

SARAN EDUCATIONAL TRUST

For 23rd Meeting of Board of Trustees
Held on 6th August 2017



Election of Current Office Bearers

- 22nd meeting of Board of Trustees of SET held on 23rd October 2016
- Office bearers were elected for a two-year tenure
 - Managing Trustee: Syed Sadiq Hussain
 - Deputy Managing Trustee: Syed Saeed Reza
 - Secretary: Muhammad Shozib
 - Joint Secretary: Sarah Firoz
 - Treasurer: Jawad Yousuf

Year of Consolidation / Improving Governance

- Main focus has been on strengthening the organizational structure of the trust
- Measures include:
 - Greater focus on full compliance with regulatory matters
 - Re-invigoration of the Executive Committee (which now meets more or less monthly)
 - Proceedings of meetings are minuted and follow-up points are maintained
 - Improved reporting and review of monthly management accounts by Executive Committee
 - Refinement of budgeting process to facilitate analysis of variances and strengthen controls

Measures for Improving Governance

- Development of written policies to regulate operational matters and ensure consistent practices
- Establishment of Endowment Fund to stabilize income stream and accommodate “sdaqia jaria” bequests
- Appointment of Communications & Resource Mobilization Manager
- Stepping up of fund raising efforts
- Improving external communications, particularly with donors, to increase awareness of SET’s affairs and provide reassurance about continuity of sound operations and governance

Communication and Resource Mobilization Manager

Ms Sumera Naqvi

- Experience
 - DAWN, The News, DAWNNEWS TV
 - Resource Manager with Karwan-e-Hayat (NGO)
 - Worked on projects of UNICEF, HRCP, Shehri
- Responsibilities at SET
 - To represent SET at various offices, meetings and forums like government departments, NGOs, educational institutions, etc.
 - To work for strengthening the organizational capacity of SET
 - To organize fundraising
 - To increase the donor base
 - To prepare and disseminate communication material

Executive Committee

- Executive Committee is now very active
- Members of EC are
 - Managing Trustee: Syed Sadiq Hussain
 - Deputy Managing Trustee: Syed Saeed Reza
 - Secretary: Muhammad Shozib
 - Treasurer: Jawad Yousuf
 - Trustee: Niaz Husain
 - Co-opted Member: Arif Kazmi
 - Convener: Sumera Naqvi
- Meetings of the EC are held more or less on a monthly basis

Monthly Management Accounts

- During the meetings of EC, monthly management accounts are reviewed
- Actual income and expense figures are compared with the budgeted amounts and the reasons for variance are discussed

Annual Budget 2017-18

- Annual budget for the current fiscal year was prepared in greater detail (in terms of breakdown of income and expense heads with monthly figures and seasonal trends)
- The process was improved for better monitoring and analysis of variances and, therefore, better overall control over performance

