

# **FINANCIAL STATEMENTS**

**OF**

**THE SARAN EDUCATIONAL TRUST**


**FOR THE YEAR ENDED 30TH JUNE, 2022**

**DAWOOD ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

174-W, Ground Floor  
Block 2, P.E.C.H. Society,  
Tariq Road, Karachi.  
**Ph. : 021-34322638**

## *AUDITOR'S REPORT*

1. We have audited the annexed statement of financial position of **THE SARAN EDUCATIONAL TRUST** as at 30<sup>th</sup> June, 2022 and the related statement of income & expenditure account together with the notes forming part thereof, for the year then ended. Preparation of financial statements is the responsibility of management of trust. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion,
  - a). the expenditure incurred during the year was for the purpose of the business;
  - b). the financial statements together with the notes thereof, give a true and fair view of the financial position of the trust as at 30<sup>th</sup> June, 2022 and of the result of its operations for the year then ended.


  
  
(CHARTERED ACCOUNTANTS)  
(DAWOOD HAJI IBRAHIM)

KARACHI: the 24<sup>th</sup> day of December, 2022.

**THE SARAN EDUCATIONAL TRUST (SET)**  
**STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	3	25,340,928	26,557,943
Intangible assets	4	9,446	13,494
CWIP		42,880,345	26,797,916
		68,230,719	53,369,353
<b>Current assets</b>			
Fee receivables		862,012	627,740
Loan to employees		60,000	23,500
Short term investment	5	15,515,749	15,919,321
Other receivables	6	921	22,330
Cash & bank balances	7	61,036	2,083,488
		16,499,718	18,676,379
<b>Total assets</b>		<b>84,730,437</b>	<b>72,045,732</b>
<b>GENERAL FUNDS AND LIABILITIES</b>			
<b>General fund</b>			
Opening balance		11,213,888	11,447,501
Deficit for the year		(624,509)	(233,613)
		10,589,379	11,213,888
Endowment fund	8	13,553,799	11,453,799
Non-revenue donation	9	35,668,905	28,184,942
		49,222,704	39,638,741
		59,812,083	50,852,629
<b>Current liabilities</b>			
Salary & security deposit payable		5,319,267	4,543,842
Student security deposit payable		3,077,280	1,693,580
Advance fee		187,710	43,150
Accounts payable & other liabilities	10	16,334,097	14,912,531
		24,918,354	21,193,103
<b>Total general funds and liabilities</b>		<b>84,730,437</b>	<b>72,045,732</b>

The annexed notes from 1 - 15 form an integral part of these accounts

  
 \_\_\_\_\_  
**Managing Trustee**

  
 \_\_\_\_\_  
**Secretary**

  
 \_\_\_\_\_  
**Treasurer**



**THE SARAN EDUCATIONAL TRUST (SET)**  
**STATEMENT OF INCOME & EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>Revenue</b>		<b>2022</b> <b>Rupees</b>	<b>2021</b> <b>Rupees</b>
Fees		27,848,774	23,839,676
Donations under revenue	11	17,786,015	17,242,617
Other income	12	3,754,403	2,082,481
Total revenue for the year		49,389,192	43,164,774
<b>Expenditures</b>			
Administrative expenses	13	1,664,661	1,507,822
Operating expenses	14	47,694,358	41,653,016
Total expenditures for the year		49,359,019	43,160,838
Net surplus before taxation		30,173	3,936
Less: Taxation		(654,682)	(237,549)
Net deficit transferred to general fund		<b>(624,509)</b>	<b>(233,613)</b>

The annexed notes from 1 - 15 form an integral part of these accounts

*[Signature]*

\_\_\_\_\_  
**Managing Trustee**

*[Signature]*

\_\_\_\_\_  
**Secretary**

*[Signature]*

\_\_\_\_\_  
**Treasurer**




**THE SARAN EDUCATIONAL TRUST (SET)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE, 2022**

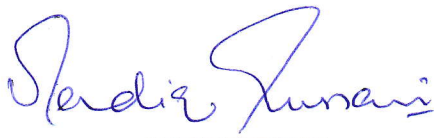
	<u>2022</u> <u>AMOUNT</u> <u>RUPEES</u>	<u>2021</u> <u>AMOUNT</u> <u>RUPEES</u>
<b><u>Cash flow from operating activities</u></b>		
Net deficit after tax	(624,509)	(233,613)
<b><u>Add: Non-cash items/adjustments</u></b>		
Depreciation	1,363,061	1,425,935
Amortization	4,048	5,783
	1,367,109	1,431,718
Operating surplus before working capital changes	742,600	1,198,105
<b><u>Add/Less: Working capital</u></b>		
<b><u>a). (Increase)/decrease in current assets</u></b>		
Fee receivables	(234,272)	1,496,580
Loan to employees	(36,500)	10,750
Short term investment	403,572	12,663,151
Other receivables	21,409	(3,297)
Net decrease in current assets	154,209	14,167,184
<b><u>b). Increase/(decrease) in current liabilities</u></b>		
Salary & security deposit payable	775,425	(50,002)
Student security deposit payable	1,383,700	715,580
Advance fee	144,560	40,450
Accounts payable & other laibilites	1,421,566	21,228
Net increase in current liabilities	3,725,251	727,256
Net effect from working capital	3,879,460	14,894,440
Net cash inflow from operating activities	4,622,060	16,092,545
<b><u>Cash flow from investing activities</u></b>		
Fixed assets purchased	(146,046)	(374,537)
Capital work in progress	(16,082,429)	(21,006,416)
Endowment fund	2,100,000	100,000
Non-revenue donations	7,483,963	6,340,976
Net cash outflow from investing activities	(6,644,512)	(14,939,977)
Net increase/(decrease) in cash and bank balances	(2,022,452)	1,152,568
Cash and bank balances at the beginning of the year	2,083,488	930,920
Cash and bank balances at the end of the year	61,036	2,083,488

The annexed notes from 1 to 15 form an integral part of these financial statement.

  
\_\_\_\_\_  
Managing Trustee



  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Treasurer

**THE SARAN EDUCATIONAL TRUST (SET)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1. AIMS & OBJECTIVE**

The SET School is administered under the management of the Saran Education Trust. The main objective of the Trust is to establish education institutions in Pakistan on Charitable basis and to take other steps to promote the cause of Education, Social Welfare, Sports and Culture for the benefit of General Public and to raise funds from all available sources and to take other measure necessary to fulfill the objects of the Trust. The SET School was formed towards achieving the above objective. The School operates two campus at C-70, Block 10, Federal B Area, Karachi and Sector 17-A/4, KDA Scheme 33 Gwalior Society, Karachi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Principal accounting policies which have been adopted in the preparation of these accounts are as follows.

**2.1 Accounting convention**

These accounts have been prepared on historical cost convention except certain donations received in kind, if any, are stated at fair market value determined by the management.

**2.2 Fixed Assets**

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to income and expenditure account applying the reducing balance method whereby the cost of an asset is written-off over its estimated useful life at the rates stated in relevant note to the financial statements. Full year's depreciation is charged in the year of addition whereas no depreciation is charged in the year of disposal. Maintenance and normal repairs are charged to profit and loss account as and when incurred; whereas major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Any gains and losses on disposal of assets are taken to the profit and loss account.

**2.3 Receipts**

These are recognized on cash basis except certain donations, if any, received in kind that are valued and accounted for at fair market value determined by the management.

**2.4 Expenditures**

The expenditures are recorded on accrual basis

**2.5 Donations**

Donation of fixed assets, if received, are recorded at their fair market value.




**FIXED ASSETS**


Particulars	Cost			Rate %	Depreciation			Written Down Value as on June 30, 2022
	As at July 01, 2021	Addition / (Deletion) During the Year	As at June 30, 2022		As at July 01, 2021	For the Year	As at June 30, 2022	
Land	4,597,830	-	4,597,830	-	-	-	-	4,597,830
Building	34,819,749	-	34,819,749	5	16,127,061	934,635	17,061,696	17,758,053
Furniture & fixture	3,486,982	-	3,486,982	10	1,468,758	201,823	1,670,581	1,816,401
Montessori equipment	83,197	-	83,197	25	83,100	24	83,124	73
Baby swing / Studio Equipment	315,629	-	315,629	10	96,059	21,957	118,016	197,613
Computer	1,190,433	-	1,190,433	35	1,026,749	57,289	1,084,038	106,395
Office equipment	869,895	146,596	1,016,491	20	572,262	88,846	661,108	355,383
Computer lab	90,500	-	90,500	10	80,597	990	81,587	8,913
Digital camera & printer	105,090	-	105,090	10	89,195	1,590	90,785	14,305
Generator	102,500	-	102,500	20	85,303	3,439	88,742	13,758
UPS	801,540	-	801,540	10	276,868	52,467	329,335	472,205
<b>Total Rupees - 2022</b>	<b>46,463,345</b>	<b>146,596</b>	<b>46,609,941</b>		<b>19,905,952</b>	<b>1,363,061</b>	<b>21,269,013</b>	<b>25,340,928</b>
<b>Total Rupees - 2021</b>	<b>46,089,358</b>	<b>373,987</b>	<b>46,463,345</b>		<b>18,480,017</b>	<b>1,425,385</b>	<b>19,905,402</b>	<b>26,557,943</b>

