

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KAHLOON FOUNDATION
REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of **KAHLOON FOUNDATION** which comprise the statement of financial position as at June 30, 2024, statement of profit and loss, statement of changes in equity, the statement of cash flows for the period 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 **KAHLOON FOUNDATION** as at June 30, 2024, and its financial performance and its cash flows for the year ended in accordance with 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.

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 to design audit procedures that are appropriate in the circumstances, but not for 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 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.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which states that the Foundation was incorporated on February 7, 2024, and did not operate any bank account during the period ended June 30, 2024. The financial statements have been prepared based solely on transactions and events that occurred subsequent to the date of incorporation, and do not include any pre-incorporation activities.

Our opinion is not modified in respect of this matter.

Restriction on use

This report is intended solely for the information and use of the Board of Trustees of Kahloon Foundation and the Pakistan Centre for Philanthropy and Federal Board of Revenue of Pakistan and is not intended to be and should not be used or relied upon by any other party.

Faisal Hassaan & Co.



Faisal Hassaan & Co.
Chartered Accountants

Place: Karachi
Dated: 18th April 2025
UDIN: RE202410669Nog19FzqW

Faisal Hassaan & Co Chartered Accountants



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**KAHLOON FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	Notes	30-Jun-24 Rupees
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property & equipment		-
CURRENT ASSETS		
Cash and bank balances	4	200,000
TOTAL ASSETS		<u>200,000</u>
<u>Fund & Liabilities</u>		
Funds		
Members' contribution		525,000
Accumulated Fund		<u>(392,000)</u>
		<u>133,000</u>
<u>Liabilities</u>		
Current Liabilities		60,000
Provision for Taxation		<u>7,000</u>
Total Equity & Liabilities		<u>67,000</u>
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES		<u>200,000</u>




CEO

**KAHLOON FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE PERIOD ENDED JUNE 30, 2024**

	Notes	30-Jun-24 Rupees
<u>INCOME</u>		
Income from Donations	5	200,000
<u>EXPENDITURE</u>		
Administrative & General Expenses	7	(585,000)
		<u>(585,000)</u>
Income over expenditure		<u>(385,000)</u>
Other Income		-
Taxation		(7,000)
Total Comprehensive Loss For The Year		<u><u>(392,000)</u></u>

The annexed notes from 1 to 9 form an integral part of these financial statements.



CEO



**KAHLOON FOUNDATION
STATEMENT OF CHANGES IN FUND
FOR THE PERIOD ENDED JUNE 30, 2024**

	Rupees
Balance as at July 01, 2023	
Founders Contribution	-
Surplus	<u>(392,000)</u>
Balance as at June 30, 2024	<u><u>(392,000)</u></u>



CEO



**KAHLOON FOUNDATION
STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED JUNE 30, 2024**

	Notes	30-Jun-24 Rupees
CASHFLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus as per income and expenditure account		(392,000)
Adjustment for non cash item :		
Depreciation		-
(Deficit)/surplus before working capital changes		<u>(392,000)</u>
Changes in working capital		
(Increase) / decrease in Payables		67,000
(Increase) / decrease in Capital		-
Net cash (used) / generated from operating activities		<u>(325,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Members contribution		<u>525,000</u>
		525,000
Net (decrease) / increase in cash and cash equivalents		200,000
Cash and cash equivalents at the beginning of the year		<u>-</u>
Cash and cash equivalents at the end of the year		<u><u>200,000</u></u>

The annexed notes from 1 to 9 form an integral part of these financial statements.




CEO

**KAHLOON FOUNDATION
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2024**

1 Status and Nature

The Kahloon Foundation, was incorporated on 7th February 2024, in Pakistan . The registered office of the company is situated in Faislabad, Punjab. The Kahloon Foundation is a Pakistan-based initiative inspired by a working-class family, operates in a country with 55 million people facing poverty. Our mission includes: Basic Provisions, Girls' Education, Accessible Healthcare, Wedding Assistance, Religious Harmony, and Dignified Living Support. Additionally, we focus on Economic Empowerment for financial independence.

2 Significant Accounting Policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small-Sized Entities (IFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP). Where applicable, guidance has also been taken from relevant International Public Sector Accounting Standards (IPSAS) and pronouncements issued by ICAP for Non-Profit Organizations (NPOs).

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of:

International Financial Reporting Standard (IFRS) or Accounting Standards for Not-for-Profit Organizations issued by the International Accounting Board (IASB) as notified under the companies Act, 2017;

Provision of and directives issued under the companies Act, 2017

Where provision of and directives issued under the companies Act, 2017 differ from IFRS or the accounting standard for NPOs, the provision of and directives issued under the companies Act, 2017 have been followed.

2.3 Functional And Presentation Currency

These financial statements are presented in Pak Rupees, which is the Foundation's functional and presentation currency.

2.4 Operating Fixed Assets

Recognition

Operating fixed assets are stated at cost less accumulated depreciation and impairment in value, if any.

2.4.1 Subsequent expenditure

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company's and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are accrued.

2.5 Depreciation

Depreciation on all items of operating fixed assets is charged to income applying the straight line method so as to write off historical cost of an asset over its estimated useful life at the rates as disclosed in note

Depreciation on additions during the year is now charged on full year policy when the asset is available for use while no depreciation is charged in the year in which the asset is disposed off.

2.6 Revenue Recognition

Donations and grants are recognized when there is reasonable assurance that:

- The entity will comply with the conditions attached to them, if any
- The donations or grants will be received.

2.6.1 Volunteer Services & Donation in Kind

The foundation receives support in the form of volunteer time and in-kind contributions. These are not recognized in the financial statements due to the difficulty in measuring their fair value reliably. However, material in-kind support is disclosed separately.

2.7 Expense

Expenses are recognized on an accrual basis and are classified into:

- Program expenses (directly related to projects/mission)
- Administrative and general expenses

2.8 Taxation

The company enjoys exemption from income tax under clauses (61), (100c) and (126) of Part 1 of Second Schedule to the Income Tax Ordinance, 2001.

2.9 Cash and cash equivalent

For the purpose of cash flow statement, cash and cash equivalent comprise of cash in hand

3 Transfer to general fund

The company transfers (deficit) / surplus of income over expenditure to general fund in the year in which it is approved.

4 Cash and Bank Balances

Cash at bank :

Cash in hand

200,000

Total

200,000

5 Income:

Income from Donations :

Individual's Donations

200,000

Member's Contribution

-

Online Donations

-

Total

200,000

6 Administrative & General Expenses:

Licensing & Registration Fees

(525,000)

Audit Fee

(60,000)

(585,000)

7 Date of authorization for issue

These financial statements were authorized for issue on _____ by the board of directors of the Chamber.

8 General

Figures have been rounded off to the nearest rupee.



CEO

