

ORANGE TREE FOUNDATION

Financial Statements

For the year ended 30 June 2024

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, 2024 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, 2024 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.

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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:

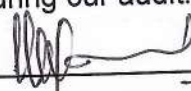
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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: 20 December 2024

Karachi
UDIN: AR202410595HGLcx61dQ
Name of engagement partner: Mahmood Akhtar




M. AKHTAR & CO.
CHARTERED ACCOUNTANTS

**ORANGE TREE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUN 30, 2024**

	Notes	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and Equipment	3	9,605,454	9,846,322
		<u>9,605,454</u>	<u>9,846,322</u>
CURRENT ASSETS			
Advances, Prepayments and deposits	4	4,019,047	3,826,220
Cash and bank balances	5	245,538,470	181,032,700
		249,557,517	184,858,920
TOTAL ASSETS		<u><u>259,162,971</u></u>	<u><u>194,705,242</u></u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		179,490,721	127,791,516
Surplus for the year		54,448,091	51,699,205
	6	<u>233,938,812</u>	<u>179,490,721</u>
NON-CURRENT LIABILITIES			
Deferred income related to scholarships	7	20,111,216	14,852,429
CURRENT LIABILITIES			
Accrued expenses	8	5,112,943	362,092
		5,112,943	362,092
CONTINGENCIES AND COMMITMENTS			
	9	-	-
TOTAL FUNDS AND LIABILITIES		<u><u>259,162,971</u></u>	<u><u>194,705,242</u></u>

The annexed notes form an integral part of these financial statements.


HONORARY GENERAL SECRETARY


TREASURER

**ORANGE TREE FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUN 30, 2024**

	Notes	2024 Rupees	2023 Rupees
INCOME			
Donations	10	133,837,012	105,381,241
Zakat		150,783,298	135,719,134
		<u>284,620,310</u>	<u>241,100,375</u>
OPERATING EXPENSES			
Scholarships to students		114,072,795	79,364,786
Uniform, Shoes & Stationery to students		4,616,202	3,433,600
Student Support Expense		8,843,998	-
Transport to students		9,102,751	4,798,560
Donation - Medical & Welfare		8,784,490	46,947,639
Donation - Scholarship		21,961,534	14,708,832
Salaries and Wages		39,103,888	25,786,495
		<u>206,485,658</u>	<u>175,039,912</u>
ADMINISTRATIVE EXPENSES			
Salaries and Wages - Admin		4,554,149	4,677,757
Fuel & Conveyance		586,022	396,643
Rent		5,175,000	3,617,849
Legal and Professional		2,207,573	2,587,132
Printing and Stationery		379,473	312,188
Postage & Courier		90,346	43,077
Utilities		3,025,059	1,316,521
Repair and Maintenance		1,086,136	598,125
Advertising & Marketing		1,564,530	1,674,953
Communication		1,073,026	841,069
Other Expense		2,118,558	1,943,692
Bank Charges		21,608	47,392
Amortisation Expense		-	331,961
Depreciation Expense		1,695,081	1,737,587
Auditor's Remuneration		110,000	103,500
		<u>23,686,561</u>	<u>20,229,446</u>
OTHER INCOME			
Income on investment		-	5,868,188
		-	<u>5,868,188</u>
Surplus for the year before taxation		<u>54,448,091</u>	<u>51,699,205</u>
Taxation	11	-	-
Surplus for the year after taxation		<u>54,448,091</u>	<u>51,699,205</u>
Other comprehensive income		-	-
Total comprehensive income		<u><u>54,448,091</u></u>	<u><u>51,699,205</u></u>

The annexed notes form an integral part of these financial statements.


HONORARY GENERAL SECRETARY


TREASURER

**ORANGE TREE FOUNDATION
STATEMENT OF CHANGES IN NET FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Accumulated Surplus ----- Rupees -----	Total
Balance as at June 30, 2022	127,791,516	-	127,791,516
Surplus for the year ended June 30, 2023	-	51,699,205	51,699,205
Balance as at June 30, 2023	<u>127,791,516</u>	<u>51,699,205</u>	<u>179,490,721</u>
Surplus for the year ended June 30, 2024	-	54,448,091	54,448,091
Balance as at June 30, 2024	<u>127,791,516</u>	<u>106,147,296</u>	<u>233,938,812</u>

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The annexed notes form an integral part of these financial statements.

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HONORARY GENERAL SECRETARY


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TREASURER


**ORANGE TREE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	54,448,091	51,699,205
Adjustment for non-cash item		
Amortisation	-	331,961
Depreciation	1,695,081	1,737,587
Surplus before working capital changes	<u>56,143,172</u>	<u>53,768,753</u>
Working capital changes		
(Increase) in advances	(192,827)	(2,397,131)
Decrease/ (Increase) in investments	-	54,000,000
Increase/ (decrease) in accrued expenses	4,750,851	229,144
Increase in deferred liabilities	5,258,787	(3,133,832)
Operating surplus after working capital changes	<u>65,959,983</u>	<u>102,466,934</u>
Tax paid	-	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>65,959,983</u>	<u>102,466,934</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure - net	(1,454,213)	(4,168,288)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>64,505,770</u>	<u>98,298,646</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	181,032,700	82,734,054
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>245,538,470</u>	<u>181,032,700</u>

The annexed notes form an integral part of these financial statements.



HONORARY GENERAL SECRETARY



TREASURER

**ORANGE TREE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUN 30, 2024**

1 NATURE AND STATUS OF FOUNDATION

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 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Accounting and reporting standards comprise of Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) applicable to non-corporate entities issued by the Institute of Chartered Accountants of Pakistan.

2.2 Accounting convention

These accounts have been prepared under the historical cost convention. The accounting policies have been consistently applied by the company with those of previous year.

2.3 Property, plant and equipment

These are stated at cost less accumulated depreciation. Depreciation is charged to income applying reducing balance method at the rates specified in the schedule of fixed assets. Depreciation on addition is charged for the full month in which the asset is purchased or put to use while on disposal to the month immediately preceding the disposal. Maintenance and repairs are charged

2.4 Impairment

The carrying amounts of the Company's assets are reviewed at each year end date to determine whether there is any indication of impairment loss. If any such indication exists the asset's recoverable amount is estimated in order to determine the extent of the impairment loss if any. Impairment losses are recognized as expense in Statement of income and expenditure and other

2.5 Cash and cash equivalent

Cash and cash equivalents are stated at cost.

2.6 Income recognition

- Donations and contributions are recognized on receipt basis.
- 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. Restricted and other contributions for the purchase of capital assets, which will not be depreciated are recognized as income upon purchase of capital assets.
- Profit on investment is recognized on accrual basis.

2.7 Expenditure recognition

All expenditure are recorded on accrual basis.

2.8 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 PROPERTY AND EQUIPMENT

	Cost			Rate	Accumulated Depreciation			WDV
	As at July 1, 2023	For the year	As at Apr 30, 2024		As at July 1, 2023	For the year	As at Apr 30, 2024	As at Apr 30, 2024
	(Rupees)				(Rupees)			(Rupees)
Office Equipment	4,156,359	-	4,156,359	15%	1,441,739	407,193	1,848,932	2,307,427
Furniture and Fixtures	6,426,165	919,389	7,345,554	15%	2,093,547	787,801	2,881,348	4,464,206
Computer Equipment	2,867,967	534,824	3,402,791	15%	1,073,534	349,389	1,422,923	1,979,868
Vehicle	1,570,000	-	1,570,000	15%	565,349	150,698	716,047	853,953
2024	15,020,491	1,454,213	16,474,704		5,174,169	1,695,081	6,869,250	9,605,454
2023	10,852,203	4,168,288	15,020,491		3,436,582	1,737,587	5,174,169	9,846,322

	2024 Rupees	2023 Rupees
4 ADVANCES, PREPAYMENTS & DEPOSITS		
Advance Tax on banking transaction	465,665	465,665
Advance Tax on profit	1,764,154	1,631,280
Advance Tax on internet	14,228	14,766
Advance Tax on donation 3%	-	6,509
Advance Tax on donation 8%	475,000	8,000
Prepaid Expense	1,300,000	400,000
Security Deposit	-	1,300,000
	<u>4,019,047</u>	<u>3,826,220</u>
5 CASH AND BANK BALANCES		
Cash in hand	737	737
Cash at bank – in current account	245,537,733	181,031,963
	<u>245,538,470</u>	<u>181,032,700</u>
6 FOUNDATION FUND		
Opening Balance	179,490,721	127,791,516
Surplus for the year	54,448,091	51,699,205
	<u>233,938,812</u>	<u>179,490,721</u>
7 DEFERRED INCOME RELATED TO EDUCATION SCHOLARSHIPS		
This represents donation received for educational scholarships. The movement of the balance is as follows:		
Opening balance	14,852,429	17,986,261
Donation received during the year	27,220,321	11,575,000
Amortization for the year	(21,961,534)	(14,708,832)
Closing balance	<u>20,111,216</u>	<u>14,852,429</u>
	Rupees	Rupees
8 ACCRUED EXPENSES		
Accrued Expenses	4,306,202	103,500
Withholding Tax payable	806,741	258,592
	<u>5,112,943</u>	<u>362,092</u>
9 CONTINGENCIES AND COMMITMENTS		
There were no contingencies and commitments as at 30 June 2024.		
10 DONATIONS		
Donations received during the year	139,095,799	102,247,409
Less: Deferred	(27,220,321)	(11,575,000)
	111,875,478	90,672,409
Amortized - related to medical support & land	21,961,534	14,708,832
	<u>133,837,012</u>	<u>105,381,241</u>
11 TAXATION		
Being a welfare organization under section 2(36), the Foundation's income is subject to 100% tax credit under section 100C of the Income Tax Ordinance, 2001. Further, minimum tax is also not applicable in term of Clause 11A of Part IV of the Second Schedule of the		
	2024 Rupees	2023 Rupees
12 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial Assets		
- at amortized cost		
Advances, deposit and prepayment	4,019,047	3,826,220
Cash & bank balances	245,538,470	181,032,700
	<u>249,557,517</u>	<u>184,858,920</u>
Financial Liabilities		
- at amortized cost		
Accrued expenses	108,000	27,000
	<u>108,000</u>	<u>27,000</u>
13 NUMBER OF EMPLOYEES		
Number of employees as at June 30, 2024 was 40 (2023: 38)		

14 **DATE OF AUTHORIZATION**


These financial statements were authorized for issue on 20/12/2024 by the Managing Committee of the Foundation. *ML*

15 **GENERAL**

Figures have been rounded off to the nearest Rupee.



HONORARY GENERAL SECRETARY



TREASURER