

SARGODHIAN SPIRIT TRUST

PUBLIC SCHOOL

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

30 JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

Opinion

We have audited the financial statements of Sargodhian Spirit Trust Public School ("the School"), which comprise the statement of financial position as at 30 June 2019, and the statement of income and expenditure, statement of changes in funds and statement of cash flows 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 School as at 30 June 2019, 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 School 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 management 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 management 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, management is responsible for assessing the School'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 School or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the School 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

Riaz Ahmad & Company

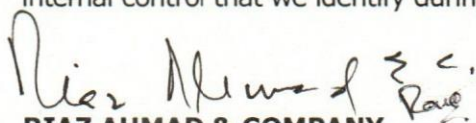
Chartered Accountants

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 School'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 School'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 School 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.


RIAZ AHMAD & COMPANY
Chartered Accountants

Date: 28 JAN 2020

ISLAMABAD

Name of engagement partner: Raheel Arshad

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	NOTE	2019 Rupees	2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	4	36,491,859	38,253,672
Intangible assets	5	2,605,258	2,894,731
		<u>39,097,117</u>	<u>41,148,403</u>
CURRENT ASSETS			
Stores and spares		-	271,141
Advances	6	8,683,749	4,831,285
Short term investments	7	77,507,595	14,553,155
Receivable from students		6,446,948	4,992,486
Other receivables		2,206,688	1,614,794
Due from Sargodhian Spirit Trust Head Office	12	-	15,906,646
Cash and bank balances	8	86,244,311	86,915,332
		<u>181,089,291</u>	<u>129,084,839</u>
TOTAL ASSETS		<u><u>220,186,408</u></u>	<u><u>170,233,242</u></u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		9,777,983	62,958,007
Endowment fund		54,116,187	-
TOTAL FUNDS		<u>63,894,170</u>	<u>62,958,007</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred credit - grants	9	59,989,302	19,776,423
Students' security deposits	10	11,253,329	12,173,459
		<u>71,242,631</u>	<u>31,949,882</u>
CURRENT LIABILITIES			
Accrued and other payables	11	36,929,199	28,513,601
Current portion of students' security deposits	10	900,000	750,000
Due to Sargodhian Spirit Trust Head Office	12	1,669,653	-
Advance fee		45,550,755	46,061,752
		<u>85,049,607</u>	<u>75,325,353</u>
TOTAL LIABILITIES		<u>156,292,238</u>	<u>107,275,235</u>
CONTINGENCIES AND COMMITMENTS		-	-
TOTAL FUNDS AND LIABILITIES		<u><u>220,186,408</u></u>	<u><u>170,233,242</u></u>

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

Chairman Signature

CHAIRMAN

Chief Executive Signature

CHIEF EXECUTIVE

Trustee Signature

TRUSTEE

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 Rupees	2018 Rupees
INCOME			
Fee income	13	135,614,864	126,897,343
Amortization of grants	9	22,287,121	22,719,367
Donations		310,000	2,030,000
Profit on bank deposits		558,410	2,663,112
Other income	14	2,209,269	909,653
		160,979,664	155,219,475
EXPENDITURE			
Salaries, wages and other benefits	15	98,043,050	88,106,316
Students' boarding, lodging and living	16	28,270,856	26,968,058
Utilities		12,255,113	4,072,305
Communication		1,158,792	896,648
Repair and maintenance		3,345,283	4,068,431
International General Certificate of Secondary Education fee		4,622,648	3,237,166
Advertisement		1,530,094	1,454,271
Travelling		2,689,536	2,950,182
Insurance		822,584	121,946
Staff professional development fee		113,086	28,459
Printing and stationery		673,773	800,867
Consumables		932,760	792,687
Fuel charges		916,200	2,766,842
Entertainment		279,936	262,233
Special functions		1,050,930	1,140,561
Depreciation	4	6,357,962	5,883,654
Amortization	5	289,473	321,638
Professional charges		210,650	133,650
Auditor's remuneration	17	120,000	120,000
Postage		250,181	234,250
Bank charges		121,493	168,378
Others		105,288	362,080
		(164,159,688)	(144,890,622)
(DEFICIT) / SURPLUS FOR THE YEAR		(3,180,024)	10,328,853

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

C. M. Khan

CHAIRMAN

Asif Iqbal

CHIEF EXECUTIVE

[Signature]

