

SARGODHIAN SPIRIT TRUST

PUBLIC SCHOOL

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

30 JUNE 2021

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 2021, 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 2021, 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: 21 DEC 2021

ISLAMABAD

Name of engagement partner: Raheel Arshad

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	4	95,144,936	40,265,727
Intangible assets	5	2,179,560	2,421,733
		<u>97,324,496</u>	<u>42,687,460</u>
CURRENT ASSETS			
Advances	6	27,062,998	8,345,070
Receivable from students		4,795,346	5,418,357
Other receivables		341,517	2,055,658
Due from Sargodhian Spirit Trust Head Office	7	63,227,762	53,782,084
Short term investments	8	101,852,278	23,085,515
Cash and bank balances	9	107,010,133	94,509,220
		<u>304,290,034</u>	<u>187,195,904</u>
TOTAL ASSETS		<u><u>401,614,530</u></u>	<u><u>229,883,364</u></u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		4,968,999	11,368,776
Endowment fund		73,521,712	58,698,876
TOTAL FUNDS		<u>78,490,711</u>	<u>70,067,652</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred credit - grants	10	210,208,030	69,768,718
Students' security deposits	11	12,876,321	12,631,264
		<u>223,084,351</u>	<u>82,399,982</u>
CURRENT LIABILITIES			
Accrued and other payables	12	44,225,089	39,397,469
Advance fee		55,314,379	37,468,261
Current portion of students' security deposits	11	500,000	550,000
		<u>100,039,468</u>	<u>77,415,730</u>
TOTAL LIABILITIES		<u>323,123,819</u>	<u>159,815,712</u>
CONTINGENCIES AND COMMITMENTS		-	-
TOTAL FUNDS AND LIABILITIES		<u><u>401,614,530</u></u>	<u><u>229,883,364</u></u>

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Fee income	13	126,952,979	119,672,592
Donations		7,103,100	11,410,000
Amortization of grants	10	29,560,688	25,742,473
Profit on bank deposits		1,175,531	1,477,501
Other income	14	1,642,105	2,237,464
		166,434,403	160,540,030
EXPENDITURE			
Salaries, wages and other benefits	15	104,082,505	103,732,027
Students' boarding, lodging and living	16	19,621,153	17,350,944
Utilities		10,297,029	11,761,717
Communication		1,448,119	1,424,715
Repair and maintenance		3,548,538	4,337,828
International General Certificate of Secondary Education fee		4,597,719	4,135,979
Advertisement		758,489	1,251,935
Travelling		2,103,440	2,288,662
Insurance		997,925	794,879
Staff professional development fee		416,066	55,938
Printing and stationery		743,911	1,263,685
Consumables		1,097,068	718,001
Fuel charges		570,223	688,990
Entertainment		481,933	338,620
Special functions		177,253	932,348
Depreciation	4	9,560,688	5,742,473
Amortization	5	242,173	263,525
Professional charges		216,290	28,500
Auditor's remuneration	17	133,000	120,000
Postage		311,044	286,949
Bank charges		7,973	7,292
Others		215,069	1,424,230
		(161,627,608)	(158,949,237)
SURPLUS FOR THE YEAR		4,806,795	1,590,793

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


CHAIRMAN


CHIEF EXECUTIVE


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SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2021

Description	General fund	Endowment fund	Total
	----- Rupees -----		
Balance as at 30 June 2019	9,777,983	54,116,187	63,894,170
Surplus for the year ended 30 June 2020	1,590,793	-	1,590,793
Profit on Endowment Fund	-	2,922,689	2,922,689
Contributions received from students during the year	-	1,660,000	1,660,000
Balance as at 30 June 2020	11,368,776	58,698,876	70,067,652
Surplus for the year ended 30 June 2021	4,806,795	-	4,806,795
Transfer from general fund to endowment fund	(11,206,572)	11,206,572	-
Profit on Endowment Fund	-	701,264	701,264
Contributions received from students during the year	-	2,915,000	2,915,000
Balance as at 30 June 2021	4,968,999	73,521,712	78,490,711

