

**RIAZ AHMAD & COMPANY**  
Chartered Accountants

**SHIFA TAMEER-E-MILLAT UNIVERSITY**

**FINANCIAL STATEMENTS WITH  
ACCOMPANYING INFORMATION**

**AUDIT FOR THE YEAR ENDED**

**30 JUNE 2014**



**AUDITORS' REPORT TO THE SENATE**

We have audited the annexed balance sheet of SHIFA TAMEER-E-MILLAT UNIVERSITY ("the University") as at 30 June 2014 and the related income and expenditure account, cash flow statement and statement of changes in funds together with the notes forming part thereof (here-in-after referred to as the financial statements for the year then ended).

It is the responsibility of the University's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 used and significant estimates made by the management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of SHIFA TAMEER-E-MILLAT UNIVERSITY as at 30 June 2014 and of its surplus, cash flows and changes in funds for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

*Riaz Ahmad & Company*

RIAZ AHMAD & COMPANY *Riaz*  
Chartered Accountants

Name of engagement partner: Atif Bin Arshad

Date: 14 JUL 2015

Islamabad


SHIFA TAMEER-E-MILLAT UNIVERSITY

BALANCE SHEET AS AT 30 JUNE 2014

	NOTE	2014 Rupees	2013 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Operating fixed assets	3	75,300,562	60,635,099
Intangible asset	4	406,040	444,932
Current account with Shifa Foundation - net	5	18,233,719	18,237,247
Long term Investments	6	14,850,408	-
Long term deposits		991,042	491,042
		<u>109,781,771</u>	<u>79,808,320</u>
<b>CURRENT ASSETS</b>			
Fees receivable	7	21,810,644	27,168,999
Stores and spares	8	13,413,596	12,351,509
Advances and prepayments	9	4,244,783	6,309,392
Other receivables	10	4,567,485	3,011,182
Cash and bank balances	11	180,718,961	136,913,235
		<u>224,755,469</u>	<u>185,754,317</u>
<b>TOTAL ASSETS</b>		<u><u>334,537,240</u></u>	<u><u>265,562,637</u></u>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
General fund		(8,209,938)	(26,908,864)
Fair value reserve		4,827,766	-
		<u>(3,382,172)</u>	<u>(26,908,864)</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred grants	12	13,682,669	8,812,271
Students' security deposits	13	16,619,536	12,897,695
Provision for gratuity	14	89,903,077	57,661,681
		<u>120,205,282</u>	<u>79,371,647</u>
<b>CURRENT LIABILITIES</b>			
Fee received in advance	15	167,821,892	156,595,526
Current portion of students' security deposits	13	2,350,000	2,523,000
Accrued and other liabilities	16	44,104,626	32,598,826
Due to Shifa International Hospitals Limited - related party		3,437,612	21,382,502
		<u>217,714,130</u>	<u>213,099,854</u>
<b>TOTAL LIABILITIES</b>		<u><u>337,919,412</u></u>	<u><u>292,471,501</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL FUND AND LIABILITIES</b>		<u><u>334,537,240</u></u>	<u><u>265,562,637</u></u>

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

  
 ✓ CHANCELLOR


  
 TREASURER

**SHIFA TAMEER-E-MILLAT UNIVERSITY**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	NOTE	2014 Rupees	2013 Rupees
<b>INCOME</b>			
Educational fees	18	412,764,460	354,947,039
Laboratory and other charges		2,129,745	2,108,937
Donations	17	62,467,463	-
Other income	19	9,147,976	9,373,513
		<u>486,509,644</u>	<u>366,429,489</u>
<b>EXPENSES</b>			
Salaries, allowances and other benefits		320,309,948	228,297,216
Travelling and conveyance		213,635	470,637
Repair and maintenance		4,059,242	3,433,837
Rent		40,489,115	31,218,828
Printing and stationery		4,501,649	2,831,462
Utilities		13,774,246	10,920,765
Trainings and workshops		479,919	5,620
Vehicles running		1,916,217	1,527,892
Falahee clinic support cost - net		13,617,217	20,070,818
Out patient clinic support cost		85,264	237,970
Affiliation and inspection fee		1,600,000	1,800,000
Students' awards and convocation		2,331,762	1,498,535
Auditors' remuneration		140,000	115,000
Insurance		5,183,567	6,412,914
Advertisement		3,427,392	1,724,003
Fee and subscription		66,972	1,321,519
Education development		298,846	92,500
Hostel		24,981,950	22,582,594
Examination		5,820,919	5,104,188
PCR laboratory		3,449,600	2,495,781
Legal and professional		3,860,320	570,223
Depreciation	3	13,048,150	13,698,743
Amortization of intangible asset	4	176,392	277,040
Loss on acquisition of colleges		-	33,474,183
Bank charges		51,802	37,909
Miscellaneous		3,926,594	3,118,176
		<u>467,810,718</u>	<u>393,338,353</u>
<b>SURPLUS / (DEFICIT) FOR THE YEAR TRANSFERRED TO GENERAL FUND</b>		<u>18,698,926</u>	<u>(26,908,864)</u>