TRUSTEE

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2019

Description	General fund	Endowment fund	Total
 Rupees		
Balance as at 30 June 2017	52,629,154	-	52,629,154
Surplus for the year ended 30 June 2018	10,328,853	-	10,328,853
Balance as at 30 June 2018	62,958,007	-	62,958,007
Deficit for the year ended 30 June 2019	(3,180,024)	-	(3,180,024)
Transfer from general fund to endowment fund	(50,000,000)	50,000,000	-
Return on endowment fund investment	-	2,236,187	2,236,187
Contributions received from students during the year	-	1,880,000	1,880,000
Balance as at 30 June 2019	<u>9,777,983</u>	<u>54,116,187</u>	<u>63,894,170</u>

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

Ahmed Hussain

CHAIRMAN

Amber Hussain

CHIEF EXECUTIVE

[Signature]

TRUSTEE

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) / Surplus for the year	(3,180,024)	10,328,853
Adjustments for non-cash charges and other items:		
Depreciation	6,357,962	5,883,654
Amortization of intangible assets	289,473	321,638
Amortization of grants	(22,287,121)	(22,719,367)
Liabilities written back	(195,222)	(373,107)
Stores and spares written off	271,141	-
Profit on bank deposits	(558,410)	(2,663,112)
Cash used in operations before working capital changes	(19,302,201)	(9,221,441)
Working capital changes		
Decrease / (increase) in current assets		
Stores and spares	-	533
Advances	(3,852,464)	(1,703,375)
Due from Sargodhian Spirit Trust Head Office	15,906,646	(15,906,646)
Receivable from students	(1,454,462)	342,518
Other receivables	(591,894)	(1,015,333)
	10,007,826	(18,282,303)
Increase / (decrease) in current liabilities		
Accrued and other payables	8,610,820	3,126,638
Advance fee	(510,997)	21,153,768
Due to Sargodhian Spirit Trust Head Office	1,669,653	(137,412,229)
	9,769,476	(113,131,823)
Net cash generated from / (used in) operations	475,101	(140,635,567)
Decrease in students security deposits	(770,130)	(324,108)
Net cash used in operating activities	(295,029)	(140,959,675)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(4,596,149)	(10,255,189)
Investments made	(62,954,440)	(6,987,047)
Proceeds from endowment fund	4,116,187	-
Interest received	558,410	2,663,112
Net cash used in investing activities	(62,875,992)	(14,579,124)
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received from Sindh Government	85,000,000	185,000,000
Grants transferred to Head Office	(22,500,000)	(164,744,811)
Net cash from financing activities	62,500,000	20,255,189
Net decrease in cash and cash equivalents	(671,021)	(135,283,610)
Cash and cash equivalents at the beginning of the year	86,915,332	222,198,942
Cash and cash equivalents at the end of the year	86,244,311	86,915,332

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

Ali H. H. H.

CHAIRMAN

E. H. H.

CHIEF EXECUTIVE

[Signature]

TRUSTEE

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1 LEGAL STATUS AND OPERATIONS

Sargodhian Spirit Trust Public School ("the School") is a project of Sargodhian Spirit Trust, Islamabad. The School commenced its operations from July, 2005 and was registered on 17 August 2005 with the District Education Department, Hyderabad under section 6 of the Sindh Private Educational Institutions (Regulation and Control) Ordinance, 2001. The objectives of the School are to offer courses of International standard and to undertake, organize and disseminate knowledge in Rashidabad, Sindh.

2 STATEMENT OF COMPLIANCE

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

3.1 Basis of preparation

a) Accounting convention

These financial statements have been prepared under the historical cost convention, except for the certain financial instruments which are carried at their fair values.

b) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the Accounting standard for Not-For-Profit Organisations issued by the Institute of Chartered Accountants of Pakistan and International Financial Reporting Standards for Small and Medium-Sized Entities issued by International Accounting Standards Board as adopted by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable / amortizable assets. However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3.2 Operating fixed assets

Cost

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of operating fixed assets consists of historical cost and other directly attributable cost of bringing the asset to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the School and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of income and expenditure during the year in which they are incurred.

