

SARGODHIAN SPIRIT TRUST

HEAD OFFICE

**FINANCIAL STATEMENTS WITH
ACCOMPANYING INFORMATION**

30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

Opinion

We have audited the financial statements of Sargodhian Spirit Trust – Head Office ("the Head Office"), which comprise the statement of financial position as at 30 June 2020, and the statement of income and expenditure, statement of changes in fund 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 Head Office as at 30 June 2020, 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 Head Office 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 Head Office'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 Head Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Head Office 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

Riaz Ahmad & Company

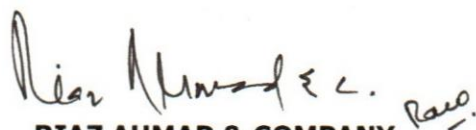
Chartered Accountants

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 Head Office'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 Head Office'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 Head Office 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: 26 NOV 2020

ISLAMABAD

Name of engagement partner: Raheel Arshad

SARGODHIAN SPIRIT TRUST - HEAD OFFICE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	2020 Rupees	2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	357,917,116	324,966,866
Long term deposits		455,000	455,000
		<u>358,372,116</u>	<u>325,421,866</u>
CURRENT ASSETS			
Loan to employee	5	1,000,000	22,000,000
Advances, deposits and prepayments	6	6,061,311	748,903
Inter project receivables	7	148,979,846	161,686,766
Taxation recoverable		5,133,567	2,443,425
Cash and bank balances	8	245,991,288	122,149,669
		<u>407,166,012</u>	<u>309,028,763</u>
TOTAL ASSETS		<u><u>765,538,128</u></u>	<u><u>634,450,629</u></u>
FUND AND LIABILITIES			
FUND			
General fund		128,856,115	107,626,474
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred credit - grants	9	633,616,289	524,163,656
CURRENT LIABILITIES			
Accrued and other payables	10	3,065,724	2,660,499
TOTAL LIABILITIES		<u>636,682,013</u>	<u>526,824,155</u>
CONTINGENCIES AND COMMITMENTS	11		
TOTAL FUND AND LIABILITIES		<u><u>765,538,128</u></u>	<u><u>634,450,629</u></u>

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE

SARGODHIAN SPIRIT TRUST - HEAD OFFICE
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Rupees	2019 Rupees
INCOME			
Donations	12	11,473,030	4,983,683
Amortization of grants	9	10,025,478	9,336,932
Profit on bank deposits		20,319,397	7,607,251
Return on investments		-	8,328,927
Other income	13	95,115	2,607,778
		41,913,020	32,864,571
EXPENDITURE			
Salaries and other benefits	14	7,299,768	7,067,060
Utilities		210,432	230,463
Communication		176,794	181,399
Repair and maintenance		74,340	121,495
Travelling		82,314	399,993
Printing and stationery		97,415	93,405
Entertainment		93,572	109,880
Advertisement		-	138,889
Office supplies		69,801	87,374
Legal and professional charges		769,824	193,146
Auditor's remuneration	15	120,000	120,000
Loss on disposal of fixed assets		-	2,219,231
Depreciation	4.1	10,025,478	9,336,932
Office rent		1,645,757	1,487,961
Bank charges		3,383	4,691
Other expenses		14,501	25,252
		(20,683,379)	(21,817,171)
SURPLUS FOR THE YEAR		21,229,641	11,047,400

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


CHAIRMAN


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TRUSTEE

SARGODHIAN SPIRIT TRUST - HEAD OFFICE
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2020

	Rupees
Balance as at 30 June 2018	96,579,074
Surplus for the year ended 30 June 2019	11,047,400
Balance as at 30 June 2019	<u>107,626,474</u>
Surplus for the year ended 30 June 2020	21,229,641
Balance as at 30 June 2020	<u><u>128,856,115</u></u>