Annual Budget 2017-18

Average Strength

	2016/ 17	2017/ 18
Teachers	76	86
Support Staff	20	24
Students	602	694

Income and Expenses

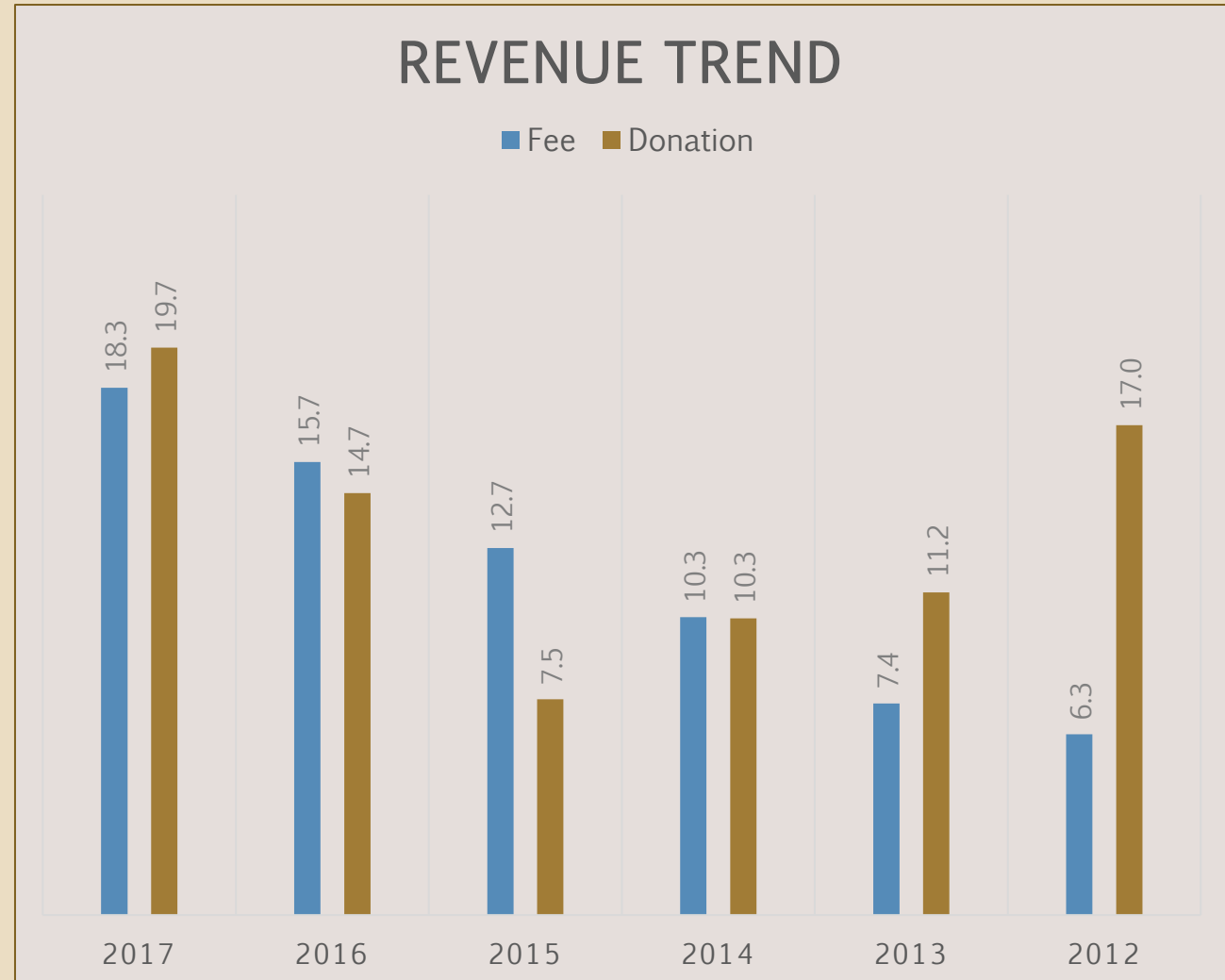
	2015/ 16 (Audited)	2016/ 17 (Unaudited)	2017/ 18 (Budgeted)
Fee Income	15.7	18.3	25.5
Donations	14.7	12.7	14.4
Total Income	30.6	31.0	40.1
Total Expenses	30.4	31.1	40.0
Surplus/Deficit	0.2	-0.10	0.1
Capital Expenditure	3.6	2.4	5.9
Endowment Fund	0	7.0	5.0

All the amounts are Rs in million

Revenue Trend

	Fees	Donations	Total Revenue
2012	6.3	17.0	23.4
2013	7.4	11.2	18.6
2014	10.3	10.3	20.7
2015	12.7	7.5	20.6
2016	15.7	14.7	30.6
2017 (Est.)	18.3	19.7	31.0

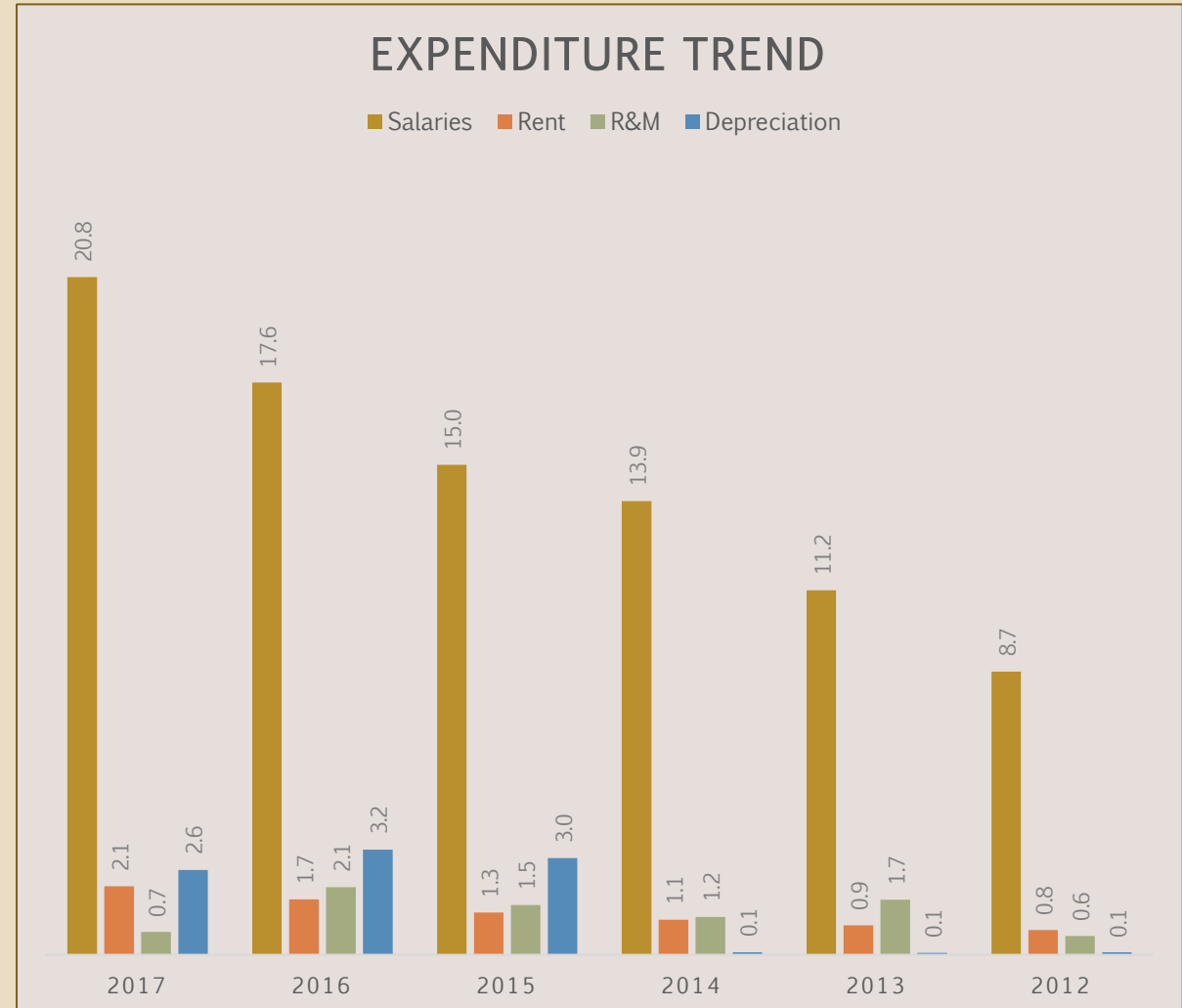
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Expenditure Trend