Depreciation

Depreciation on all operating fixed asset is charged to statement of income and expenditure on reducing balance method after taking into account residual value, if any, so as to write off the depreciable amount of an asset over its estimated useful life at the rates given in Note 4. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged for the month in which the assets are disposed off. The residual values and useful lives of assets are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed asset is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of income and expenditure in the year the asset is de-recognized.

3.3 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditure relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less amortization and impairment losses, if any.

Intangible assets are amortized from the year, when these assets are available for use while no amortization is charged in the year of deletion, amortization is charged using the reducing balance method, whereby the cost of the intangible asset is amortized over its estimated useful life at the rate given in Note 5. The useful life and amortization method is reviewed and adjusted, if appropriate, at each financial position date.

3.4 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis. Investments are initially measured at fair value plus transaction costs directly attributable to acquisition.

Equity instruments

The Trust subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Trust's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of income and expenditure as applicable.

Dividends from such investments continue to be recognized in statement of income and expenditure as other income when the Trust's right to receive payments is established.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of income and expenditure and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of income and expenditure.

3.5 Inventories

These are valued at lower of cost or net realizable value, less provision for any slow moving and obsolete items, if any.

3.6 Endowment fund

The school operates endowment fund. The fund sources include receipts from students and surplus funds of the School. The management is in process of finalizing rules and regulations of the fund.

Contributions and utilizations of endowment fund are directly recorded as increase or decrease in endowment fund.

3.7 Deferred credit - grants

Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the School will comply with all attached conditions. Fair value signifies the amount received in cash and current market value in case of grant received in kind. Grants related to expenses are deferred and recognized in the statement of income and expenditure over the period necessary to match them with the expenses that they are intended to compensate. Grants related to assets are recognized as deferred credit. An amount equivalent to the depreciation for each year on such assets is credited to statement of income and expenditure in the same year in which the depreciation is charged. Amount equal to book value of assets relating to grant is also transferred to statement of income and expenditure in the same year in which asset is disposed off.

3.8 Revenue recognition

- Tuition, processing and registration fee are recognized on accrual basis.
- Donations are recognized on the receipt basis.
- Return on investments is recognized on accrual basis at the rates specified in respective investment scheme assuming that such investment will be held till maturity.
- Interest on bank deposits is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.
- Revenue from restricted funds is recognized, using deferral method in statement of income and expenditure over the period necessary to match them with the expenses that they are intended to compensate.

3.9 Employee benefits - contributory provident fund

The School operates contributory provident fund scheme for its regular employees. Equal contributions are made to the fund by the School and the employees at the rate of 7.5% of their basic salaries. The fund has not yet been approved under the provisions of Income Tax Ordinance, 2001.

3.10 Receivables

Receivables are recognized and carried at cost less an allowance for any uncollectible amounts. Carrying amounts of receivables are assessed on regular basis and if, there is any doubt about reliability of these receivables, appropriate amount of provision is made.

3.11 Foreign currencies

These financial statements are presented in Pak Rupees, which is the School's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at the exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the statement of income and expenditure.

3.12 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, loans and advances, other receivables, cash and bank balances, interest accrued and other payables etc. Financial assets and liabilities are recognized when the School becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition.

Financial assets are de-recognized when the School loses control of the contractual rights that comprise the financial asset. The School loses such control if it realizes the rights to benefits specified in contract, the rights expire or the School surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the statement of income and expenditure. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item and in the accounting policy of investments.

3.13 Accrued and other liabilities

Accrued and other liabilities payable are initially recognized at fair value which is normally the transaction cost.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

3.15 Provisions

Provisions are recognized when the School has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

3.16 Taxation

Income of Not for Profit Organisations is allowed a tax credit equal to one hundred percent of the tax payable under section 100C of the Income Tax Ordinance, 2001. Accordingly, no provision for taxation has been made in these financial statements.

