

# ORANGE TREE FOUNDATION

Financial Statements

*For the year ended 30 June 2023*

## **INDEPENDENT AUDITOR'S REPORT TO THE MANAGING COMMITTEE**

### **Opinion**

We have audited the financial statements of **Orange Tree Foundation** (the society), which comprise the balance sheet as at June 30, 2023 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 Society as at June 30, 2023 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 Society 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 Managing Committee 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 Managing 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, Managing Committee is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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: 29 December 2023

Karachi  
UDIN: AR202310595oiMymxt



  
M. AKHTAR & CO.  
CHARTERED ACCOUNTANTS



Name of engagement partner: Mahmood Akhtar

**Orange Tree Foundation**  
**Balance Sheet**  
*As at 30 June 2023*

	<i>Note</i>	2023 (Rupees)	2022 (Rupees)
<b>FOUNDATION FUND</b>	3	179,490,721	127,791,516
<b>NON CURRENT LIABILITIES</b>			
Deferred Income related to Scholarships	5	14,852,429	17,986,261
<b>CURRENT LIABILITIES</b>			
Accrued Expenses		362,092	132,948
		<u>194,705,242</u>	<u>145,910,725</u>
<b>NON CURRENT ASSETS</b>			
Fixed Assets - net	6	9,846,322	7,415,621
Intangible Assets - net	7	-	331,961
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	8	181,032,700	82,734,054
Short Term Investments	9	-	54,000,000
Advances, Deposits and Prepayments		3,826,220	1,429,089
		184,858,920	138,163,143
<b>NET ASSETS</b>		<u>194,705,242</u>	<u>145,910,725</u>

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 2023

	Note	2023 (Rupees)	2022 (Rupees)
<b>INCOME</b>			
Donation			
Zakat		90,672,409	44,044,067
Donation related to Covid19 Ration and Support		135,719,134	78,242,447
Deferred income amortized related to Scholarships	4	-	4,143,828
Profit on TDR	5	14,708,832	14,972,313
		<u>5,868,188</u>	<u>3,003,780</u>
		<b>246,968,563</b>	<b>144,406,435</b>

**OPERATING EXPENSE**

Scholarships to students		79,364,786	53,271,641
Uniform, Shoes & Stationery to students		3,433,600	2,617,293
Transport to students		4,798,560	2,654,828
Donation - Medical & Welfare		46,947,639	2,053,198
Donation - Covid19 Ration and Support for effective families		-	4,143,828
Donation - Scholarship		14,708,832	14,972,313
Salaries and Wages		25,786,495	18,523,593
		<b>175,039,912</b>	<b>98,236,694</b>

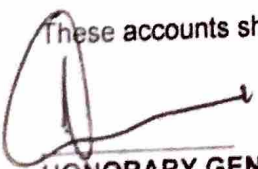
**ADMINISTRATIVE EXPENSE**

Salaries and Wages - Admin		4,677,757	3,122,703
Fuel & Conveyance		396,643	254,578
Rent		3,617,849	2,909,239
Legal and Professional		2,587,132	1,634,649
Printing and Stationery		312,188	581,835
Postage & Courier		43,077	34,104
Utilities		1,316,521	646,971
Repair and Maintenance		598,125	680,064
Advertising & Marketing		1,674,953	1,195,634
Communication		841,069	603,209
Other Expense		1,943,692	1,147,806
Bank Charges		47,392	35,718
Amortisation Expense		331,961	366,585
Depreciation Expense		1,737,587	1,308,639
Auditor's Remuneration		103,500	36,300
		<b>20,229,446</b>	<b>14,558,034</b>

Surplus transferred to the General Fund

<b>51,699,205</b>	<b>31,611,707</b>
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These accounts should be read in conjunction with the attached notes.

  
HONORARY GENERAL  
SECRETARY

  
TREASURER

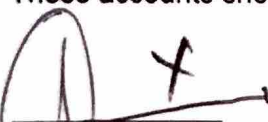
# Orange Tree Foundation

## Cash Flow Statement

For the year ended 30 June 2023

	2023 (Rupees)	2022 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	51,699,205	31,611,707
Adjustments for non cash items:		
Amortisation	331,961	366,585
Depreciation	1,737,587	1,308,639
Gain on Sale of Asset	-	-
Surplus before changes in working capital	<u>53,768,753</u>	<u>33,286,931</u>
Working capital changes		
(Increase) in advances	(2,397,131)	(458,212)
(Decrease) / Increase in investments	54,000,000	(2,000,000)
Increase / (Decrease) in accrued expenses	229,144	(99,159)
(Decrease) in deferred liabilities	(3,133,832)	(7,541,141)
Net cash flow from operating activities	<u>102,466,934</u>	<u>23,188,419</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure - net	(4,168,288)	(1,455,303)
Intangible Assets - net	-	-
Proceeds from Sale of Assets	-	-
Net outflow from investing activities	<u>(4,168,288)</u>	<u>(1,455,303)</u>
Net increase in cash and cash equivalents	<u>98,298,646</u>	<u>21,733,116</u>
Cash and cash equivalents at the beginning of the year	<u>82,734,054</u>	<u>61,000,938</u>
Cash and cash equivalents at end of the year	<u><u>181,032,700</u></u>	<u><u>82,734,054</u></u>

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

  
HONORARY GENERAL  
SECRETARY

  
TREASURER



# Orange Tree Foundation

## Notes to the Accounts

For the year ended 30 June 2023

### 1. STATUS AND NATURE OF OPERATIONS

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.

### 2. ACCOUNTING POLICIES

#### 2.1 Accounting Convention

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

#### 2.2 Statement of Compliance

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

#### 2.3 Income Recognition

Donations are recognized as and when such donations are received.

#### 2.4 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.

#### 2.5 Cash and Cash Equivalents

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

#### 2.6 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

	2023 (Rupees)	2022 (Rupees)
Opening Balance	127,791,516	96,179,809
Surplus for the year	51,699,205	31,611,707
Balance as at 30 June	<u>179,490,721</u>	<u>127,791,516</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:

	2023 (Rupees)	2022 (Rupees)
Opening Balance	-	4,143,828
Received during the year	-	-
Amortized during the year	-	(4,143,828)
Closing Balance	<u>-</u>	<u>-</u>

### 5. RESTRICTED FUNDS RECEIVED FOR EDUCATION SCHOLARSHIPS

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

	2023 (Rupees)	2022 (Rupees)
Opening Balance	17,986,261	21,383,574
Donation received during the year	11,575,000	11,575,000
Donation utilized during the year	(14,708,832)	(14,972,313)
Closing Balance	<u>14,852,429</u>	<u>17,986,261</u>

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(Rupees)

## 6 FIXED ASSETS

Particulars	COST				DEPRECIATION			Rate	Written Down Value as at 30 June 2023
	As at 01 July 2022	As at 01 July 2022	As at 30 June 2023	As at 01 July 2022	For the year	As at 30 June 2023			
	As at 01 July 2022	Additions/ (Disposals)	As at 30 June 2023	As at 01 July 2022	For the year	As at 30 June 2023			
Office Equipment	2,810,516	1,345,843	4,156,359	962,688	479,051	1,441,739	15%	2,714,620	
Furniture and Fixtures	3,959,411	2,466,754	6,426,165	1,328,967	764,580	2,093,547	15%	4,332,618	
Computer Equipment	2,512,276	355,691	2,867,967	756,869	316,665	1,073,534	15%	1,794,433	
Vehicle	1,570,000		1,570,000	388,058	177,291	565,349	15%	1,004,651	
<b>2023</b>	<b>10,852,203</b>	<b>4,168,288</b>	<b>15,020,491</b>	<b>3,436,582</b>	<b>1,737,587</b>	<b>5,174,169</b>		<b>9,846,322</b>	
<b>2022</b>	<b>9,396,900</b>	<b>1,455,303</b>	<b>10,852,203</b>	<b>2,127,943</b>	<b>1,308,639</b>	<b>3,436,582</b>		<b>7,415,621</b>	

## 7. INTANGIBLE ASSETS

	2023 (Rupees)	2022 (Rupees)
Opening Balance	331,961	698,546
Addition	-	-
Less: Amortisation	(331,961)	(366,585)
	<u>-</u>	<u>331,961</u>

## 8. CASH AND BANK BALANCES

	2023 (Rupees)	2022 (Rupees)
Cash in hand	737	737
Cash at bank – in current account	181,031,963	82,733,317
	<u>181,032,700</u>	<u>82,734,054</u>

## 9. SHORT TERM INVESTMENTS

	2023 (Rupees)	2022 (Rupees)
Term deposits receipts	-	54,000,000
	<u>-</u>	<u>54,000,000</u>

These carried an average rate of profit of 2023: 5.56% (2022: 5.56%) per annum receivable on a quarterly 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 29-Dec-2023 

  
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**HONARARY GENERAL  
SECRETARY**

  
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**TREASURER**