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

  
 V. CHANCELLOR

  
 TREASURER

**SHIFA TAMEER-E-MILLAT UNIVERSITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

	2014 Rupees	2013 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus / (Deficit) for the year	18,698,926	(26,908,864)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	13,048,150	13,698,743
Gratuity expense	38,034,916	17,522,367
Amortization of intangible assets	176,392	277,040
Loss on acquisition of colleges	-	33,474,183
Gain on sale of operating fixed asset	-	(310,000)
<b>Cash generated from operations before working capital changes</b>	<b>69,958,384</b>	<b>37,753,469</b>
<b>Working capital changes</b>		
<b>Decrease / (Increase) in current assets</b>		
Fees receivable	5,358,355	(685,884)
Stores and spares	(1,062,087)	(3,468,391)
Due from Shifa Foundation	3,528	1,644,714
Advances and prepayments	2,064,609	(1,820,346)
Other receivables	(957,885)	223,525
<b>Increase / (Decrease) in current liabilities</b>		
Fee received in advance	11,226,366	31,116,822
Accrued and other liabilities	11,505,800	12,567,828
Due to Shifa International Hospitals Limited - related party	(17,944,890)	17,651,416
<b>Cash generated from operations</b>	<b>10,193,796</b>	<b>57,229,683</b>
Income tax paid	(598,418)	(2,095,995)
Gratuity paid	(5,793,520)	(8,848,543)
<b>Net cash generated from operating activities</b>	<b>73,760,242</b>	<b>84,038,615</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of operating fixed assets	(38,063,613)	(25,647,521)
Purchase of long term investment	(10,022,642)	-
Purchase of intangible assets	(137,500)	(133,500)
Proceeds from sale of operating fixed asset	-	310,000
Long term deposits	(500,000)	(2,000)
<b>Net cash used in investing activities</b>	<b>(48,723,755)</b>	<b>(25,473,021)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Grants received	15,220,398	19,212,271
Students' security deposits	3,548,841	620,548
<b>Net cash generated from financing activities</b>	<b>18,769,239</b>	<b>19,832,819</b>
<b>Net increase in cash and cash equivalents</b>	<b>43,805,726</b>	<b>78,398,413</b>
Cash and cash equivalents transferred in	-	58,514,822
<b>Cash and cash equivalents at the beginning of the year</b>	<b>136,913,235</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>180,718,961</b>	<b>136,913,235</b>

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

  
 CHANCELLOR

  
 TREASURER

SHIFA TAMEER-E-MILLAT UNIVERSITY  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED 30 JUNE 2014

General fund	Fair value reserve	Total
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----- Rupees -----

Balance as at 01 July 2012	-	-	-
Deficit for the year	(26,908,864)	-	(26,908,864)
Balance as at 01 July 2013	(26,908,864)	-	(26,908,864)
Surplus for the year	18,698,926	-	18,698,926
Gain on remeasurement of available for sale investment	-	4,827,766	4,827,766
Balance as at 30 June 2014	(8,209,938)	4,827,766	(3,382,172)

The annexed notes form an integral part of these financial statements. *2014*

  
CHANCELLOR

  
TREASURER

# SHIFA TAMEER-E-MILLAT UNIVERSITY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

### 1. THE UNIVERSITY AND ITS ACTIVITIES

Shifa Tameer-e-Millat University, ("the University") was established vide The Shifa Tameer-e-Millat University Act, 2012 dated March 06, 2012 and is being managed by Senate Members. All the assets, liabilities, proceedings and undertakings of Shifa College of Medicine and Shifa College of Nursing were transferred to and vested in Shifa Tameer-e-Millat University on 01 July 2012. The University is currently providing high quality education in the field of medicine and nursing with special emphasis on Islamic Medical Ethics. The Shifa Tameer-e-Millat University is located at H-8/4, Islamabad.

