ALIF NOON PARENTS FOUNDATION
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ALIF NOON PARENTS FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ALIF NOON PARENTS FOUNDATION** (the Company), which comprise the statement of financial position as at June 30, 2026, and income and expenditure statement, the statement of cash flows, the Statement of Changes in Funds & Reserves for the year then ended, 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, income and expenditure statement, the statement of cash flows and the Statement of Changes in Funds & Reserves 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, 2026 and of the surplus 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 Auditors' Report thereon

Management is responsible for the other information presented along with the financial statements and the auditors' report thereon.

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

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, 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.

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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 is responsible for overseeing the Company'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 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 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 Company to cease to continue as a going concern.

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- 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, income and expenditure statement, the statement of cash flows and the Statement of Changes in Funds & Reserves 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 auditors' report is Osman Hameed Chaudhri.

Shinewing Hameed Chaudhri & co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

LAHORE; OCTOBER 07, 2026
UDIN: AR202610104tRuIVZQao

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Alif Noon Parents Foundation
Statement of Financial Position
As at June 30, 2026

	Note	2026	2025
		---- Rupees ----	
Non-Current Assets			
Property, plant and equipment	5	**18,670,153**	19,599,880
Long term investment	6	**168,000,000**	168,000,000
		186,670,153	187,599,880
Current Assets			
Inventories	7	**1,001,519**	1,090,265
Advance and other receivables	8	**203,570**	126,330
Tax deducted at source		**3,911,639**	3,858,927
Bank balances	9	**128,333,716**	102,098,468
		133,450,444	107,173,990
Current Liabilities			
Trade and other payables	10	**3,523,336**	3,146,466
		129,927,108	104,027,524
Total Assets less Current Liabilities		**316,597,261**	291,627,404
Non-Current Liability			
Students security deposits		**1,737,000**	1,789,000
Teachers secured salary		**616,363**	107,375
Deferred income relating to fixed capital expenditure	11	**239,844,847**	223,210,001
Contingencies and Commitments	12		
Capital Employed		**74,399,051**	66,521,028
Represented by:			
Funds and Reserves			
Capital fund		**3,000,000**	3,000,000
General fund		**71,399,051**	63,521,028
		74,399,051	66,521,028

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

Chief Executive SHC **Director**

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Alif Noon Parents Foundation
Income & Expenditure Statement
For the year ended June 30, 2026

	Note	2026	2025
		- - - - Rupees - - - -	
Income	13	**47,653,481**	44,424,096
Operating expenses			
- educational programme expenses	14.1	**(42,310,412)**	(40,940,298)
- administrative expenditures	14.2	**(8,750,133)**	(7,804,958)
		(51,060,545)	(48,745,256)
Operating deficit for the year		**(3,407,064)**	(4,321,160)
Other income	15	**11,299,424**	12,509,688
Other expenses	17	**(12,916)**	-
		7,879,444	8,188,528
Bank charges		**(1,421)**	(697)
Surplus for the year		**7,878,023**	8,187,831

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

Chief Executive

SHC

Director

Alif Noon Parents Foundation
Statement of Cash Flow
For the year ended June 30, 2026

	Note	2026	2025
		- - - - Rupees - - - -	
Cash flow from operating activities			
Surplus for the year		**7,878,023**	8,187,831
Adjustments for non-cash charges and other items:			
Depreciation	**5.2**	**2,519,111**	3,450,061
Amortization		**-**	104,026
Loss on disposal of operating fixed assets	**16**	**12,916**	-
Finance cost		**1,421**	697
Surplus before working capital changes		**10,411,471**	11,742,615
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Inventories		**88,746**	(376,148)
Advance and other receivables		**(77,240)**	25,188
Increase / (decrease) in trade and other payables		**376,870**	101,910
		388,376	(249,050)
Cash generated from operations		**10,799,847**	11,493,565
Income tax paid		**(52,712)**	(54,765)
Students security deposits (paid) / received		**-52,000**	178,000
Teachers secured salary		**508,988**	107,375
Deferred income relating to fixed capital expenditure		**16,634,846**	16,844,123
Net cash generated from operating activities		**27,838,969**	28,568,298
Cash flow from investing activities			
Fixed capital expenditure		**(1,652,300)**	(959,836)
Proceeds from disposal of operating fixed assets		**50,000**	-
Net cash used in investing activities		**(1,602,300)**	(959,836)
Net cash flow from financing activities			
Finance cost paid		**(1,421)**	**(697)**
Net increase in cash and cash equivalents		**26,235,248**	27,607,765
Cash and cash equivalents - at beginning of the year		**102,098,468**	74,490,703
Cash and cash equivalents - at end of the year		**128,333,716**	102,098,468

