

SARGODHIAN SPIRIT TRUST

CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

30 JUNE 2024

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

Opinion

We have audited the consolidated financial statements of Sargodhian Spirit Trust ("the Trust"), which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of income and expenditure, consolidated statement of changes in funds and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2024, 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 Consolidated Financial Statements section of our report. We are independent of the Trust 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 Consolidated Financial Statements

The management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Trust'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 Trust'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 consolidated 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 Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Riaz Ahmad & Company

Chartered Accountants

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 December 2024

ISLAMABAD

Name of engagement partner: Raheel Arshad

UDIN: AR202410187sB4Nfn2U0

SARGODHIAN SPIRIT TRUST
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	842,312,846	855,391,958
Biological assets	4	4,755,000	4,110,000
Long term deposits	5	635,000	690,125
Long-term loans	6	3,721,075	4,595,788
		<u>851,423,921</u>	<u>864,787,871</u>
CURRENT ASSETS			
Loans and advances	7	19,768,360	14,970,040
Receivable from students		13,838,028	7,412,987
Taxation recoverable	8	10,713,556	10,695,971
Other receivables		1,500	70,962
Short term investments	9	16,217,377	326,190,685
Cash and bank balances	10	938,517,084	526,023,916
		<u>999,055,905</u>	<u>885,364,561</u>
TOTAL ASSETS		<u><u>1,850,479,826</u></u>	<u><u>1,750,152,432</u></u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		298,607,204	236,689,418
Endowment fund		<u>89,784,505</u>	<u>86,124,505</u>
TOTAL FUNDS		<u>388,391,709</u>	<u>322,813,923</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred credit - grants	11	1,222,303,937	1,218,036,627
Employee retirement benefit- gratuity	12	139,105,462	116,295,716
Students' security deposits	13	18,180,654	15,691,665
		<u>1,379,590,053</u>	<u>1,350,024,008</u>
CURRENT LIABILITIES			
Advance fee		60,982,477	54,368,631
Accrued and other payables	14	20,840,587	22,820,870
Current portion of students' security deposits	13	675,000	125,000
		<u>82,498,064</u>	<u>77,314,501</u>
TOTAL LIABILITIES		<u>1,462,088,117</u>	<u>1,427,338,509</u>
CONTINGENCIES AND COMMITMENTS	15		
TOTAL FUNDS AND LIABILITIES		<u><u>1,850,479,826</u></u>	<u><u>1,750,152,432</u></u>

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


CHAIRMAN


CHIEF EXECUTIVE


TRUSTEE

SARGODHIAN SPIRIT TRUST
CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
INCOME			
Fee income	16	180,712,949	138,902,659
Donations	17	5,228,274	7,405,754
Amortization of grants	11	165,732,690	196,755,000
Other income	18	119,770,042	89,419,807
		<u>471,443,955</u>	<u>432,483,220</u>
EXPENDITURE			
Salaries and other benefits	19	241,518,479	230,998,971
Students boarding, lodging and living	20	51,834,382	35,448,186
Utilities		11,993,160	6,990,939
Communication		2,208,713	2,168,402
Repair and maintenance		12,067,526	10,720,402
International General Certificate of Secondary Education fee		224,550	1,268,735
Advertisement		1,516,565	1,965,637
Travelling		6,386,338	7,182,899
Insurance		1,265,495	1,785,295
Staff professional development fee		749,130	759,485
Printing and stationery		3,153,989	2,078,590
Consumables		1,015,318	2,404,064
Fuel		1,445,540	1,878,375
Entertainment		1,331,894	1,157,863
Office maintenance		115,561	137,920
Special functions		2,891,172	2,349,205
Professional and legal charges		2,303,080	1,023,463
Auditor's remuneration	21	480,000	440,000
Depreciation	3.1	49,109,259	52,978,815
Intangibles written off		-	1,991,036
Postage		647,842	560,535
Office rent		2,417,295	2,196,970
Bank charges		19,812	11,101
Loss on changes in fair value of livestock	4.1	7,000	54,700
Taxation recoverable written off	8	14,606,005	16,498,466
Receivable from students written off		-	3,212,242
Foreign exchange loss		85,559	-
Others		132,504	133,107
		<u>(409,526,169)</u>	<u>(388,395,403)</u>
SURPLUS FOR THE YEAR		<u>61,917,786</u>	<u>44,087,817</u>