3.17 Off setting

Financial assets and liabilities are set off and the net amount is reported in the balance sheet, if the School has a legally enforceable right to set off the recognized amounts and the School intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

4 OPERATING FIXED ASSETS

	Furniture and fittings	Office equipment	Computer equipment	Electrical equipment	Library books	Kitchen utensils and equipment	Science laboratory equipment	Sports equipment	Other equipment	Vehicles	Total
----- Rupees -----											
At 30 June 2017											
Cost	27,838,569	5,972,006	17,523,865	11,234,958	3,227,737	2,124,532	3,870,944	1,115,403	1,115,577	8,819,732	82,843,323
Accumulated depreciation	(14,112,392)	(2,882,979)	(12,067,760)	(7,180,714)	(1,934,299)	(1,306,518)	(3,226,179)	(565,504)	(597,168)	(5,087,673)	(48,961,186)
Net book value	13,726,177	3,089,027	5,456,105	4,054,244	1,293,438	818,014	644,765	549,899	518,409	3,732,059	33,882,137
Year ended 30 June 2018											
Opening net book value	13,726,177	3,089,027	5,456,105	4,054,244	1,293,438	818,014	644,765	549,899	518,409	3,732,059	33,882,137
Additions	4,824,198	669,293	504,232	1,847,050	164,500	131,076	355,334	265,716	96,440	1,397,350	10,255,189
Depreciation charge	(1,638,886)	(497,929)	(1,140,644)	(1,053,795)	(138,537)	(167,332)	(179,687)	(135,066)	(115,198)	(816,580)	(5,883,654)
Closing net book value	16,911,489	3,260,391	4,819,693	4,847,499	1,319,401	781,758	820,412	680,549	499,651	4,312,829	38,253,672
At 30 June 2018											
Cost	32,662,767	6,641,299	18,028,097	13,082,008	3,392,237	2,255,608	4,226,278	1,381,119	1,212,017	10,217,082	93,098,512
Accumulated depreciation	(15,751,278)	(3,380,908)	(13,208,404)	(8,234,509)	(2,072,836)	(1,473,850)	(3,405,866)	(700,570)	(712,366)	(5,904,253)	(54,844,840)
Net book value	16,911,489	3,260,391	4,819,693	4,847,499	1,319,401	781,758	820,412	680,549	499,651	4,312,829	38,253,672
Year ended 30 June 2019											
Opening net book value	16,911,489	3,260,391	4,819,693	4,847,499	1,319,401	781,758	820,412	680,549	499,651	4,312,829	38,253,672
Additions	1,329,411	537,574	442,960	149,020	93,824	91,868	9,500	139,880	91,017	1,711,095	4,596,149
Depreciation charge	(1,771,199)	(699,532)	(1,009,304)	(993,999)	(139,101)	(166,188)	(164,715)	(161,755)	(111,738)	(1,140,431)	(6,357,962)
Closing net book value	16,469,701	3,098,433	4,253,349	4,002,520	1,274,124	707,438	665,197	658,674	478,930	4,883,493	36,491,859
At 30 June 2019											
Cost	33,992,178	7,178,873	18,471,057	13,231,028	3,486,061	2,347,476	4,235,778	1,520,999	1,303,034	11,928,177	97,694,661
Accumulated depreciation	(17,522,477)	(4,080,440)	(14,217,708)	(9,228,508)	(2,211,937)	(1,640,038)	(3,570,581)	(862,325)	(824,104)	(7,044,684)	(61,202,802)
Net book value	16,469,701	3,098,433	4,253,349	4,002,520	1,274,124	707,438	665,197	658,674	478,930	4,883,493	36,491,859
Depreciation rate (%)	10	15	20	20	10	20	20	20	20	20	20

5 INTANGIBLE ASSETS

	Learning management system	Campus management system	Inventory management system	English as a secondary language system	Total
----- Rupees -----					
At 30 June 2017					
Cost	3,022,850	1,484,973	538,229	618,400	5,664,452
Accumulated amortization	(1,544,835)	(402,428)	(233,053)	(267,767)	(2,448,083)
Net book value	<u>1,478,015</u>	<u>1,082,545</u>	<u>305,176</u>	<u>350,633</u>	<u>3,216,369</u>
Year ended 30 June 2018					
Opening net book value	1,478,015	1,082,545	305,176	350,633	3,216,369
Amortization charge	(147,802)	(108,255)	(30,518)	(35,063)	(321,638)
Closing net book value	<u>1,330,213</u>	<u>974,290</u>	<u>274,658</u>	<u>315,570</u>	<u>2,894,731</u>
At 30 June 2018					
Cost	3,022,850	1,484,973	538,229	618,400	5,664,452
Accumulated amortization	(1,692,637)	(510,683)	(263,571)	(302,830)	(2,769,721)
Net book value	<u>1,330,213</u>	<u>974,290</u>	<u>274,658</u>	<u>315,570</u>	<u>2,894,731</u>
Year ended 30 June 2019					
Opening net book value	1,330,213	974,290	274,658	315,570	2,894,731
Amortization charge	(133,021)	(97,429)	(27,466)	(31,557)	(289,473)
Closing net book value	<u>1,197,192</u>	<u>876,861</u>	<u>247,192</u>	<u>284,013</u>	<u>2,605,258</u>
At 30 June 2019					
Cost	3,022,850	1,484,973	538,229	618,400	5,664,452
Accumulated amortization	(1,825,658)	(608,112)	(291,037)	(334,387)	(3,059,194)
Net book value	<u>1,197,192</u>	<u>876,861</u>	<u>247,192</u>	<u>284,013</u>	<u>2,605,258</u>
Amortization rate (%)	10	10	10	10	

