

FORTIFY EDUCATION FOUNDATION
AUDITED FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021



Clarkson Hyde Saud Ansari
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MEMBERS OF FORTIFY EDUCATION FOUNDATION

Opinion

We have audited the financial statements of **FORTIFY EDUCATION FOUNDATION**, which comprise the statement of financial position as at June 30, 2021, 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, 2021 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 Foundation for the Financial Statements

The Board of Foundation 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 Foundation 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 Foundation 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:



- 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 foundation'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.

A handwritten signature in blue ink that reads 'Clarkson Hyde Saud Ansari'.

Clarkson Hyde Saud Ansari

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

Date: October 16, 2021

Karachi


**FORTIFY EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021**

	Note	2021 Rupees
NON-CURRENT ASSETS		
Fixed Assets-Office Equipment At Cost less Depreciation		40,375
 CURRENT ASSETS		
Stock-Food Stuff		21,760
Short Term Investment	4	10,000,000
Cash in Hand		98,683
Cash at Bank		4,888,704
		15,009,147
		15,049,522
 GENERAL FUND-Unrestricted		
GENERAL FUND-Externally Restricted	5	56,461
		14,900,000
		14,956,461
 CURRENT LIABILITIES		
Professional Charges Payable		35,000
Expenses Payable		35,000
Provision for Taxation		23,061
		93,061
		15,049,522

Dated:



 President



 Treasurer

CHSA

**FORTIFY EDUCATION FOUNDATION
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

**2021
Rupees**

INCOME

Contributions 2,332,362

EXPENDITURE

Students Nutrition Programme Expenses	1,320,433
Staff Salaries	180,000
Conveyance	4,450
Students Welfare Expenses	21,757
Fee and Subscription	20,000
Marketing Expenses	105,000
Kitchen Construction Expenses	553,075
Deprciation Expenses	7,125
Other Expenses	6,000
Audit Fee	35,000
	<u>2,252,840</u>


SURPLUSE FOR THE YEAR

Less: Taxation 79,522

Transferred to General Fund 23,061

56,461

Dated:



President



Treasurer

CHSA

**FORTIFY EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

1 LEGAL STATUS AND OPERATIONS

Fortify Education Foundation was registered on September 18, 2020 under the Societies Registration Act, XXI of 1860. The head office of the Foundation is situated Office No 109-A, Office Wing Park Towers, Clifton Karachi. The principal activity of the Foundation is to promote health of school children by providing nutritionally fortified meals in schools in under privileged areas across the country and to impact their quality of life to get better academic performance.

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.

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

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 purchase 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 company and amount of revenue can be measured reliably.

CHSA

4 SHORT TERM INVESTMENT

These represent Term Deposits for one year with Habib Metropolitan Bank Limited.

5 GENERAL FUND - EXTERNALLY RESTRICTED

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

6 FIGURES

Figures have been rounded off to the nearest rupee.

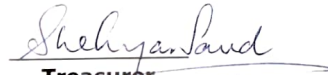
7 DATE OF AUTHORISATION

These financial statements were authorised for issue on October 16, 2021 by the Board of the Foundation.

Dated:



President



Treasurer

CHSA