

SARGODHIAN SPIRIT TRUST

HEAD OFFICE

**FINANCIAL STATEMENTS WITH
ACCOMPANYING INFORMATION**

30 JUNE 2023

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 2023, 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 2023, 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

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 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: 30 December 2023

ISLAMABAD

Name of engagement partner: Raheel Arshad

UDIN: AR202310187TqgEDW5Yp

SARGODHIAN SPIRIT TRUST - HEAD OFFICE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	714,901,709	711,150,409
Long term deposits	4	635,000	635,000
		<u>715,536,709</u>	<u>711,785,409</u>
CURRENT ASSETS			
Advances	5	1,944,000	2,094,000
Short term investments	6	310,000,000	-
Taxation recoverable	7	10,681,772	10,091,430
Cash and bank balances	8	72,887,391	348,027,051
		395,513,163	360,212,481
TOTAL ASSETS		<u><u>1,111,049,872</u></u>	<u><u>1,071,997,890</u></u>
FUND AND LIABILITIES			
FUND			
General fund		183,631,202	138,776,542
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred credit - grants	9	917,346,556	820,477,253
Employee retirement benefit - gratuity	10	9,009,874	7,613,133
		926,356,430	828,090,386
CURRENT LIABILITIES			
Inter project payables	11	-	102,010,059
Accrued and other payables	12	1,062,240	3,120,903
		1,062,240	105,130,962
TOTAL LIABILITIES		<u>927,418,670</u>	<u>933,221,348</u>
CONTINGENCIES AND COMMITMENTS		-	-
TOTAL FUND AND LIABILITIES		<u><u>1,111,049,872</u></u>	<u><u>1,071,997,890</u></u>

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


 CHAIRMAN


 CHIEF EXECUTIVE


 TRUSTEE

SARGODHIAN SPIRIT TRUST - HEAD OFFICE
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 Rupees	2022 Rupees
INCOME			
Donations and voluntary contributions		7,150,298	4,246,644
Amortization of grants	9	25,374,885	10,629,795
Other income	13	64,403,341	24,713,449
		<u>96,928,524</u>	<u>39,589,888</u>
EXPENDITURE			
Salaries and other benefits	14	11,277,741	15,125,795
Utilities		413,587	275,303
Communication		222,934	180,540
Repair and maintenance		329,108	217,860
Travelling		408,403	116,893
Printing and stationery		310,620	85,303
Entertainment		355,105	123,648
Office supplies		137,920	66,310
Legal and professional charges		683,032	276,846
Auditor's remuneration	15	147,400	134,000
Depreciation	3.1	25,374,885	10,629,795
Office rent		2,196,970	1,963,948
Bank charges		2,866	27,310
Taxation recoverable written off	7	10,091,430	-
Other expenses		121,863	104,358
		<u>(52,073,864)</u>	<u>(29,327,909)</u>
SURPLUS FOR THE YEAR		<u>44,854,660</u>	<u>10,261,979</u>

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE

SARGODHIAN SPIRIT TRUST - HEAD OFFICE
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2023

	Rupees
Balance as at 30 June 2021	128,514,563
Surplus for the year ended 30 June 2022	10,261,979
Balance as at 30 June 2022	<u>138,776,542</u>
Surplus for the year ended 30 June 2023	44,854,660
Balance as at 30 June 2023	<u><u>183,631,202</u></u>