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



CHAIRMAN



CHIEF EXECUTIVE



TRUSTEE

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL

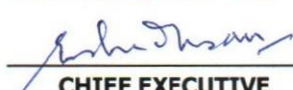
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	4,806,795	1,590,793
Adjustments for non-cash charges and other items:		
Depreciation	9,560,688	5,742,473
Amortization of intangible assets	242,173	263,525
Amortization of grants	(29,560,688)	(25,742,473)
Liabilities written back	-	(115,956)
Profit on bank deposits	(1,175,531)	(1,477,501)
Cash used in operations before working capital changes	<u>(16,126,563)</u>	<u>(19,739,139)</u>
Working capital changes		
(Increase) / decrease in current assets		
Advances	(18,717,928)	338,679
Due from Sargodhian Spirit Trust Head Office	(9,445,678)	(53,782,084)
Receivable from students	623,011	1,028,591
Other receivables	1,714,141	151,030
	<u>(25,826,454)</u>	<u>(52,263,784)</u>
Increase / (decrease) in current liabilities		
Accrued and other payables	4,827,620	2,584,226
Advance fee	17,846,118	(8,082,494)
Due to Sargodhian Spirit Trust Head Office	-	(1,669,653)
	<u>22,673,738</u>	<u>(7,167,921)</u>
Net cash used in operations	<u>(19,279,279)</u>	<u>(79,170,844)</u>
Increase in students security deposits	195,057	1,027,935
Net cash used in operating activities	<u>(19,084,222)</u>	<u>(78,142,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(64,439,897)	(9,516,341)
Capital expenditure on intangible assets	-	(80,000)
Investments (made) / encashed - net	(78,766,763)	54,422,080
Proceeds from endowment fund	3,616,264	4,582,689
Interest received	1,175,531	1,477,501
Net cash (used in) / from investing activities	<u>(138,414,865)</u>	<u>50,885,929</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received from Sindh Government	170,000,000	170,000,000
Grants received transferred to Head Office - net	-	(134,478,111)
Net cash from financing activities	<u>170,000,000</u>	<u>35,521,889</u>
Net increase in cash and cash equivalents	<u>12,500,913</u>	<u>8,264,909</u>
Cash and cash equivalents at the beginning of the year	<u>94,509,220</u>	<u>86,244,311</u>
Cash and cash equivalents at the end of the year	<u><u>107,010,133</u></u>	<u><u>94,509,220</u></u>

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 fee is recognized on accrual basis.
- Processing and registration fee are recognized on receipt 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 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	(17,532,477)	(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
Year ended 30 June 2020											
Opening 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
Additions	5,320,819	-	479,925	2,676,785	213,760	131,227	178,960	141,460	373,405	-	9,516,341
Depreciation charge	(1,711,860)	(464,765)	(878,020)	(997,170)	(139,932)	(154,611)	(154,665)	(142,937)	(121,814)	(976,699)	(5,742,473)
Closing net book value	20,078,660	2,633,668	3,855,254	5,682,135	1,347,952	684,054	689,492	657,197	730,521	3,906,794	40,265,727
At 30 June 2020											
Cost	39,312,997	7,178,873	18,950,982	15,907,813	3,699,821	2,478,703	4,414,738	1,662,459	1,676,439	11,928,177	107,211,002
Accumulated depreciation	(19,234,337)	(4,545,205)	(15,095,728)	(10,225,678)	(2,351,869)	(1,794,649)	(3,725,246)	(1,005,262)	(945,918)	(8,021,383)	(66,945,275)
Net book value	20,078,660	2,633,668	3,855,254	5,682,135	1,347,952	684,054	689,492	657,197	730,521	3,906,794	40,265,727
Year ended 30 June 2021											
Opening net book value	20,078,660	2,633,668	3,855,254	5,682,135	1,347,952	684,054	689,492	657,197	730,521	3,906,794	40,265,727
Additions	16,164,405	2,905,229	2,838,730	14,753,443	873,803	30,975	5,057,559	2,776,724	4,468,279	14,570,750	64,439,897
Depreciation charge	(2,785,251)	(789,562)	(1,278,309)	(2,153,713)	(149,221)	(138,482)	(555,996)	(387,261)	(336,726)	(986,167)	(9,560,688)
Closing net book value	33,457,814	4,749,335	5,415,675	18,281,865	2,072,534	576,547	5,191,055	3,046,660	4,862,074	17,491,377	95,144,936
At 30 June 2021											
Cost	55,477,402	10,084,102	21,789,712	30,661,256	4,573,624	2,509,678	9,472,297	4,439,183	6,144,718	26,498,927	171,650,899
Accumulated depreciation	(22,019,588)	(5,334,767)	(16,374,037)	(12,379,391)	(2,501,090)	(1,933,131)	(4,281,242)	(1,392,523)	(1,282,644)	(9,007,550)	(76,505,963)
Net book value	33,457,814	4,749,335	5,415,675	18,281,865	2,072,534	576,547	5,191,055	3,046,660	4,862,074	17,491,377	95,144,936
Depreciation rate (%) per annum	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 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>
Year ended June 2020					
Opening net book value	1,197,192	876,861	247,192	284,013	2,605,258
Additions	-	80,000	-	-	80,000
Amortization charge	(119,719)	(90,686)	(24,719)	(28,401)	(263,525)
Closing net book value	<u>1,077,473</u>	<u>866,175</u>	<u>222,473</u>	<u>255,612</u>	<u>2,421,733</u>
At 30 June 2020					
Cost	3,022,850	1,564,973	538,229	618,400	5,744,452
Accumulated amortization	(1,945,377)	(698,798)	(315,756)	(362,788)	(3,322,719)
Net book value	<u>1,077,473</u>	<u>866,175</u>	<u>222,473</u>	<u>255,612</u>	<u>2,421,733</u>
Year ended June 2021					
Opening net book value	1,077,473	866,175	222,473	255,612	2,421,733
Amortization charge	(107,747)	(86,618)	(22,247)	(25,561)	(242,173)
Closing net book value	<u>969,726</u>	<u>779,557</u>	<u>200,226</u>	<u>230,051</u>	<u>2,179,560</u>
At 30 June 2021					
Cost	3,022,850	1,564,973	538,229	618,400	5,744,452
Accumulated amortization	(2,053,124)	(785,416)	(338,003)	(388,349)	(3,564,892)
Net book value	<u>969,726</u>	<u>779,557</u>	<u>200,226</u>	<u>230,051</u>	<u>2,179,560</u>
Amortization rate (%) per annum	10	10	10	10	