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



CHAIRMAN



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TRUSTEE

SARGODHIAN SPIRIT TRUST - HEAD OFFICE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	21,229,641	11,047,400
Adjustments for non-cash charges and other items:		
Depreciation	10,025,478	9,336,932
Amortization of grants	(10,025,478)	(9,336,932)
Loss on sale of fixed assets	-	2,219,231
Cash generated from operations before working capital changes	<u>21,229,641</u>	<u>13,266,631</u>
Working capital changes		
(Increase) / decrease in current assets		
Advances, deposits and prepayments	(5,312,408)	627,845
Loan to employee	21,000,000	(22,000,000)
Inter project receivables	12,706,920	(161,686,766)
	28,394,512	(183,058,921)
Increase / (decrease) in current liabilities		
Accrued and other payables	405,225	525,470
Inter project payables	-	(15,906,646)
	405,225	(15,381,176)
Net cash generated from / (used in) operations	<u>50,029,378</u>	<u>(185,173,466)</u>
Tax paid	(2,690,142)	(1,459,575)
Net cash generated from / (used in) operating activities	<u>47,339,236</u>	<u>(186,633,041)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed asset	-	11,175,769
Capital expenditure on operating fixed assets	(38,647,786)	(19,862,011)
Additions in capital work in progress	(4,327,942)	(2,167,194)
Investments encashed	-	276,408,814
Net cash (used in) / from investing activities	<u>(42,975,728)</u>	<u>265,555,378</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Grant received - net	119,478,111	8,529,290
Net cash from financing activities	<u>119,478,111</u>	<u>8,529,290</u>
Net increase in cash and cash equivalents	<u>123,841,619</u>	<u>87,451,627</u>
Cash and cash equivalents at the beginning of the year	<u>122,149,669</u>	<u>34,698,042</u>
Cash and cash equivalents at the end of the year	<u><u>245,991,288</u></u>	<u><u>122,149,669</u></u>

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE

SARGODHIAN SPIRIT TRUST - HEAD OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1 LEGAL STATUS AND OPERATIONS

Sargodhian Spirit Trust ("the Trust") having its registered office at Islamabad, was created on 02 July 1998 by the PAF School Sargodha, Old Boys Association ("the Association"), principally to provide education to the general public, including members and children of the Association, and to create awareness amongst people for improved education and health. The Trust is managing the Sargodhian Spirit Trust Public School Rashidabad ("the School") and Sargodhian Spirit Institute for Professional Development ("the Institute").

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 (SMEs) 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 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 Property and equipment

Cost

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of property and equipment 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 Trust 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 items of property and equipment 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 4.1. 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 property and equipment 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 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.

3.4 Deferred credit - grants

Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Trust 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 also recognized in 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.

Restricted contribution for the purchase of capital assets that will not be amortized is recognized as direct increase in fund.

3.5 Revenue recognition

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.

3.6 **Employee benefits - contributory provident fund**

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

3.7 **Foreign currencies**

These financial statements are presented in Pak Rupees, which is the Trust'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 financial statement 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.

3.8 **Financial instruments**

Financial instruments carried on the balance sheet include deposits, loans and advances, other receivables, cash and bank balances, interest accrued and other payables etc. Financial assets and liabilities are recognized when the Trust 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 Trust loses control of the contractual rights that comprise the financial asset. The Trust loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Trust 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.

3.9 **Accrued and other liabilities**

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

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 **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at banks on current 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.

3.12 **Provisions**

Provisions are recognized when the Trust 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.

3.13 **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.

3.14 **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Trust has a legally enforceable right to set off the recognized amounts and the Trust intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

4 PROPERTY AND EQUIPMENT

	NOTE	2020 Rupees	2019 Rupees
Operating fixed assets	4.1	339,515,814	310,893,506
Capital work in progress	4.2	18,401,302	14,073,360
		<u>357,917,116</u>	<u>324,966,866</u>

