

Lahore Biennale Foundation
Financial Statements for the period ended
30th June 2019



KPMG Taseer Hadi & Co.
Chartered Accountants
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Independent Auditors' Report to Board of Directors

Opinion

We have audited the financial statements of **Lahore Biennale Foundation ("the Foundation")**, which comprise the statement of financial position as at 30 June 2019 and the income and expenditure account, statement of other comprehensive income, statement of changes in accumulated funds and cash flow statement 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 Foundation as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

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 Board of Directors ("the Board") is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as Board 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, the Board is responsible for assessing the Foundation'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 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.

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.



KPMG Taseer Hadi & Co.

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.

Lahore

Date: 27 January 2020

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Lahore Biennale Foundation

Statement of Financial Position

As at 30 June 2019

| | Note | 2019 Rupees | 2018 Rupees |
|-------------------------------|------|-------------------|-------------------|
| Assets | | | |
| <u>Non-current assets</u> | | | |
| Operating fixed assets | 4 | 1,870,421 | 2,036,827 |
| Long term deposits | | 150,000 | 150,000 |
| | | <u>2,020,421</u> | <u>2,186,827</u> |
| <u>Current assets</u> | | | |
| Funds receivable | 5 | - | 12,500,000 |
| Advance and other receivables | 6 | 142,070 | 56,393 |
| Cash and bank balances | 7 | 8,586,360 | 19,579,148 |
| | | <u>8,728,430</u> | <u>32,135,541</u> |
| | | <u>10,748,851</u> | <u>34,322,368</u> |

EQUITY AND LIABILITIES

Funds

| | | | |
|--------------|--|-----------|------------|
| General fund | | 1,010,691 | 14,523,036 |
|--------------|--|-----------|------------|

Current liabilities

| | | | |
|-------------------------|---|------------------|-------------------|
| Loan from Chairman | 8 | 8,700,000 | 16,700,000 |
| Provision for tax - net | 9 | 782,405 | 2,990,107 |
| Accrued liabilities | | 255,755 | 109,225 |
| | | <u>9,738,160</u> | <u>19,799,332</u> |

Contingencies and commitments

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| | |
|-------------------|-------------------|
| <u>10,748,851</u> | <u>34,322,368</u> |
|-------------------|-------------------|

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

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Lahore


Chairman


Director

Lahore Biennale Foundation
Income and Expenditure Account
For the year ended 30 June 2019

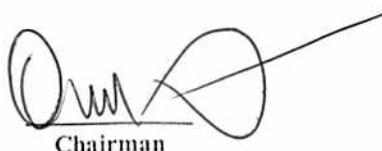
For the year ended 30 June 2019

| | | 2019 | | | 2018 |
|-----------------------------------|------|--------------------|-----------------|--------------|--------------|
| | | General Fund | Restricted Fund | Total | Total |
| | Note | ----- Rupees ----- | | | |
| Donations | 11 | 10,000,000 | 115,500 | 10,115,500 | 74,148,816 |
| Other income | 14 | 845,450 | - | 845,450 | 143,193 |
| | | 10,845,450 | 115,500 | 10,960,950 | 74,292,009 |
| <u>Expenditure</u> | | | | | |
| Projects expenses | 12 | (15,791,265) | (115,500) | (15,906,765) | (53,284,268) |
| Administrative expenses | 13 | (8,351,508) | - | (8,351,508) | (4,862,742) |
| Other charges | | (63,289) | - | (63,289) | (103,092) |
| | | (24,206,062) | (115,500) | (24,321,562) | (58,250,102) |
| (Deficit)/surplus before taxation | | (13,360,612) | - | (13,360,612) | 16,041,907 |
| Taxation | 9 | (151,733) | - | (151,733) | (3,296,840) |
| (Deficit)/surplus after taxation | | (13,512,345) | - | (13,512,345) | 12,745,067 |

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

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Lahore


Chairman


Director

Lahore Biennale Foundation
Statement of Comprehensive Income
For the year ended 30 June 2019

| | 2019 Rupees | 2018 Rupees |
|--|---------------------|-------------------|
| (Deficit)/surplus for the year | (13,512,345) | 12,745,067 |
| Other comprehensive income | - | - |
| Total comprehensive (loss) / income for the year | <u>(13,512,345)</u> | <u>12,745,067</u> |

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

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Lahore


Chairman


Director

Lahore Biennale Foundation
Statement of Changes in Funds
For the year ended 30 June 2019

| | Rupees |
|----------------------------|-------------------------|
| Balance as at 30 June 2017 | 1,777,969 |
| Surplus for the year | 12,745,067 |
| Balance as at 30 June 2018 | <u>14,523,036</u> |
| Deficit for the year | (13,512,345) |
| Balance as at 30 June 2019 | <u><u>1,010,691</u></u> |

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

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Lahore


Chairman


Director

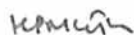
Lahore Biennale Foundation

Statement of Cash Flows

For the year ended 30 June 2019

| | Note | 2019 Rupees | 2018 Rupees |
|---|------|----------------|----------------|
| <u>Cash flow from operating activities</u> | | | |
| (Deficit)/surplus before taxation | | (13,360,612) | 16,041,907 |
| Adjustments for: | | | |
| Depreciation on operating fixed assets | 4 | 382,358 | 324,728 |
| Profit on bank deposits | 14 | (845,450) | (143,193) |
| Other charges | | 63,289 | 103,092 |
| | | (399,803) | 284,627 |
| Deficit before working capital changes | | (13,760,415) | 16,326,534 |
| <u>Effect on cash flow due to changes in current assets and current liabilities</u> | | | |
| (Increase) / Decrease in current assets: | | | |
| Advances and other receivables | | (85,677) | (14,450) |
| Funds receivable | 5 | 12,500,000 | (12,500,000) |
| Increase / (Decrease) in current liabilities: | | | |
| Accrued liabilities | | 52,163 | (60,775) |
| Cash (used in) / generated from operations | | (1,293,929) | 3,751,309 |
| Taxes paid | | (2,265,068) | (859,795) |
| Bank charges paid | | (63,289) | (103,092) |
| Net cash used in operating activities | | (3,622,286) | 2,788,422 |
| <u>Cash flow from Investing activities</u> | | | |
| Capital expenditure incurred | | (215,952) | (228,542) |
| Profit on bank deposits received | | 845,450 | 143,193 |
| Net cash used in investing activities | | 629,498 | (85,349) |
| <u>Cash flow from Financing activities</u> | | | |
| (Payment) / proceeds of loan | 8 | (8,000,000) | 16,700,000 |
| Net cash used in financing activities | | (8,000,000) | 16,700,000 |
| Net decrease in cash and cash equivalents | | (10,992,788) | 19,403,073 |
| Cash and cash equivalents at beginning of the year | | 19,579,148 | 176,075 |
| Cash and cash equivalents at end of the year | | 8,586,360 | 19,579,148 |

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



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Chairman


Director

Lahore Biennale Foundation
Notes to the Financial Statements
For the year ended 30 June 2019

1 Reporting entity

Lahore Biennale Foundation ("the Foundation") was incorporated on 28 March 2014 as a Foundation registered under Societies Registration Act, 1860 as a non-profit organization. The registered office of the Foundation is situated at 101 Habitat Flats, Jail Road, Lahore. The main objective of the Foundation is to promote public engagement with the Arts and their related fields, including but not limited to fine arts, architecture, design, literature, visual and performing arts, and to help restore the role of the Arts in the national discourse.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSE) as issued by the Institute of Chartered Accountants of Pakistan and Accounting Standards for Not for Profit Organizations (NPOs).

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Foundation's functional currency and has been rounded to the nearest Rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Foundation's financials statements or where judgments were exercised in application of accounting policies are as follows:

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Note

- Useful life and residual value 2.4.1
- Provision for doubtful debts 2.4.2
- Provisions and contingencies 2.4.3
- Impairment 2.4.4
- Taxation 2.4.5

2.4.1 Useful life and residual value

The Foundation reviews the useful lives and residual value of property, plant 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.

2.4.2 Provision against trade debts, advances and other receivables

The Foundation reviews the recoverability of its trade debts and other receivables to assess impairment and provision required there against on annual basis.

2.4.3 Provision and contingencies

Estimates of the amount of provisions recognized are based on current legal and constructive requirements. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

2.4.4 Impairment

The management of the Foundation reviews carrying amounts of its assets including receivables and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

The Foundation takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the Foundation's view differs from the view taken by the income tax department at the assessment stage and the Foundation considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

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3.1 Operating fixed assets

Owned

Operating fixed assets of the Foundation are stated at cost less accumulated depreciation and impairment loss, if any. Cost in relation to property and operating fixed assets comprises acquisition and other directly attributable costs.

Depreciation charge is based on straight line method whereby the cost of an asset is written off to income and expenditure account at the rates prescribed in note 4 to these financial statements. Depreciation on additions and deletions is charged on the month in which the addition / deletion is made.

Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

Maintenance and normal repairs are charged to income as and when incurred.