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


CHAIRMAN


CHIEF EXECUTIVE

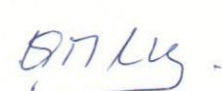

TRUSTEE

SARGODHIAN SPIRIT TRUST
CONSOLIDATED STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2023

Description	General fund	Endowment fund	Total
	----- Rupees -----		
Balance as at 30 June 2022	192,601,601	81,944,505	274,546,106
Surplus for the year	44,087,817	-	44,087,817
Contributions received from students during the year	-	3,180,000	3,180,000
Donation received for endowment fund	-	1,000,000	1,000,000
Balance as at 30 June 2023	236,689,418	86,124,505	322,813,923
Surplus for the year	61,917,786	-	61,917,786
Contributions received from students during the year	-	3,660,000	3,660,000
Balance as at 30 June 2024	<u>298,607,204</u>	<u>89,784,505</u>	<u>388,391,709</u>

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


 CHAIRMAN


 CHIEF EXECUTIVE


 TRUSTEE

SARGODHIAN SPIRIT TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		61,917,786	44,087,817
Adjustments for non-cash charges and other items:			
Depreciation	3.1	49,109,259	52,978,815
Amortization of grants	11	(165,732,690)	(196,755,000)
Intangibles written off		-	1,991,036
Provision for staff retirement benefit	12	29,194,405	55,878,512
Taxation recoverable written off	8	14,606,005	16,498,466
Gain on disposal of operating fixed assets	18	-	(48,690)
Fair value loss / (gain) on biological assets	4.1	7,000	54,700
Receivable from students written off		-	3,212,242
Unrealized foreign exchange gain		85,559	(973,504)
Return on short term investments and bank deposits		(115,107,285)	(87,392,858)
Cash used in operations before working capital changes		(125,919,961)	(110,468,464)
Working capital changes			
(Increase) / decrease in current assets:			
Long-term loans		106,033	(9,887,691)
Advances		(4,029,640)	6,310,795
Receivable from students		(6,425,041)	1,751,085
Other receivables		69,462	149,824
		(10,279,186)	(1,675,987)
Increase / (decrease) in current liabilities			
Accrued and other payables		(1,980,283)	8,961,657
Advance fee		6,613,846	10,233,205
		4,633,563	19,194,862
Net cash used in operations		(131,565,584)	(92,949,589)
Increase in students' security deposits		3,038,989	1,576,995
Staff retirement benefits paid		(6,384,659)	(47,742,953)
Tax paid		(14,623,590)	(17,103,007)
Net cash used in operating activities		(149,534,844)	(156,218,554)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets	3.1	(29,510,501)	(18,076,213)
Proceeds from disposal of operating fixed assets		-	48,690
Long term deposits		55,125	-
Additions in capital work in progress	3.2	(6,519,646)	(22,540,195)
Purchase of dairy livestock		(652,000)	(1,864,700)
Short term investments made - net		309,973,308	(213,500,000)
Endowment fund		3,660,000	4,180,000
Interest received		81,473,313	64,256,516
Profit on investment		33,633,972	22,945,657
Net cash from / (used in) investing activities		392,113,571	(164,550,245)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants received		170,000,000	170,000,000
Net cash from financing activities		170,000,000	170,000,000
Net increase / (decrease) in cash and cash equivalents		412,578,727	(150,768,799)
Net foreign exchange difference		(85,559)	973,504
Cash and cash equivalents at the beginning of the year		526,023,916	675,819,211
Cash and cash equivalents at the end of the year	10	938,517,084	526,023,916

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

CHAIRMAN

CHIEF EXECUTIVE

TRUSTEE

SARGODHIAN SPIRIT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1 LEGAL STATUS AND OPERATIONS

These consolidated financial statements of Sargodhian Spirit Trust comprise of the financial statements of Sargodhian Spirit Trust - Head Office, Sargodhian Spirit Trust Public School ("the School") and Sargodhian Spirit Institute For Professional Development ("the Institute") here-in-after referred to as the Trust. The registered office of the Trust is situated at 1st floor, 2013 Hajvairy Mansion, Blue Area, Islamabad.

Sargodhian Spirit Trust

Sargodhian Spirit Trust having its registered office at Islamabad, was created on 02 July 1998 under The Trust Act, 1882 (Now The Islamabad Capital Territory Charities Registration, Regulation and Facilitation Act, 2021) 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").

Sargodhian Spirit Trust Public School

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.

Sargodhian Spirit Institute for Professional Development

Sargodhian Spirit Institute for Professional Development ("the Institute") is a project of Sargodhian Spirit Trust, Islamabad. The Institute commenced its operations from July 2017 and it is registered under Sindh Teachers Education Development Authority (STEDA). The objectives of the Institute are to provide training to teachers for better education, to undertake research and evaluation in relation to education and developing a network of teachers in Sindh.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of these consolidated 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 consolidated financial statements have been prepared in accordance with the Accounting Standard for Not-for-Profit Organizations 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 School'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 item of property, plant and equipment, with a corresponding effect on the depreciation charge 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 consolidated statement of income and expenditure during the year in which they are incurred.

Depreciation

Depreciation on all property and equipment is charged to consolidated 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 consolidated statement of income and expenditure in the year the asset is de-recognized.

2.3 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 consolidated statement of income and expenditure

2.4 Investments

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

Equity instruments

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

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

Amortized cost

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

2.5 Endowment fund

The Trust 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.

2.6 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 consolidated 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 consolidated 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 consolidated 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.

2.7 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.

2.8 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 income and expenditure account 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.

2.9 Foreign currencies

These consolidated 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 balance sheet 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 consolidated statement of income and expenditure.

2.10 Financial instruments

Financial instruments carried on the consolidated statement of financial position 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 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 consolidated 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.

2.11 Accrued and other liabilities

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

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 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.

2.14 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.

2.15 Taxation

Income of Not for Profit Organizations 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 consolidated financial statements.

2.16 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements, 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

Operating fixed assets
Capital work in progress

3.1 Operating fixed assets

Note	2024	2023
Rupees	Rupees	Rupees
3.1	805,896,155	734,393,749
3.2	36,416,691	120,998,209
	<u>842,312,846</u>	<u>855,391,958</u>

	Freehold land (Note - 3.1.1)	Building and infrastructure	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 2022													
Cost	124,921,003	635,099,030	72,220,786	19,452,244	24,580,141	74,835,523	4,659,964	2,946,723	13,121,547	9,799,958	8,073,095	38,280,666	1,027,990,680
Accumulated depreciation	-	(154,973,528)	(27,739,828)	(7,696,889)	(19,773,651)	(19,025,588)	(2,714,900)	(2,110,684)	(5,319,453)	(2,482,772)	(2,396,511)	(14,460,525)	(258,694,329)
Net book value	124,921,003	480,125,502	44,480,958	11,755,355	4,806,490	55,809,935	1,945,064	836,039	7,802,094	7,317,186	5,676,584	23,820,141	769,296,351
Year ended 30 June 2023													
Opening net book value	124,921,003	480,125,502	44,480,958	11,755,355	4,806,490	55,809,935	1,945,064	836,039	7,802,094	7,317,186	5,676,584	23,820,141	769,296,351
Additions	90,000	2,731,490	1,794,753	1,700,505	2,133,295	4,063,540	-	164,600	11,500	822,330	-	4,564,200	18,076,213
Disposal	-	-	-	-	-	-	(48,690)	-	-	-	-	-	(48,690)
Cost	-	-	-	-	-	-	(48,690)	-	-	-	-	-	(48,690)
Accumulated depreciation	-	-	-	-	-	-	48,690	-	-	-	-	-	48,690
Depreciation charge	-	(24,006,276)	(4,509,435)	(1,933,603)	(1,208,881)	(11,705,581)	(194,506)	(180,925)	(1,560,994)	(1,556,732)	(1,135,317)	(4,986,565)	(52,978,815)
Closing net book value	125,011,003	458,850,716	41,766,276	11,522,257	5,730,904	48,167,894	1,750,558	819,714	6,252,600	6,582,784	4,541,267	23,397,776	734,393,749
At 30 June 2023													
Cost	125,011,003	637,830,520	74,015,539	21,152,749	26,713,436	78,899,063	4,611,274	3,111,323	13,133,047	10,622,288	8,073,095	42,844,866	1,046,018,203
Accumulated depreciation	-	(178,979,804)	(32,249,263)	(9,630,492)	(20,982,532)	(30,731,169)	(2,860,716)	(2,291,609)	(6,880,447)	(4,039,504)	(3,531,828)	(19,447,090)	(311,624,454)
Net book value	125,011,003	458,850,716	41,766,276	11,522,257	5,730,904	48,167,894	1,750,558	819,714	6,252,600	6,582,784	4,541,267	23,397,776	734,393,749
Year ended 30 June 2024													
Opening net book value	125,011,003	458,850,716	41,766,276	11,522,257	5,730,904	48,167,894	1,750,558	819,714	6,252,600	6,582,784	4,541,267	23,397,776	734,393,749
Additions	550,000	10,022,517	4,537,176	1,588,779	8,349,950	3,532,920	232,864	458,295	-	90,000	38,000	110,000	29,510,501
Transferred from Capital work in progress (Note 3.2)	-	91,101,164	-	-	-	-	-	-	-	-	-	-	91,101,164
Depreciation charge	-	(22,942,536)	(4,622,830)	(1,905,859)	(2,168,921)	(9,384,231)	(186,807)	(193,795)	(1,248,220)	(1,177,591)	(913,953)	(4,364,516)	(49,109,259)
Closing net book value	125,561,003	537,031,861	41,680,622	11,205,177	11,911,933	42,316,583	1,796,615	1,084,214	5,004,380	5,495,193	3,665,314	19,143,260	805,896,155
At 30 June 2024													
Cost	125,561,003	738,954,201	78,552,715	22,741,528	35,063,386	82,431,983	4,844,138	3,569,618	13,133,047	10,712,288	8,111,095	42,954,866	1,166,629,868
Accumulated depreciation	-	(201,922,340)	(36,872,093)	(11,536,351)	(23,151,453)	(40,115,400)	(3,047,523)	(2,485,404)	(8,128,667)	(5,217,095)	(4,445,781)	(23,811,606)	(360,733,713)
Net book value	125,561,003	537,031,861	41,680,622	11,205,177	11,911,933	42,316,583	1,796,615	1,084,214	5,004,380	5,495,193	3,665,314	19,143,260	805,896,155
Depreciation rate (%)	-	5	10	15	20	20	10	20	20	20	20	20	20

3.2 Capital work in progress - civil works

DESCRIPTION	2024						2023
	Projects						Total
	Neelab Project - KPK	Alamabad Project - KPK	School development expenses - Pavilion Project	Bad Water treatment plant project	Solar Plant	Total	
Balance as at 01 July	23,980,685	5,916,360	80,761,342	10,339,822	-	120,998,209	98,458,014
Add: additions during the year	869,646	-	-	-	5,650,000	6,519,646	22,540,195
Less: transferred to operating fixed asset	-	-	(80,761,342)	(10,339,822)	-	(91,101,164)	-
Balance as at 30 June	24,850,331	5,916,360	-	-	5,650,000	36,416,691	120,998,209

	2024 Rupees	2023 Rupees
4 BIOLOGICAL ASSETS		
Dairy livestock:		
Mature	4,595,000	3,990,000
Immature	160,000	120,000
	<u>4,755,000</u>	<u>4,110,000</u>

4.1 Reconciliation of changes in carrying amount

Carrying amount as at 1 July	4,110,000	2,300,000
Purchases made during the year	652,000	1,864,700
Fair value gain due to new births	160,000	120,000
Loss / (gain) on changes in fair value	(167,000)	(174,700)
	(7,000)	(54,700)
Carrying amount as at 30 June	<u>4,755,000</u>	<u>4,110,000</u>

4.2 As at 30 June 2024, the school held 20 (2023: 18) mature assets able to produce milk and 15 (2023: 12) immature assets that are being raised to produce milk in the future. During the year the school produced approximately 22,893 (2023: 32,400) gross liters of milk from these biological assets.

4.3 The valuation of dairy livestock as at 30 June 2024 has been carried out by independent valuer. In this regard, the valuer examined the physical condition of the livestock, assessed the key assumptions and estimates and relied on the representations made by the school as at 30 June 2024.

5 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	2024 Rupees	2023 Rupees
6 LONG-TERM LOANS			
Secured			
Loan to employees		9,781,658	9,887,691
Less: current portion shown under current assets	7	(6,060,583)	(5,291,903)
		<u>3,721,075</u>	<u>4,595,788</u>

6.1 These are interest free loans, secured against gratuity benefits and are not carried at amortized cost as required by section 11 of IFRS for SMEs as the impact was considered immaterial.

