FEROZ AZIZ & COMPANY

Chartered Accountants

211, Business Arcade,
Block 6, P.E.C.H.S,
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THE SARAN EDUCATIONAL TRUST
(SET)

ACCOUNTS FOR THE YEAR ENDED
June 30, 2021

FEROZ AZIZ & COMPANY
Chartered Accountants

211, Business Arcade,
Block 6, P.E.C.H.S,
Shahrah-e-Faisal,
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Telephone : (92-21) 34382086-87
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AUDITORS' REPORT

We have examined the annexed balance sheet of **The Set School** as at June 30, 2021 and related income & expenditure account for the year ended June 30, 2021 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.

FEROZ AZIZ & COMPANY CHARTERED ACCOUNTANTS KARACHI

December 30, 2021
Karachi

CHARTERED ACCOUNTANTS

THE SARAN EDUCATIONAL TRUST (SET)
STATEMENT OF FINANCIAL POSITION
AS ON JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non-current assets			
Fixed assets	3	26,557,943	27,609,341
Intangible assets	4	13,494	19,278
CWIP		26,797,916	5,791,500
		53,369,353	33,420,119
Current assets			
Fee receivables		627,740	2,124,320
Loan to employees		23,500	34,250
Advance Tax		-	-
Short term investment	5	15,919,321	28,582,472
Other receivables	6	22,330	19,033
Cash & bank balances	7	2,083,488	930,920
		18,676,379	31,690,995
Total assets		72,045,732	65,111,113
GENERAL FUNDS AND LIABILITIES			
General fund			
Opening balance		11,447,501	14,648,384
Deficit for the year		(233,613)	(3,200,884)
		11,213,888	11,447,501
Endowment fund	8	11,453,799	11,353,799
Non-Revenue Donation	9	28,184,942	21,843,966
		50,852,629	44,645,266
Current liabilities			
Salary & security deposit payable		4,543,842	4,593,844
Student security deposit payable		1,693,580	978,000
Advance fee		43,150	2,700
Accounts payable & other liabilities	10	14,912,532	14,891,304
		21,193,104	20,465,848
Total general funds and liabilities		72,045,732	65,111,113

The annexed notes from 1-15 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, 2021

		2021 Rupees	2020 Rupees
Revenue			
Fee		23,839,676	22,780,998
Donations under revenue	11	17,242,617	12,771,777
Other	12	2,082,481	3,013,900
		43,164,774	38,566,675
Expenditures			
Administrative Expense	13	1,507,822	1,411,641
Operating Expense	14	41,890,565	40,355,918
Total expenditure for the year		43,398,387	41,767,559
Net deficit transferred to general fund		**(233,613)**	**(3,200,884)**

The annexed notes from 1-15 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, 2021

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 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 campuses at C-70, Block 10, Federal B Area, Karachi & ST-1 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 month's depreciation is charged in the month of addition whereas no depreciation is charged in the month 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 Income and Expenditures

These are recorded on accrual basis

2.5 Donations

Donations in Kind, if received, are recorded at their fair market value.

3 **FIXED ASSETS**

Particulars	Cost			Rate %	Depreciation			Written Down Value as on June 30, 2021
	As at July 01, 2020	Addition / (Deletion) During the Year	As at June 30, 2021		As at July 01, 2020	For the Year	As at June 30, 2021	
Land	4,597,830	-	4,597,830	-	-	-	-	4,597,830
Building	34,819,749	-	34,819,749	5	15,143,235	983,826	16,127,061	18,692,688
Furniture & fixture	3,486,982	-	3,486,982	10	1,244,511	224,247	1,468,758	2,018,224
Montessori equipment	83,197	-	83,197	25	83,068	32	83,100	97
Baby swing	142,000	-	142,000	10	75,604	6,640	82,244	59,756
Studio Equipment	-	173,629.00	173,629	10	0	13,815	13,815	159,814
Computer	1,132,843	57,590.00	1,190,433	35	956,700	70,049	1,026,749	163,684
Office equipment	759,947	109,948.00	869,895	20	510,398	61,864	572,262	297,633
Computer lab	90,500	-	90,500	10	79,497	1,100	80,597	9,903
Digital camera & printer	105,090	-	105,090	10	87,429	1,766	89,195	15,895
Generator	102,500	-	102,500	20	81,004	4,299	85,303	17,197
UPS	768,720	32,820.00	801,540	10	218,571	58,297	276,868	524,672
Total Rupees - 2021	**46,094,358**	**-**	**46,468,345**		**18,485,017**	**1,425,935**	**19,910,952**	**26,557,943**
Total Rupees - 2020	**45,803,417**	**290,946**	**46,094,358**		**15,815,233**	**2,669,784**	**18,485,017**	**27,609,341**

3.1 The depreciation rate of building has been changed from 10% to 5%.

4 **INTANGIBLE ASSETS**

Particulars	Cost			Rate %	Depreciation			Written Down Value as on June 30, 2021
	As at July 01, 2020	Addition / (Deletion) During the Year	As at June 30, 2021		As at July 01, 2020	For the Year	As at June 30, 2021	
Software	134,500	-	134,500	30	115,222	5,783	121,006	13,494
Total Rupees - 2021	**134,500**	**-**	**134,500**		**115,222**	**5,783**	**121,006**	**13,494**
Total Rupees - 2020	**134,500**	**-**	**134,500**		**106,961**	**8,262**	**115,222**	**19,278**

			2021 Rupees	2020 Rupees
5	**SHORT TERM INVESTMENT**			
	Telenor term deposits		10,853,000	10,853,000
	Bank Al Habib term deposits		4,500,000	17,500,000
	Accrued profit		566,321	229,472
			15,919,321	**28,582,472**
6	**OTHER RECEIVABLES**			
	Advance against expense		18,389	9,033
	Advance Against R & M		3,020	10,000
	WHT Receivable		921	-
			22,330	**19,033**
7	**CASH & BANK BALANCES**			
	Cash in hand		17,358	17,358
	Cash at banks-current accounts		2,066,130	913,562
			2,083,488	**930,920**
8	**ENDOWMENT FUNDS**			
	Opening Balance		11,353,799	10,853,799
	Fund received from donor	8.1	100,000	500,000
	Closing balance		11,453,799	11,353,799
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		6,428,376	22,209,366
	Less:			
	Ration Charges		(87,400)	(365,400)
	Building Construction		(21,006,416)	(5,791,500)
	Donation Non-Revenue after Deduction		(14,665,440)	16,052,466
	Transfer to CWIP		21,006,416	5,791,500
	Net Donation Non-Revenue		**28,184,942**	**21,843,966**
9.1	These donations specifically pertain to construction and ration. The amount of building construction donation is transferred to CWIP			
10	**ACCOUNTS PAYABLE & OTHER LAIBILITIES**			
	Account payable		14,784,495	14,739,443
	Other payable		-	65,695
	Accrued utility expense		59,154	59,154
	Withholding tax payable		68,883	27,012
			14,912,532	**14,891,304**
11	**DONATIONS**			
	Donations financial assistance		17,070,617	12,577,777
	Other donations		172,000	194,000
			17,242,617	**12,771,777**
12	**OTHER INCOME**			
	Other Income		181,250	1,761,150
	Endowment fund income		1,901,231	1,252,750
			2,082,481	**3,013,900**

13 **ADMINISTRATIVE EXPENSE**

Salaries	1,357,297	1,272,636
10% utilities	150,525	139,005
	1,507,822	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 3.47% (2020:3.38%) of total expenditure of the trust for the current year.

14 **OPERATING EXPENSE**

Payroll	14.1	31.206.055	28.897.998
Rent, rate & taxes		136.811	337.400
Utilities		1.354.724	1.251.041
Printing & publications		26.250	15.000
Advertisement		-	1.750
Stationery		747.365	667.783
Repair & maintenance - school		756.420	1.133.352
Software		158.890	134.336
Training & development		-	638.227
Legal & professional charges		2.625	12.000
Property tax		-	172.419
Conveyance		-	133.679
Canteen & Housekeeping		524.646	85.782
Transportation		816.018	1.134.788
Bank charges		5.599	6.418
Depreciation & Amortization		1.431.174	2.678.046
Fees written off		2.488.480	168.750
Security service charges		1.514.843	1.455.535
Advance Tax		237.549	577.696
Others		483.116	853.919
		41,890,565	40,355,918

PAYROLL

14.1

Salaries	30,042,213	28,051,970
EOBI	740,772	687,628
SESSI	423,070	158,400
	31,206,055	28,897,998

15 **GENERAL**

Figures have been rounded off to nearest rupee

Managing Trustee **Secretary** **Treasurer**