

**Riaz Ahmad & Company**

Chartered Accountants

# **SARGODHIAN SPIRIT TRUST**

**HEAD OFFICE**

**FINANCIAL STATEMENTS WITH  
ACCOMPANYING INFORMATION**

**30 JUNE 2024**



## **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 2024, 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 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 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.

### **Other Matter**

This report relates only to the financial statements pertaining to the Head Office and does not extend to the financial statements of Sargodhian Spirit Trust taken as a whole.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Head Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either



intends to liquidate the Head Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Head Office financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material 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.

# Riaz Ahmad & Company

Chartered Accountants

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
**RIAZ AHMAD & COMPANY**  
Chartered Accountants

**Date:** 26 December 2024

**ISLAMABAD**

**Name of engagement partner:** Raheel Arshad

**UDIN:** AR202410187Zvh5oKa8u



**SARGODHIAN SPIRIT TRUST - HEAD OFFICE****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2024**

|  | Note | 2024<br>Rupees              | 2023<br>Rupees              |
|--|------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                          |      |                             |                             |
| <b>NON-CURRENT ASSETS</b>              |      |                             |                             |
| Property and equipment                 | 3    | 702,604,435                 | 714,901,709                 |
| Long term deposits                     | 4    | 635,000                     | 635,000                     |
|  |      | <u>703,239,435</u>          | <u>715,536,709</u>          |
| <b>CURRENT ASSETS</b>                  |      |                             |                             |
| Advances                               | 5    | 1,739,959                   | 1,944,000                   |
| Taxation recoverable                   | 7    | 10,681,772                  | 10,681,772                  |
| Short term investments                 | 6    | -                           | 310,000,000                 |
| Cash and bank balances                 | 8    | 418,654,094                 | 72,887,391                  |
|  |      | <u>431,075,825</u>          | <u>395,513,163</u>          |
| <b>TOTAL ASSETS</b>                    |      | <u><u>1,134,315,260</u></u> | <u><u>1,111,049,872</u></u> |
| <b>FUND AND LIABILITIES</b>            |      |                             |                             |
| <b>FUND</b>                            |      |                             |                             |
| General fund                           |      | 217,031,873                 | 183,631,202                 |
| <b>LIABILITIES</b>                     |      |                             |                             |
| <b>NON-CURRENT LIABILITIES</b>         |      |                             |                             |
| Deferred credit - grants               | 9    | 902,658,046                 | 917,346,556                 |
| Employee retirement benefit - gratuity | 10   | 13,243,843                  | 9,009,874                   |
|  |      | <u>915,901,889</u>          | <u>926,356,430</u>          |
| <b>CURRENT LIABILITIES</b>             |      |                             |                             |
| Inter project payables - net           | 11   | 1,659                       | -                           |
| Accrued and other payables             | 12   | 1,379,840                   | 1,062,240                   |
|  |      | <u>1,381,499</u>            | <u>1,062,240</u>            |
| <b>TOTAL LIABILITIES</b>               |      | <u><u>917,283,388</u></u>   | <u><u>927,418,670</u></u>   |
| <b>CONTINGENCIES AND COMMITMENTS</b>   |      |                             |                             |
| <b>TOTAL FUND AND LIABILITIES</b>      |      | <u><u>1,134,315,260</u></u> | <u><u>1,111,049,872</u></u> |