Gain or loss on disposal of operating fixed assets, if any, recognized in the statement of income and expenditure, as at when incurred.

3.2 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents mainly comprise cash and bank balances which are stated in the balance sheet at cost.

3.3 Creditors, accrued and other liabilities

Liabilities for creditors, accrued and other liabilities are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.4 Provisions and contingencies

Provisions are recognized in the balance sheet when the Foundation has a legal or constructive obligation as a result of past events and it is probable that an outflow of 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. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.5 Impairment losses

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

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Non financial assets

The carrying amount of the Foundation's non-financial assets, are reviewed at each balance sheet to determine whether there is any indication of impairment loss. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss if any.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash flows of other assets of cash generating units.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit and loss.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been charged.

3.6 Recognition of cost and expenditure

Costs and expenditure are recognized as an expense, at historical cost, during the period in which they are incurred, and not in a subsequent period. Expenditure linked to performance-based (restricted) contributions are recognized to the extent that the Foundation or any other nominated recipient of the contribution has provided the specified service or work or incurred the specified expenditure.

3.7 Financial instruments

Financial assets and liabilities are recognized when the Foundation becomes a party to contractual provisions of the instrument and de-recognized when the Foundation loses control of contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and liabilities are included in income and expenditure account for the year.

3.8 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.9 Foreign currency translations

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak Rupees at exchange rates prevailing on the balance sheet date. All exchange differences are charged to income and expenditure account.

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3.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income and expenditure account, except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Foundation recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.11 Trade debts and other receivables

Trade debts and other receivables are stated at their nominal value as reduced by appropriate allowance for doubtful debts. Bad debts are written off as and when identified.

3.12 Income recognition

Restricted revenue

Funds held for specific usage are restricted funds and are separately accounted for in the financial statements.

Restricted revenue is based on agreements, contracts, or other understanding, where the conditions for receipt of the funds are linked to a performance of a service or other process. The Foundation earns the revenue through compliance with the conditions that have been laid down and meeting the envisaged obligations. Revenue is recognised in the income and expenditure account when there is reasonable assurance that the contribution will be received, and the conditions stipulated for its receipt have been complied with. Revenue is recognized on a systematic basis in the same period in which the related expenditure is incurred.

General / Unrestricted revenue

Revenue from general unrestricted resources is recognised when the amount of revenue can be measured reliably, or when it is probable that the economic benefits associated with the transaction will flow to the Foundation, that is, at the time when no significant uncertainty exists with regard to the amount of the consideration that will be derived from the sources of unrestricted income.

Profit on bank deposits is recognized on accrual basis.

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4 Operating fixed assets

General Fund

Cost:

Balance as at 01 July 2018

Additions during the year

Balance as at 30 June 2019

Depreciation on operating fixed assets

Balance as at 01 July 2018

Charge for the year

Balance as at 30 June 2019

Net book value at 30 June 2019

General Fund

Balance as at 01 July 2017

Additions during the year

Balance as at 30 June 2018

Depreciation on operating fixed assets

Balance as at 01 July 2017

Charge for the year

Balance as at 30 June 2018

Net book value at 30 June 2018

| Generator and other electrical equipment | Computers | Office equipment | Furniture and fittings | Total |
|--|----------------|------------------|---------------------------|------------------|
| ----- Rupees ----- | | | | |
| 1,320,890 | 300,510 | 728,510 | 470,534 | 2,820,444 |
| - | 135,706 | - | 80,246 | 215,952 |
| <u>1,320,890</u> | <u>436,216</u> | <u>728,510</u> | <u>550,780</u> | <u>3,036,396</u> |
| 429,284 | 143,063 | 129,940 | 81,330 | 783,617 |
| 132,127 | 124,307 | 72,851 | 53,073 | 382,358 |
| <u>561,411</u> | <u>267,370</u> | <u>202,791</u> | <u>134,403</u> | <u>1,165,975</u> |
| <u>759,479</u> | <u>168,846</u> | <u>525,719</u> | <u>416,377</u> | <u>1,870,421</u> |
| 1,320,890 | 194,510 | 625,510 | 450,992 | 2,591,902 |
| - | 106,000 | 103,000 | 19,542 | 228,542 |
| <u>1,320,890</u> | <u>300,510</u> | <u>728,510</u> | <u>470,534</u> | <u>2,820,444</u> |
| 297,195 | 67,442 | 58,836 | 35,416 | 458,889 |
| 132,089 | 75,621 | 71,104 | 45,914 | 324,728 |
| <u>429,284</u> | <u>143,063</u> | <u>129,940</u> | <u>81,330</u> | <u>783,617</u> |
| <u>891,606</u> | <u>157,447</u> | <u>598,570</u> | <u>389,204</u> | <u>2,036,827</u> |