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



CHAIRMAN



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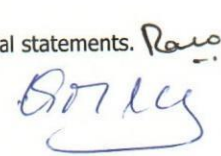
SARGODHIAN SPIRIT TRUST - HEAD OFFICE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		44,854,660	10,261,979
Adjustments for non-cash charges and other items:			
Depreciation	3.1	25,374,885	10,629,795
Amortization of grants	9	(25,374,885)	(10,629,795)
Provision for gratuity	10	1,396,741	5,732,075
Taxation recoverable written off	7	10,091,430	-
Return on short term investments		(12,218,904)	-
Return on bank deposits		(51,210,933)	(24,150,245)
Unrealized foreign exchange gains		(973,504)	(563,204)
Cash used in operations before working capital changes		<u>(8,060,510)</u>	<u>(8,719,395)</u>
Working capital changes			
(Increase) / decrease in current assets			
Loan to employees		-	1,000,000
Advances		150,000	821,757
Inter project receivables		-	206,048,274
		150,000	207,870,031
Increase / (decrease) in current liabilities			
Inter project payables		(102,010,059)	102,010,059
Accrued and other payables		(2,058,663)	(580,164)
		(104,068,722)	101,429,895
Net cash (used in) / generated from operations		<u>(111,979,232)</u>	<u>300,580,531</u>
Tax paid	7	(10,681,772)	(3,602,525)
Net cash (used in) / generated from operating activities		<u>(122,661,004)</u>	<u>296,978,006</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets	3.1	(6,585,990)	(293,164,454)
Additions in capital work in progress	3.2	(22,540,195)	(39,975,932)
Short term investments made		(310,000,000)	-
Profit on investment received		12,218,904	-
Interest received		51,210,933	24,150,245
Net cash used in investing activities		<u>(275,696,348)</u>	<u>(308,990,141)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received	9	122,244,188	21,392,343
Net cash from financing activities		<u>122,244,188</u>	<u>21,392,343</u>
Net (decrease) / increase in cash and cash equivalents		<u>(276,113,164)</u>	<u>9,380,208</u>
Net foreign exchange difference		973,504	563,204
Cash and cash equivalents at the beginning of the year		<u>348,027,051</u>	<u>338,083,639</u>
Cash and cash equivalents at the end of the year	8	<u><u>72,887,391</u></u>	<u><u>348,027,051</u></u>

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE

SARGODHIAN SPIRIT TRUST - HEAD OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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"). 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 the 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 Trust'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 Trust's financial statements or where judgments were exercised in the application of accounting policies are as follows:

The areas where various assumptions and estimates are significant to the Trust's financial statements or where judgements were exercised in application of accounting policies relate to the useful life of depreciable assets.

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 Trust. Further, the Trust 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 items of property and equipment, with a corresponding effect on the depreciation charge, amortization of deferred credit and impairment.

e) Provisions

As the actual cashflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of income and expenditure unless the provision was originally recognized as part of cost of an asset.

2.2 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. 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.

2.3 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.

2.4 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.

2.5 Employee benefits - gratuity

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

2.6 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.

Other income is recognized when it is received or when the right to receive payment is established.

2.7 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.

2.8 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.

2.9 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.

2.10 Accrued and other liabilities

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

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

3 PROPERTY AND EQUIPMENT

Note	2023 Rupees	2022 Rupees
3.1	593,903,500	612,692,395
3.2	120,998,209	98,458,014
	714,901,709	711,150,409

Operating fixed assets
Capital work in progress

3.1 OPERATING FIXED ASSETS

	Freehold land- School	Freehold land- KPK (Note - 3.1.1)	Freehold land- SSIPD	Buildings and infrastructure School	Buildings and infrastructure KPK	Buildings and infrastructure SSIPD	Furniture and fittings	Office equipment	Computer equipment	Vehicles (Note - 3.1.2)	Total
----- Rupees -----											
At 30 June 2021											
Cost	50,750,000	59,834,003	14,037,000	342,790,219 (144,346,863)	2,029,789 (496,250)	2,631,397	1,235,691 (872,112)	2,308,676 (1,118,003)	1,594,694 (1,196,697)	1,634,000 (657,808)	478,845,469 (148,687,733)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Net book value	50,750,000	59,834,003	14,037,000	198,443,356	1,533,539	2,631,397	363,579	1,190,673	397,997	976,192	330,157,736
Year ended 30 June 2022											
Opening net book value	50,750,000	59,834,003	14,037,000	198,443,356	1,533,539	2,631,397	363,579	1,190,673	397,997	976,192	330,157,736
Additions	-	300,000	-	6,916,793	-	-	11,000	5,140,830	65,000	-	12,433,623
Transferred from SSIPD	-	-	-	(9,922,168)	(76,677)	(131,570)	-	(178,601)	(88,266)	-	280,730,831
Depreciation charge	-	-	-	195,437,981	1,456,862	283,230,658	337,304	6,152,902	374,731	780,954	(10,629,795)
Closing net book value	50,750,000	60,134,003	14,037,000	195,437,981	1,456,862	283,230,658	337,304	6,152,902	374,731	780,954	612,692,395
At 30 June 2022											
Cost	50,750,000	60,134,003	14,037,000	349,707,012 (154,269,031)	2,029,789 (572,927)	283,362,228 (131,570)	1,246,691 (909,387)	7,449,506 (1,296,604)	1,659,694 (1,284,963)	1,634,000 (853,046)	772,009,923 (159,317,528)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Net book value	50,750,000	60,134,003	14,037,000	195,437,981	1,456,862	283,230,658	337,304	6,152,902	374,731	780,954	612,692,395
Year ended 30 June 2023											
Opening net book value	50,750,000	60,134,003	14,037,000	195,437,981	1,456,862	283,230,658	337,304	6,152,902	374,731	780,954	612,692,395
Additions	-	90,000	-	2,731,490 (9,771,899)	-	-	-	885,500 (1,055,760)	-	2,879,000 (204,174)	6,585,990 (25,374,885)
Depreciation charge	-	-	-	188,397,572	(72,843)	(14,161,533)	(33,730)	(74,946)	(74,946)	(74,946)	(10,629,795)
Closing net book value	50,750,000	60,224,003	14,037,000	188,397,572	1,384,019	269,069,125	303,574	5,982,642	299,785	3,455,780	593,903,500
At 30 June 2023											
Cost	50,750,000	60,224,003	14,037,000	352,438,502 (164,040,930)	2,029,789 (645,770)	283,362,228 (14,293,103)	1,246,691 (943,117)	8,335,006 (2,352,364)	1,659,694 (1,359,909)	4,513,000 (1,057,220)	778,595,913 (184,692,413)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Net book value	50,750,000	60,224,003	14,037,000	188,397,572	1,384,019	269,069,125	303,574	5,982,642	299,785	3,455,780	593,903,500
Depreciation rate (%)				5	5	5	10	15	20	20	

3.1.1 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.

3.1.2 It includes vehicle of SIPD and KPK project amounting to Rupees 2,799,000 and 1,634,000 respectively.

3.2 Capital work in progress

DESCRIPTION	2023				Total	2022		
	Projects						Total	Total
	Neelab Project - KPK	Alamabad Project - KPK	School development expenses - Pavilion Project	Bad Water treatment plant project				
	R u p e e s							
Balance as at 01 July	21,477,841	3,556,560	64,578,719	8,844,894	98,458,014	96,240,747		
Additions during the year	2,502,844	2,359,800	16,182,623	1,494,928	22,540,195	39,975,932		
Less: transferred to operating fixed asset	-	-	-	-	-	(37,758,665)		
Balance as at 30 June	23,980,685	5,916,360	80,761,342	10,339,822	120,998,209	98,458,014		

4 LONG TERM DEPOSITS

These mainly include interest free deposits made to utility companies for provision of utility connections. These are not being carried at amortized cost as required by section 11 of IFRS for SMEs as the impact was considered immaterial.

	Note	2023 Rupees	2022 Rupees
5 ADVANCES			
Advances to employees against salaries	5.1	1,944,000	2,094,000

5.1 These are secured against employee retirement benefit and carry no interest.

6 SHORT TERM INVESTMENTS

Amortized cost:

Faysal Bank Limited - Term deposit receipts (TDRs)	6.1	310,000,000	-
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6.1 These TDRs have maturity period of 03 months and earn interest at the rate 14.50% (2022: Nil) per annum.

7 TAXATION RECOVERABLE

Balance as on 01 July		10,091,430	6,488,905
Tax paid / deducted at source		10,681,772	3,602,525
Written off during the year		(10,091,430)	-
Balance as at 30 June		10,681,772	10,091,430

8 CASH AND BANK BALANCES

Cash in hand		59,702	45,313
Cash at banks:			
- current accounts	8.1	3,421,044	2,447,540
- saving accounts	8.2	69,406,645	345,534,198
		72,827,689	347,981,738
		72,887,391	348,027,051

8.1 The balances in current accounts include USD 11,983 (2022: USD 11,983).

8.2 The balances in saving accounts carry interest rates ranging from 6.50% to 17.5% (2022: 6.0% to 6.5%) per annum.

9 DEFERRED CREDIT - GRANTS

DESCRIPTION	2023							Total	2022		
	Capital Nature									Total	Total
	Land (Note 9.1)	Buildings and infrastructure (Note 9.2)	IT equipment and other school related items (Note 9.3)	Government grant (Note 9.4)	Neelab Project (Note 9.5)	Alamabad Project (Note 9.6)	SST School Quetta (Note 9.7)				
	R u p e e s										
Balance at the start of the year	329,182	140,598,663	109,344	423,362,064	6,078,000	100,000,000	150,000,000	820,477,253	847,473,370		
Grant received from school - net	-	-	-	-	-	-	-	-	(22,758,665)		
Grant transferred to SSIPD	-	-	-	-	-	-	-	-	(1,982,588)		
Adjustment against interproject payables	-	-	-	122,244,188	-	-	-	122,244,188	-		
Grant received from Government	-	-	-	-	-	-	-	-	8,374,931		
Grants amortized during the year	(16,459)	(9,844,742)	(74,946)	(15,438,738)	-	-	-	(25,374,885)	(10,629,795)		
Balance at the end of the year	312,723	130,753,921	34,398	530,167,514	6,078,000	100,000,000	150,000,000	917,346,556	820,477,253		

- 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.
- 9.6 It represents grant received from Government of Khyber Pakhtunkhwa (KPK) to create educational facilities at Alamabad, Village Nabi, Tehsil Chotta Lahore, District Swabi, KPK.
- 9.7 It represents grant received from Government of Balochistan to create educational facilities in province Balochistan.

	Note	2023 Rupees	2022 Rupees
10 EMPLOYEE RETIREMENT BENEFIT - GRATUITY			
Balance as on 01 July		7,613,133	-
Transfer from contributory provident fund		-	1,881,058
Provision for the year	14.1	1,396,741	5,732,075
Balance as at 30 June		<u>9,009,874</u>	<u>7,613,133</u>
11 INTER PROJECT (PAYABLES) / RECEIVABLES			
Sargodhian Spirit Trust Public School:			
Against capital expenditure		-	(202,604,113)
Against recurring expenses		-	100,454,036
		-	<u>(102,150,077)</u>
Sargodhian Spirit Institute for Professional Development:			
Against audit fees expenses		-	140,018
		-	<u>102,010,059</u>
12 ACCRUED AND OTHER PAYABLES			
Accrued expenses		181,766	166,540
Retention money		-	2,020,000
Employee welfare fund		346,796	-
Others		533,678	934,363
		<u>1,062,240</u>	<u>3,120,903</u>
13 OTHER INCOME			
Income from financial assets:			
Return on short term investments		12,218,904	-
Return on bank deposits		51,210,933	24,150,245
Foreign exchange gain		973,504	563,204
		<u>64,403,341</u>	<u>24,713,449</u>
14 SALARIES AND OTHER BENEFITS			
14.1 Salaries and other benefits include provident fund expense of Rupees nil (2022: Rupees 0.28 million) by the Trust and provision for employee retirement benefit - gratuity amounting to Rupees 1.39 million (2022: Rupees 5.73 million).			

	2023 Rupees	2022 Rupees
15 AUDITOR'S REMUNERATION		
Audit fee	132,000	120,000
Out of pocket expenses	15,400	14,000
	147,400	134,000

	2023	2022
16 NUMBER OF EMPLOYEES		
Number of employees as at 30 June	13	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 (2022: 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 FINANCIAL INSTRUMENTS BY CATEGORIES

	Amortized cost	
	2023 Rupees	2022 Rupees
As at 30 June		
Assets as per statement of financial position		
Advances	1,944,000	2,094,000
Cash and bank balances	72,887,391	348,027,051
	74,831,391	350,121,051
Liabilities as per statement of financial position		
Accrued and other payables	1,062,240	3,120,903

20 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27 DEC 2023 by the Board of Trustees.

21 CORRESPONDING FIGURES

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

22 GENERAL

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE