

AL-HUDA EDUCATION FOUNDATION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING







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#### INDEPENDENT AUDITOR'S REPORT

#### To the Members of Al-Huda Education Foundation

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of Al-Huda Education Foundation (the Company), which comprise the statement of financial position as at June 30, 2025 and the statement of income and expenditure, the statement of other comprehensive income, the statement of changes in fund and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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, statement of income and expenditure, statement of other comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards 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, 2024 and of the surplus, other comprehensive surplus, the changes in fund 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 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.

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the director's report, but does not include the financial statements of the company and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express RSMath any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, on other information obtained prior to the date of this auditor's report, we conclude 'that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### 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 accounting and reporting standards 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 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.

### 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 other comprehensive income, statement of changes in fund and the statement of cash flows 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 year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Arif

Saeed.

RSM AVAIS HYDER LIACUAT NAUMAL CHARTERED ACCOUNTANTS & Char

Place: Peshawar

Date: October 08, 2025

UDIN: AR202510513VwHYz0a9e



## AL HUDA EDUCATION FOUNDATION

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

## STATEMENT OF FINANCIAL POSITION

**AS AT JUNE 30, 2025** 

		Note _	2025 (Rupees)
ASSETS			
CURRENT ASSETS			
Advances and other receivables		4	3,148
Cash and bank balances		5	159,763
			162,910
TOTAL ASSETS			162,910
FUND AND LIABILITIES			
Funds	a Cun . J		(67,990)
Deferred capital grant			. 43
			(67,990)
CURRENT LIABILITIES			
Accrued and other payables		6	230,900
TOTAL FUND AND LIABILTIES			162,910
CONTINGENCIES AND COMMITMENTS		7	-
The annexed notes form an integral part of t	hese financial statements	. 11.	•

CHIEF EXECUTIVE OFFICER

## AL HUDA EDUCATION FOUNDATION (A company setup under section 42 of the Companies Act, 2017) STATEMENT OF INCOME AND EXPENDITURE

FOR THE PERIOD FROM NOV 05, 2024 TO JUNE 30, 2025

		Note	2025 (Rupees)
INCOME			
Donations Contribution from Members			715,586 812,000 1,527,586
OTHER INCOME			
Bank profits	regia		16,901 1,544,487
EXPENDITURE			
General and Administrative Expenses		8	1,612,477 1,612,477
Deficit for the period			(67,990)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

<u>Maryam</u> DIRECTOR

# AL HUDA EDUCATION FOUNDATION (A company setup under section 42 of the Companies Act, 2017) STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD FROM NOV 05, 2024 TO JUNE 30, 2025

	<u>Note</u>	2025 Rupees
Balance as at 5 Nov 2024		-
Deficit for the year		(67,990)
Balance as at 30 June 2025		(67,990)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

# AL HUDA EDUCATION FOUNDATION (A company setup under section 42 of the Companies Act, 2017) STATEMENT OF CASH FLOWS FOR THE PERIOD FROM NOV 05, 2024 TO JUNE 30, 2025

	2025 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES  Deficit for the year	(67,990)
Adjustments for non-cash charges and other items:  Depreciation  Amortization of deferred grant	- - (67,990)
Working capital changes:  Decrease / (increase) in current assets  Advances, deposits and prepayments	(3,148)
Increase / (decrease) in current liabilities Accrued and other payables	230,900
	227,753
Cash used in operations	159,763
Tax paid	-
Net cash used in operating activities	159,763
Net decrease in cash and cash equivalents	159,763
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalent at the end of the year	159,763
The annexed notes form an integral part of these financial statements.	

CHIEF EXECUTIVE OFFICER

## AL HUDA EDUCATION FOUNDATION (A company setup under section 42 of the Companies Act, 2017) NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM NOV 05, 2024 TO JUNE 30, 2025

#### 1 LEGAL STATUS AND OPERATION

1.1 Al Huda Education Foundation (the "Company") is a Not for Profit Organization (NPO) which is licensed under section 42 of the Company Act, 2017 and incorporated with Securities & Exchange Commission of Pakistan (SECP) on November 05, 2024 as a limited guaranteed company. The regiserted office is situated in Plot no. 05, 7-AK Brohi Road, Sector H-11/4, Islamabad. The Company is establish to manage, administer and promote education and literacy for the welfare purpose in Pakistan. The Company will operate an already grown network of welfare and private schools in different cities of Pakistan under a name of Al Huda International School (AIS) and Al Huda Community School (ACS).

#### 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:

- Accounting Standards for Not for Profit Organization (Accounting Standards for NPOs) issued by the Institute of Chartered 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 Accounting Standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These financial statements are prepared for the period from its incorporation i.e. November 05,2024 to June 30,2025, therefore, compartive figures are not presented.

## 2.2 BASIS OF MEASUREMENT

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

#### 2.3 FUNCTIONAL AND PRESENTATION

These financial statements are presented in Pakistani Rupees, which is the company's functional currency.

## 2.4 KEY JUDGMENTS AND ESTIMATES

The preparation of financial statements, in conformity with the approved accounting standards as applicable in Pakistan, require 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 the judgments about 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 estimates are revised, or in the period of revision and future periods.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and receivables. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

#### AL HUDA EDUCATION FOUNDATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM NOV 05, 2024 TO JUNE 30, 2025

#### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to income for the year using the reducing balance method. Depreciation is charged on additions during the year from month of purchase and no depreciation is charged in the month of disposal.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to recoverable amount.

All repairs and maintenance are charged to income for the year in which they are incurred. Gains and losses on disposal of property and equipment are charged to income for the year.

#### 3.2 REVENUE RECOGNITION

#### 3.2.1 UN-RESTRICTED GRANT OR DONATION

Donation or grant received for non-specific purposes are recognized at the time of receipt, i.e. when received as cash or deposited in the bank account or at the time when there is a reasonable assurance that it will be received. Donation or grant received in kind are recorded at their prevailing fair values.

### 3.2.2 RESTRICTED GRANT OR DONATION

Donation or grant received for specific purposes are initially recognized as liability at the time of receipt. Subsequently the amount expensed on intended purposes is recognized as income up to the extent of expenditure incurred thereon.

Utilization of donation or grant is restricted to activities as described in the agreement with the donors.

#### 3.2.3 SCHOOL FEE

School fee charged on account of tuition fees, annual fee, students contributions, exam fee and any other relevant head shall be treated as the income of the organization. The fees shall be recognized as the income once the fee challans are generated and the receivables are recorded in the books of accounts.

#### 3.3 ACCRUED 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.

#### 3.4 TAXATION

Income of the company is subject to 100% tax credit u/s 100C of Income Tax Ordinance 2001. However, if conditions of aforementioned section are not complied, then entity's tax provision is recognized as per business entity according to law.

#### 3.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current account.

## AL HUDA EDUCATION FOUNDATION (A company setup under section 42 of the Companies Act, 2017) NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM NOV 05, 2024 TO JUNE 30, 2025

		2025
		(Rupees)
4	ADVANCES AND OTHER RECEIVABLES	
	Advance tax	3,148
		3,148
5	CASH AND BANK BALANCES	
	Cash in hand	
	Cash at bank - current accounts	159,763
		159,763
6	ACCRUED AND OTHER PAYABLES	
	Salaries payable	175,900
	Audit fee payable	55,000
		230,900
7	CONTINGENCIES AND COMMITMENTS	
	There are no contingencies and commitments as at statement of financial	position date.

8	GENERAL AND ADMINISTRATIVE EXPENSES	(Rupees)
	Salaries, wages and benefits	340,700
	Educational resources	283,392
	Legal and professional charges	926,425
	Audit fee	55,000
	Bank charges	6,960
		1,612,477

9 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on

8/10/2025

10 GENERAL

Figures in these financial statements have been rounded off to the nearest Rupee.

C. Jah

2025

CHIEF EXECUTIVE OFFICER



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