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| | 2019 Rupees | 2018 Rupees |
|-------------------------------------|----------------|----------------|
| 5 Funds receivable | | |
| Funds receivable related to project | - | 12,500,000 |

5.1 Funds receivable related to project

| | Opening fund received in advance | Funds receivables | Funds received during the year | Closing funds receivable | Total funds available for project expenditure | Project expenditure | Closing funds received in advance |
|------------------------------------|--|----------------------|-----------------------------------|-----------------------------|--|------------------------|---|
| | ----- Rupees ----- | | | | | | |
| Government of Punjab (note 11.2.1) | - | 12,500,000 | 12,500,000 | - | 12,500,000 | 12,500,000 | - |

| | Note | 2019 Rupees | 2018 Rupees |
|--|------|----------------|----------------|
| 6 Advance and other receivables | | | |
| Advance for expenses | | 30,462 | 56,393 |
| Other receivable | | 111,608 | - |
| | | <u>142,070</u> | <u>56,393</u> |

7 Cash and bank balances

| | | | |
|-----------------------------------|-----|------------------|-------------------|
| Cash in hand | | 204,454 | 167,899 |
| Cash at banks: | | | |
| Deposit accounts - local currency | 6.1 | 8,381,906 | 19,411,249 |
| | | <u>8,586,360</u> | <u>19,579,148</u> |

7.1 These carry mark-up at the rates ranging from 4.575% to 10.33% per annum on day end balances (2018: 3.78 % to 4.59 % per annum).

| | 2019 Rupees | 2018 Rupees |
|-----------------------------|------------------|-------------------|
| 8 Loan from Chairman | <u>8,700,000</u> | <u>16,700,000</u> |

8.1 The loan is repayable on demand and carries zero markup rate.

9 Taxation

Current

- For the year

| | |
|----------------|------------------|
| <u>151,733</u> | <u>3,296,840</u> |
| <u>151,733</u> | <u>3,296,840</u> |

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| | | 2019 Rupees | 2018 Rupees |
|-----|------------------------------------|----------------|------------------|
| 9.1 | Provision for tax - net | | |
| | Opening Balance | 2,990,107 | 553,062 |
| | Provision for tax | 151,733 | 3,296,840 |
| | less: Advance tax | (94,368) | (859,795) |
| | less: Payment made during the year | (2,265,067) | - |
| | Balance at end of the year | <u>782,405</u> | <u>2,990,107</u> |

10 Contingencies and Commitments

There are no contingencies and commitments at the reporting date.

| | | | | |
|----|-----------------|------|-------------------|-------------------|
| 11 | Donations | Note | | |
| | General fund | 11.1 | 10,000,000 | 24,148,816 |
| | Restricted fund | 11.2 | 115,500 | 50,000,000 |
| | | | <u>10,115,500</u> | <u>74,148,816</u> |

11.1 General Fund

| | | | | |
|--|-----------------------|--------|-------------------|-------------------|
| | Corporates and others | 11.1.1 | <u>10,000,000</u> | <u>24,148,815</u> |
|--|-----------------------|--------|-------------------|-------------------|

11.1.1 This represents general donations from Babar Ali foundation for the project "Lahore Biennale 02" during the year for the purpose to promote public engagement with the Arts and their related fields, the arrangement of the biennale aims towards rethinking and reinventing existing biennale formats, dispelling the concept of one grand exhibition.

| | | | | |
|------|-----------------------|--------|----------------|-------------------|
| | | Note | 2019 Rupees | 2018 Rupees |
| 11.2 | Restricted Fund | | | |
| | Government of Punjab | | - | 50,000,000 |
| | Corporates and others | 11.2.1 | 115,500 | - |
| | | | <u>115,500</u> | <u>50,000,000</u> |

11.2.1 This represents funds received during the year from film production Company, Grayscale for the screening of short film Rani.

