

SARGODHIAN SPIRIT TRUST

PUBLIC SCHOOL

**FINANCIAL STATEMENTS WITH
ACCOMPANYING INFORMATION**

30 JUNE 2022

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 2022, 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 2022, 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: 22 February 2023

ISLAMABAD

Name of engagement partner: Raheel Arshad


UDIN: AR2022101874cBrRgpXs

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	3	145,414,721	95,144,936
Intangible assets	4	1,991,036	2,179,560
Biological assets	5	2,300,000	-
		<u>149,705,757</u>	<u>97,324,496</u>
CURRENT ASSETS			
Advances	6	13,894,932	27,062,998
Receivable from students		12,376,314	4,795,346
Other receivables		220,786	341,517
Due from Sargodhian Spirit Trust Head Office	7	102,150,077	63,227,762
Short term investments	8	112,500,000	101,852,278
Cash and bank balances	9	141,301,343	107,010,133
		<u>382,443,452</u>	<u>304,290,034</u>
TOTAL ASSETS		<u><u>532,149,209</u></u>	<u><u>401,614,530</u></u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		(97,739,137)	4,968,999
Endowment fund		81,944,505	73,521,712
TOTAL FUNDS		<u>(15,794,632)</u>	<u>78,490,711</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred credit - grants	10	378,416,871	210,208,030
Employee retirement benefit- gratuity	11	100,547,019	-
Students' security deposits	12	14,164,670	12,876,321
		<u>493,128,560</u>	<u>223,084,351</u>
CURRENT LIABILITIES			
Accrued and other payables	13	10,604,855	44,225,089
Advance fee		44,135,426	55,314,379
Current portion of students' security deposits	12	75,000	500,000
		<u>54,815,281</u>	<u>100,039,468</u>
TOTAL LIABILITIES		<u>547,943,841</u>	<u>323,123,819</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL FUNDS AND LIABILITIES		<u><u>532,149,209</u></u>	<u><u>401,614,530</u></u>

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
INCOME			
Fee income	14	159,420,999	126,952,979
Donations		1,403,000	7,103,100
Amortization of grants	10	19,549,824	29,560,688
Profit on bank deposits		1,085,761	1,175,531
Gain arising from changes in fair value less costs to sell of dairy livestock	5.1	295,000	-
Other income	15	2,051,244	1,642,105
		<u>183,805,828</u>	<u>166,434,403</u>
EXPENDITURE			
Salaries, wages and other benefits	16	189,398,280	104,082,505
Students' boarding, lodging and living	17	42,561,901	19,621,153
Utilities		10,025,875	10,297,029
Communication		1,413,436	1,448,119
Repair and maintenance		8,215,537	3,548,538
International General Certificate of Secondary Education fee		1,514,468	4,597,719
Advertisement		1,927,686	758,489
Travelling		3,776,497	2,103,440
Insurance		1,254,922	997,925
Staff professional development fee		669,597	416,066
Printing and stationery		1,473,358	743,911
Consumables		1,570,066	1,097,068
Fuel charges		669,710	570,223
Entertainment		539,161	481,933
Special functions		360,505	177,253
Depreciation	3	19,549,824	9,560,688
Amortization	4	221,227	242,173
Professional charges		487,646	216,290
Auditor's remuneration	18	133,000	133,000
Postage		309,401	311,044
Bank charges		27,366	7,973
Others		414,501	215,069
		<u>(286,513,964)</u>	<u>(161,627,608)</u>
(DEFICIT) / SURPLUS FOR THE YEAR		<u><u>(102,708,136)</u></u>	<u><u>4,806,795</u></u>

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


CHAIRMAN



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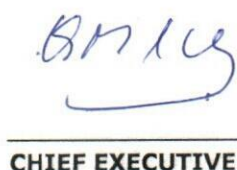