The financial statements of the University also include the financial statements of the Shifa Tameer-e-Millat University - Endowment Fund.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the 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

These financial statements have been prepared under the historical cost convention.

##### (a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Medium - Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan.

##### (b) Accounting convention

These accounts have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given hereunder.

##### (c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards for Medium - Sized Entities issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets. However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

#### 2.2 Foreign exchange

Foreign currency transactions are recorded at the exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into Rupees using exchange rates applicable at the balance sheet date. All gains and losses on settlement and translation at year end are recognized in the income statement.



### 2.3 Retirement benefits

The University operates an unfunded gratuity scheme for its employees who have completed the qualifying period as defined under the respective scheme.

The amount of liability of each employee at year end is computed by number of years completed as prescribed in the scheme multiplied by the last drawn monthly gross salary. The difference between the current and the previous liability is charged to income statement as expense for the year.

### 2.4 Taxation

No provision for taxation has been provided in these financial statements as the University is exempt from tax under clause (58A) of Part 1 of Second Schedule of the Income Tax Ordinance, 2001.

### 2.5 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises acquisition 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 University and the cost of the item can be measured reliably.

Depreciation is charged to income and expenditure account on reducing balance method. Depreciation on additions to operating fixed assets is charged from the month in which an item is put to use while no depreciation is charged from the month in which the item is derecognized / disposed off.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income and expenditure account in the year the asset is derecognized.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant. Gains and losses on disposal of fixed assets are included in income and expenditure account currently.

Maintenance and repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off. Gains and losses on disposal of assets, if any, are included in income and expenditure account currently.

### 2.6 Intangible assets

These are stated at cost less accumulated amortization and accumulated impairment losses, if any. The amortizable amount of intangible asset is amortized on a systematic basis over the estimated useful life using the reducing balance method.

### 2.7 Impairment of assets

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property and equipment, long term investments and short term investments. In the event that an asset's carrying amount exceeds its recoverable amount and an impairment loss is recognized in the income statement. Previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of depreciation), had no impairment losses been recognized for the asset in the prior years. Reversal of impairment loss is restricted to the original cost of the asset.

### 2.8 Investment

Classification of 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. Investments are initially measured at fair value plus transaction cost directly attributable to the acquisition.





### Available for sale

Investment which are classified as available for sale are measured at fair value. Gain or Loss on these investments is recognized directly in reserve until the investment is sold, derecognized or is determined to be impaired at which the cumulative gain or loss previously reported in reserve is included in income and expenditure account. Upon impairment, gain / loss including that had been previously recognized directly in reserve is included in income and expenditure account for the year.

### 2.9 Revenue recognition

- (i) Income from the University fee is recognized over the period of instruction. Revenue from the admission fee is recognized at the time of admission;
- (ii) Donations, zakat and patient income are recognized on actual receipt basis;
- (iii) Return on investments and profit on bank deposits is recognized on a time proportion basis taking into account the principal outstanding and the interest rate applicable;
- (iv) Dividend income is recognized when the shareholder's right to receive payment is established;
- (v) Capital grants are taken to income to the extent the related assets are depreciated; and
- (vi) Tuition fee and hostel fee received in advance are deferred and recognized as income in the related financial year.

### 2.10 Stores and spares

These are valued at lower of cost and net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

### 2.11 Other receivables

Other receivables are recognized and carried at original invoice amount / cost less any allowance for any uncollectible amount.

### 2.12 Deferred grants

Capital grants received / used for acquisition of property and equipment are deferred and recognized as income in income and expenditure account to the extent the related item of property and equipment is depreciated over its useful life.

### 2.13 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost . Cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts.

### 2.14 Off-setting

Financial assets and financial liabilities are off-set and the net amount is reported in the balance sheet, if the University has a legally enforceable right to set-off the recognized amounts and the University intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

### 2.15 Financial instruments

Financial assets and liabilities are recognized when the University becomes a party to the contractual provisions of the instrument, the particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The University derecognizes the financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments. The University recognizes the regular way purchase or sale of financial assets using settlement date accounting.

### 2.16 Accrued and other liabilities

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.



	NOTE	2014 Rupees	2013 Rupees
3 Operating fixed assets	3.1	96,050,562	71,035,099
Less: Grant received for purchase of land			
Opening balance		(10,400,000)	-
Received during the year	12	(10,350,000)	(10,400,000)
		(20,750,000)	(10,400,000)
<b>3.1 OPERATING FIXED ASSETS</b>		<b>75,300,562</b>	<b>60,635,099</b>

	Land	Computer equipment	Furniture and fixture	Electrical equipment	Office equipment	Vehicles	Lab equipment	Museum	Audio visual equipment	Library books	Mortuary room	Medical equipment	Total
Rupees													
At 01 July 2012													
Opening net book value	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	10,400,000	2,918,016	4,376,183	2,060,073	1,589,229	-	2,568,321	-	781,000	602,599	-	352,100	25,647,521
Transfer in:													
Cost	-	28,016,744	25,185,379	9,418,977	4,300,988	11,314,360	28,229,006	2,391,469	8,121,347	7,068,794	331,744	9,433,275	133,812,083
Accumulated depreciation	-	(19,623,760)	(10,207,540)	(3,914,618)	(2,470,111)	(7,598,172)	(18,951,643)	(1,567,563)	(4,271,570)	(1,689,742)	(223,618)	(4,207,425)	(74,725,762)
Disposals:													
Cost	-	8,392,984	14,977,839	5,504,359	1,830,877	3,716,188	9,277,363	823,906	3,849,777	5,379,052	108,126	5,225,850	59,086,321
Accumulated depreciation	-	-	-	-	-	(351,000)	-	-	-	-	-	-	(351,000)
Depreciation charge	-	(4,357,139)	(1,858,290)	(735,179)	(586,903)	(858,852)	(2,544,862)	(91,212)	(1,010,615)	(295,109)	(12,000)	(1,348,582)	(13,698,743)
Closing net book value	10,400,000	6,953,861	17,495,732	6,829,253	2,833,203	2,857,336	9,300,822	732,694	3,620,162	5,686,542	96,126	4,229,368	71,035,099
At 30 June 2013													
Cost	10,400,000	30,934,760	29,561,562	11,479,050	5,890,217	10,963,360	30,797,327	2,391,469	8,902,347	7,671,393	331,744	9,785,375	159,108,604
Accumulated depreciation	-	(23,980,899)	(12,065,830)	(4,649,797)	(3,057,014)	(8,106,024)	(21,496,505)	(1,658,775)	(5,282,185)	(1,984,851)	(235,618)	(5,556,007)	(88,073,505)
Net book value	10,400,000	6,953,861	17,495,732	6,829,253	2,833,203	2,857,336	9,300,822	732,694	3,620,162	5,686,542	96,126	4,229,368	71,035,099
Opening net book value	10,400,000	6,953,861	17,495,732	6,829,253	2,833,203	2,857,336	9,300,822	732,694	3,620,162	5,686,542	96,126	4,229,368	71,035,099
Additions	10,350,000	6,204,092	5,160,703	2,101,380	1,090,035	6,719,750	1,938,432	898,000	447,620	2,110,736	-	1,042,865	38,063,613
Depreciation charge	-	(4,154,926)	(2,050,871)	(796,227)	(671,604)	(986,248)	(2,153,623)	(92,293)	(837,088)	(352,804)	(9,612)	(942,854)	(13,048,150)
Closing net book value	20,750,000	9,003,027	20,605,564	8,134,406	3,251,634	8,590,838	9,085,631	1,538,401	3,230,694	7,444,474	86,514	4,329,379	96,050,562
At 30 June 2014													
Cost	20,750,000	37,138,852	34,722,265	13,580,430	6,980,252	17,683,110	32,735,759	3,289,469	9,349,967	9,782,129	331,744	10,828,240	197,172,217
Accumulated depreciation	-	(28,135,825)	(14,116,701)	(5,446,024)	(3,728,618)	(9,092,272)	(23,650,128)	(1,751,068)	(6,119,273)	(2,337,655)	(245,230)	(6,498,861)	(101,121,655)
Net book value	20,750,000	9,003,027	20,605,564	8,134,406	3,251,634	8,590,838	9,085,631	1,538,401	3,230,694	7,444,474	86,514	4,329,379	96,050,562
Annual rate of depreciation (%)		33	10	10	20	20	20	10	20	5	10	20	

					2014 Rupees	2013 Rupees
4	<b>INTANGIBLE ASSET</b>					
	Computer software					
	Opening net book value				444,932	-
	Additions				137,500	133,500
	Transfer in				-	588,472
	Amortization				(176,392)	(277,040)
	Closing net book value				<u>406,040</u>	<u>444,932</u>
	Cost as at 30 June				859,472	721,972
	Accumulated amortization				(453,432)	(277,040)
					<u>406,040</u>	<u>444,932</u>
	Amortization rate - per annum				33%	33%
5	<b>CURRENT ACCOUNT WITH SHIFA FOUNDATION - NET</b>					
	Receivable against Falahee Clinic - Islamabad				20,122,908	20,126,436
	Less: Loan from Shifa Foundation				(1,889,189)	(1,889,189)
					<u>18,233,719</u>	<u>18,237,247</u>
6	<b>LONG TERM INVESTMENT - AVAILABLE FOR SALE</b>					
		30 June 2014			30 June 2013	
		Units	Cost Rupees	Fair value Rupees	Units	Cost Rupees
						Fair value Rupees
	<b>ENDOWMENT FUND INVESTMENT</b>					
	National Investment Trust Limited	244,693	10,022,642	14,850,408	-	-
	Add: Fair value adjustment		4,827,766	-		-
			<u>14,850,408</u>	<u>14,850,408</u>		<u>-</u>
						<u>-</u>
					2014 Rupees	2013 Rupees
				NOTE		
7	<b>FEES RECEIVABLE</b>					
	From:					
	Students				13,173,716	12,232,511
	Qazi Foundation			7.1	2,048,488	1,980,988
	Shifa International Hospitals Limited - related party			7.1	6,205,640	12,900,000
	Insha Foundation			7.1	-	55,500
	KPK (PHSA)			7.1	382,800	-
					<u>21,810,644</u>	<u>27,168,999</u>
7.1	These represent the fees against students sponsored by Qazi Foundation, Shifa International Hospitals Limited, Insha Foundation and Khyber Pakhtunkhwa (Provisional Health Science Academy).					
8	<b>STORES AND SPARES</b>					
	Stores and spares				12,115,953	11,284,625
	Other stores				1,297,643	1,066,884
					<u>13,413,596</u>	<u>12,351,509</u>
9	<b>ADVANCES AND PREPAYMENTS</b>					
	Advances to:					
	Employees				1,078,939	908,872
	Potohar Mental Association				10,000	10,000
					<u>1,088,939</u>	<u>918,872</u>
	Prepaid rent				2,719,468	5,322,413
	Prepaid insurance				436,376	68,107
					<u>4,244,783</u>	<u>6,309,392</u>

	NOTE	2014 Rupees	2013 Rupees
<b>10 OTHER RECEIVABLES</b>			
Advance income tax		2,694,410	2,095,992
Accrued income on deposit accounts		1,873,075	910,338
Others		-	4,852
		<u>4,567,485</u>	<u>3,011,182</u>
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		228,341	28,055
Cash at bank:			
Deposit accounts			
Local currency	11.1	91,417,616	115,143,516
Foreign currency	11.2	89,065,212	21,733,872
		180,482,828	136,877,388
Current accounts			
Local currency		7,792	7,792
		<u>180,718,961</u>	<u>136,913,235</u>

11.1 It includes an amount of Rupees 40,317,632 related to Endowment fund.

11.2 It includes US Dollars 811,355 (2013: 213,773), EUROs 5,238 (2013: 5,243) and GBPs 2.56 (2013: 2.56).

	2014 Rupees		2013 Rupees	
	Development of Library	Purchase of land	Total	Total
	Rupees			
Opening balance	1,500,000	7,312,271	8,812,271	-
Grants received during the year	-	15,220,398	15,220,398	19,212,271
Less: Land purchased during the year (Note 3)	-	(10,350,000)	(10,350,000)	(10,400,000)
	<u>1,500,000</u>	<u>12,182,669</u>	<u>13,682,669</u>	<u>8,812,271</u>

	NOTE	2014 Rupees	2013 Rupees
<b>13 STUDENTS' SECURITY DEPOSITS</b>			
Students' security deposits	13.1	18,969,536	15,420,695
Less: Current portion shown under current liabilities		(2,350,000)	(2,523,000)
		<u>16,619,536</u>	<u>12,897,695</u>

13.1 It represents security deposits received from students and are repayable to students upon leaving the University after deduction of any amount due from them.

<b>14 PROVISION FOR GRATUITY</b>			
Balance at the beginning of the year		57,661,681	-
Transferred in		-	48,987,857
Charge for the year		38,034,916	17,522,367
Payments for the year		(5,793,520)	(8,848,543)
Net liability at the end of the year		<u>89,903,077</u>	<u>57,661,681</u>

<b>15 FEE RECEIVED IN ADVANCE</b>			
Tuition fee		151,586,867	134,855,600
Hostel fee		10,150,025	10,421,426
Exam fee		-	4,418,500
Extracurricular fee		4,060,000	4,600,000
Library fee		2,025,000	2,300,000
		<u>167,821,892</u>	<u>156,595,526</u>

<b>16 ACCRUED AND OTHER LIABILITIES</b>			
Payable to vendors		11,363,315	9,727,690
Withholding tax payable		4,294,551	2,059,042
Accrued liabilities		22,590,073	18,084,795
Payable to Endowment Fund		-	1,000,050
Other payables		5,856,687	1,727,249
		<u>44,104,626</u>	<u>32,598,826</u>

	NOTE	2014 Rupees	2013 Rupees
<b>17 DONATIONS</b>			
<b>From related parties</b>			
<b>In cash</b>			
Shifa International Hospitals Limited		18,411,423	-
Shifa Foundation		16,000,000	-
Tameer-e-Millat Foundation		15,000,000	-
Others		1,006,038	-
		<u>50,417,461</u>	<u>-</u>
<b>In kind</b>			
Tameer-e-Millat Foundation	17.1	10,017,790	-
		<u>10,017,790</u>	<u>-</u>
<b>From others</b>			
<b>In cash</b>		2,027,360	-
<b>In kind</b>		4,852	-
		<u>2,032,212</u>	<u>-</u>
		<u>62,467,463</u>	<u>-</u>

17.1 It represents 227,992 units of National Investment Trust (NIT) transferred by Tameer-e-Millat Foundation at the prevailing market rate of Rupees 44 per unit.

<b>18 EDUCATIONAL FEES</b>			
Tuition fee		332,004,078	296,176,362
Admission fee		9,072,100	8,494,200
Application fee		11,557,757	5,949,540
Examination fee		13,337,225	11,373,700
Administrative charges		323,000	390,000
Hostel income		28,532,918	21,602,690
Medical checkup		1,066,650	650,700
Clinical fee		2,933,363	-
Library fee		4,058,363	1,950,000
Extracurricular fee		8,136,727	3,900,000
Others		1,742,279	4,459,847
		<u>412,764,460</u>	<u>354,947,039</u>
<b>19 OTHER INCOME</b>			
Profit on deposit accounts		5,208,077	4,716,553
Profit on Investments		1,121,917	2,187,249
Exchange gain		1,243,344	1,103,850
Gain on disposal of property and equipment		-	310,000
Prospectus sale		1,092,200	636,700
Miscellaneous		482,438	419,161
		<u>9,147,976</u>	<u>9,373,513</u>

**20 RELATED PARTY TRANSACTIONS**

The related parties comprise of Shifa International Hospitals Limited (SIH), Tameer-e-Millat Foundation and Shifa Foundation, their close relatives and the staff retirement plan. Detail of transactions with related parties other than those which have been specially disclosed elsewhere in the financial statements during the year, are as follows:

	2014 Rupees	2013 Rupees
<b>Shifa International Hospitals Limited</b>		
- Rent and utilities	32,484,369	30,894,232
- Charge against services provided to Patients of Falahee Clinic	15,520,198	14,662,167
- Deficit Financing for Shifa College of Nursing	6,234,350	-
- Donation	18,000,000	-
<b>Tameer-e-Millat Foundation</b>		
- Donation	15,000,000	-
- Transfer of National Investment Trust Units	10,017,790	-
<b>Shifa Foundation</b>		
- Donation	16,000,000	-

21 TAXATION

No provision for taxation has been provided in these financial statements as the University is exempt from tax under clause (58A) of Part 1 of Second Schedule of The Income Tax Ordinance, 2001.

22 DATE OF AUTHORIZATION FOR ISSUE

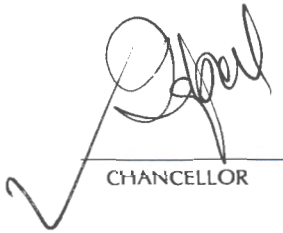
These financial statements were authorized for issue on 29 JUN 2015 by the Senate of the University.

23 CORRESPONDING FIGURES

No significant change / rearrangement of corresponding figures has been made.

24 GENERAL

Figures in these financial statements have been rounded off to the nearest Rupee. *Per*



CHANCELLOR



TREASURER