

Directors' Report

October 08

2025

A Company registered under Section 42 of the Companies Act, 2017

Al Huda
Education
Foundation



DIRECTORS' REPORT

The Directors of Al Huda Education Foundation ("the company") are pleased to present their report along with Audited Financial Statements of the Company for the year ended June 30, 2025 and Auditor's Report thereon.

DETAIL OF DIRECTORS

The names of the persons who, at any time during the financial year, were directors of the company as per clause 'a' of subsection (2) of section 227 of "the Companies Act, 2017".

Name	Designation
Dr. Farhat Nasim Hashmi	Director/Chairperson
Dr. Atif Iqbal	Director/CEO
Dr Aziz ur Rehman	Director
Sara Farooq	Director
Maryam Zubair	Director

In accordance with Section 158(1) of the Companies Act, 2017 (Pakistan), all the Directors of the Company shall stand retired at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

ORGANIZATIONAL OVERVIEW

Vision

Quran for All; in every heart, in every hand



Mission:

To develop the academic skills of children, enhance their natural talent, impart authentic religious education and ensure positive character building in order to make them responsible Muslims, contributing citizens and respectful human beings.

PRINCIPAL ACTIVITY AND OPERATIONS OF THE COMPANY

Al Huda Education Foundation (AEF) is a non-profit organisation dedicated to nurturing hearts and minds through education rooted in Islamic values.

Its objective is to establish, manage, maintain, own, administer, promote and subsidize educational institutions, computer literacy centres, schools, college, universities, institutions for study and research, centres of learning, training centres, reading rooms, and other institutions for basic, secondary and tertiary education, adult literacy. To provide scholarships to students and grant aid including supply of books, stipends, medals, prizes, grants, awards, medicines, educational career support, bursaries and other incentives for purposes of advancement of knowledge, education and literacy for the welfare purpose, in whole of Pakistan.

AEF continued its efforts during the year to provide quality education and strengthen its systems. The year reflected progress in school operations, academic activities, and administrative support functions.

HIGHLIGHTS OF FINANCIAL PERFORMANCE

The Company has recorded the following financial performances, for the year 2025.

STATEMENT OF FINANCIAL POSITION AS ON JUNE 30 2025

2025		
ASSETS		
CURRENT ASSETS	(Rupees)	
Advances and other receivables		3,148
Cash and bank balances		159,763
		162,910
TOTAL ASSETS		162,910
FUND AND LIABILITIES		
Funds		(67,990)



	Deferred capital grant	-
		(67,990)
CURRENT LIABILITIES		
	Accrued and other payables	230,900
TOTAL FUND AND LIABILITIES		162,910
CONTINGENCIES AND COMMITMENTS		-

STATEMENT OF INCOME & EXPENDITURE

NOV 05, 2024 TO JUNE 30 2025		
INCOME		(Rupees)
Donations		715,586
Contribution from Members		812,000
		1,527,586
OTHER INCOME		
Bank profits		16,901
		1,544,487
EXPENDITURE		
General & Administrative Expenses		1,612,477
		1,612,477
Deficit for the period		(67,990)

PROGRESS SINCE INCORPORATION

Since the incorporation of AEF, the organization has successfully established and initiated the roadmap and steps wise procedures approved by the Board members to transfer the operations of AlHuda International School (AIS) and AlHuda Community School (ACS). As per the roadmap, in May, 2025, the Organization has taken the control of the operations of Al Huda Community School (ACS)-Juliyan Campus along with the ACS Donation collection and developing campaigns.

As per the agreement signed between AEF and AIWF on 26th June, 2025, it was agreed and established that the operations of AlHuda International School (AIS) and AlHuda Community



School (ACS) will be handled and managed by AEF effective from 1st July, 2025. The preliminary requirements, preparations and formalities were dealt efficiently such as consultation with legal Advisors, Auditors and other Consultants to undertake and assess the legal, financial & tax-related and other relevant impacts as result of the transfer of operations. All other tasks or milestones established to be achieved or executed before the end of financial year were timely met.

FUTURE OUTLOOK:

The Organization's strategic direction and major plans for the coming year;
The Foundation's future outlook focuses on completing the transition of all school branches and community schools from the parent organization to this entity. At present, only a few branches have been shifted and are operating under the new organization. In the coming year, the goal is to bring all remaining branches under the same banner to ensure unified management, consistent quality standards, and greater operational efficiency across the entire network.

Risks and Uncertainties

As a Non-Profit Educational Institution, Al Huda education Foundation (AEF) is exposed to a range of risks and uncertainties that may influence its performance, sustainability and reputation. These include challenges related to regulatory compliance, financial management, governance, operational efficiency and adherence to safety and educational standards. The AEF Management remains committed to proactively identifying and mitigating these risks through robust internal controls, prudent planning, and continuous monitoring to ensure organizational stability and integrity.

RISK MANAGEMENT & INTERNAL CONTROLS

The Company has established a comprehensive Risk Management and Internal Control framework to ensure effective governance and operational resilience. Each department has developed its own Risk Register identifying potential issues and associated risks, along with suitable mitigation measures. These registers are periodically reviewed to assess emerging risks and evaluate the effectiveness of existing controls. The management ensures that preventive measures are in place, and corrective actions are promptly taken wherever



required. Through this structured approach, the Company strives to minimize potential disruptions, safeguard its assets, and maintain transparency and accountability across all functions.

COMPLIANCE WITH SECTION 42 OF THE COMPANIES ACT, 2017

The AEF Board has strictly adhered to the license conditions under Section 42 of the Companies Act, 2017, and that all income and donations have been applied solely towards the promotion of approved educational and welfare objectives and projects.

MEETING FEE AND REIMBURSEMENT OF EXPENSES

The Board confirms that no meeting fee or reimbursement of expenses was charged or paid to any Director or the Chief Executive Officer for attending meetings of the Board or its committees during the year. While some meetings were conducted online, others were held in person; however, no remuneration was claimed by any member for attending these meetings.

REGULATORY COMPLIANCE

The Company confirms its full compliance with all applicable provisions of the Companies Act, 2017, and the relevant regulations issued thereunder. All conditions and requirements stipulated in the Company's license, where applicable, have been duly observed. Furthermore, the Company has ensured adherence to all regulatory obligations pertaining to governance, reporting, and operational conduct. The Board also confirms that, where applicable, prior security clearance has been duly obtained in accordance with the prescribed regulations in respect of any foreign donation, foreign member, foreign director, or foreign chief executive officer.

BOARD'S COMMITMENT ON AUDITOR'S REPORT

The report of the Statutory Auditors, read with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.



AL HUDA EDUCATION FOUNDATION

AUDITORS

Present auditor "*RSM Avas Hyder Liaqat Nouman & Co., Chartered Accountants*", has been given satisfactory rating under the Quality Control Review Programme of ICAP. It is fully compliant with the International Federation of Accountants' guideline on codes of ethics, as adopted by ICAP.

They offered themselves for reappointment. The retiring auditors, being eligible for reappointment, have been recommended by the Board for approval in the upcoming Annual General Meeting.

ACKNOWLEDGEMENT

The Board also recognizes sincere efforts of the employees, volunteers and well-wishers of the Foundation and appreciates the pleasant relationship.

On behalf of the Board:


Chief Executive Officer


Director

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