

ORANGE TREE FOUNDATION
Financial Statements
For the year ended 30 June 2021

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, 2021 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, 2021 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,

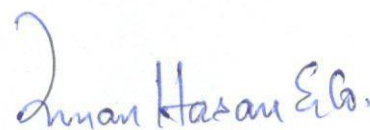
but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to 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 2021

	Note	2021 (Rupees)	2020 (Rupees)
FOUNDATION FUND	3	<u>96,179,809</u>	<u>67,512,597</u>
NON CURRENT LIABILITIES			
Deferred Income related to COVID-19 Ration and Support	4	4,143,828	19,753,300
Deferred Income related to Scholarships	5	21,383,574	-
CURRENT LIABILITIES			
Accrued Expenses		232,107	957,934
		232,107	957,934
		<u>121,939,318</u>	<u>88,223,831</u>
NON CURRENT ASSETS			
Fixed Assets - net	6	7,268,957	2,818,676
Intangible Assets - net	7	698,546	92,851
CURRENT ASSETS			
Cash and Bank Balances	8	61,000,938	69,548,900
Short Term Investments	9	52,000,000	15,000,000
Advances, Deposits and Prepayments		970,877	763,404
		113,971,815	85,312,304
NET ASSETS		<u>121,939,318</u>	<u>88,223,831</u>

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


**HONARARY GENERAL
SECRETARY**


TREASURER



Orange Tree Foundation

Income and Expenditure Account

For the year ended 30 June 2021

	Note	2021 (Rupees)	2020 (Rupees)
INCOME			
Donation		30,215,046	21,994,112
Zakat		61,666,625	55,401,441
Deferred income amortized related to Covid19 Ration and Support	4	15,609,472	39,765,953
Donation - Restricted Funds Pepsi		-	21,118,272
Deferred income amortized related to Scholarships Restricted Funds SCB	5	11,306,426	-
Gain on Sale of Asset		312,146	-
Profit on TDR		1,346,488	813,288
		<u>120,456,203</u>	<u>139,093,066</u>
OPERATING EXPENSE			
Scholarships to students		40,171,220	28,653,517
Uniform, Shoes & Stationery to students		1,842,427	895,396
Transport to students		2,057,710	1,533,953
Donation - Medical & Welfare		1,551,139	1,415,968
Fund Raising Event		-	3,273,717
Donation - Covid19 Ration and Support for effective families		15,609,472	39,765,953
Donation - Scholarship SCB Fund		11,306,426	-
Donation - Ration Pepsi Fund		-	21,118,272
Salaries and Wages		7,921,501	4,682,330
		<u>80,459,895</u>	<u>101,339,106</u>
ADMINISTRATIVE EXPENSE			
Salaries and Wages - Admin		2,213,623	728,000
Fuel & Conveyance		161,284	134,206
Rent		2,592,746	2,034,036
Legal and Professional		588,666	740,264
Printing and Stationery		418,221	603,360
Postage & Courier		8,957	6,735
Utilities		408,516	219,959
Repair and Maintenance		644,646	619,168
Advertising & Marketing		1,924,494	278,949
Communication		368,160	137,961
Other Expense		362,532	268,323
Bank Charges		17,515	22,282
Amortisation Expense		366,585	45,733
Depreciation Expense		1,216,851	497,414
Auditor's Remuneration		36,300	36,300
		<u>11,329,096</u>	<u>6,372,690</u>
Surplus transferred to the General Fund		<u>28,667,212</u>	<u>31,381,270</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 2021

	2021 (Rupees)	2020 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	28,667,212	31,381,270
Adjustments for non cash items:		
Amortisation	366,585	45,733
Depreciation	1,216,851	497,414
Gain on Sale of Asset	(312,146)	-
Surplus before changes in working capital	<u>29,938,502</u>	<u>31,924,417</u>
Working capital changes		
(Increase) in advances	(207,473)	(247,739)
(Increase) in investments	(37,000,000)	(15,000,000)
(Decrease) / Increase in accrued expenses	(725,827)	790,426
Increase in deferred liabilities	5,774,102	19,753,300
Net cash flow from operating activities	<u>(2,220,696)</u>	<u>37,220,404</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure - net	(6,074,986)	(1,445,287)
Intangible Assets - net	(972,280)	(138,584)
Proceeds from Sale of Assets	720,000	-
Net outflow from investing activities	<u>(6,327,266)</u>	<u>(1,583,871)</u>
Net increase in cash and cash equivalents	<u>(8,547,962)</u>	<u>35,636,533</u>
Cash and cash equivalents at the beginning of the year	<u>69,548,900</u>	<u>33,912,367</u>
Cash and cash equivalents at end of the year	<u>61,000,938</u>	<u>69,548,900</u>

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



**HONARARY GENERAL
SECRETARY**



TREASURER



Orange Tree Foundation

Notes to the Accounts

For the year ended 30 June 2021

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

	2021 (Rupees)	2020 (Rupees)
Opening Balance	67,512,597	36,131,327
Surplus for the year	28,667,212	31,381,270
Balance as at 30 June	<u>96,179,809</u>	<u>67,512,597</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:

	2021 (Rupees)	2020 (Rupees)
Opening Balance	19,753,300	-
Received during the year	-	59,519,253
Amortized during the year	(15,609,472)	(39,765,953)
Closing Balance	<u>4,143,828</u>	<u>19,753,300</u>

5. RESTRICTED FUNDS RECEIVED FOR EDUCATION SCHOLARSHIPS

This represents donation received for educational scholarships. The movement of the balance is as follows:

	2021 (Rupees)	2020 (Rupees)
Opening Balance	-	-
Donation received during the year	32,690,000	-
Donation utilized during the year	(11,306,426)	-
Closing Balance	<u>21,383,574</u>	<u>-</u>



6 FIXED ASSETS

(Rupees)

Particulars	COST			DEPRECIATION			Rate	Written Down Value as at 30 June 2021
	As at 01 July 2020	Additions/ (Disposals)	As at 30 June 2021	As at 01 July 2020	For the year	As at 30 June 2021		
Office Equipment	1,506,750	757,566	2,264,316	349,357	287,244	636,601	15%	1,627,715
Furniture and Fixtures	1,268,053	2,174,329	3,442,382	409,899	454,872	864,771	15%	2,577,611
Computer Equipment	547,111	1,573,091	2,120,202	151,836	295,255	447,091	15%	1,673,111
Vehicle	781,320	1,570,000 (781,320)	1,570,000	373,466	179,480 (373,466)	179,480	15%	1,390,520
	2021		2021					
	4,103,234	5,293,666	9,396,900	1,284,558	1,216,851	2,127,943		7,268,957
	2020		2020					
	2,657,947	1,445,287	4,103,234	787,144	497,414	1,284,558		2,818,676

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7. INTANGIBLE ASSETS

	2021 (Rupees)	2020 (Rupees)
Opening Balance	92,851	-
Addition	972,280	138,584
Less: Amortisation	(366,585)	(45,733)
	<u>698,546</u>	<u>92,851</u>

8. CASH AND BANK BALANCES

	2021 (Rupees)	2020 (Rupees)
Cash in hand	557	557
Cash at bank – in current account	61,000,381	69,548,343
	<u>61,000,938</u>	<u>69,548,900</u>

9. SHORT TERM INVESTMENTS

	2021 (Rupees)	2020 (Rupees)
Term deposits receipts	52,000,000	15,000,000
	<u>52,000,000</u>	<u>15,000,000</u>

These carry an average rate of profit of 2021: 6.14% per annum receivable on a monthly basis.

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 _____.



**HONARARY GENERAL
SECRETARY**



TREASURER