	NOTE	2019 Rupees	2018 Rupees
6 ADVANCES			
Advances to employees			
- against expenses - unsecured		3,617,447	2,897,780
- against salaries - secured	6.1	1,470,030	1,126,895
		5,087,477	4,024,675
Advances to suppliers - unsecured		3,596,272	806,610
		<u>8,683,749</u>	<u>4,831,285</u>

6.1 These are secured against provident fund balances of the employees and carry no interest.

	NOTE	2019 Rupees	2018 Rupees
7 SHORT TERM INVESTMENTS			
Fair value through profit or loss:			
Mutual fund investment (524,442 units)	7.1	26,749,403	-
Loss on remeasurement of investment		(616,454)	-
		26,132,949	-
Amortized cost:			
Sukuk certificates	7.2	51,374,646	-
Certificate of Islamic investments		-	14,553,155
		<u>51,374,646</u>	<u>14,553,155</u>
		<u>77,507,595</u>	<u>14,553,155</u>

7.1 It represents investment in Mutual funds of Meezan Bank Limited. This investment has been earmarked for employees contributory provident fund.

7.2 It represents investment in sukuk Certificates of Meezan Bank Limited having maturity period of three months and carrying interest at the rate of 9.0% per annum. This investment has been earmarked for endowment fund.

	NOTE	2019 Rupees	2018 Rupees
8 CASH AND BANK BALANCES			
Cash in hand		61,629	168,351
Cash at bank:			
- Current accounts		29,680,550	35,540,300
- Saving accounts	8.1 , 8.2 & 8.3	56,502,132	51,206,681
		86,182,682	86,746,981
		<u>86,244,311</u>	<u>86,915,332</u>

- 8.1 The balances in saving accounts carry interest rates ranging from 1.5% to 7.0% (2018: 1.5% to 3.5%) per annum.
- 8.2 These include funds of Rupees 4,468 (2018: Rupees 346,622) in Askari Bank Limited, account No. 165-050010-4 and Rupees 1,147,905 (2018: Rupees 7,724,617) in Meezan Bank Limited, account No. 0101104053, earmarked for contributory provident fund balances.
- 8.3 These include funds of Rupees 3,171,433 (2018: Nil) in Meezan Bank Limited, account No. 0103450263, earmarked for endowment fund balance.

9 DEFERRED CREDIT - GRANTS

DESCRIPTION	2019			2018
	Capital nature	Revenue nature	Total	Total
	----- Rupees -----			
Balance at the start of the year	19,776,423	-	19,776,423	22,240,601
Grant received from Sindh Governemnt (Note 9.1)	65,000,000	20,000,000	85,000,000	185,000,000
Grant received from Sargodhian Spirit Trust - Head Office	-	-	-	10,255,189
Grant transferred to Sargodhian Spirit Trust - Head Office	(22,500,000)	-	(22,500,000)	(175,000,000)
Grant amortized during the year	(2,287,121)	(20,000,000)	(22,287,121)	(22,719,367)
Balance at the end of the year	<u>59,989,302</u>	<u>-</u>	<u>59,989,302</u>	<u>19,776,423</u>

- 9.1 It represents grant received from Government of Sindh, for expansion of infrastructure facility, teachers training programme and Scholarships.

