

Financial Statements
THE ILM FOUNDATION
For the Year Ended June 30, 2024

AUDIT AND ASSURANCE GROUP

**Independent Auditor's Report
To the Members of The ILM Foundation
Report on the audit of Financial Statement**

Opinion

We have audited the financial statements of **The ILM Foundation** (the Foundation), which comprise the statement of financial position as at June 30, 2024, and the statement of income & expenditure and, the statement of changes in general funds, the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Foundation as at June 30, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

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 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 Executive Committee are responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and for such internal control as the Executive Committee 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, Executive Committee are 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 Executive Committee 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.



AUDIT AND ASSURANCE GROUP

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 Foundation'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 Foundation'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 Foundation 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 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.

Karachi
Dated: 16-Jun-2025



UDIN: AR202410457JKd1tevAT

A handwritten signature in black ink, appearing to read "Salman Masood".

Salman Masood, FCA
Salman & Co.
Chartered Accountants.

THE ILM FOUNDATION

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
<i>Non current Assets</i>			
Operating fixed assets	3	29,965,526	24,323,521
<i>Current Assets</i>			
Advance tax		40,000	405,754
Cash and bank balances	4	57,806,776	4,177,855
		<u>87,812,302</u>	<u>28,907,130</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accrued Expenses		1,845,290	88,028
NET ASSETS			
		<u>85,967,012</u>	<u>28,819,102</u>
REPRESENTED BY			
General Fund		53,614,244	9,382,199
Restricted fund - Endowment		32,352,768	19,436,903
		<u>85,967,012</u>	<u>28,819,102</u>

The annexed notes form an integral part of these financial statements



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THE ILM FOUNDATION

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
INCOME			
General Funds			
Contributions received from donations		176,890,499	198,102,000
Restricted Funds			
Contributions received for endowment fund		12,915,865	6,755,624
EXPENDITURES			
Administrative expenses	5	21,233,337	15,872,671
Project & services expenses	6	111,425,117	167,041,568
		<u>132,658,454</u>	<u>182,914,239</u>
Surplus for the year		57,147,910	21,943,385
Surplus for the year transferred Funds			
General Fund		44,232,045	15,187,761
Restricted fund - Endowment		12,915,865	6,755,624
		<u>57,147,910</u>	<u>21,943,385</u>

The annexed notes form an integral part of these financial statements



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STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year - General Fund	44,232,045	15,187,761
Amount received for endowment Fund	12,915,865	6,755,624
Adjustments for non-cash expenses and other items:		
Depreciation	3,530,211	2,007,839
Operating surplus before working capital changes	60,678,121	23,951,224
Increase / (Decrease) in current Assets		
Advance tax	365,754	(405,754)
Increase / (Decrease) in current liabilities		
Accrued expense	1,757,262	(1,386,291)
	2,123,016	(1,792,045)
Cash generated from operations	62,801,137	22,159,179
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,172,216)	(22,658,837)
Cash (used in) Investing activities	(9,172,216)	(22,658,837)
Net increase (decrease) in cash and cash equivalents (A+B)	53,628,921	(499,658)
Cash and cash equivalents at the beginning of the year	4,177,855	4,677,513
Cash and cash equivalents at the end of the year	57,806,776	4,177,855



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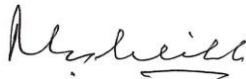
THE ILM FOUNDATION

STATEMENT OF CHANGES IN GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Total Funds</u>
	<u>.....Rupees.....</u>		
Balance as at June, 2023	9,382,199	19,436,903	28,819,102
Surplus transferred from income and expenditure to general fund	44,232,045	-	44,232,045
Amount placed to endowment fund received during the year	-	12,915,865	12,915,865
Balance as at June, 2024	<u>53,614,244</u>	<u>32,352,768</u>	<u>85,967,012</u>



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THE ILM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1. STATUS AND ACTIVITIES

- 1.1 The ILM Foundation (the Foundation) is a non profit, non political welfare organization which was established through Trust Deed dated on October 8, 2009 under the Societies Registration Act, 1860. In December 2024 the Foundation has also been registered with SECP. The registered office of the foundation is situated at 245-1/I, Block-6, P.E.C.H Society, Karachi-75400. The foundation's core object is to help and support deserving peoples in term of health, education and welfare with dignity, respect and empathy throughout Pakistan.
- 1.2 These financial statements are presented in Pak. Rupees which is the functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

These financial statements have been prepared under historical cost convention.

2.2 Basis of preparation

These financial statements, have been prepared in accordance with the requirement of relevant International Accounting Standards issued by International Accounting Standards Board as applicable in Pakistan and in accordance with the rules and regulations of the Foundation.

2.3 Standards, amendments And Interpretations To Approved Accounting Standards

Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

The following standards, amendments to standards and interpretations are effective for the year ended June 30, 2024. However, except as disclosed otherwise, these standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

**Effective for period
beginning on or after**

Amendments to IAS 1 'Presentation of Financial Statements': January 1, 2023
Amendments regarding the disclosure of accounting policies



Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates. January 1, 2023

Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations and amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. January 1, 2023

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a member of standards, which have not been enumerated here for brevity.