	Note	2024 Rupees	2023 Rupees
7 LOANS AND ADVANCES			
Current portion of long term loans	6	6,060,583	5,291,903
Advances to:			
- employees against expenses - unsecured		8,189,382	6,204,388
- employees against salaries - secured	7.1	3,611,909	2,486,206
		11,801,291	8,690,594
- suppliers - unsecured		1,906,486	987,543
		<u>19,768,360</u>	<u>14,970,040</u>

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

	Note	2024 Rupees	2023 Rupees
8 Taxation recoverable			
Balance as on 01 July		10,695,971	10,091,430
Tax paid / deducted at source		14,623,590	17,103,007
Written off during the year		(14,606,005)	(16,498,466)
Balance as at 30 June		<u>10,713,556</u>	<u>10,695,971</u>

9 SHORT TERM INVESTMENTS

Amortised cost:

Meezan Bank Limited - term deposit receipts		16,000,000	16,000,000
Faysal Bank Limited - Term deposit receipts		-	310,000,000
	9.1	<u>16,000,000</u>	<u>326,000,000</u>
Accrued interest		217,377	190,685
		<u>16,217,377</u>	<u>326,190,685</u>

9.1 These TDRs have maturity period of 03 to 12 months and earn interest ranging from 9.25% to 14.50% (2023: 8.50%) per annum.

	Note	2024 Rupees	2023 Rupees
10 CASH AND BANK BALANCES			
Cash in hand		191,254	64,611
Cash at bank:			
- current accounts	10.1	141,282,635	224,855,561
- saving accounts	10.2 & 10.3	797,043,195	301,103,744
		<u>938,325,830</u>	<u>525,959,305</u>
		<u>938,517,084</u>	<u>526,023,916</u>

10.1 The balances in current account include US \$ 11,983 (2023: US \$ 11,983).

10.2 The balances in saving accounts carry interest rate ranging from 6.50% to 14.5% (2023: 2.75% to 3.5%) per annum.

10.3 These include funds of Rupees 115,436,537 (2023: Rupees 6,635,175) in Askari Bank Limited, account No. 165-050010-4 earmarked for gratuity fund.

11 DEFERRED CREDIT - GRANTS

DESCRIPTION	2024										2023
	Capital Nature									Revenue nature	Total
	Land (Note 11.1)	Buildings and infrastructure (Note 11.2)	IT equipment and other school related items (Note 11.3)	Other assets	Government grant (Note 11.4)	Neelab Project (Note 11.5)	Alamabad Project (Note 11.6)	SST School Quetta (Note 11.7)	Sub - Total	Government grant (Note 11.4)	
Balance at the beginning of the year as previously reported	312,723	130,296,952	61,210	12,240,601	774,047,141	6,078,000	100,000,000	150,000,000	1,173,036,627	45,000,000	1,244,791,627
Grants received during the year	-	-	-	-	-	-	-	-	-	170,000,000	170,000,000
Grants amortized during the year	(15,636)	(9,489,080)	(34,398)	-	(69,572,273)	-	-	-	(79,111,387)	(86,621,303)	(196,755,000)
Balance at the end of the year	<u>297,087</u>	<u>120,807,872</u>	<u>26,812</u>	<u>12,240,601</u>	<u>704,474,868</u>	<u>6,078,000</u>	<u>100,000,000</u>	<u>150,000,000</u>	<u>1,093,925,240</u>	<u>128,378,697</u>	<u>1,218,036,627</u>

11.1 It represents grants received and utilized for purchase of land, the remaining amount is amortized at the rate of 5% per annum.

11.2 It includes grants received from the Government of Pakistan, the Sheikh Sultan Trust and China National Aero Technology Import and Export Corporation (CATIC) for construction and maintenance of School building.

11.3 It represents grant received from HBL Foundation for purchase of IT equipment and other school related items.

11.4 It represents grant received from Government of Sindh, for expansion of infrastructure facility, teacher training programme and scholarships.

