FINANCIAL STATEMENTS

FRIENDS OF NAMAL

December 31, 2025

FRIENDS OF NAMAL

FINANCIAL STATEMENTS

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CQK LLP CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the directors of
Friends of Namal

Opinion
We have audited the financial statements of **Friends of Namal**, which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, operations and 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, the financial position of the Organization as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion
In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter
The financial statements of the Organization for the year ended December 31, 2024 were neither audited not reviewed.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements

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INDEPENDENT AUDITOR'S REPORT (continued)

that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, 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 Organization'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 Organization'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 Organization 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.

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INDEPENDENT AUDITOR'S REPORT (continued)

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.

CQK LLP

Mississauga, Ontario
July 8, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

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FRIENDS OF NAMAL
STATEMENT OF FINANCIAL POSITION

As at December 31		**2025**		2024 (Note 5)
Assets				
Current				
Cash	**$**	**79,810**	$	268,946
Accounts receivable		**-**		119,325
GST receivable		**4,152**		-
	$	**83,962**	$	388,271
Liability and fund balances				
Current				
Accounts payable and accrued liabilities (note 3)	**$**	**4,650**	$	56,474
Balance		**79,312**		331,797
	$	**83,962**	$	388,271

See accompanying notes to financial statements

Approved:

Members Ayoub Alam
Ayoub Alam (Jul 8, 2026 14:12:31 EDT)

Members Ali Mirza
Ali Mirza (Jul 8, 2026 14:43:09 EDT)

FRIENDS OF NAMAL
STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31	**2025**	2024 (Note 5)
Balance, beginning of year	**$ 331,797**	$ 241,656
(Deficiency) excess of revenues over expenditures	**(252,485)**	90,141
Balance, end of year	**$ 79,312**	$ 331,797

See accompanying notes to financial statements

FRIENDS OF NAMAL
STATEMENT OF OPERATIONS

Year ended December 31	2025	2024 (Note 5)
Revenues		
Donations	$ 526,980	$ 756,079
Other income	44,746	-
	571,726	756,079
Expenditures		
Music & Entertainment	-	6,000
Computer expense	1,188	559
Bank charges	14,723	9,499
Professional fees	559	-
Student Scholarships	652,500	450,000
Office and general	5,851	12,296
Advertising & Printing	3,224	11,124
Event expenses	119,444	147,837
Travel	26,722	28,623
	824,211	665,938
(Deficiency) excess of revenues over expenditures	**$ (252,485)**	$ 90,141

See accompanying notes to financial statements

FRIENDS OF NAMAL
STATEMENT OF CASH FLOWS

Year ended December 31	2025	2024 (Note 5)
Cash flows provided by (used in):		
Operating		
(Deficiency) excess of revenues over expenditures	**$ (252,485)**	$ 90,141
Change in non-cash working capital items		
Accounts receivable	**119,325**	(119,325)
GST receivable	**(4,152)**	-
Accounts payable and accrued liabilities	**(51,824)**	21,944
Decrease in cash	**(189,136)**	(7,240)
Cash, beginning of year	**268,946**	276,186
Cash, end of year	**$ 79,810**	$ 268,946

See accompanying notes to financial statements

1. Nature of operations

Friends of Namal promotes and collects donations for Namal University to become a centre of academic excellence for impacting Pakistan’s uplift and development by educating talented and by finding innovative solutions to relevant challenges by highly trained academics.

Friends of Namal was incorporated without share capital under the Canada Not-for-Profit Corporation Act as of September 25, 2019. Friends of Namal is a registered Canadian charity as it meets all legal requirements of Canadian legislation and policies related to charitable organizations, and accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

2. Significant accounting policies

The Organization applies the Canadian accounting standards for private enterprises.

(a) **Basis of accounting**

These financial statements have been prepared by management in accordance with the Canadian standards for not-for-profit organizations with significant accounting policies as set out below.

(b) **Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

(c) **Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other income is recognized as revenue when earned.

(d) **Contributed services**

Directors, committee members and owners volunteer their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(e) **Donated material and services**

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such material and services are not significant.

2. Significant accounting policies (continued)

(f) **Capital management**

The Organization manages its capital to ensure that it will be able to continue as a going concern while providing funding for acquisition of cancer treatment equipment and facilities. As the Organization is a not-for-profit organization, this objective is dependent on the support of individual and corporate donors.

The Organization is not subject to externally imposed capital requirements.

The Organization defines its capital as its Fund balances. The Organization manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of its capital requirements, the Organization prepares annual revenue and expenditure budgets which are based on established and projected funding needs for the year. These budgets are updated as necessary depending on changes in circumstances and are approved by the Board of Directors. There has been no change in what the Organization defines as capital, or the objectives, polices and procedures for managing capital in the year.

(g) **Financial instruments**
The Organization's financial instruments consist of cash, term deposit, other receivables and accounts payable and accrued liabilities and loan payable. The Organization's financial assets and liabilities are initially recorded at cost and subsequently measured at amortized cost. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

3. Accounts payable and accrued liabilities

	2025	2024 (Note 5)
Accounts payable	**$ 4,650**	$ 56,474

4. Income taxes

The Organization is a charitable organization and exempt from federal and provincial income tax.

5. Comparative amounts

The financial statements for the year ended December 31, 2024 were reported on by another firm of Chartered Professional Accountants who issued an unqualified opinion in their Compilation Engagement Report dated June 30, 2025.

6. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

6. Financial instruments (continued)

(a) Credit risk

The Organization does have credit risk in accounts receivable of $- (2024 - $119,325). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.The Organization reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Organization is low and is not material.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately -% of the entity's sales are in foreign currency. Consequently, some assets are exposed to foreign exchange fluctuations. As at December 31, 2021, cash and accounts receivable of $Nil and $Nil respectively (2020; $Nil and $Nil) are denominated in US dollars and converted into Canadian dollars.

(c) Concentration of credit risk

The Organization does have concentration of credit risk. Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At December 31, 2025, receivables from 3 customers comprised approximately 90% of the total outstanding receivables. One particular customer’s account represents 80% of the total outstanding receivables at December 31, 2025. The Organization reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances. In the opinion of management the concentration risk exposure to the Organization that is associated with their customers is low and is not material.

(d) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Organization is a going concern and thus expects to fully repay the outstanding amounts.

6. Financial instruments (continued)

(e) Foreign exchange risk

The Organization is exposed to foreign exchange risk in United States dollars. Foreign exchange risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the Organization by a customer, or that an obligation in a foreign currency was made to the Organization to a supplier, is different at the time of settlement than it was at time that the obligation was determined. The Organization reduces its exposure to foreign exchange risk by carefully monitoring exchange rates on obligations that are made to the Organization and engaging in hedges when there is a significant risk of exchange rate movement. The Organization did not have any hedges at the time that the financial statements were issued. The Organization does not utilize financial instruments to manage its foreign exchange risk. The Organization maintains adequate foreign currency balances in its bank provided by its customers that discharged their obligations to the Organization in the related currency, to discharge its related foreign currency obligations. In the opinion of management the foreign exchange risk exposure to the Organization is low and is not material.

Friends of Namal - 2025 - Financial Statements

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