6 ADVANCES

Advances to employees:

- against expenses - unsecured
- against salaries - secured

Advances to suppliers - unsecured

Note	2021 Rupees	2020 Rupees
6.1	12,864,181	2,269,016
	2,497,645	1,763,729
	15,361,826	4,032,745
	<u>11,701,172</u>	<u>4,312,325</u>
	<u>27,062,998</u>	<u>8,345,070</u>

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

7 DUE FROM SARGODHIAN SPIRIT TRUST HEAD OFFICE

- Recurring expenses
- Capital expenditure

2021 Rupees	2020 Rupees
99,161,976	99,462,759
(162,389,738)	(153,244,843)
<u>(63,227,762)</u>	<u>(53,782,084)</u>

	Note	2021 Rupees	2020 Rupees
8 SHORT TERM INVESTMENTS			
Fair value through profit or loss:			
Meezan Bank Limited - Mutual fund 438,155 (2020: 481,431) units	8.1	19,624,541	22,805,394
Profit on remeasurement of investment		1,451,340	280,121
		<u>21,075,881</u>	<u>23,085,515</u>
Amortized cost:			
Meezan Bank Limited - Term deposit receipts	8.2	80,776,397	-
		<u>101,852,278</u>	<u>23,085,515</u>

8.1 This investment has been earmarked for employees contributory provident fund.

8.2 It includes investment of Rupees 10,194,099 (2020: Nil) earmarked for employees contributory provident fund and Rupees 70,582,298 (2020: Nil) earmarked for endowment fund.

	Note	2021 Rupees	2020 Rupees
9 CASH AND BANK BALANCES			
Cash in hand		97,737	28,493
Cash at bank:			
- current accounts		47,992,620	10,979,710
- saving accounts	9.1 , 9.2 & 9.3	58,919,776	83,501,017
		106,912,396	94,480,727
		<u>107,010,133</u>	<u>94,509,220</u>

9.1 The balances in saving accounts carry interest rates ranging from 2.75% to 2.90% (2020: 4.6% to 6.25%) per annum.

9.2 These include funds of Rupees 5,135 (2020: Rupees 4,902) in Askari Bank Limited, account No. 165-050010-4 and Rupees 5,785,139 (2020: Rupees 9,077,995) in Meezan Bank Limited, account No. 0101104053, earmarked for contributory provident fund.

9.3 These include funds of Rupees 89,545 (2020: Rupees 87,468) in Askari Bank Limited, account No. 167-0165050014-8 and Rupees 2,849,869 (2020: Rupees 42,411,032) in Meezan Bank Limited, account No. 0103450263, earmarked for endowment fund.

10 DEFERRED CREDIT - GRANTS

DESCRIPTION	2021			2020
	Capital nature	Revenue nature	Total	Total
	----- Rupees -----			
Balance at the start of the year	69,768,718	-	69,768,718	59,989,302
Grant received from Sindh Governemnt (Note 9.1)	-	170,000,000	170,000,000	170,000,000
Grant transferred to Sargodhian Spirit Trust - Head Office - net	-	-	-	(134,478,111)
Grant amortized during the year	(9,560,688)	(20,000,000)	(29,560,688)	(25,742,473)
Balance at the end of the year	<u>60,208,030</u>	<u>150,000,000</u>	<u>210,208,030</u>	<u>69,768,718</u>