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| 12 | Project Expenses | Note | 2019 Rupees | 2018 Rupees |
|----|--|------|-------------------|-------------------|
| | Salaries, wages and other benefits | | 5,138,131 | 8,708,858 |
| | Advertisement and publicity | | - | 6,655,333 |
| | Books, subscriptions, reference | | - | 111,111 |
| | Carriage and Transport | | 20,606 | 370,473 |
| | Consultancy and management services | | - | 78,788 |
| | Depreciation on operating fixed assets | 4 | 132,089 | 132,089 |
| | Entertainment expenses | 12.1 | 475,175 | 3,415,907 |
| | Event management services | 12.1 | 379,266 | 10,193,992 |
| | Fees and Subscriptions | | 470,756 | 374,546 |
| | Freight and forwarding | | 330,398 | 769,151 |
| | Project supplies | | 709,308 | 9,042,256 |
| | Repair and Maintenance | | 121,212 | 1,033,351 |
| | Promotional activities | | 21,100 | 32,219 |
| | Printing and stationery | | 97,273 | 518,186 |
| | Professional charges | | 4,137,513 | 6,480,378 |
| | Training and Development | | - | 540,000 |
| | Travelling and conveyance | | 3,825,323 | 4,788,430 |
| | Other expenses | | 48,615 | 39,200 |
| | | | <u>15,906,765</u> | <u>53,284,268</u> |

12.1 This includes Rs 115,500 received during the year from Grayscale for the screening of Rani movie.

| | | | | |
|------|--|------|------------------|------------------|
| 13 | Administrative expenses | | | |
| | Salaries, wages and other benefits | | 2,517,883 | 1,232,071 |
| | Advertisement and publicity | | 730,754 | 24,924 |
| | Audit fee | 13.1 | 115,000 | 470,000 |
| | Computer supplies | | 16,464 | 27,273 |
| | Consultancy and management services | | - | 19,500 |
| | Office supplies | | 330,892 | 176,984 |
| | Depreciation on operating fixed assets | 4 | 250,231 | 192,669 |
| | Donations | | - | 24,242 |
| | Entertainment expenses | | 202,554 | 120,966 |
| | Electrical supplies | | 1,090 | 24,120 |
| | Event management services | | 10,000 | - |
| | Fees and subscriptions | | 102,710 | 192,203 |
| | Freight and forwarding | | 25,381 | 7,365 |
| | Fuel and related expense | | 56,399 | 46,518 |
| | Legal fees | | 75,000 | 439,090 |
| | Postage and telephone | | 183,864 | 217,693 |
| | Periodicals | | 54,536 | 5,746 |
| | Printing and composing | | 25,926 | 99,236 |
| | Professional charges | | 832,353 | |
| | Promotional activities | | 739,993 | 77,360 |
| | Rent, rates and taxes | | 791,812 | 682,778 |
| | Repair and Maintenance | | 299,037 | 68,250 |
| | Seminars and trainings | | - | 200,078 |
| | Utilities | | 196,447 | 172,209 |
| | Other expenses | | 44,875 | 98,643 |
| | Travelling and conveyance | | 748,307 | 242,824 |
| | | | <u>8,351,508</u> | <u>4,862,742</u> |
| 13.1 | Audit fee includes the following: | | | |
| | Audit fee | | 100,000 | 50,000 |
| | Out of pocket expenses | | 15,000 | 10,000 |
| | Special certification | | - | 410,000 |
| | | | <u>115,000</u> | <u>470,000</u> |

| | | | | |
|----|-------------------------|--|---------|---------|
| 14 | Other Income | | | |
| | Profit on bank deposits | | 845,450 | 143,193 |

KPMG

15 Number of employees

The average number of employees during the year and as at 30 June are as follows:

| | 2019 | 2018 |
|---|----------------------------|------|
| | -----No of employees ----- | |
| Average number of employees during the year | 10 | 9 |
| Number of employees as at 30 June | 13 | 7 |

16 Related party transaction:

16.1 The Foundation's related party include the associated undertakings, entities over which directors are able to exercise influence, managing body and key management personnel. Transaction with related party is as follows:

| Name of the related party | Basis of relationship | Nature of Transactions | 2019 Rupees | 2018 Rupees |
|---------------------------|-----------------------|------------------------|-------------|-------------|
| Mr. Osman Khalid Waheed | Chairman | Payment of loan | 8,000,000 | - |
| Mr. Osman Khalid Waheed | Chairman | Proceeds of loan | - | 16,700,000 |

17 Corresponding figures

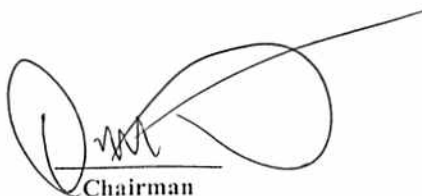
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and better presentation as per reporting framework.

18 Date of Authorization

These financial statements have been authorized for issue by the Board of Directors of the Foundation in their meeting held on 22 Jan 2020.

22/1/20

Lahore


Chairman


Director