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

Chief Executive SHC **Director**

Alif Noon Parents Foundation
Statement of Changes in Funds & Reserves
For the year ended June 30, 2026

	Capital Fund	General Fund	Surplus of Income over expenditure	Total
		---------- Rupees ----------		
Balance as at July 01, 2024	**3,000,000**	**55,333,197**	**-**	**58,333,197**
Surplus of income over expenditure for the year	-	-	8,187,831	8,187,831
Transfer of surplus for the year to general fund	-	8,187,831	(8,187,831)	-
Balance as at June 30, 2025	**3,000,000**	**63,521,028**	**-**	**66,521,028**
Surplus of income over expenditure for the year	-	-	7,878,023	7,878,023
Transfer of surplus for the year to general fund	-	7,878,023	(7,878,023)	-
Balance as at June 30, 2026	**3,000,000**	**71,399,051**	**-**	**74,399,051**

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

Chief Executive

SHC

Director

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Alif Noon Parents Foundation
Notes to The Financial Statements
For the year ended June 30, 2026

1. LEGAL STATUS AND ITS OPERATIONS

Alif Noon Parents Foundation (the Company) was incorporated in Pakistan on March 27, 2015 as a Company limited by Guarantee and not having share capital set up under Section 42 of the Companies Ordinance, 1984 (Now the Companies Act, 2017). The principal objectives of the Company are to promote and establish educational institutions.

The Company's first project, KPSS Secondary School - Saigolabad, which started its operations on March 21, 2016, is managed by The Makkah Foundation, a society registered under the Societies Registration Act, 1860.

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. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards /IFRS for SMEs Accounting Standard issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards /IFRS for SMEs Accounting Standard (state whichever is applicable), the provisions of, directives and notifications 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 disclosed in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to the nearest Rupee.

3. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

3.1 Operating fixed assets

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicator of impairment is identified.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set-out below.

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4.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss.

Depreciation is taken to statement of profit and loss account applying reducing balance method except for solar system. Depreciation on solar system is charged to the statement of profit or loss using straight line method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note 5. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant. Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

Normal repairs and replacements are taken to profit and loss account. Major improvements and modifications are capitalised and assets replaced, if any, other than those kept as stand-by, are retired.

Gain / loss on disposal of operating fixed assets, if any, is taken to profit and loss account.

4.2 Intangible assets and amortisation thereon

Expenditures incurred to acquire computer software and website development are capitalised as intangible assets and stated at cost less accumulated amortisation. Amortisation is taken to statement of profit or loss, applying straight-line method to amortise the cost of intangible assets over their estimated useful life.

4.3 Inventories

These are valued at average cost.

Any receipt from the students against issued inventory items are net off with store consumptions and net amount is taken to profit and loss account.

4.4 Receivables

Receivables are carried at original fee bill amounts less an estimate for doubtful receivables based on review of outstanding amounts at the period-end. Doubtful receivable balances are written-off when identified.

4.5 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 consist of cash-in-hand and bank balances.

4.6 Trade and other payables

Liabilities for creditors, accruals and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.7 Provisions

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

4.8 Taxation

The Company is Non Profit Organisation under the definition of section 2(36)(c) of the Income Tax Ordinance, 2001 and its income is exempt from tax under section 100C of the Income Tax Ordinance, 2001.

4.9 Revenue recognition

- Donations for school operations are recognised as income on receipt basis.

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- Specific donations related to fixed capital expenditure e.g. for building schools, received in cash, are recognised as deferred income and amortized over the useful lives of assets.
- Tuition fees are recognised when the services are rendered and the related fees from students are received .
- Registration fees are recognised on 'receipt basis'.
- Return on bank deposits and other income are accounted for on 'receipt basis'.

4.10 Employees' benefits

Defined contribution plan

The Company operates a funded employees' provident fund scheme for its permanent eligible employees. Equal monthly contributions at the rate of 8.33% of gross pay are made both by the Company and employees to the fund.

5. PROPERTY, PLANT & EQUIPMENTS

	Note	2026	2025
		--- Rupees ---	
Operating fixed assets	5.1	18,670,153	19,599,880

5.1 Operating fixed assets

	Leasehold Building improvements	Generator	Computers and appliances	Office equipments	Electric installations	Furniture and fixtures	Books and periodicals	Laboratory equipments	Arms and Ammunations	Vehicles	Solar system	Total
	Rupees											
Cost												
Balance as at July 01, 2024	14,199,555	2,023,000	3,681,346	1,538,671	519,559	9,605,319	621,432	27,241	103,209	9,130,995	2,300,000	43,750,327
Additions during the year	-	-	-	-	53,900	902,645	3,291	-	-	-	-	959,836
Balance as at June 30, 2025	14,199,555	2,023,000	3,681,346	1,538,671	573,459	10,507,964	624,723	27,241	103,209	9,130,995	2,300,000	44,710,163
Accumulated depreciation												
Balance as at July 01, 2024	4,826,121	1,231,994	2,001,813	826,206	289,649	4,301,873	307,224	23,681	73,845	5,899,483	1,878,333	21,660,223
Charge for the year	1,057,343	79,101	503,859	71,247	27,932	605,565	31,750	890	4,405	646,302	421,667	3,450,061
Balance as at June 30, 2025	5,883,464	1,311,095	2,505,672	897,453	317,581	4,907,438	338,974	24,571	78,250	6,545,785	2,300,000	25,110,284
Cost												
Balance as at July 01, 2025	14,199,555	2,023,000	3,681,346	1,538,671	573,459	10,507,964	624,723	27,241	103,209	9,130,995	2,300,000	44,710,163
Additions during the year	-	-	-	336,500	-	1,315,800	-	-	-	-	-	1,652,300
Disposal during the year	-	-	-	(181,818)	-	-	-	-	-	-	-	(181,818)
Balance as at June 30, 2026	14,199,555	2,023,000	3,681,346	1,693,353	573,459	11,823,764	624,723	27,241	103,209	9,130,995	2,300,000	46,180,645
Accumulated depreciation												
Balance as at July 01, 2025	5,883,464	1,311,095	2,505,672	897,453	317,581	4,907,438	338,974	24,571	78,250	6,545,785	2,300,000	25,110,284
Depreciation:												
For the year	831,609	71,191	352,703	84,078	25,588	603,913	28,575	668	3,744	517,042	-	2,519,111
On disposal	-	-	-	(118,902)	-	-	-	-	-	-	-	(118,902)
Balance as at June 30, 2026	6,715,073	1,382,286	2,858,375	862,629	343,169	5,511,351	367,549	25,239	81,994	7,062,827	2,300,000	27,510,493
Book value as at June 30, 2025	8,316,091	711,905	1,175,674	641,218	255,878	5,600,526	285,749	2,670	24,959	2,585,210	-	19,599,880
Book value as at June 30, 2026	7,484,482	640,714	822,971	830,724	230,290	6,312,413	257,174	2,002	21,215	2,068,168	-	18,670,153
Depreciation rate (%)	10	10	30	10	10	10	10	25	15	20	20	

5.2 Depreciation charge has been allocated as follows:

	Note	2026	2025
		--- Rupees ---	
Educational programme expenses	14.1	928,320	1,636,805
Administrative expenditures	14.2	1,590,791	1,813,256
		2,519,111	3,450,061

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6. LONG TERM INVESTMENT

6.1 The Company has made investment in five years GOP Ijarah Sukuk having face value of Rs.168 million aggregately. This investment carries mark-up at the coupon rate ranging from 10.87% to 11.40% (2025: of 11.40% to 21.32%) per annum. These investments are maturing on various dates by October 2027.

7. INVENTORIES

	Note	2026	2025
		- - - Rupees - - -	
Syllabus books		**286,655**	414,472
Stationery		**382,805**	341,578
School bags		**332,059**	334,215
		1,001,519	1,090,265

8. ADVANCE AND OTHER RECEIVABLES

- unsecured, considered good		
Receivable from student	**124,370**	47,130
Security deposits	**79,200**	79,200
	203,570	126,330

9. BANK BALANCES

	Note		
Cash at bank on:			
- current accounts		**70,857,445**	24,783,552
- saving accounts	9.1	**57,476,271**	12,314,916
- term deposit receipts	9.2	**-**	65,000,000
		128,333,716	102,098,468

9.1 These carry profit at the average rate of 7.69% (2025: 13.63%) per annum.

9.2 These carry profit at the average rate of 8.97% (2025: 13.32%) per annum.

10. TRADE AND OTHER PAYABLES

	2026	2025
	- - - Rupees - - -	
Accrued expenses	**2,969,594**	3,117,921
Employees provident fund	**130,848**	-
Other payables	**284,244**	28,545
Advance from students	**138,650**	-
	3,523,336	3,146,466

11. DEFERRED INCOME RELATING TO FIXED CAPITAL EXPENDITURE

Opening balance July 01,	**223,210,001**	206,365,878
- profit on funds invested in ijarah sukuk	**19,153,957**	20,294,184
	242,363,958	226,660,062
Less: amortization of income (depreciation for the year)	**(2,519,111)**	(3,450,061)
Closing balance June 30,	**239,844,847**	223,210,001

12. CONTINGENCIES AND COMMITMENTS

There were no significant contingencies and commitments as at June 30, 2026 and 2025.

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13. INCOME

	Note	2026	2025
		--- Rupees ---	
From donations:			
- received from directors	13.1	600,000	600,000
- received from others (local sources)		7,850,000	8,350,000
From project:			
- tuition fee		33,296,370	29,355,535
- registration fee		143,500	130,500
- annual dues		2,810,500	2,223,000
- admission fee		434,000	315,000
		36,684,370	32,024,035
Amortization of deferred income	11	2,519,111	3,450,061
		47,653,481	44,424,096

13.1 These represent donations received from Mr. Khalid Imran respectively (Directors of the Company).

14. OPERATING EXPENSES

	Note	2026	2025
		--- Rupees ---	
14.1 Educational Programme Expenses			
Salaries and benefits	14.4	26,119,975	24,255,670
Repair and maintenance		982,786	2,084,707
Power and fuel		2,399,140	2,348,408
Travelling and conveyance		44,200	69,962
Rent rate and taxes		76,659	86,689
Printing and stationery		868,203	449,139
Depreciation	5.2	928,320	1,636,805
Students relief		9,078,900	8,508,400
Others		1,812,229	1,500,518
		42,310,412	40,940,298
14.2 Administrative Expenditures			
Salaries and benefits	14.4	5,009,562	4,416,769
Communication		215,905	199,578
Depreciation	5.2	1,590,791	1,813,256
Amortization		-	104,026
Legal and professional charges		1,377,055	767,929
Advertisement		24,100	31,400
Auditors' remuneration	14.3	532,720	472,000
		8,750,133	7,804,958
14.3 Audit Remuneration			
- statutory audit fee (including audit fee of project)		522,720	462,000
- out of pocket expenses		10,000	10,000
		532,720	472,000

14.4 Salaries and benefits includes Rs.644.832 thousands (2024: Rs.648.468 thousands) in respect of contribution to staff provident fund.

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15. OTHER INCOME

	2026	2025
	- - - Rupees - - -	
Profit on saving accounts	**1,130,257**	452,123
Profit on Term Deposit Receipts	**6,861,011**	8,577,117
Net income from the sale of syllabus books	**603,556**	746,574
Transportation fee received from students	**2,699,600**	2,720,214
Scrap sale	**5,000**	13,660
	11,299,424	12,509,688

16. OTHER EXPENSES

Loss on disposal of fixed assets	**12,916**	-

17. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated undertakings, its directors and key management personnel and employees' retirement fund. No transactions were executed during the year except for the receipt of donation from one director of the Company Mr. Khalid Imran as stated in note 13.1 to the financial statements and following:

Retirement Fund	2026	2025
	- - - Rupees - - -	
Contribution towards provident fund	**1,289,664**	1,296,936

18. NUMBER OF EMPLOYEES

	2026	2025
Number of employees as at June 30,	**68**	71
Average number of employees during the year	**70**	70

19. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 07 OCT 2026 by the board of directors of the Company.

20. FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison; however, no material re-arrangements have been made in these financial statements.

SHC

Chief Executive **Director**

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