	Salaries	Rent	R&M	Depreciation	Expenditure
2012	8.7	0.8	0.6	0.1	13
2013	11.2	0.9	1.7	0.1	16.5
2014	13.9	1.1	1.2	0.1	19.2
2015	15.0	1.3	1.5	3.0	24.4
2016	17.6	1.7	2.1	3.2	30.4
2017	20.8	2.1	0.7	2.6	31.1

All the amounts are Rs in million



Formulation and Adoption of Policies

- Following policies were prepared and adopted by the EC
 - Endowment Fund Policy
 - Financial Assistance Policy
- Formulation of further policies related to governance and operation of the Trust are in progress

Legal Compliance

- Income tax returns are filed on time
- Withholding tax deducted from all the suppliers/vendors and duly deposited with FBR
- The school is also registered with EOBI and SESSI and regular payments are made
- NPO REGISTRATION
 - Registration of NPO expired on 30th June 2016
 - Renewal has been delayed because FBR asked that some additional clauses be inserted in the trust deed
 - The process has been initiated and the documents are awaited from the Registrar's Office
 - Once the NPO Registration is renewed local donors will be able to claim tax relief for amounts donated

Fundraising

- About half of the expenses are met through donations
- With the growing number of students, the financial requirements are increasing

Current Monthly Figures

	Fee (PKR)	Donation (PKR)	Cost (PKR)
Per student	1,940	2,060	4,000
For all the students	1.3m	1.39m	2.69m
% of total costs	48%	52%	

- Capital expenditure requirements are over and above the quoted figures

Fundraising Drive

- Measures taken for fundraising are:
 - Establishment of endowment fund
 - Improving communication with the donors
 - Prompt acknowledgement of donations
 - Conveying school's progress
 - Launching of website (www.thesetschool.org)
 - Reaching out to more donors
 - Efforts to tap organizational donors
 - Adamjee Trust
 - Infaq Foundation
 - Arranging visits to the school

Establishment of SET Endowment Fund

- SET Endowment Fund has been set up with the objective of stabilizing and increasing certainty of income stream

- Salient features are as follows:
 - Donors can elect to donate to general funds or the Endowment Fund (EF)
 - For larger donations the donor can have the bequest dedicated to a person(s) (e.g. parents)
 - Recording of the EF will be segregated from general funds in SET's accounting records
 - Income for each memorial endowment will also be segregated
 - The principal of the EF will be maintained permanently and rolled over on maturity
 - The principal may only be used for another purpose with express written consent of the donor
 - EF will be invested in very low risk government securities or time deposit of scheduled banks
 - Income from the invested funds will be used to meet school operating expenses, subsidizing fees or providing financial assistance above the subsidy

- To-date donations of PKR 7.05 m have been received

- This amount has been invested with an annual income of 7.5% p.a. less tax

Future Objectives

- Short term:
 - To obtain NPO certificate from FBR
 - To increase the donor base from 230 to 350
 - To plan and progress towards a governance audit by a reputable organization
- Long term:
 - To raise the student strength to 1000
 - To expand the infrastructure at NE Campus accordingly
 - To increase overseas donations



Question and answer session to follow

THANK YOU

Presented by:
Managing Trustee
SET

“Every child comes with the message that God is not yet discouraged of man”. *Tagore*