10.1 It represents grant received from Government of Sindh, for operational purposes and scholarships.

	Note	2021 Rupees	2020 Rupees
11 STUDENTS' SECURITY DEPOSITS			
Students' security deposits	11.1	13,376,321	13,181,264
Less: Current portion shown under current liabilities		(500,000)	(550,000)
		<u>12,876,321</u>	<u>12,631,264</u>

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

	Note	2021 Rupees	2020 Rupees
12 ACCRUED AND OTHER PAYABLES			
Accrued expenses		133,000	120,000
Due to students		3,111,157	2,952,674
Contributory provident fund payable	12.1	37,621,826	32,587,459
Others		3,359,106	3,737,336
		<u>44,225,089</u>	<u>39,397,469</u>
12.1 Contributory provident fund payable			
Balance as at 01 July		32,587,459	28,031,169
Contributions for the year		6,500,006	6,574,040
Payments to outgoing members		(3,203,929)	(2,475,268)
Return on investment	12.2	1,894,126	573,474
Liabilities written back		(155,836)	(115,956)
Balance as at 30 June		<u>37,621,826</u>	<u>32,587,459</u>
12.2 The income of the fund is distributed to members at the rate of 6% (2020: 6%).			
13 FEE INCOME			
Tuition fee		110,856,680	108,250,002
Registration fee		8,460,000	5,460,000
Accommodation charges		4,170,000	2,685,000
Application processing fee		860,000	868,000
Fines and penalties		474,385	453,419
Re-admission fee		2,131,914	1,956,171
		<u>126,952,979</u>	<u>119,672,592</u>
14 OTHER INCOME			
Liabilities written back		-	115,956
Miscellaneous		1,642,105	2,121,508
		<u>1,642,105</u>	<u>2,237,464</u>
15 SALARIES, WAGES AND OTHER BENEFITS			
Salaries, wages and other benefits include provident fund contribution of Rupees 3.094 million (2020: Rupees 3.287 million) by the School.			
		2021	2020
		Rupees	Rupees
16 STUDENTS' BOARDING, LODGING AND LIVING			
Food		15,841,136	14,486,504
Uniforms		1,484,095	73,549
Study material		60,452	251,004
Travelling		-	504,192
Medical		603,809	312,260
Others		1,631,661	1,723,435
		<u>19,621,153</u>	<u>17,350,944</u>
17 AUDITOR'S REMUNERATION			
Audit fee		120,000	110,000
Out of pocket expenses		13,000	10,000
		<u>133,000</u>	<u>120,000</u>

18 NUMBER OF EMPLOYEES

	2021	2020
Number of employees as at 30 June	235	236
Average number of employees during the year	234	238

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:

	2021 Rupees	2020 Rupees
Rashid Memorial Welfare Organisation (RMWO)		
Payment to RMWO against municipal charges	812,500	1,227,500

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	
	2021 Rupees	2020 Rupees
Managerial remuneration	5,930,448	5,824,612
Contribution to provident fund	211,674	207,894
	6,142,122	6,032,506

21 FINANCIAL INSTRUMENTS BY CATEGORIES

	At fair value through profit or loss	At amortized cost	Total
	----- Rupees -----		
As at 30 June 2021			
Assets as per statement of financial position			
Advances	-	2,497,645	2,497,645
Receivable from students	-	4,795,346	4,795,346
Other receivables	-	341,517	341,517
Short term investments	21,075,881	80,776,397	101,852,278
Cash and bank balances	-	107,010,133	107,010,133
	21,075,881	195,421,038	216,496,919
Liabilities as per statement of financial position			
Students' security deposits	-	13,376,321	13,376,321
Accrued and other payables	-	44,225,089	44,225,089
	-	57,601,410	57,601,410

At fair value through profit or loss	At amortized cost	Total
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----- Rupees -----

As at 30 June 2020

Assets as per statement of financial position

Advances	-	1,763,729	1,763,729
Receivable from students	-	5,418,357	5,418,357
Other receivables	-	2,055,658	2,055,658
Short term investments	23,085,515	-	23,085,515
Cash and bank balances	-	94,509,220	94,509,220
	<u>23,085,515</u>	<u>103,746,964</u>	<u>126,832,479</u>

Liabilities as per statement of financial position

Students' security deposits	-	13,181,264	13,181,264
Accrued and other payables	-	39,397,469	39,397,469
	<u>-</u>	<u>52,578,733</u>	<u>52,578,733</u>

22 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 21 DEC 2021 by the Board of Trustees.

23 CORRESPONDING FIGURES

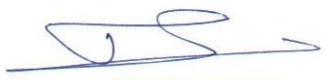
No significant reclassification / rearrangement of corresponding figures have been made in these financial statements.

24 GENERAL

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE