

ORANGE TREE FOUNDATION
Financial Statements
For the year ended 30 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

Opinion

We have audited the financial statements of Orange Tree Foundation (the Foundation), which comprise the balance sheet as at June 30, 2020 and the income and expenditure account, cash flow statement, statement of comprehensive income and statement of changes in fund 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 Trust as at June 30, 2020 and 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 Trust 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 Trustees is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board of Trustees 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, Board of Trustees is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust'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.

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 Trust'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 Trust'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 Trust 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.

Date:
Karachi


Imran Hasan & Co.
CHARTERED ACCOUNTANTS

Name of engagement partner: Imran Hasan

Orange Tree Foundation
Balance Sheet
As at 30 June 2020

	Note	2020 (Rupees)	2019 (Rupees)
FOUNDATION FUND	3	<u>67,512,597</u>	<u>36,131,327</u>
NON CURRENT LIABILITIES			
Deferred Income related to COVID-19 Ration and Support	4	19,753,300	-
CURRENT LIABILITIES			
Accrued Expenses		<u>957,934</u>	<u>167,508</u>
		957,934	167,508
		<u>88,223,831</u>	<u>36,298,835</u>
NON CURRENT ASSETS			
Fixed Assets - net	5	2,818,676	1,870,803
Intangible Assets - net	6	92,851	-
CURRENT ASSETS			
Cash and Bank Balances	7	<u>69,548,900</u>	<u>33,912,367</u>
Short Term Investments	8	15,000,000	-
Advances, Deposits and Prepayments		<u>763,404</u>	<u>515,665</u>
		85,312,304	34,428,032
NET ASSETS		<u>88,223,831</u>	<u>36,298,835</u>

7/1/20

These accounts should be read in conjunction with the attached notes.


HONORARY GENERAL
SECRETARY


TREASURER



Orange Tree Foundation
Income and Expenditure Account
For the year ended 30 June 2020

	Note	2020 (Rupees)	2019 (Rupees)
INCOME			
Donation		21,994,112	8,997,196
Zakat		55,401,441	29,912,704
Deferred income amortized related to Covid19 Ration and Support		39,765,953	-
Donation - Restricted Funds Pepsi	9	21,118,272	-
Profit on TDR		813,288	-
		<u>139,093,066</u>	<u>38,909,900</u>
OPERATING EXPENSE			
Scholarships to students		28,653,517	19,844,312
Uniform, Shoes & Stationery to students		895,396	1,054,863
Transport to students		1,533,953	9,840
Donation - Medical & Welfare		1,415,968	652,112
Fund Raising Event		3,273,717	-
Donation - Covid19 Ration and Support for effective families		39,765,953	-
Donation - Ration Pepsi Fund		21,118,272	-
Salaries and Wages - Foundation School		4,682,330	3,398,945
		<u>101,339,106</u>	<u>24,960,072</u>
ADMINISTRATIVE EXPENSE			
Salaries and Wages - Admin		728,000	416,046
Fuel & Conveyance		134,206	104,442
Insurance		-	22,050
Rent		2,034,036	1,452,397
Legal and Professional		740,264	664,116
Printing and Stationery		603,360	221,404
Postage & Courier		6,735	1,800
Utilities		219,959	111,517
Repair and Maintenance		619,168	438,640
Advertising & Marketing		278,949	197,196
Communication		137,961	81,622
Other Expense		268,323	627,797
Bank Charges		22,282	22,025
Amortisation Expense		45,733	-
Depreciation Expense		497,414	330,142
Auditor's Remuneration		36,300	33,000
		<u>6,372,690</u>	<u>4,724,194</u>
Surplus transferred to the General Fund		<u>31,381,270</u>	<u>9,225,634</u>

These accounts should be read in conjunction with the attached notes.


HONORARY GENERAL
SECRETARY


TREASURER



Orange Tree Foundation

Cash Flow Statement

For the year ended 30 June 2020

	2020 (Rupees)	2019 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	31,381,270	9,225,634
Adjustments for non cash items:		
Amortisation	45,733	-
Depreciation	497,414	330,142
Surplus before changes in working capital	<u>31,924,417</u>	<u>9,555,776</u>
Working capital changes		
(Increase) in advances	(247,739)	(70,252)
(Increase) in investments	(15,000,000)	-
Increase in accrued expenses	790,426	15,228
Increase in deferred liabilities	19,753,300	-
Net cash flow from operating activities	<u>37,220,404</u>	<u>9,500,752</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure - net	(1,445,287)	(1,258,480)
Intangible Assets - net	(138,584)	-
Net outflow from investing activities	<u>(1,583,871)</u>	<u>(1,258,480)</u>
Net increase in cash and cash equivalents	<u>35,636,533</u>	<u>8,242,272</u>
Cash and cash equivalents at the beginning of the year	<u>33,912,367</u>	<u>25,670,095</u>
Cash and cash equivalents at end of the year	<u>69,548,900</u>	<u>33,912,367</u>

These accounts should be read in conjunction with the attached notes.


