



**Clarkson Hyde Saud Ansari**  
**Chartered Accountants**

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Pakistan representative of **Clarkson Hyde Global**  
Global Association of Auditors, Accountants,  
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## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES**

### ***Opinion***

We have audited the financial statements of **FORTIFY EDUCATION FOUNDATION**, which comprise the statement of financial position as at June 30, 2023, and statement of income and expenditure 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, **FORTIFY EDUCATION FOUNDATION**, as at June 30, 2023 and of its financial performance for the year then ended in accordance with the 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 Foundation 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 ethical responsibilities in accordance with the Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of the Board of Trustees for the Financial Statements***

The Board of Trustees 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 for such internal control as the Board of Trustees determines as 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, the Board of Trustees is responsible for assessing the Foundation'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 Foundation or to cease operations, or has realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 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:

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- 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 Foundation'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 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 conclusion are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation 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 the charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.



**Clarkson Hyde Saud Ansari**

Name of the Engagement Partner: **SAUD ANSARI**

Date: October 10, 2023

Karachi



**FORTIFY EDUCATION FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	4	264,600	311,294
At Cost less Depreciation			
<b>CURRENT ASSETS</b>			
Stock-Food Stuff		506,260	120,318
Short Term Investment	5	11,000,000	11,000,000
Advance Tax		-	89,970
Cash in Hand		375,198	99,354
Cash at Bank		4,865,922	4,898,518
		16,747,380	16,208,160
		<u>17,011,980</u>	<u>16,519,454</u>
<b>GENERAL FUND-Unrestricted</b>	6	2,028,480	1,409,468
<b>GENERAL FUND-Externally Restricted</b>	7	14,900,000	14,900,000
		<u>16,928,480</u>	<u>16,309,468</u>
<b>CURRENT LIABILITIES</b>			
Professional Charges Payable		35,000	35,000
Expenses Payable		43,500	174,986
Withholding Tax payable		5,000	-
		83,500	209,986
		<u>17,011,980</u>	<u>16,519,454</u>

MEMBER BOARD

PRESIDENT

CHSA

**FORTIFY EDUCATION FOUNDATION  
INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
<b>INCOME</b>		
Donations	7,159,069	5,203,457
Zakat	4,378,474	3,281,577
Membership Fees	12,000	19,000
	<u>11,549,543</u>	<u>8,504,034</u>
<b>EXPENDITURE</b>		
Students Nutrition Programme Expenses	10,377,355	5,517,838
Staff Salaries	764,806	168,000
Printing and Stationery	20,340	45,820
Fee and Subscription	78,833	161,500
Marketing Expenses	437,479	1,408,649
Legal and Professional Charges	265,000	275,000
Advertisement and Publicity	-	51,000
Kitchen Construction Expenses	262,880	-
Conveyance	76,307	-
Mobile Expenses	-	1,200
Other Expenses	13,801	31,500
Audit Fee	50,000	35,000
Bank Charges	6,339	255
Depreciation Expenses	46,694	54,934
	<u>12,399,834</u>	<u>7,750,696</u>
	(850,291)	753,338
<b>Financial Income</b>	<u>1,834,434</u>	<u>599,669</u>
<b>SURPLUS FOR THE YEAR</b>	<u>984,143</u>	<u>1,353,007</u>
Less: Taxation	365,131	-
Transferred to General Fund	<u><u>619,012</u></u>	<u><u>1,353,007</u></u>

  
MEMBER BOARD

  
PRESIDENT

CHSA



# **FORTIFY EDUCATION FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023**

### **1 LEGAL STATUS AND OPERATIONS**

Fortify Education Foundation was registered on September 18, 2020 under the Societies Registration Act XXI of 1860. The principal activity of the foundation is to improve health of school children by providing them nutritionally fortified meals in schools situated in low income areas across the country and to impact their quality of life to get better academic performance. The foundation is also recognised by Pakistan Centre for Philanthropy as a not for profit organisation.

The registered Office of the Foundation is situated at office no 109-A, Office Wing Park Towers, Clifton, Karachi. The rent free office space is provided through the courtesy of ENSHAANLC Developments (Pvt) Ltd.

### **2 BASIS OF PREPARATION**

#### **2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) and Accounting Standard for Not For Profit Organisations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

#### **2.2 Functional and Presentation Currency**

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

#### **2.3 Basis of Measurement**

These financial statements have been prepared on the basis of historical cost convention. In these financial statements all transactions have been accounted for under the accrual basis of accounting.

The Fortify Education Foundation uses Deferral Fund Accounting Method as described in Section 4 of the Accounting Standard for Not-for-Profit Organisations.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation, and impairment loss, if any. Depreciation is charged to income applying the reducing balance method. Depreciation on assets acquired during the year is charged for the full year, while no depreciation is charged on items disposed off during the year.

Major renewals and improvements are capitalised. Minor repairs and maintenance are charged to income as when incurred.

#### **3.2 Revenue Recognition**

Contributions are recognised in accordance with the **Deferral Fund Method**, whereby;

Unrestricted Contributions are reported as revenue in the statement of income and expenditure as and when received.

Contributions which are externally restricted or restricted for acquisition of capital assets are reported as deferred Contributions in financial position statement.

Other revenues are recognised when it is probable that the economic benefits associated with the transaction will flow to the foundation and amount of revenue can be measured reliably.

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**4 FIXED ASSETS**

Particulars	WDV as at 01.07.2022	Addition/ Deletion	Balance 30.06.2023	Rate	For the Year	WDV as at 30.06.2023
Computer Equipment	34,319	-	34,319	15%	5,148	29,171
Solar Panels	276,975	-	276,975	15%	41,546	235,429
	<u>311,294</u>	-	<u>311,294</u>		<u>46,694</u>	<u>264,600</u>

**5 SHORT TERM INVESTMENT**

These represents term deposits for one year with Habib Metropolitan Bank Limited.

**6 GENERAL FUND- UNRESTRICTED**

	2023	2022
Opening Balance	1,409,468	56,46
Surpluse /(Deficit) for the year	<u>619,012</u>	<u>1,353,00</u>
Closing Balance	<u>2,028,480</u>	<u>1,409,46</u>

**7 GENERAL FUND- EXTERNALLY RESTRICTED**

These represents contributions which can be used only on specific projects (schools) in concurrence with the donors.

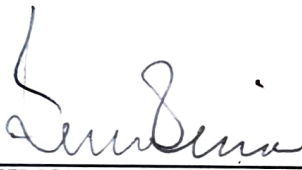
**8 FIGURES**

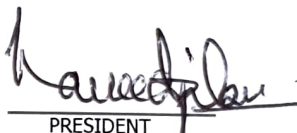
8.1 Figures have been rounded off to the nearest ruppee.

8.2 Figures have been rearranged and regrouped, where necessary

**9 DATE OF AUTHORISATION**

These financial statements were authorised for issue on September 30 , 2023 by the Board of Directors of the Foundation.

  
MEMBER BOARD

  
PRESIDENT

CHSA