

FORTIFY EDUCATION FOUNDATION

**Audited Financial Statements
For the year ended June 30, 2024**

Hafizullah & Co.

CHARTERED ACCOUNTANTS

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Independent Auditors Report To The Governing Body

FORTIFY EDUCATION FOUNDATION

Opinion

We have audited the financial statements of **FORTIFY EDUCATION FOUNDATION**, (Foundation) which comprise the statement of financial position as at June 30, 2024, income and expenditure account, for the year ended June 30, 2024 (here-in-after referred to as the financial statement), and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement of the Foundation presents fairly, in all material aspects, the statement of financial position as at June 30, 2024, its income and expenditure account 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 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 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 Governing Body of the Foundation is responsible for the preparation of the financial statements in accordance with approved accounting standards as applicable in Pakistan and described in note 2 of the financial statements, and for such internal control as The Governing Body of The Foundation 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, Foundation Management Committee is responsible for assessing the Foundation ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Foundation Management Committee intends to liquidate the Foundation or to cease operations, or has no 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 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.

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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism 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 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 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 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.

The financial statements for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion.

Place: Karachi
Date: 20 AUG 2024
UDIN: AR202410294ecxIFbPIY



Hafizullah & Co.
Hafizullah & Co.
CHARTERED ACCOUNTANTS
Engagement Partner – Badrur Rahman

FORTIFY EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
NON-CURRENT ASSETS			
Fixed Assets At Cost less Deprecation	4	224,910	264,600
CURRENT ASSETS			
Stock-Food Stuff		302,813	506,260
Short Term Investment	5	16,000,000	11,000,000
FEF USA Current A/c.		2,483,149	-
Cash in Hand		364,831	375,198
Cash at Bank		6,839,396	4,865,922
		25,990,189	16,747,380
		<u>26,215,099</u>	<u>17,011,980</u>
GENERAL FUND-Unrestricted	6	10,782,937	2,028,480
GENERAL FUND-Externally Restricted	7	15,250,000	14,900,000
		<u>26,032,937</u>	<u>16,928,480</u>
CURRENT LIABILITIES			
Professional Cahrges Payable		35,000	35,000
Expenses Payable	8	134,624	43,500
Salary Income Tax Payable		375	
Withholding Tax Payable		12,163	5,000
		182,162	83,500
		<u>26,215,099</u>	<u>17,011,980</u>

Notes: The annexed notes 1 to 10 an integral part of these financial statements.


MEMBER BOARD


VICE PRESIDENT

FORTIFY EDUCATION FOUNDATION
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
INCOME		
DONATION:		
Local	7,156,518	7,159,069
Foreign	8,353,011	-
Go For FEF Cycle Event	398,916	-
Go For FEF Qawwali Event	1,200,902	-
	17,109,347	7,159,069
ZAKAT:		
Local	8,071,400	4,378,474
Foreign	4,084,638	-
Member Ship Fees	6,000	12,000
	12,162,038	4,390,474
	29,271,385	11,549,543
Other Income (Bank Profit)	1,433,731	1,834,434
	30,705,116	13,383,977
EXPENDITURE		
Student Nutrition Program Expenses	16,190,362	8,559,535
Labour and Direct Overheads	2,546,550	1,702,120
	18,736,912	10,261,655
Kitchen Utensils	203,900	115,700
	18,940,812	10,377,355
Administrative Expenses		
Staff Salary -	965,000	764,806
Consultancy Charges	-	50,000
Legal & Professional Charges	328,800	215,000
Computer R&M	12,500	11,950
Fees & Subscription	3,000	78,833
Printing & Stationery	9,987	20,340
Audit Fees	35,000	50,000
Conveyance Charges	113,890	76,307
Courier Charges	-	690
Kitchen Construction	-	262,880
Staff Refreshment	-	1,161
Depreciation Expense	39,690	46,694
Worker's Welfare Expenses	85,004	-
	1,592,871	1,578,661
MARKETING EXPENSE	539,927	437,479
Event expenses:		
Cycle Events Expenses	173,681	-
Qawwali Events Expenses)	434,590	-
	1,148,198	437,479
Total Expenses	21,681,881	12,393,495
FINANCING CHARGES		
Bank Charges	28,831	2,354
I-Care Charges	37,069	3,985
Merchant Charges	553	-
Federal Excise Duty	10	-
Service Provider Fees (Apple Pay)	1,017	-
Sindh Sales Tax	30,066	-
Tax Expenses On Cash With	78,202	-
	175,748	6,339
TOTAL COST	21,857,629	12,399,834
SURPLUS FOR THE YEAR	8,847,487	984,143
Less Taxation	93,030	365,131
Surplus after taxation	8,754,457	619,012

Notes: The annexed notes 1 to 10 an integral part of these financial statements.

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MEMBER BOARD


VICE PRESIDENT

FORTIFY EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2024

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 recognized by Pakistan Centre for Philanthropy as a not for profit organization.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

Theses 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 Organizations (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

Theses 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 Organizations.

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 is charged 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 capitalized. Minor repairs and maintenance are charged to income as and when incurred.

3.2 Revenue Recognition

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

Other revenues are recognized 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 01.07.2023	Addition/ Deletion	Balance 30.06.2024	Rate	For the Year	WDV as at 30.06.2024
Computer Equipment	29,171		29,171	15%	4,376	24,795
Solar Panels	235,429		235,429	15%	35,314	200,115
2024	264,600	-	264,600		39,690	224,910
2023	311,294	-	311,294		46,694	264,600

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2024 Rupees	2023 Rupees
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5 SHORT TERM INVESTMENT

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

6 GENERAL FUND - UNRESTRICTED

Opening Balance	2,028,480	1,409,468
Surplus/(Deficit) for the year	8,754,457	619,012
Closing Balance	<u>10,782,937</u>	<u>2,028,480</u>

7 GENERAL FUND - EXTERNALLY RESTRICTED

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

8 EXPENSES PAYABLE

Salary Payables	94,625	-
Expense Payable (Undercover Innovation Agency)	-	43,500
Expense Payable (Areeba Zubairi)	39,999	-
	134,624	43,500

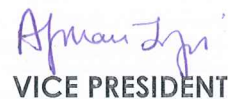
9 FIGURES

Figures have been rounded off to the nearest rupee.
Figures have been rearranged and regrouped, where necessary.

10 DATE OF AUTHORISATION

These financial statements were authorized for issue on 20 AUG 2024 by the Board of Directors of the Foundation.


MEMBER BOARD


VICE PRESIDENT

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