

Lahore Biennale Foundation

Financial Statements for the
year ended 30 June 2024

Lahore Biennale Foundation
Statement of Financial Position
 As at 30 June 2024

	Note	2024 Rupees	2023 Rupees
Assets			
<u>Non-current assets</u>			
Operating fixed assets	4	449,897	719,014
Long term deposits		150,000	150,000
		<u>599,897</u>	<u>869,014</u>
<u>Current assets</u>			
Advances	5	930,745	139,391
Cash and bank balances	6	48,725,955	255,123
		49,656,700	394,514
		<u>50,256,597</u>	<u>1,263,528</u>
EQUITY AND LIABILITIES			
<u>Funds</u>			
General fund		(9,217,745)	(15,021,642)
<u>Current liabilities</u>			
Loan from members	7	19,350,000	14,700,000
Provision for tax - net	8	2,169,347	1,212,447
Accrued liabilities		37,954,995	372,723
		59,474,342	16,285,170
Contingencies and commitments	9		
		<u>50,256,597</u>	<u>1,263,528</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

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 Nazish Khan-Ullah
 10-chair
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Lahore Biennale Foundation
Income and Expenditure Account
For the year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
Donations			
Other income	10	62,056,618	4,557,318
		<u>2,872,594</u>	<u>740,679</u>
		<u>64,929,212</u>	<u>5,297,997</u>
<u>Expenditure</u>			
Projects expenses	11	(49,366,929)	(8,361,613)
Administrative expenses	12	(7,304,867)	(6,534,678)
Other charges		(16,235)	(17,980)
		<u>(56,688,031)</u>	<u>(14,914,271)</u>
Surplus / (Deficit) before taxation		8,241,181	(9,616,274)
Taxation	8	(2,437,284)	(66,225)
Surplus / (Deficit) after taxation		<u>5,803,897</u>	<u>(9,682,499)</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

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Naazish Anwar-Ullah

Andra Rahim

Lahore Biennale Foundation
Statement of Comprehensive Income
For the year ended 30 June 2024

	2024 Rupees	2023 Rupees
Surplus / (Deficit) for the year	5,803,897	(9,682,499)
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>5,803,897</u></u>	<u><u>(9,682,499)</u></u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

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Lahore Biennale Foundation
Statement of Changes in Funds
For the year ended 30 June 2024

	Rupees
Balance as at 30 June 2022	(5,339,143)
Surplus / (Deficit) for the year	(9,682,499)
Balance as at 30 June 2023	<u>(15,021,642)</u>
Surplus / (Deficit) for the year	5,803,897
Balance as at 30 June 2024	<u><u>(9,217,745)</u></u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

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Handwritten signature: Nazish Khan-Ullah

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Lahore Biennale Foundation

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
<u>Cash flow from operating activities</u>			
Surplus / (Deficit) before taxation		8,241,181	(9,616,274)
Adjustments for:			
Depreciation on operating fixed assets	4	269,117	269,117
Profit on bank deposits	13	(2,872,594)	(740,679)
Other charges		16,235	17,980
		<u>(2,587,242)</u>	<u>(453,582)</u>
Surplus before working capital changes		5,653,939	(10,069,856)
<u>Effect on cash flow due to changes in current assets and current liabilities</u>			
(Increase) / decrease in current assets:			
Advances		(791,354)	(66,003)
(Decrease) / Increase in current liabilities:			
Accrued liabilities		37,582,272	(1,377,188)
Cash generated from operations		<u>42,444,857</u>	<u>(11,513,047)</u>
Taxes paid		(1,480,384)	(457,718)
Bank charges paid		(16,235)	(17,980)
Net cash generated from operating activities		<u>40,948,238</u>	<u>(11,988,745)</u>
<u>Cash flow from investing activities</u>			
Capital expenditure incurred		-	-
Profit on bank deposits received		2,872,594	740,679
Net cash generated from investing activities		<u>2,872,594</u>	<u>740,679</u>
Net increase in cash and cash equivalents		48,470,832	(11,248,066)
Cash and cash equivalents at beginning of the year		255,123	11,503,189
Cash and cash equivalents at end of the year		<u><u>48,725,955</u></u>	<u><u>255,123</u></u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

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Lahore Biennale Foundation
Notes to the Financial Statements
For the year ended 30 June 2024

1 Reporting entity

1.1 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.

1.2 Going Concern Assumption

During the year, the foundation has shown surplus after taxation of Rs 5.80 million (2023: deficit Rs. 9.68 million) however as at year end its accumulated deficit stood at Rs. 9.22 million (2023: Rs. 15.02 million), and the current liabilities have exceeded the current assets by Rs. 9.82 million (2023: Rs. 15.89 million). The foundation has been facing difficulties in meeting its working capital requirements, which is ultimately bridged by managing body loans. These loans are being accumulated over the years to Rs. 19.35 million (2023: Rs. 14.70 million) The loans that the foundation has received from the managing body have remained static during the year.

The management has successfully organized the LB-03 subsequently in October 2024. It has received donations from the Government of Punjab amounting to Rs 60 million in January 2024 and has further obtained funding from private parties amounting to 125.81 million subsequently. This indicates that foundation had arranged sufficient funds to execute the holding of LB-03. Apart from the above, the members of managing body through support letter dated September 30, 2025, have committed to support the foundation through loans if there are any issues related to foundation's future operations. The managing body has also confirmed that they will reschedule/ defer already extended loans in line with foundations liquidity position, if any need arises. Management is confident that foundation will be able to continue as a going concern based on the donations received in current and subsequent period and the undertaking of continued financial and operational support by the managing body of the foundation.

In view of the mitigating factors as explained above, the management of the Company believes that it remains appropriate to prepare the financial statements on a going concern basis. However, there remains a material uncertainty pertaining to current financial position of the foundation. The management acknowledges that these events and conditions indicates that a material uncertainty exists that may cast significant doubt on the Foundation's ability to continue as a going concern and, therefore, the Foundation may be unable to realize its assets and discharge its liabilities in the normal course of business.

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 Standards for Not for Profit Organizations (NPOs) and Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSE) as issued by the Institute of Chartered Accountants of Pakistan.

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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 Pakistani 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. Following are the assumptions and estimates where judgement were exercised in application of accounting policies:

	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 operating fixed assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of operating fixed assets 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 (if any).

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.

2.4.5 Taxation

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 Material accounting policies

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

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.

The Company recognizes depreciation by applying straight line method, over the useful life of each item of property and equipment, using rates specified in note 4 to the financial statements. Depreciation on additions to property and equipment is charged from the date at which the asset becomes available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

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 and expenditure account as and when incurred.

Gain or loss on disposal of operating fixed assets, if any, recognized in the income and expenditure account, 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 statement of financial position 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 statement of financial position 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 reporting 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.

Non financial assets

The carrying amount of the Foundation's non-financial assets, are reviewed at each reporting date 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.

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3.8 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position 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 Pakistani rupee at exchange rates prevailing on the reporting date. All exchange differences are charged to income and expenditure account.

3.10 Taxation

Income tax expense comprises current tax only. Income tax expense is recognized in the income and expenditure account, except to the extent that it relates to items recognized directly in statement of comprehensive income or statement of changes in fund, in which case it is recognized in other comprehensive income or fund 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.

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 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 recognized 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 recognized 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.

4 Operating fixed assets

	Generator and other electrical equipment	Computers	Office equipment	Furniture and fittings	Total
General Fund					
----- Rupees -----					
Cost					
Balance as at 01 July 2023	1,320,890	436,216	819,504	550,780	3,127,390
Additions during the year	-	-	-	-	-
Balance as at 30 June 2024	1,320,890	436,216	819,504	550,780	3,127,390
Accumulated Depreciation					
Balance as at 01 July 2023	1,089,767	436,206	533,884	348,519	2,408,376
Charge for the year	132,089	-	81,950	55,078	269,117
Balance as at 30 June 2024	1,221,856	436,206	615,834	403,597	2,677,493
Closing net book value	99,034	10	203,670	147,183	449,897
Depreciation rate % per annum	10%	33.33%	10%	10%	

General Fund

Cost					
Balance as at 01 July 2022	1,320,890	436,216	819,504	550,780	3,127,390
Additions during the year	-	-	-	-	-
Balance as at 30 June 2023	1,320,890	436,216	819,504	550,780	3,127,390
Accumulated Depreciation					
Balance as at 01 July 2022	957,678	436,206	451,934	293,441	2,139,259
Charge for the year	132,089	-	81,950	55,078	269,117
Balance as at 30 June 2023	1,089,767	436,206	533,884	348,519	2,408,376
Closing net book value	231,123	10	285,620	202,261	719,014
Depreciation rate % per annum	10%	33.33%	10%	10%	

4.1 Depreciation for the year has been allocated as follows:

	Note	2024 Rupees	2023 Rupees
Projects expenses	11	132,089	132,089
Administrative expenses	12	137,028	137,028
		269,117	269,117

5 Advances

Advance for expenses		
Advance to Supplier	649,513	139,391
Advance to Employees	266,232	-
	15,000	-
	930,745	139,391

6 Cash and bank balances

Cash in hand		98,292	99,935
Cash at banks, deposit accounts, local currency	6.1	48,627,663	155,188
		48,725,955	255,123

6.1 These carry mark-up at the rates ranging from 19.90% to 20.88% per annum on day end balances (2023: 12.26% to 19.51 per annum).