	NOTE	2019 Rupees	2018 Rupees
10 STUDENTS' SECURITY DEPOSITS			
Students' security deposits	10.1	12,153,329	12,923,459
Less: Current portion shown under current liabilities		(900,000)	(750,000)
		<u>11,253,329</u>	<u>12,173,459</u>

- 10.1 It represents security deposits received from students and are repayable upon leaving the School, after deducting any amount due from them.

	NOTE	2019 Rupees	2018 Rupees
11 ACCRUED AND OTHER PAYABLES			
Accrued expenses		105,710	368,613
Due to students		3,448,562	2,808,650
Contributory provident fund payable	11.1	28,031,169	23,181,693
Others		5,343,758	2,154,645
		<u>36,929,199</u>	<u>28,513,601</u>

	NOTE	2019 Rupees	2018 Rupees
11.1 Contributory provident fund payable			
Balance as at 01 July		23,181,693	18,502,565
Contributions for the year		6,113,623	5,533,960
Payments to outgoing members		(641,984)	(1,092,779)
(Loss) / return on investment	11.2	(426,941)	611,054
Liabilities written back		(195,222)	(373,107)
Balance as at 30 June		<u>28,031,169</u>	<u>23,181,693</u>
11.2	The income of the fund is distributed to members at the rate of 6% (2018: 6%).		
		2019 Rupees	2018 Rupees
12 DUE TO / (FROM) SARGODHIAN SPIRIT TRUST HEAD OFFICE			
Against recurring expenses		99,031,251	114,654,952
Against capital expenditure		(97,361,598)	(130,561,598)
		<u>1,669,653</u>	<u>(15,906,646)</u>
13 FEE INCOME			
Tuition fee		123,871,345	114,923,449
Registration fee		5,700,000	5,760,000
Accommodation charges		2,850,000	2,850,000
Application processing fee		1,014,000	856,000
Fines and penalties		565,540	605,798
Re-admission fee		1,613,979	1,902,096
		<u>135,614,864</u>	<u>126,897,343</u>
14 OTHER INCOME			
Liabilities written back		195,222	373,107
Miscellaneous		2,014,047	536,546
		<u>2,209,269</u>	<u>909,653</u>
15 SALARIES, WAGES AND OTHER BENEFITS			
Salaries, wages and other benefits include provident fund contribution of Rupees 3.057 million (2018: Rupees 2.766 million) by the School.			
		2019 Rupees	2018 Rupees
16 STUDENTS' BOARDING, LODGING AND LIVING			
Food		20,013,070	18,492,312
Uniforms		2,970,110	4,228,380
Study material		865,685	224,332
Travelling		640,514	596,399
Medical		563,878	425,372
Others		3,217,599	3,001,263
		<u>28,270,856</u>	<u>26,968,058</u>
17 AUDITOR'S REMUNERATION			
Audit fee		110,000	110,000
Out of pocket expenses		10,000	10,000
		<u>120,000</u>	<u>120,000</u>

18 NUMBER OF EMPLOYEES

	2019	2018
Number of employees as at 30 June	240	235
Average number of employees during the year	237	230

19 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Sargodhian Spirit Trust - Head Office, Sargodhian Spirit Institute for Professional Development, key management personnel and entities over which trustees are able to exert significant influence. Detail of transactions with related parties, other than those that have been specifically disclosed elsewhere in these financial statements are as follows:

	2019 Rupees	2018 Rupees
Rashid Memorial Welfare Organisation (RMWO)		
Payment to RMWO against municipal charges	<u>571,250</u>	<u>521,600</u>

20 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The aggregate amounts charged in these financial statements in respect of remuneration including certain benefits to the principal are given below:

	Principal	
	2019 Rupees	2018 Rupees
Managerial remuneration	5,178,884	4,640,152
Contribution to provident fund	183,932	166,188
	<u>5,362,816</u>	<u>4,806,340</u>

21 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 28 JAN 2020 by the Board of Trustees.

22 CORRESPONDING FIGURES

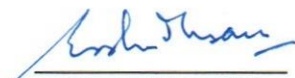
No significant reclassification / rearrangement of corresponding figures have been made in these financial statements.

23 GENERAL

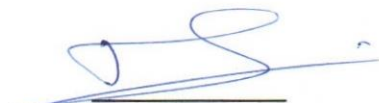
Figures in these financial statements have been rounded off to the nearest Rupee. *Raw*



CHAIRMAN



CHIEF EXECUTIVE



TRUSTEE