4.1 OPERATING FIXED ASSETS

	Freehold land- School	Freehold land- KPK (Note - 4.1.1)	Freehold land- SSIPD	Buildings and infrastructure School	Buildings and infrastructure KPK	Buildings and infrastructure SSIPD	Furniture and fittings	Office equipment	Computer equipment	Vehicles	Total
Rupees											
At 30 June 2018											
Cost	50,750,000	66,853,073	14,037,000	292,210,312	1,577,674	2,631,397	1,235,691	1,510,093	1,282,222	-	432,087,462
Accumulated depreciation	-	-	-	(115,718,783)	(257,008)	-	(736,954)	(601,810)	(1,009,480)	-	(118,324,035)
Net book value	<u>50,750,000</u>	<u>66,853,073</u>	<u>14,037,000</u>	<u>176,491,529</u>	<u>1,320,666</u>	<u>2,631,397</u>	<u>498,737</u>	<u>908,283</u>	<u>272,742</u>	<u>-</u>	<u>313,763,427</u>
Year ended 30 June 2019											
Opening net book value	50,750,000	66,853,073	14,037,000	176,491,529	1,320,666	2,631,397	498,737	908,283	272,742	-	313,763,427
Additions	-	700,500	-	16,866,108	452,115	-	-	125,088	84,200	1,634,000	19,862,011
Disposals											
Cost	-	(13,395,000)	-	-	-	-	-	-	-	-	(13,395,000)
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-
	-	(13,395,000)	-	-	-	-	-	-	-	-	(13,395,000)
Depreciation charge	-	-	-	(8,894,851)	(73,568)	-	(49,874)	(141,971)	(67,968)	(108,700)	(9,336,932)
Closing net book value	<u>50,750,000</u>	<u>54,158,573</u>	<u>14,037,000</u>	<u>184,462,786</u>	<u>1,699,213</u>	<u>2,631,397</u>	<u>448,863</u>	<u>891,400</u>	<u>288,974</u>	<u>1,525,300</u>	<u>310,893,506</u>
At 30 June 2019											
Cost	50,750,000	54,158,573	14,037,000	309,076,420	2,029,789	2,631,397	1,235,691	1,635,181	1,366,422	1,634,000	438,554,473
Accumulated depreciation	-	-	-	(124,613,634)	(330,576)	-	(786,828)	(743,781)	(1,077,448)	(108,700)	(127,660,967)
Net book value	<u>50,750,000</u>	<u>54,158,573</u>	<u>14,037,000</u>	<u>184,462,786</u>	<u>1,699,213</u>	<u>2,631,397</u>	<u>448,863</u>	<u>891,400</u>	<u>288,974</u>	<u>1,525,300</u>	<u>310,893,506</u>
Year ended 30 June 2020											
Opening net book value	50,750,000	54,158,573	14,037,000	184,462,786	1,699,213	2,631,397	448,863	891,400	288,974	1,525,300	310,893,506
Additions	-	5,675,430	-	32,397,356	-	-	-	575,000	-	-	38,647,786
Depreciation charge	-	-	-	(9,358,128)	(84,961)	-	(44,886)	(174,648)	(57,795)	(305,060)	(10,025,478)
Closing net book value	<u>50,750,000</u>	<u>59,834,003</u>	<u>14,037,000</u>	<u>207,502,014</u>	<u>1,614,252</u>	<u>2,631,397</u>	<u>403,977</u>	<u>1,291,752</u>	<u>231,179</u>	<u>1,220,240</u>	<u>339,515,814</u>
At 30 June 2020											
Cost	50,750,000	59,834,003	14,037,000	341,473,776	2,029,789	2,631,397	1,235,691	2,210,181	1,366,422	1,634,000	477,202,259
Accumulated depreciation	-	-	-	(133,971,762)	(415,537)	-	(831,714)	(918,429)	(1,135,243)	(413,760)	(137,686,445)
Net book value	<u>50,750,000</u>	<u>59,834,003</u>	<u>14,037,000</u>	<u>207,502,014</u>	<u>1,614,252</u>	<u>2,631,397</u>	<u>403,977</u>	<u>1,291,752</u>	<u>231,179</u>	<u>1,220,240</u>	<u>339,515,814</u>
Depreciation rate (%)				5	5	5	10	15	20	20	

4.1.1 It includes freehold land purchased for the school amounting to Rupees 63 million title of which is in the name of the principal of the School.

	NOTE	2020 Rupees	2019 Rupees
4.2 Capital work in progress			
Opening capital work in progress		14,073,360	11,906,166
Project development expenses	4.2.1	2,680,985	2,167,194
School development expenses		1,646,957	-
		<u>18,401,302</u>	<u>14,073,360</u>
4.2.1 Project development expenses			
Neelab Project - KPK			
Salaries and other benefits		1,689,000	1,470,000
Project development - KPK		991,985	697,194
		<u>2,680,985</u>	<u>2,167,194</u>
5 LOAN TO EMPLOYEE			
Loan to Chief Operating Officer (COO)		-	21,000,000
Mark-up on loan		1,000,000	1,000,000
		<u>1,000,000</u>	<u>22,000,000</u>
6 ADVANCES, DEPOSITS AND PREPAYMENTS			
Advances to:			
- Employees against salaries	6.1	213,000	445,166
- Suppliers		3,841,103	115,863
Short term deposits		180,000	180,000
Prepayments	12.1	1,827,208	7,874
		<u>6,061,311</u>	<u>748,903</u>
6.1 These are secured against provident fund balances of the employees and carry no interest.			
	NOTE	2020 Rupees	2019 Rupees
7 INTER PROJECT RECEIVABLES / (PAYABLES)			
Sargodhian Spirit Trust Public School:			
Against capital expenditure		(153,244,843)	(97,361,598)
Against recurring expenses		99,462,759	99,031,249
		<u>(53,782,084)</u>	<u>1,669,651</u>
Sargodhian Spirit Institute for Professional Development:			
Against capital expenditure		202,761,930	160,017,115
		<u>148,979,846</u>	<u>161,686,766</u>
8 CASH AND BANK BALANCES			
Cash in hand		22,062	32,570
Cash at banks:			
- Current accounts	8.1	2,028,582	1,989,757
- Saving accounts	8.2	243,940,644	120,127,342
		245,969,226	122,117,099
		<u>245,991,288</u>	<u>122,149,669</u>