TRUSTEE

SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2022

Description	General fund	Endowment fund	Total
	----- Rupees -----		
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
Deficit for the year ended 30 June 2022	(102,708,136)	-	(102,708,136)
Transferred from Government grant	-	20,000,000	20,000,000
Contributions received from students during the year	-	2,180,000	2,180,000
Profit on Endowment Fund	-	4,842,793	4,842,793
Donation received for Endowment Fund	-	1,400,000	1,400,000
Scholarship	-	(20,000,000)	(20,000,000)
Balance as at 30 June 2022	(97,739,137)	81,944,505	(15,794,632)

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


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SARGODHIAN SPIRIT TRUST PUBLIC SCHOOL


STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) / surplus for the year	(102,708,136)	4,806,795
Adjustments for non-cash charges and other items:		
Depreciation	19,549,824	9,560,688
Amortization of intangible assets	221,227	242,173
Amortization of grants	(19,549,824)	(29,560,688)
Provision for staff retirement benefit - gratuity	59,258,083	-
Gain on disposal of operation fixed assets	(536,854)	-
Fair value gain on biological assets	(295,000)	-
Liabilities written back	(320,294)	-
Profit on bank deposits	(1,085,761)	(1,175,531)
Cash used in operations before working capital changes	<u>(45,466,735)</u>	<u>(16,126,563)</u>
Working capital changes		
(Increase) / decrease in current assets		
Advances	13,168,066	(18,717,928)
Receivable from students	(7,580,968)	623,011
Other receivables	120,731	1,714,141
Due from Sargodhian Spirit Trust Head Office	(38,922,315)	(9,445,678)
	<u>(33,214,486)</u>	<u>(25,826,454)</u>
Increase / (decrease) in current liabilities		
Accrued and other payables	7,988,996	4,827,620
Advance fee	(11,178,953)	17,846,118
	<u>(3,189,957)</u>	<u>22,673,738</u>
Net cash used in operations	<u>(81,871,178)</u>	<u>(19,279,279)</u>
Increase in students security deposits	863,349	195,057
Net cash used in operating activities	<u>(81,007,829)</u>	<u>(19,084,222)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(32,074,090)	(64,439,897)
Capital expenditure on intangible assets	(32,703)	-
Purchase of diary livestock	(2,005,000)	-
Proceeds from disposal of operating fixed assets	550,000	-
Investments made- net	(10,647,722)	(78,766,763)
Endowment fund - net	(11,577,207)	3,616,264
Interest received	1,085,761	1,175,531
Net cash used in investing activities	<u>(54,700,961)</u>	<u>(138,414,865)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received from Sindh Government	170,000,000	170,000,000
Net cash from financing activities	<u>170,000,000</u>	<u>170,000,000</u>
Net increase in cash and cash equivalents	<u>34,291,210</u>	<u>12,500,913</u>
Cash and cash equivalents at the beginning of the year	<u>107,010,133</u>	<u>94,509,220</u>
Cash and cash equivalents at the end of the year	<u><u>141,301,343</u></u>	<u><u>107,010,133</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 2022

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. The registered office of the Trust is situated at House No. 507-G, Street 32, MPCHS E 11/3 E-11, Islamabad.

2 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:

2.1 Basis of preparation

a) 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.

b) Accounting convention

These financial statements have been prepared under historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the School's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the School's financial statements or where judgments were exercised in application of accounting policies are as follows:

d) Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the School. Further, the School reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

2.2 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.

2.3 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.

2.4 Biological assets

Livestock is measured at their fair value less cost to sell. Fair value of livestock is determined by an independent valuer on the basis of best available estimate for livestock of similar attributes. Milk is initially measured at its fair value less cost to sell at the time of milking. The fair value of milk is determined based on market prices in the local area.

Gains or losses arising from changes in fair value less cost to sell of livestock and milk are recognized in income and expenditure account.

2.5 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.

2.6 Inventories

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

2.7 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.

2.8 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.

2.9 Employee benefits - gratuity

The School operates unapproved and unfunded gratuity scheme for permanent employees of the School, payable on cessation of employment. Provision is made in these financial statements for the amounts payable by the School in respect of this.

2.10 Revenue recognition

- Tuition fee is recognized on accrual basis.
- Processing, registration fee, accommodation charges, admission fee, fines and penalties 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 Accrued and other liabilities

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

2.16 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.

2.17 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.

2.18 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.

2.19 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.

3 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 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
Year ended 30 June 2022											
Opening 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
Additions	8,781,291	695,950	217,850	1,797,973	86,340	437,045	3,649,250	5,360,775	1,928,377	9,119,239	32,074,090
Transferred from head office	-	-	-	37,758,665	-	-	-	-	-	-	37,758,665
Disposal during the year:											
Cost	-	-	-	-	-	-	-	-	-	(875,000)	(875,000)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	861,854	861,854
Depreciation charge	(3,751,561)	(793,255)	(1,714,224)	(5,436,088)	(213,810)	(177,553)	(1,038,211)	(1,090,249)	(1,113,867)	(4,221,006)	(13,146)
Closing net book value	38,487,544	4,652,030	3,919,301	52,402,415	1,945,064	836,039	7,802,094	7,317,186	5,676,584	22,376,464	145,414,721
At 30 June 2022											
Cost	64,258,693	10,780,052	22,007,562	70,217,894	4,659,964	2,946,723	13,121,547	9,799,958	8,073,095	34,743,166	240,608,654
Accumulated depreciation	(25,771,149)	(6,128,022)	(18,088,261)	(17,815,479)	(2,714,900)	(2,110,684)	(5,319,453)	(2,482,772)	(2,396,511)	(12,366,702)	(95,193,933)
Net book value	38,487,544	4,652,030	3,919,301	52,402,415	1,945,064	836,039	7,802,094	7,317,186	5,676,584	22,376,464	145,414,721

Depreciation rate (%) per annum

10 15 20 20 10 20 20 20 20 20 20 20

4 INTANGIBLE ASSETS

	Learning Management System	Campus Management System	Inventory Management System	English as a Secondary Language System	Total
----- Rupees -----					
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
Additions	-	-	-	-	-
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>
Year ended June 2022					
Opening net book value	969,726	779,557	200,226	230,051	2,179,560
Additions	-	32,703	-	-	32,703
Amortization charge	(96,973)	(81,226)	(20,023)	(23,005)	(221,227)
Closing net book value	<u>872,753</u>	<u>731,034</u>	<u>180,203</u>	<u>207,046</u>	<u>1,991,036</u>
At 30 June 2022					
Cost	3,022,850	1,597,676	538,229	618,400	5,777,155
Accumulated amortization	(2,150,097)	(866,642)	(358,026)	(411,354)	(3,786,119)
Net book value	<u>872,753</u>	<u>731,034</u>	<u>180,203</u>	<u>207,046</u>	<u>1,991,036</u>
Amortization rate (%) per annum	10	10	10	10	

5 BIOLOGICAL ASSETS

	2022 Rupees	2021 Rupees
Dairy livestock:		
Mature	2,040,000	-
Immature	260,000	-
	<u>2,300,000</u>	<u>-</u>

5.1 Reconciliation of changes in carrying amount

Carrying amount as at 1 July	-	-
Purchases made during the year	2,005,000	-
Fair value gain due to new births	260,000	-
Gain arising from changes in fair value less cost to sell attributable to physical and price change	35,000	-
	<u>295,000</u>	<u>-</u>
Carrying amount as at 30 June	<u>2,300,000</u>	<u>-</u>

- 5.2 As at 30 June 2022, the school held 08 (2021: Nil) mature assets able to produce milk and 07 (2021: Nil) immature assets that are being raised to produce milk in the future. During the year the school produced approximately 13,520 (2021: Nil) gross litres of milk from these biological assets.

	Note	2022 Rupees	2021 Rupees
6 ADVANCES			
Advances to employees:			
- against expenses - unsecured		6,662,319	12,864,181
- against salaries - secured	6.1	4,512,613	2,497,645
		11,174,932	15,361,826
Advances to suppliers - unsecured		2,720,000	11,701,172
		13,894,932	27,062,998
6.1	These are secured against employee retirement benefit - gratuity and carry no interest.		
7 DUE FROM SARGODHIAN SPIRIT TRUST HEAD OFFICE			
- Recurring expenses		100,454,036	99,161,976
- Capital expenditure		(202,604,113)	(162,389,738)
		(102,150,077)	(63,227,762)
8 SHORT TERM INVESTMENTS			
Fair value through profit or loss:			
Meezan Bank Limited - Mutual fund (Nil) (2021: 481,431) units		-	19,624,541
Profit on remeasurement of investment		-	1,451,340
		-	21,075,881
Amortized cost:			
Meezan Bank Limited - Term deposit receipts	8.1	112,500,000	80,776,397
		112,500,000	101,852,278
8.1	It includes investment of Rupees 16,000,000 (2021: 10,194,099) earmarked for employees contributory provident fund and Rupees 96,500,000 (2021: 70,582,298) earmarked for endowment fund. Interest on these investment is 9.25% per annum.		

	Note	2022 Rupees	2021 Rupees
9 CASH AND BANK BALANCES			
Cash in hand	9.1	15,980,832	97,737
Cash at bank:			
- current accounts		33,429,963	47,992,620
- saving accounts	9.2, 9.3 & 9.4	91,890,548	58,919,776
		125,320,511	106,912,396
		141,301,343	107,010,133
9.1	It includes cheque in hand amounting to Rupees 15,971,534 (2021: Rupees Nil).		
9.2	The balances in saving accounts carry interest rates ranging from 2.75% to 3.5% (2021: 2.75% to 2.9%) per annum.		
9.3	These include funds of Rupees 6,635,175 (2021: Rupees 5,135) in Askari Bank Limited, account No. 165-050010-4 and Rupees (Nil) (2021: Rupees 5,785,139) in Meezan Bank Limited, account No. 0101104053, earmarked for contributory provident fund.		
9.4	These include funds of Rupees 5,444,506 (2021: Rupees 89,545) in Askari Bank Limited, account No. 167-0165050014-8 and Rupees (Nil) (2021: Rupees 2,849,869) in Meezan Bank Limited, account No. 0103450263, earmarked for endowment fund.		

10 DEFERRED CREDIT - GRANTS

DESCRIPTION	2022			2021
	Capital nature	Revenue nature	Total	Total
	----- Rupees -----			
Balance at the beginning of the year	60,208,030	150,000,000	210,208,030	69,768,718
Grant received from Sindh Governemnt (Note 10.1)	-	170,000,000	170,000,000	170,000,000
Grant received from head office	37,758,665	-	37,758,665	-
Grant transferred to Endowment Fund	-	(20,000,000)	(20,000,000)	-
Grant amortized during the year	(19,549,824)	-	(19,549,824)	(29,560,688)
Balance at the end of the year	40,658,206	300,000,000	378,416,871	210,208,030

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

	Note	2022 Rupees	2021 Rupees
11 EMPLOYEE RETIREMENT BENEFITS - GRATUITY			
Balance as on 01 July		-	-
Transfer from contributory provident fund	13.1	41,288,936	-
Provision for the year	16	59,258,083	-
Balance as at 30 June		<u>100,547,019</u>	<u>-</u>
12 STUDENTS' SECURITY DEPOSITS			
Students' security deposits	12.1	14,239,670	13,376,321
Less: Current portion shown under current liabilities		(75,000)	(500,000)
		<u>14,164,670</u>	<u>12,876,321</u>
12.1	It represents security deposits received from students and are repayable upon leaving the School, after deducting any amount due from them.		
		2022 Rupees	2021 Rupees
13 ACCRUED AND OTHER PAYABLES			
Accrued expenses		3,368,660	2,802,696
Due to students		2,932,367	3,111,157
Contributory provident fund payable	13.1	-	37,621,826
Others		4,303,828	689,410
		<u>10,604,855</u>	<u>44,225,089</u>
13.1 Contributory provident fund payable			
Balance as at 01 July		37,621,826	32,587,459
Contributions for the year		7,753,617	6,500,006
Payment of employee share due to transfer of contribution plan		(680,886)	-
Payments to outgoing members		(5,508,234)	(3,203,929)
Return on investment	13.2	2,422,907	1,894,126
Liabilities written back		(320,294)	(155,836)
Transfer to employee retirement benefit - gratuity	11	(41,288,936)	-
Balance as at 30 June		<u>-</u>	<u>37,621,826</u>
13.2	The income of the fund is distributed to members at the rate of 6% (2021: 6%).		
14 FEE INCOME			
Tuition fee		147,576,980	110,856,680
Registration fee		6,720,000	8,460,000
Accommodation charges		3,360,000	4,170,000
Application processing fee		830,000	860,000
Fines and penalties		159,500	474,385
Admission fee		774,519	2,131,914
		<u>159,420,999</u>	<u>126,952,979</u>
15 OTHER INCOME			
Liabilities written back		320,294	-
Gain on disposal of asset		536,854	-
Miscellaneous		1,194,096	1,642,105
		<u>2,051,244</u>	<u>1,642,105</u>
16 SALARIES, WAGES AND OTHER BENEFITS			
Salaries, wages and other benefits include provident fund contribution of Rupees 3.877 million (2021: Rupees 3.094 million) by the School and gratuity expense of Rupees 59.258 million (2021: Nil).			

	2022	2021
	Rupees	Rupees
17 STUDENTS' BOARDING, LODGING AND LIVING		
Food	30,318,160	15,841,136
Uniforms	6,436,274	1,484,095
Study material	887,279	60,452
Travelling	303,122	-
Medical	1,189,796	603,809
Others	3,427,270	1,631,661
	<u>42,561,901</u>	<u>19,621,153</u>

18 AUDITOR'S REMUNERATION

Audit fee	120,000	120,000
Out of pocket expenses	13,000	13,000
	<u>133,000</u>	<u>133,000</u>

19 NUMBER OF EMPLOYEES

	2022	2021
Number of employees as at 30 June	259	235
Average number of employees during the year	250	234

20 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:

	2022	2021
	Rupees	Rupees
Rashid Memorial Welfare Organisation (RMWO)		
Payment to RMWO against municipal charges	<u>412,500</u>	<u>812,500</u>

21 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	
	2022	2021
	Rupees	Rupees
Managerial remuneration	6,651,402	5,930,448
Contribution to provident fund	237,228	211,674
	<u>6,888,630</u>	<u>6,142,122</u>

22 FINANCIAL INSTRUMENTS BY CATEGORIES

	At fair value through profit or loss	At amortized cost	Total
	----- Rupees -----		
As at 30 June 2022			
Assets as per statement of financial position			
Advances	-	4,512,613	4,512,613
Receivable from students	-	12,376,314	12,376,314
Other receivables	-	220,786	220,786
Short term investments	-	112,500,000	112,500,000
Cash and bank balances	-	141,301,343	141,301,343
	-	270,911,056	270,911,056
Liabilities as per statement of financial position			
Students' security deposits	-	14,239,670	14,239,670
Accrued and other payables	-	10,604,855	10,604,855
	-	24,844,525	24,844,525
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

23 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 19 JAN 2023 by the Board of Trustees.

24 CORRESPONDING FIGURES

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

25 GENERAL

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


 CHAIRMAN


 CHIEF EXECUTIVE


 TRUSTEE