		2024	2023
	Note	Rupees	Rupees
7	Loan from Members		
	Long term loan from member - Mr. Osman Khalid Waheed	10,700,000	10,700,000
	Long term loan from executive director - Ms. Qudsia Rahim	5,650,000	1,000,000
	Long term loan from members - Mr. Tariq Zaman	1,000,000	1,000,000
	Long term loan from members - Mr. Raza Ali Dada	1,000,000	1,000,000
	Long term loan from members - Mr. Mohsin Hamid	1,000,000	1,000,000
		<u>19,350,000</u>	<u>14,700,000</u>
	7.1 The loan is repayable on demand and carries zero markup rate.		
8	Taxation		
	Current - for the year	<u>2,437,284</u>	<u>66,225</u>
	8.1 Provision for tax - net		
	Opening balance	1,212,447	1,603,940
	Provision for tax	2,437,284	66,225
	less: Advance tax	(42,142)	(457,718)
	Balance at end of the year	<u>3,607,589</u>	<u>1,212,447</u>
9	Contingencies and Commitments		
	There are no contingencies and commitments at the reporting date.		
10	Donations		
	General fund	10.1 <u>62,056,618</u>	<u>4,557,318</u>
	10.1 General donations for the year amounted to Rs. 62.06 million (2023: Rs. 4.56 million), contributed by the Government of Punjab (Rs. 60.00 million), Mr. Tariq Zaman - Member (Rs. 1.15 million), and the Embassy of France (Rs. 0.91 million). These funds are utilized to promote public engagement within the arts and related sectors. In the preceding year, sponsorships were received from various institutions, notably the British Council.		
11	Project Expenses		
		Note	
	Salaries, wages and other benefits		2,787,560
	Advertisement and publicity		474,284
	Accommodation		262,209
	Depreciation	4.1	132,089
	Entertainment expenses		441,480
	Freight and forwarding		420,158
	Event management services		-
	Fees and subscriptions		922,854
	Fuel and utilities		236,875
	Project supplies		141,836
	Repair and maintenance	11.1	274,761
	Promotional activities		5,850
	Printing and stationery		18,000
	Professional charges		169,089
	Travelling and conveyance		578,866
	Rent, rates and taxes		1,862,240
	Other expenses		-
			<u>53,620</u>
			<u>49,366,929</u>
	11.1 This pertains to Rs. 14.26 million (2023: Rs. 0.27 million) in respect of professional charges for set design, planning, and event management services for LB-03.		<u>8,361,613</u>
12	Administrative expenses		
		Note	
	Salaries, wages and other benefits		1,858,373
	Advertisement and publicity		176,099
	Professional charges	12.1	616,487
	Office supplies		571,773
	Depreciation on operating fixed assets	4.1	137,028
	Entertainment expenses		137,028
	Fees and subscriptions		182,672
	Freight and forwarding		105,775
	Postage and telephone		660
	Periodicals		146,473
	Printing and composing		4,760
	Rent, rates and taxes		234,350
	Repair and Maintenance		1,131,339
	Utilities		146,156
	Travelling and conveyance		273,415
	Other expenses		355,818
			<u>593,500</u>
			<u>7,304,867</u>
	12.1 Auditors remuneration		
	Audit fee		121,500
	Out of pocket expenses		85,000

	2024 Rupees	2023 Rupees
13 Other Income		
Profit on bank deposits	2,872,594	740,679
Other Income	-	-
	<u>2,872,594</u>	<u>740,679</u>

14 Number of employees

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

	2024 -----No of employees -----	2023
Average number of employees during the year	9	6
Number of employees as at 30 June	<u>12</u>	<u>6</u>

15 Related party transaction:

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	2024 Rupees	2023 Rupees
Osman Khalid Waheed	Member	Donation	-	400,000
Tariq Zaman	Member	Donation	1,150,000	900,000
Qudsia Rahim	Executive director	Loan	4,650,000	393,813

16 General

Figures have been rounded off to nearest rupee, unless otherwise stated.

17 Date of Authorization

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

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Naazish Khatun
Chairman

Osman Khalid Waheed
Member