8.1 The balances in current accounts include USD 11,983 (2019: USD 11,983).

8.2 The balances in saving accounts carry interest rates ranging from 5.5% to 6.5% (2019:2% to 6%) per annum.

9 DEFERRED CREDIT - GRANTS

DESCRIPTION	2020					Total	2019 Total
	Capital Nature						
	Land (Note 9.1)	Buildings and infrastructure (Note 9.2)	IT equipment and other school related items (Note 9.3)	Grant from Sindh Government (Note 9.4)	Grant for Project Neelab (Note 9.5)		
----- Rupees -----							
Balance at the start of the year	383,941	170,039,442	343,671	345,318,602	8,078,000	524,163,656	524,971,298
Grant received from school	-	-	-	162,500,000	-	162,500,000	22,500,000
Grant transferred to school	-	-	-	(28,021,889)	-	(28,021,889)	-
Grant transferred to SSIPD	-	-	-	(15,000,000)	-	(15,000,000)	(15,200,710)
Grant received for Neelab Project	-	-	-	-	-	-	1,230,000
Grants amortized during the year	(19,197)	(9,443,089)	(57,795)	(505,397)	-	(10,025,478)	(9,336,932)
Balance at the end of the year	<u>364,744</u>	<u>160,596,353</u>	<u>285,876</u>	<u>464,291,316</u>	<u>8,078,000</u>	<u>633,616,289</u>	<u>524,163,656</u>

- 9.1 It represents grants received and utilized for purchase of land, the remaining amount is amortized at the rate of 5% per annum.
- 9.2 These grants mainly include grants received from Government of Pakistan, Sheikh Sultan Trust and China National Aero Technology Import and Export Corporation (CATIC) for construction and maintenance of the school building in Rashidabad.
- 9.3 It represents grant received from HBL Foundation for purchase of IT equipment and other school related items.
- 9.4 It represents grant received from Government of Sindh for expansion of infrastructure facility, teacher training programme and scholarships.
- 9.5 It represents grant received from various members of the Old Boys Association of PAF School Sargodha to create educational facilities at Neelab near Misri Banda, District Nowshera, Khyber Pakhtunkhwa.

	NOTE	2020 Rupees	2019 Rupees
10 ACCRUED AND OTHER PAYABLES			
Accrued expenses		132,010	131,700
Contributory provident fund	10.1	2,322,484	2,102,342
Others		611,230	426,457
		<u>3,065,724</u>	<u>2,660,499</u>
10.1 Contributory provident fund			
Balance as at 01 July		2,102,342	1,352,015
Contributions for the year		477,360	461,532
Payment to outgoing members		(389,416)	-
Profit for the year distributed	10.2	132,198	288,795
Balance as at 30 June		<u>2,322,484</u>	<u>2,102,342</u>
10.2 The income of the fund has been distributed to members at the rate of 6% (2019: 6%).			
11 CONTINGENCIES AND COMMITMENTS			
Contingencies		<u>Nil</u>	<u>Nil</u>
Commitments			
Commitment against capital expenditure		<u>5,345,667</u>	<u>-</u>

		2020 Rupees	2019 Rupees
12 DONATIONS			
Donations and voluntary contributions	12.1	6,141,536	4,983,683
Student scholarships		5,331,494	-
		<u>11,473,030</u>	<u>4,983,683</u>

12.1 It includes Head Office building rent of Rupees 1,827,208 paid by Pakistan Air Force (PAF).

13 OTHER INCOME

Mark-up on loan to employee		-	1,000,000
Exchange gain		38,825	510,478
Miscellaneous		56,290	1,097,300
		<u>95,115</u>	<u>2,607,778</u>

14 SALARIES AND OTHER BENEFITS

Salaries and other benefits include provident fund contribution of Rupees 238,680 (2019: Rupees 230,766) by the Trust.

		2020 Rupees	2019 Rupees
15 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>

16 NUMBER OF EMPLOYEES

		2020	2019
Number of employees as at 30 June		14	14
Average number of employees during the year		14	14

17 REMUNERATION TO CHIEF EXECUTIVE AND KEY MANAGEMENT PERSONNEL

No remuneration to chief executive and key management personnel was paid during the year (2019: Nil).

18 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Sargodhian Spirit Trust Public School Rashidabad, Sargodhian Spirit Institute for Professional Development, key management personnel and entities over which trustees are able to exert significant influence. Transactions with related parties have been disclosed in relevant notes to the financial statements.

19 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 26 NOV 2020 by the Board of Trustees.


20 CORRESPONDING FIGURES

No significant reclassification / re-arrangement of corresponding figures has been made in these financial statements.

21 GENERAL

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE