FEROZ AZIZ & COMPANY

Chartered Accountants

211, Business Arcade,
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THE SARAN EDUCATIONAL TRUST
(SET)
ACCOUNTS FOR THE YEAR ENDED
June 30, 2020

FEROZ AZIZ & COMPANY
Chartered Accountants

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Block 6, P.E.C.H.S,
Shahrah-e-Faisal,
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AUDITORS' REPORT

We have examined the annexed balance sheet of **The Set School** as at June 30, 2020 and related income & expenditure account for the year ended June 30, 2020 together with the notes forming part thereof.

It is the responsibility of the Executive committee of the school to establish and maintain a system of internal control, and prepare and present the above said statement in conformity with the approved accounting standards. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said 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.

In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income & expenditure account and receipt & payment account together with the notes forming part thereof conform to approve accounting standards as applicable in Pakistan.

Karachi December 30th, 2020

CHARTERED ACCOUNTANTS

FEROZ AZIZ & COMPANY CHARTERED ACCOUNTANTS KARACHI

THE SARAN EDUCATIONAL TRUST (SET)
STATEMENT OF FINANCIAL POSITION
AS ON JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
Non-current assets			
Fixed assets	3	27,609,341	29,988,180
Intangible assets	4	19,278	27,539
CWIP		5,791,500	920,000
		33,420,119	30,935,719
Current assets			
Fee receivables		2,124,320	1,328,230
Loan to employees		34,250	31,000
Advance Tax		-	185,824
Short term investment	5	28,582,472	11,683,363
Other receivables	6	19,033	41,481
Cash & bank balances	7	930,920	255,119
		31,690,995	13,525,017
Total assets		65,111,113	44,460,736
GENERAL FUNDS AND LIABILITIES			
General fund			
Opening balance		14,648,384	15,430,599
Deficit for the year		(3,200,884)	(782,215)
		11,447,501	14,648,384
Endowment fund	8	11,353,799	10,853,799
Non-Revenue Donation	9	21,843,966	-
		44,645,266	25,502,183
Current liabilities			
Salary & security deposit payable		4,593,844	3,367,126
Student security deposit payable		978,000	513,400
Advance fee		2,700	285,350
Accounts payable & other liabilities	10	14,891,304	14,792,677
		20,465,848	18,958,553
Total general funds and liabilities		65,111,113	44,460,736

The annexed notes from 1-13 form an integral part of these accounts.

Managing Trustee | Secretary | Treasurer

THE SARAN EDUCATIONAL TRUST (SET)
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2020

		2020 Rupees	2019 Rupees
Revenue			
Fee		22,780,998	20,524,382
Donation	11	12,771,777	15,030,458
Others	12	3,013,900	1,952,539
		38,566,675	37,507,379
Expenditures			
Administrative Expense	13	1,411,641	-
Operating Expense	14	40,355,918	38,289,594
Total expenditure for the year		41,767,559	38,289,594
Net deficit transferred to general fund		**(3,200,884)**	**(782,215)**

The annexed notes from 1-13 form an integral part of these accounts.

Managing Trustee | Secretary | Treasurer

THE SARAN EDUCATIONAL TRUST (SET)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

1. AIMS & OBJECTIVE

The SET School is administered under the management of the Saran Educational Trust. The main objective of the Trust is to establish educational 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 & ST-01,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

These are recorded as and when paid except for salaries that are recorded on accrual basis

2.5 Donations

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

3 FIXED ASSETS

Particulars	Cost			Rate %	Depreciation			Written Down Value as on June 30, 2020
	As at July 01, 2019	Addition / (Deletion) During the	As at June 30, 2020		As at July 01, 2019	For the Year	As at June 30, 2020	
Land	4,597,830	-	4,597,830	-	-	-	-	4,597,830
Building	34,819,749	-	34,819,749	10	12,956,956	2,186,279	15,143,235	19,676,514
Furniture & fixture	3,343,907	143,077	3,486,982	10	995,347	249,164	1,244,511	2,242,471
Montessori equipment	83,197	-	83,197	25	83,025	43	83,068	129
Non Montessori equipment	5,000	-	5,000	25	5,000	-	5,000	-
Baby swing	142,000	-	142,000	10	68,227	7,377	75,604	66,396
Computer	1,132,843	-	1,132,843	35	861,853	94,847	956,700	176,143
Office equipment	612,078	147,869	759,947	20	448,011	62,387	510,398	249,549
Computer lab	90,500	-	90,500	10	78,274	1,223	79,497	11,003
Digital camera & printer	105,090	-	105,090	10	85,467	1,962	87,429	17,661
Generator	102,500	-	102,500	20	75,630	5,374	81,004	21,496
UPS	768,723	-	768,720	10	157,443	61,128	218,571	550,149
Total Rupees - 2020	45,803,417	290,946	46,094,358		15,815,233	2,669,784	18,485,017	27,609,341
Total Rupees - 2019	41,569,294	4,234,120	45,803,414		12,851,719	2,963,515	15,815,234	29,988,180

4 INTANGIBLE ASSETS

Particulars	Cost			Rate %	Depreciation			Written Down Value as on June 30, 2020
	As at July 01, 2019	Addition / (Deletion) During the	As at June 30, 2020		As at July 01, 2019	For the Year	As at June 30, 2020	
Software	134,500	-	134,500	30	106,961	8,262	115,222	19,278
Total Rupees - 2020	134,500	-	134,500		106,961	8,262	115,222	19,278
Total Rupees - 2019	134,500	-	134,500		95,158	11,803	106,961	27,539

		Note	2020 Rupees	2019 Rupees
5	**SHORT TERM INVESTMENT**			
	Telenor term deposits		10,853,000	10,853,000
	Bank Al Habib		17,500,000	-
	Accrued profit		229,472	830,363
			28,582,472	**11,683,363**
6	**OTHER RECEIVABLES**			
	Advance against expense		9,033	31,481
	Advance Against repair and maintenance		10,000	10,000
			19,033	**41,481**
7	**CASH & BANK BALANCES**			
	Cash in hand		17,358	39,107
	Cash at banks-current accounts		913,562	216,012
			930,920	**255,119**
8	**ENDOWMENT FUNDS**			
	Opening Balance		10,853,799	10,252,873
	Fund received from donor	8.1	500,000	600,926
	Closing balance		11,353,799	10,853,799

8.1 Saran Educational Trust passed the Board of resolution on dated 15-06-2017 for establishing Endowment Fund

9	**DONATION NON-REVENUE**			
	Non-Revenue Donation		22,209,366	-
	Less:			-
	Ration Charges		(365,400)	-
	Building Construciton		(5,791,500)	-
	Donation Non-Revenue after Deducton		16,052,466	-
	Trasnfer to CWIP		5,791,500	-
	Net Donation Non-Revenue		**21,843,966**	-

9.1

These donation pertain specifically to construction & ration & then transferred to CWIP

10	**ACCOUNTS PAYABLE & OTHER LAIBILITIES**			
	Account payable		14,739,443	14,654,830
	Other payable		65,695	77,252
	Accrued utility expense		59,154	59,154
	Withholding tax payable		27,012	1,441
			14,891,304	**14,792,677**

Sadia Sunsari

11 DONATION

Donation for construction	-	1,333,750
Donation financial assistance	12,577,777	13,665,708
Other donation	194,000	31,000
	12,771,777	**15,030,458**

12 OTHER INCOME

Other Income	1,761,150	1,060,264
Endowment fund income	1,252,750	892,275
	3,013,900	**1,952,539**

13 Administrative Expense

Salaries	1,272,636	-
10% utilities	139,005	-
	1,411,641	-

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 expenses pertains to 3.38% of total expenditure of the trust for the current year.

14 Operating Expense

Salaries	28.051.970	25.896.902
Rent, rate & taxes	337.400	1.588.500
Utilities	1.251.041	1.371.172
Printing & publications	15.000	59.860
Advertisement	1.750	-
Stationery	667.783	480.436
Repair & maintenance - school	1.133.352	987.566
Software	134.336	132.000
EOBI	158.400	640.918
SESSI	687.628	172.800
Training & development	638.227	341.027
Legal & professional charges	12.000	12.500
Property tax	172.419	-
Conveyance	133.679	95.978
Entertainment	85.782	124.543
Transportation	1.134.788	418.700
Bank charges	6.418	8.220
Depreciation & Amortization	2.678.046	2.975.318
Fee write off	168.750	354.950
Security service charges	1.455.535	1.706.125
Advance Tax	577.696	-
Others	853.919	922.079
	40,355,918	38,289,594

15 GENERAL

Figures have been rounded off to nearest rupee

Managing Trustee | Secretary | Treasurer