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

  
CHAIRMAN  
CHIEF EXECUTIVE  
TRUSTEE


**SARGODHIAN SPIRIT TRUST - HEAD OFFICE**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 2024**

|                                       | Note | 2024<br>Rupees           | 2023<br>Rupees           |
|---------------------------------------|------|--------------------------|--------------------------|
| <b>INCOME</b>                         |      |                          |                          |
| Donations and voluntary contributions |      | 3,470,317                | 7,150,298                |
| Amortization of grants                | 9    | 24,711,027               | 25,374,885               |
| Other income                          | 13   | <u>61,864,355</u>        | <u>64,403,341</u>        |
|                                       |      | 90,045,699               | 96,928,524               |
| <b>EXPENDITURE</b>                    |      |                          |                          |
| Salaries and other benefits           | 14   | 19,086,805               | 11,277,741               |
| Utilities                             |      | 680,237                  | 413,587                  |
| Communication                         |      | 292,467                  | 222,934                  |
| Repair and maintenance                |      | 94,690                   | 329,108                  |
| Travelling                            |      | 341,080                  | 408,403                  |
| Printing and stationery               |      | 266,118                  | 310,620                  |
| Entertainment                         |      | 295,999                  | 355,105                  |
| Office supplies                       |      | 115,560                  | 137,920                  |
| Legal and professional charges        |      | 1,602,541                | 683,032                  |
| Auditor's remuneration                | 15   | 160,000                  | 147,400                  |
| Depreciation                          | 3.1  | 24,711,027               | 25,374,885               |
| Office rent                           |      | 2,417,295                | 2,196,970                |
| Bank charges                          |      | 163                      | 2,866                    |
| Advance tax written off               | 7    | 6,417,160                | 10,091,430               |
| Foreign exchange loss                 |      | 85,559                   | -                        |
| Other                                 |      | 78,327                   | 121,863                  |
|                                       |      | (56,645,028)             | (52,073,864)             |
| <b>SURPLUS FOR THE YEAR</b>           |      | <u><u>33,400,671</u></u> | <u><u>44,854,660</u></u> |

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

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE**

  
**TRUSTEE**

**SARGODHIAN SPIRIT TRUST - HEAD OFFICE**  
**STATEMENT OF CHANGES IN FUND**  
**FOR THE YEAR ENDED 30 JUNE 2024**

|   | Rupees                    |
|---|---------------------------|
| <b>Balance as at 30 June 2022</b>       | 138,776,542               |
| Surplus for the year ended 30 June 2023 | 44,854,660                |
| <b>Balance as at 30 June 2023</b>       | <u>183,631,202</u>        |
| Surplus for the year ended 30 June 2024 | 33,400,671                |
| <b>Balance as at 30 June 2024</b>       | <u><u>217,031,873</u></u> |

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

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**CHAIRMAN**  

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**CHIEF EXECUTIVE**  

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**TRUSTEE**



# SARGODHIAN SPIRIT TRUST - HEAD OFFICE

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

|   | Note | 2024<br>Rupees      | 2023<br>Rupees       |
|---|------|---------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |      |                     |                      |
| Surplus for the year  |      | 33,400,671          | 44,854,660           |
| <b>Adjustments for non-cash charges and other items:</b>      |      |                     |                      |
| Depreciation  | 3.1  | 24,711,027          | 25,374,885           |
| Amortization of grants  | 9    | (24,711,027)        | (25,374,885)         |
| Provision for gratuity  | 10   | 4,233,969           | 1,396,741            |
| Taxation recoverable written off                              | 7    | 6,417,160           | 10,091,430           |
| Return on short term investments                              |      | (19,083,288)        | (12,218,904)         |
| Return on bank deposits                                       |      | (42,781,067)        | (51,210,933)         |
| Unrealized foreign exchange loss / (gain)                     |      | 85,559              | (973,504)            |
| <b>Cash used in operations before working capital changes</b> |      | <b>(17,726,996)</b> | <b>(8,060,510)</b>   |
| <b>Working capital changes</b>                                |      |                     |                      |
| <b>decrease in current assets</b>                             |      |                     |                      |
| Advances  |      | 204,040             | 150,000              |
| <b>Increase / (decrease) in current liabilities</b>           |      |                     |                      |
| Inter project payables  |      | 1,659               | (102,010,059)        |
| Accrued and other payables                                    |      | 317,600             | (2,058,663)          |
|   |      | 523,299             | (103,918,722)        |
| <b>Net cash used in operations</b>                            |      | <b>(17,203,697)</b> | <b>(111,979,232)</b> |
| Tax paid  | 7    | (6,417,160)         | (10,681,772)         |
| <b>Net cash used in operating activities</b>                  |      | <b>(23,620,857)</b> | <b>(122,661,004)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |      |                     |                      |
| Capital expenditure on operating fixed assets                 | 3.1  | (11,544,107)        | (6,585,990)          |
| Additions in capital work in progress                         | 3.2  | (869,646)           | (22,540,195)         |
| Short term investment encashed / (made)                       |      | 310,000,000         | (310,000,000)        |
| Return on short term investments                              |      | 19,083,288          | 12,218,904           |
| Return on bank deposits                                       |      | 42,781,067          | 51,210,933           |
| <b>Net cash from / (used in) investing activities</b>         |      | <b>359,450,602</b>  | <b>(275,696,348)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |      |                     |                      |
| Grant received  | 9    | 10,022,517          | 122,244,188          |
| <b>Net cash from financing activities</b>                     |      | <b>10,022,517</b>   | <b>122,244,188</b>   |
| <b>Net increase / (decrease) in cash and cash equivalents</b> |      | <b>345,852,262</b>  | <b>(276,113,164)</b> |
| Net foreign exchange difference                               |      | (85,559)            | 973,504              |
| <b>Cash and cash equivalents at the beginning of the year</b> |      | <b>72,887,391</b>   | <b>348,027,051</b>   |
| <b>Cash and cash equivalents at the end of the year</b>       | 8    | <b>418,654,094</b>  | <b>72,887,391</b>    |