HONORARY GENERAL
SECRETARY


TREASURER



Orange Tree Foundation

Notes to the Accounts

For the year ended 30 June 2020

1. STATUS AND NATURE OF OPERATIONS

1.1 Orange Tree Foundation was incorporated on 11 February 2013 under the Societies Registration Act, 1860. The primary objectives of the foundation are to provide welfare activities focused towards children education, medical support and other welfare activities.

1.2 Impact of COVID-19 on Financial Statements

The novel coronavirus (COVID-19) emerged and since then, the condition has continued to deteriorate. On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organisation declared the outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is hard predict at this stage.

As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Foundation's financial condition or results of operations.

2. ACCOUNTING POLICIES

2.1 Accounting Convention

These financial statements have been prepared in accordance with the historical cost convention.

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan.

2.2 Income Recognition

Donations are recognized as and when such donations are received.

2.3 Fixed Assets

These are stated at written down value. Depreciation is charged to income applying the written down value method. Full year's depreciation is charged in the year of purchase whereas no depreciation is charged in the year of sale.



2.4 Cash and Cash Equivalents

Cash and cash equivalents include cash at bank in current account.

2.5 Restricted contributions

A restricted contribution is a contribution subject to externally imposed stipulations that specify the purpose for which the contribution asset or fund is to be used. Externally restricted contributions for expenses of one or more future periods are accumulated in statement of financial position as deferred contribution and recognized as revenue in statement of income and expenditure in the same period or periods as related expenses are recognized.

3. FOUNDATION FUND

	2020 (Rupees)	2019 (Rupees)
Opening Balance	36,131,327	26,905,693
Surplus for the year	31,381,270	9,225,634
Balance as at 30 June	<u>67,512,597</u>	<u>36,131,327</u>

4. DEFERRED INCOME RELATED TO COVID-19 SUPPORT

This represents donation and zakat received for COVID-19 effective families support. The movement of the balance is as follows:

	2020 (Rupees)	2019 (Rupees)
Opening Balance	-	-
Received during the year	59,519,253	-
Amortized during the year	(39,765,953)	-
Closing Balance	<u>19,753,300</u>	<u>-</u>



5 FIXED ASSETS

Particulars	COST			DEPRECIATION			Rate	Written Down Value as at 30 June 2020
	As at 01 July 2019	Additions	As at 30 June 2020	As at 01 July 2019	For the year	As at 30 June 2020		
				2019		2020		
Office Equipment	556,280	950,470	1,506,750	145,111	204,246	349,357	15%	1,157,393
Furniture and Fixtures	1,020,247	247,806	1,268,053	258,460	151,439	409,899	15%	858,154
Computer Equipment	300,100	247,011	547,111	82,081	69,755	151,836	15%	395,275
Vehicle	781,320	-	781,320	301,492	71,974	373,466	15%	407,854
2020	2,657,947	1,445,287	4,103,234	787,144	497,414	1,284,558		2,818,676
2019	2,657,947	1,258,480	3,916,427	787,144	330,142	1,117,286		2,799,141



6. INTANGIBLE ASSETS

	2020 (Rupees)	2019 (Rupees)
Opening Balance	-	-
Addition	138,584	-
Less: Amortisation	(45,733)	-
	<u>92,851</u>	<u>-</u>

7. CASH AND BANK BALANCES

	2020 (Rupees)	2019 (Rupees)
Cash in hand	557	16,885
Cash at bank – in current account	69,548,343	33,895,482
	<u>69,548,900</u>	<u>33,912,367</u>

8. SHORT TERM INVESTMENTS

	2020 (Rupees)	2019 (Rupees)
Term deposits receipts	15,000,000	-
	<u>15,000,000</u>	<u>-</u>

These carry an average rate of profit of 2020: 5.42% per annum receivable on a monthly basis.

9. RESTRICTED FUNDS RECEIVED FROM PEPSI

This represents donation received for only ration for COVID-19 effective families. The movement of the balance is as follows:

	2020 (Rupees)	2019 (Rupees)
Opening Balance	-	-
Donation received during the year	21,118,272	-
Donation utilized during the year	(21,118,272)	-
Closing Balance	<u>-</u>	<u>-</u>



10. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial instruments carried on the balance sheet of the Foundation include bank balances and accrued expenses.

Interest / Mark-up Rate Risk

The financial assets and liabilities of the Foundation do not carry / bear any interest / mark-up.

Fair value

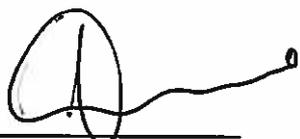
The carrying amount of financial assets and liabilities are estimated to approximate their fair values.

Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Foundation endeavors to mitigate its credit risk by monitoring the credit worthiness of its counter parties.

11. GENERAL

- 11.1 Previous year's figures have been re-arranged and re-grouped, wherever necessary, for the purposes of comparison.
- 11.2 These financial statements were authorised for issue in the Trustees meeting held on 04-September-2020.



HONARARY GENERAL
SECRETARY



TREASURER