Amendments to standards and IFRS interpretations that are not yet effective

The following amendments to accounting standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' and IAS 7 'Statements of Cash Flows': Amendments regarding supplier finance arrangements	January 1, 2024
Amendments to IFRS 7 'Financial Instruments – Disclosures' and IFRS 9 'Financial Instruments': Amendments regarding the classification and measurement of financial instruments.	January 1, 2026
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture.	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
Amendments to IFRS 16 'Leases': Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	
IFRS 17 – Insurance Contracts	January 1, 2026
Amendments to IAS 1 'Presentation of Financial Statements	January 1, 2024



2.4 Revenue recognition

Donation received in cash is accounted for on receipt basis.

Donations / Zakat received in kind are recorded in the books at market value.

2.5 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in the schedule.

In respect of the addition and disposal during the year, depreciation is charged from the month of acquisition and up to the day preceding the disposal respectively.

Maintenance and normal repairs are charged to the income as when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of assets are included in current income.

2.6 Cash and Cash Equivalent

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, balances with banks.

2.7 Other Payables

Liabilities for 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 billed to the Company or not.

2.8 Effective from the financial year 2023-24, the Company has commenced separate disclosure of the endowment fund in the financial statements, including receipts on account of the endowment fund, bank balances of the endowment fund as at the reporting date, and the cumulative balance of the endowment fund presented in the Statement of Funds. This enhancement has been introduced to improve transparency and align with best practices in financial reporting.

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THE ILM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3. OPERATING FIXED ASSETS

Particulars	W.D.V As At 30.06.2023	Addition during the year	Total As At 30.06.2024	Depreciation for the year	W.D.V As At 30.06.2024	Rates %
Building (Note 3.1)	-	-	-	-	-	-
Building 2	20,850,605	-	20,850,605	1,042,530	19,808,075	5
Furniture & fixture	669,086	741,820	1,410,906	282,181	1,128,725	20
Computer equipment	436,478	1,164,770	1,601,248	528,412	1,072,836	33
Office equipment	1,074,138	1,508,150	2,582,288	516,458	2,065,830	20
Air Condition	302,922	533,000	835,922	167,184	668,738	20
Generator	124,616	1,100,000	1,224,616	244,923	979,693	20
Motor Vehicle	865,676	4,124,476	4,990,152	748,523	4,241,629	15
June 30, 2024	<u>24,323,521</u>	<u>9,172,216</u>	<u>33,495,737</u>	<u>3,530,211</u>	<u>29,965,526</u>	
June 30, 2023	<u>3,672,523</u>	<u>22,658,837</u>	<u>26,331,360</u>	<u>2,007,839</u>	<u>24,323,521</u>	

3.1) Building No. 245-1/I, Block-6, P.E.C.H Society, Karachi-75400 was received as gift in 2021 and duly recognized at NIL value in the financial statement as on 30-06-2021 being gifted.

3.2) Building 2, Office No. 801, 19-1-1A, Block-6, PECHS, has been purchased from endowment fund money.

4. CASH AND BANK BALANCES

	2024 Rupees	2023 Rupees
Cash in hand	334,542	766,536
Bank balances		
- Current account - General Fund	25,119,466	3,411,319
- Current account - Endowment Fund	<u>32,352,768</u>	<u>-</u>
	<u>57,806,776</u>	<u>4,177,855</u>



	2024 Rupees	2023 Rupees
5. ADMINISTRATIVE EXPENSES		
Staff Salaries and benefits	9,480,037	8,870,343
Printing & Stationery	342,480	1,057
Entertainment	297,527	56,724
Computer accessories	272,790	125,628
Conveyance	1,531,891	426,605
Utilities	2,393,365	2,171,137
Communication	556,133	114,240
Insurance	-	71,400
Audit fee	150,000	100,000
Legal and professional	1,965,290	693,219
Office repair and maintenance	342,442	783,817
Vehicle repair and maintenance	218,700	263,680
Depreciation	3,530,211	2,007,839
Takaful	15,750	-
Bank charges	136,721	68,055
Miscellaneous expense	-	118,927
	<u>21,233,337</u>	<u>15,872,671</u>

6. PROJECT & SERVICES EXPENSE

Books Printing & others	8,487,362	113,653,075
Teachers and associate salaries	82,831,695	43,381,351
Advertisement expense	6,162,205	497,464
Courier charges	434,329	303,757
Workshops expense	2,521,178	3,206,908
Rent, rates and taxes	2,187,003	918,034
Printing and stationery	70,304	251,852
Website management charges	1,364,166	-
Utilities	232,770	274,177
Entertainment	694,229	604,637
Office renovation expense	2,252,243	-
Legal and professional	2,985,700	1,308,300
Fees & subscription	246,446	1,085,828
Conveyance & Petrol Expense	-	987,619
Travelling & Conveyance	658,789	568,566
Miscellaneous expense	296,698	-
	<u>111,425,117</u>	<u>167,041,568</u>



7 NUMBER OF EMPLOYEES	2024	2023
Total number of employees as at June 30, 2024	150	65
Average number of employees during the year	140	62

8 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Trustees of the Foundation and authorized for issue on _____.

9 GENERAL

- a) Figures have been rounded off to the nearest rupee.
- b) Figures have been reclassified and rearranged for better presentation
- c) Comparative figures have been restated to reflect the commencement of endowment fund disclosures from the financial year 2023-24

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