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
TRUSTEE



**SARGODHIAN SPIRIT TRUST - HEAD OFFICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**1 LEGAL STATUS AND OPERATIONS**

Sargodhian Spirit Trust ("the 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"). The registered office of the Trust is situated at 1st floor, 2013 Hajvairy Mansion, Blue Area, 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                     | 2024<br>Rupees | 2023<br>Rupees |
|--------------------------|----------------|----------------|
| Operating fixed assets   | 671,837,744    | 593,903,500    |
| Capital work in progress | 30,766,691     | 120,998,209    |
|                          | 702,604,435    | 714,901,709    |

3.1 OPERATING FIXED ASSETS

|  | Freehold land-<br>School | Freehold land-<br>KPK | Freehold land-<br>SSIPD | Buildings and<br>infrastructure<br>School | Buildings and<br>infrastructure<br>KPK | Buildings and<br>infrastructure<br>SSIPD | Furniture<br>and fittings | Office<br>equipment | Computer<br>equipment | Vehicles (Note<br>- 3.1.1) | Total         |
|--|--------------------------|-----------------------|-------------------------|---|--|--|---------------------------|---------------------|-----------------------|----------------------------|---------------|
| Rupees                                 |                          |                       |                         |   |  |  |                           |                     |                       |                            |               |
| At 30 June 2022                        |                          |                       |                         |   |  |  |                           |                     |                       |                            |               |
| Cost                                   | 50,750,000               | 60,134,003            | 14,037,000              | 349,707,012                               | 2,029,789                              | 283,362,228                              | 1,246,691                 | 7,449,506           | 1,659,694             | 1,634,000                  | 772,009,923   |
| Accumulated depreciation               | -                        | -                     | -                       | (154,269,031)                             | (572,927)                              | (131,570)                                | (909,387)                 | (1,296,604)         | (1,284,963)           | (853,046)                  | (159,317,528) |
| 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                                 | -                                      | -  | -                         | 885,500             | -                     | 2,879,000                  | 6,585,990     |
| Depreciation charge                    | -                        | -                     | -                       | (9,771,899)                               | (72,843)                               | (14,161,533)                             | (33,730)                  | (1,055,760)         | (74,946)              | (204,174)                  | (25,374,885)  |
| 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                               | 2,029,789                              | 283,362,228                              | 1,246,691                 | 8,335,006           | 1,659,694             | 4,513,000                  | 778,595,913   |
| Accumulated depreciation               | -                        | -                     | -                       | (164,040,930)                             | (645,770)                              | (14,293,103)                             | (943,117)                 | (2,352,364)         | (1,359,909)           | (1,057,220)                | (184,692,413) |
| 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   |
| Year ended 30 June 2024                |                          |                       |                         |   |  |  |                           |                     |                       |                            |               |
| Opening 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   |
| Additions                              | -                        | 550,000               | -                       | 10,022,517                                | -                                      | -  | -                         | 596,590             | 375,000               | -                          | 11,544,107    |
| Transfer from capital work in progress | -                        | -                     | -                       | 91,101,164                                | -                                      | -  | -                         | -                   | -                     | -                          | 91,101,164    |
| Depreciation charge                    | -                        | -                     | -                       | (9,419,879)                               | (69,201)                               | (13,453,456)                             | (30,357)                  | (974,521)           | (72,457)              | (691,156)                  | (24,711,027)  |
| Closing net book value                 | 50,750,000               | 60,774,003            | 14,037,000              | 280,101,374                               | 1,314,818                              | 255,615,669                              | 273,217                   | 5,604,711           | 602,328               | 2,764,624                  | 671,837,744   |
| At 30 June 2024                        |                          |                       |                         |   |  |  |                           |                     |                       |                            |               |
| Cost                                   | 50,750,000               | 60,774,003            | 14,037,000              | 362,461,019                               | 2,029,789                              | 283,362,228                              | 1,246,691                 | 8,931,596           | 2,034,694             | 4,513,000                  | 790,140,020   |
| Accumulated depreciation               | -                        | -                     | -                       | (82,359,645)                              | (714,971)                              | (27,746,559)                             | (973,474)                 | (3,326,885)         | (1,432,366)           | (1,748,376)                | (118,302,276) |
| Net book value                         | 50,750,000               | 60,774,003            | 14,037,000              | 280,101,374                               | 1,314,818                              | 255,615,669                              | 273,217                   | 5,604,711           | 602,328               | 2,764,624                  | 671,837,744   |
| Depreciation rate (%)                  |                          |                       |                         | 5   | 5                                      | 5  | 10                        | 15                  | 20                    | 20                         |               |