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

12 EMPLOYEE RETIREMENT BENEFITS - GRATUITY	Note	2024 Rupees	2023 Rupees
Balance as on 01 July		116,295,716	108,160,157
Expense recognized in income and expenditure statement		29,194,405	55,878,512
Benefits paid during the year		(6,384,659)	(36,579,819)
Benefit due but not paid		-	(11,163,134)
Balance as at 30 June		<u>139,105,462</u>	<u>116,295,716</u>

13 STUDENTS' SECURITY DEPOSITS

Students' security deposits	13.1	18,855,654	15,816,665
Current portion shown under current liabilities		(675,000)	(125,000)
		<u>18,180,654</u>	<u>15,691,665</u>

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

14 ACCRUED AND OTHER PAYABLES	Note	2024 Rupees	2023 Rupees
Accrued expenses		10,525,091	4,334,120
Due to students		4,827,776	3,744,734
Employees retirement benefit due but not paid		4,041,183	11,163,134
Others		1,446,537	3,578,882
		<u>20,840,587</u>	<u>22,820,870</u>

15 CONTINGENCIES AND COMMITMENTS

Commitments in respect of capital work in progress amounting to Rupees 3,518,400 (2023: Rupees Nil).

16 FEE INCOME	2024 Rupees	2023 Rupees
Tuition fee	160,312,763	121,316,626
Registration fee	11,220,000	9,600,000
Accommodation charges	5,490,000	4,770,000
Application processing fee	1,392,000	1,111,000
Fines and penalties	297,186	335,943
Re-admission fee	2,001,000	1,769,090
	<u>180,712,949</u>	<u>138,902,659</u>

17 DONATIONS

It represents donations and voluntary contributions from different individuals and organizations.

18 OTHER INCOME

Income from financial assets:

Return on:

-Short term investments	33,633,972	22,965,405
-Bank Deposits	81,473,313	64,447,201
Foreign exchange gain/ (loss)	-	973,504
	<u>115,107,285</u>	<u>88,386,110</u>

Income from non-financial assets:

Gain on disposal of operating fixed assets

Miscellaneous	-	48,690
	<u>4,662,757</u>	<u>985,007</u>
	<u>4,662,757</u>	<u>1,033,697</u>
	<u>119,770,042</u>	<u>89,419,807</u>

19 SALARIES AND OTHER BENEFITS

Salaries and other benefits include Gratuity expense as disclosed in Note 12.

20 STUDENTS BOARDING, LODGING AND LIVING

	2024 Rupees	2023 Rupees
Food	40,032,820	29,424,625
Uniforms	4,273,354	404,902
Study material	424,061	1,090,382
Travelling	755,527	454,693
Medical	1,810,075	1,722,160
Others	4,538,545	2,351,424
	<u>51,834,382</u>	<u>35,448,186</u>

21 AUDITOR'S REMUNERATION

Audit fee	435,000	397,300
Out of pocket expenses	45,000	42,700
	<u>480,000</u>	<u>440,000</u>

22 NUMBER OF EMPLOYEES

	2024	2023
Number of employees as at 30 June	282	299
Average number of employees during the year	280	299

23 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of 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 disclosed in relevant notes to the financial statements.

24 REMUNERATION TO KEY MANAGEMENT PERSONNEL

The aggregate amount charged in these consolidated financial statements in respect of remuneration to Principal of the School and Director of Sargodhian Spirit Institute for Professional Development is given below while no remuneration was paid to the Chief Executive.

	2024 Rupees	2023 Rupees
Managerial remuneration		
- Principal	9,427,291	-
- Director	4,820,000	4,935,000
Contribution to provident fund/gratuity fund	2,098,021	9,064,720
	<u>16,345,312</u>	<u>13,999,720</u>

25 FINANCIAL INSTRUMENTS BY CATEGORIES

At amortized cost	
2024 Rupees	2023 Rupees
Assets as per statement of financial position	
Long-term loans	3,721,075
Loans and advances	4,595,788
Receivable from students	3,611,909
Other receivables	2,486,206
Short term investments	13,838,028
Cash and bank balances	7,412,987
	1,500
	70,962
	16,217,377
	326,190,685
	938,517,084
	526,023,916
	<u>975,906,973</u>
	<u>866,780,544</u>
Liabilities as per statement of financial position	
Students' security deposits	18,855,654
Accrued and other payables	15,816,665
	16,799,404
	11,657,736
	<u>35,655,058</u>
	<u>27,474,401</u>

26 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 24 DEC 2024 by the Board of Trustees.

27 GENERAL

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



CHAIRMAN

CHIEF EXECUTIVE

TRUSTEE