILITIES			
Trade and Other Payables	6	**643,171**	301,529
Provision For Taxation	7	**291,855**	302,954
		935,026	604,483
TOTAL FUNDS AND LIABILITIES		**31,905,153**	531,284
CONTINGENCIES AND COMMITMENTS	8		
		(0)	

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

Chief Executive

CLARKSON HYDE SAUD ANSARI
LAHORE
CHARTERED ACCOUNTANTS

Director

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, 2025

	Note	2025 Rupees	2024 Rupees
INCOME			
Students fee	9	12,683,000	9,189,250
Donation	10	18,129,404	15,047,075
		30,812,404	24,236,325
EXPENDITURE			
Program expenses	12	(8,822,325)	(20,632,901)
Administrative and general expenses	11	(25,137,688)	(3,703,425)
		(33,960,013)	(24,336,325)
Deficit before tax and levy		(3,147,609)	(100,000)
Taxation		(385,155)	(302,954)
Deficit for the year		(3,532,764)	(402,954)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the year		(3,532,764)	(402,954)

Then 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 CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED JUNE 30, 2025

	Restricted Funds	General Funds	Total
	-------Rupees-------		
Balance as at June, 2023	-	329,755.00	329,755
Deficit of revenue over expenditure for the ye	-	(402,954)	(402,954)
Balance as at June 30, 2024	-	(73,199)	(73,199)
Deficit of revenue over expenditure for the ye	-	**(3,532,764)**	**(3,532,764)**
Restricted funds	**34,576,090**	-	**34,576,090**
Balance as at June 30, 2025	**34,576,090**	**(3,605,963)**	**30,970,127**

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)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2025

	Notes	June 30, 2025 Rupees	June 30, 2024 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Deficit before tax and levy	4.1	(3,532,764)	(402,954)
Adjustment for Non Cash Income and Expense		3,185,704	38,095
Operating Cash Flows Before Working Capital Changes		(347,060)	(364,859)
Trade and Other Payables		341,642	226,529
Provision For Taxation		(11,099)	38,330
Net Cash Flows From Working Capital Changes		(16,517)	(100,000)
Financial charges paid		-	-
NET CASH FLOW FROM OPERATIONS (A)		(16,517)	(100,000)
CASH FLOW FROM INVESTING ACTIVITIES (B)			
Payment for Acquisition of Property, Plant and Equipment		-	-
		-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+ B)		(16,517)	(100,000)
Cash and cash equivalents at the beginning of the year		217,000	317,000
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		200,483	217,000

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, 2025

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

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presentation currency of the Company. All financial information presented in Pak Rupees has 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.

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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, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
4 PROPERTY AND EQUIPMENT	4.1	31,704,670	314,284

4.1 Fixed Assets Schedule

	COST				DEPRECIATION				W.D.V.
Particulars	As At 01-07-2024	Additions/(Deletion)	As At 30-06-2025	Rate	As At 01-07-2024	Adjustments /(Disposals)	For the Year	As At 30-06-2025	As At 30.06.2025
Land	-	3,100,000	3,100,000		-		-	-	3,100,000
Building	-	31,476,090	31,476,090	10%	-		3,147,609	3,147,609	28,328,481
Furniture & Fittings	270,950		270,950	10%	47,416		27,095	74,511	196,439
Office Equipment	110,000		110,000	10%	19,250		11,000	30,250	79,750
2025:	380,950	34,576,090	34,957,040		66,666		3,185,704	3,252,370	31,704,670
2024:	380,950	-	380,950		28,571		38,095	66,666	314,284

5 CASH & BANK BALANCES

	June 30, 2025	June 30, 2024
Cash and Bank	**200,483**	**217,000**

6 TRADE AND OTHER PAYABLES

	June 30, 2025	June 30, 2024
Other Payable	560,671	219,029
Audit Fee	82,500	82,500
	643,171	**301,529**

7 PROVISION FOR TAXATION

	June 30, 2025	June 30, 2024
Provision For Taxation	**291,855**	**302,954**

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 during the year

9 SCHOOL FEE

	Note	June 30, 2025	June 30, 2024
School Fee	9.1	**12,683,000**	**9,189,250**

9.1 This Represents school fee charges collected from students

10 DONATION

	June 30, 2025	June 30, 2024
Donation	**18,129,404**	**15,047,075**

11 ADMINISTRATIVE AND GENERAL EXPENSES

	June 30, 2025	June 30, 2024
Salaries and Benefits	**18,530,175**	**1,608,478**
Office Supplies	**478,330**	**386,960**
Utility Charges	**845,282**	**951,104**
Fuel Expenses	**1,572,083**	**62,360**
Depreciation	**3,185,704**	**38,095**

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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, 2025

	Note	June 30, 2025	June 30, 2024
Auditor's Remuneration	11.1	82,500	82,500
Miscellaneous Expenses		443,614	530,148
		25,137,688	3,703,425

11.1 Auditor's Remuneration

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

12 PROGRAM EXPENSES

Salaries and Benefits	2,058,908	14,476,301
Students Exam Fee	328,150	67,000
Vehicle Expenses	201,852	338,893
Printing and Stationary Expenses	382,895	210,104
Repair and Maintenance	128,400	175,670
Annual Prize Distribution	299,377	116,530
Hostel Expenses	5,422,743	5,248,403
	8,822,325	20,632,901

13 FINANCIAL INSTRUMENTS

	Fair Value though Profit or Loss 2025	Amortised Cost 2025	Amortised Cost 2025
Financial Assets			
Maturity Upto 1 Year			
Cash & Bank Balances	-	200,483	200,483
Financial Liabilities			
Maturity Upto 1 Year			
Trade & Other Payables	-	643,171	643,171

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, 2025

	Note	June 30, 2025	June 30, 2024

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, 2025	**Carrying Am**	**Less Than 1 Year**	**Between 1 to 5 Years**	**Over 5 Years**
Trade & Other Payables	643,171	643,171	-	-

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.

CLARKSON HYDE SAUD ANSARI
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CHARTERED ACCOUNTANTS

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, 2025

	Note	June 30, 2025	June 30, 2024

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 - 2025			6,888,425
Number of persons	1	3	1

16.NUMBER OF EMPLOYEES

	Number	Number
Number of employees at period end.	46	43
Average number of employees	52	46

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

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Director