3.1.1 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                                | 2024                 |                        |  |                                   |              | 2023        |
|--|----------------------|------------------------|--|-----------------------------------|--------------|-------------|
|  | Projects             |                        |  |                                   | Total        | Total       |
|  | Neelab Project - KPK | Alamabad Project - KPK | School development expenses - Pavilion Project | Bad Water treatment plant project |              |             |
|  | Rupees               |                        |  |                                   |              |             |
| Balance as at 01 July                      | 23,980,685           | 5,916,360              | 80,761,342                                     | 10,339,822                        | 120,998,209  | 98,458,014  |
| Additions during the year                  | 869,646              | -                      | -  | -                                 | 869,646      | 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              | -  | -                                 | 30,766,691   | 120,998,209 |

### 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 | 2024<br>Rupees   | 2023<br>Rupees   |
|--------------------------------|------|------------------|------------------|
| <b>5 ADVANCES</b>              |      |                  |                  |
| Advances to employees:         |      |                  |                  |
| - against salaries - secured   | 5.1  | 1,726,085        | 1,944,000        |
| - against expenses - unsecured |      | 13,874           | -                |
|                                |      | <u>1,739,959</u> | <u>1,944,000</u> |

5.1 These are secured against employee retirement benefit.

### 6 SHORT TERM INVESTMENTS

#### Amortized cost:

|   |     |   |             |
|---|-----|---|-------------|
| Faysal Bank Limited - Term deposit receipts (TDRs)  | 6.1 | - | 310,000,000 |
| 6.1 These TDRs have maturity period of 03 months and earn interest at the rate 15.50% (2023: 14.50%) per annum. |     |   |             |

### 7 TAXATION RECOVERABLE

|                               |                   |                   |
|-------------------------------|-------------------|-------------------|
| Balance as on 01 July         | 10,681,772        | 10,091,430        |
| Tax paid / deducted at source | 6,417,160         | 10,681,772        |
| Written off during the year   | (6,417,160)       | (10,091,430)      |
| Balance as at 30 June         | <u>10,681,772</u> | <u>10,681,772</u> |

### 8 CASH AND BANK BALANCES

|                    |        |                    |
|--------------------|--------|--------------------|
| Cash in hand       | 41,545 | 59,702             |
| Cash at banks:     |        |                    |
| - current accounts | 8.1    | 3,335,485          |
| - saving accounts  | 8.2    | 415,277,064        |
|                    |        | 418,612,549        |
|                    |        | <u>418,654,094</u> |
|                    |        | <u>72,887,391</u>  |