**INTANGIBLE ASSETS**

Particulars	Cost			Rate %	Depreciation			Written Down Value as on June 30, 2022
	As at July 01, 2021	Addition / (Deletion) During the Year	As at June 30, 2022		As at July 01, 2021	For the Year	As at June 30, 2022	
Software	134,500	-	134,500	30	121,006	4,048	125,054	9,446
<b>Total Rupees - 2022</b>	<b>134,500</b>	<b>-</b>	<b>134,500</b>		<b>121,006</b>	<b>4,048</b>	<b>125,054</b>	<b>9,446</b>
<b>Total Rupees - 2021</b>	<b>134,500</b>	<b>-</b>	<b>134,500</b>		<b>115,223</b>	<b>5,783</b>	<b>121,006</b>	<b>13,494</b>

The annexed notes from 1 - 15 form an integral part of these accounts

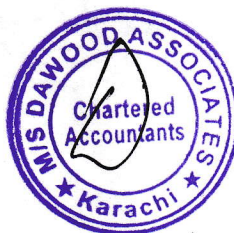
  
Managing Trustee

  
Secretary

  
Treasurer



	2022 Rupees	2021 Rupees
<b>5</b>	<b><u>SHORT TERM INVESTMENT</u></b>	
	10,853,000	10,853,000
Telenor term deposits	4,100,000	4,500,000
Bank Al Habib	562,749	566,321
Accrued profit	<u>15,515,749</u>	<u>15,919,321</u>
<b>6</b>	<b><u>OTHER RECEIVABLES</u></b>	
	-	18,389
Advance against expenses	-	3,020
Advance against R & M	921	921
WHT receivable	<u>921</u>	<u>22,330</u>
<b>7</b>	<b><u>CASH &amp; BANK BALANCES</u></b>	
	-	17,358
Cash in hand	61,036	2,066,130
Cash at banks-current accounts	<u>61,036</u>	<u>2,083,488</u>
<b>8</b>	<b><u>ENDOWMENT FUNDS</u></b>	
	11,453,799	11,353,799
Opening Balance	2,100,000	100,000
Funds received from other donors	<u>13,553,799</u>	<u>11,453,799</u>
Closing balance	<b><u>NON-REVENUE DONATIONS</u></b>	
<b>9</b>	28,184,942	21,843,966
Opening balance	7,483,963	6,428,376
Add: Non-revenue donations	-	(87,400)
Less: Ration charges	(16,082,429)	(21,006,416)
Building construction	19,586,476	7,178,526
Donation non-revenue after deductions	16,082,429	21,006,416
Transferred to CWIP	<u>35,668,905</u>	<u>28,184,942</u>
<b>Net Donations Non-Revenue</b>	<b>9.1</b> These donations pertain to construction & ration. The amount of building construction is transferred to CWIP	
<b>10</b>	<b><u>ACCOUNTS PAYABLE &amp; OTHER LAIBILITIES</u></b>	
	16,233,706	14,784,495
Account payable	59,154	59,153
Accrued utility expenses	41,237	68,883
Withholding tax payable	<u>16,334,097</u>	<u>14,912,531</u>
<b>11</b>	<b><u>DONATIONS UNDER REVENUE</u></b>	
	17,468,015	17,070,617
Donations financial assistance	318,000	172,000
Zakat donations	<u>17,786,015</u>	<u>17,242,617</u>
<b>12</b>	<b><u>OTHER INCOME</u></b>	
	2,535,871	181,250
Other Income	1,218,532	1,901,231
Endowment fund income	<u>3,754,403</u>	<u>2,082,481</u>





13 **ADMINISTRATIVE EXPENSES**

Salaries	1,418,333	1,357,297
10% utilities	246,328	150,525
	<b>1,664,661</b>	<b>1,507,822</b>

- 13.1 The administrative expenses are shown separately because they pertain to the running of the Saran Educational Trust and not The SET School based on allocation of expenses relating staff members working on the Trust.
- 13.2 The administrative expense pertains to 3.38% (2021: 3.49%) of total expenditure of the trust for the current year.

14 **OPERATING EXPENSES**

Payroll	36,806,839	31,206,055
Rent, rate & taxes	9,000	136,811
Utilities	1,986,226	1,354,724
Printing & publications	2,250	26,250
Stationery	1,257,978	747,365
Repair & maintenance - school	1,075,512	756,420
Software	194,012	158,890
Legal & professional charges including audit fee	57,500	2,625
Canteen & Housekeeping	637,026	524,646
Transportation	1,209,827	816,018
Bank charges	11,605	5,599
Depreciation & Amortization	1,367,109	1,431,168
Fees written off	743,370	2,488,480
Security service charges	1,472,926	1,514,843
Others	863,178	483,122
	<b>47,694,358</b>	<b>41,653,016</b>

14.1 **PAYROLL**

Salaries	35,501,078	30,042,213
EOBI	782,861	740,772
SESSI	522,900	423,070
	<b>36,806,839</b>	<b>31,206,055</b>

15 **GENERAL**

- a). Figures have been rounded off to nearest rupee
- b). Previous year figures have been re-arranged and re-grouped wherever necessary for the purpose of comparison.



Managing Trustee



Secretary



Treasurer