8.1 The balances in current accounts include USD 11,983 (2023: USD 11,983).

8.2 The balances in saving accounts carry interest rates ranging from 6.50% to 8.5% (2023: 6.50% to 17.5%) per annum.

## 9 DEFERRED CREDIT - GRANTS

| DESCRIPTION                              | 2024               |   |  |                                   |                                 |                                   |             | 2023         |                                    |
|--|--------------------|---|--|-----------------------------------|---------------------------------|-----------------------------------|-------------|--------------|------------------------------------|
|  | Capital Nature     |   |  |                                   |                                 |                                   | Total       | Total        |                                    |
|  | Land<br>(Note 9.1) | Buildings and<br>infrastructure<br>(Note 9.2) | IT equipment<br>and other<br>school related<br>items<br>(Note 9.3) | Government<br>grant<br>(Note 9.4) | Neelab<br>Project<br>(Note 9.5) | Alamabad<br>Project<br>(Note 9.6) |             |              | SST School<br>Quetta<br>(Note 9.7) |
|  | Rupees             |   |  |                                   |                                 |                                   |             |              |                                    |
| Balance at the start 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                        |
| Adjustment against interproject payables | -                  | -   | -  | 10,022,517                        | -                               | -                                 | -           | 10,022,517   | 122,244,188                        |
| Grants amortized during the year         | (15,636)           | (9,489,080)                                   | (34,398)   | (15,171,913)                      | -                               | -                                 | -           | (24,711,027) | (25,374,885)                       |
| Balance at the end of the year           | 297,087            | 121,264,841                                   | -  | 525,018,118                       | 6,078,000                       | 100,000,000                       | 150,000,000 | 902,658,046  | 917,346,556                        |

- 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 | 2024<br>Rupees | 2023<br>Rupees |
|--|------|----------------|----------------|
| <b>10 EMPLOYEE RETIREMENT BENEFIT - GRATUITY</b>         |      |                |                |
| Balance as on 01 July                                    |      | 9,009,874      | 7,613,133      |
| Provision for the year                                   | 14.1 | 4,233,969      | 1,396,741      |
| Balance as at 30 June                                    |      | 13,243,843     | 9,009,874      |
| <b>11 INTER PROJECT PAYABLES - NET</b>                   |      |                |                |
| Sargodhian Spirit Institute for Professional Development |      | 1,659          | -              |
|  |      | 1,659          | -              |
| <b>12 ACCRUED AND OTHER PAYABLES</b>                     |      |                |                |
| Accrued expenses   |      | 185,089        | 181,766        |
| Employee welfare fund                                    |      | 471,934        | 346,796        |
| Others   |      | 722,817        | 533,678        |
|  |      | 1,379,840      | 1,062,240      |
| <b>13 OTHER INCOME</b>                                   |      |                |                |
| <b>Income from financial assets:</b>                     |      |                |                |
| Return on:   |      |                |                |
| -Short term investments                                  |      | 19,083,288     | 12,218,904     |
| -Bank deposits   |      | 42,781,067     | 51,210,933     |
| Foreign exchange gain                                    |      | -              | 973,504        |
|  |      | 61,864,355     | 64,403,341     |



**14 SALARIES AND OTHER BENEFITS**

14.1 Salaries and other benefits include Gratuity expense as disclosed in Note 10.

|                                  | 2024<br>Rupees | 2023<br>Rupees |
|----------------------------------|----------------|----------------|
| <b>15 AUDITOR'S REMUNERATION</b> |                |                |
| Audit fee                        | 145,000        | 132,000        |
| Out of pocket expenses           | 15,000         | 15,400         |
|                                  | <u>160,000</u> | <u>147,400</u> |

**16 NUMBER OF EMPLOYEES**

|   | 2024 | 2023 |
|---|------|------|
| Number of employees at end of the year      | 13   | 13   |
| Average number of employees during the year | 13   | 14   |

**17 REMUNERATION TO CHIEF EXECUTIVE AND KEY MANAGEMENT PERSONNEL**

No remuneration to chief executive and key management personnel was paid during the year (2023: 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     |                   |
|---|--------------------|-------------------|
|   | 2024<br>Rupees     | 2023<br>Rupees    |
| <b>As at 30 June</b>                                      |                    |                   |
| <b>Assets as per statement of financial position</b>      |                    |                   |
| Advances  | 1,739,959          | 1,944,000         |
| Cash and bank balances                                    | 418,654,094        | 72,887,391        |
|   | <u>420,394,053</u> | <u>74,831,391</u> |
| <b>Liabilities as per statement of financial position</b> |                    |                   |
| Accrued and other payables                                | <u>1,379,840</u>   | <u>1,062,240</u>  |

**20 DATE OF AUTHORIZATION FOR ISSUE**

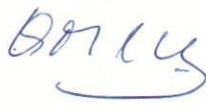
These financial statements were authorized for issue on 24 DEC 2024 by the Board of Trustees.

**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.

  
CHAIRMAN  
CHIEF EXECUTIVE  
TRUSTEE