

INDEPENDENT AUDITOR'S REPORT TO THE SENATE

We have audited the accompanying financial statements of SHIFA TAMEER-E-MILLAT UNIVERSITY ("the University"), which comprise the balance sheet as at 30 June 2015, and the income and expenditure account, the statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 2015, and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.



RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner: Atif Bin Arshad

Date: **23 JUN 2016**

Islamabad

2-A, ATS Centre, 30-West
Fazal-ul-Haq Road, Blue Area
Islamabad, Pakistan
Telephones (92-51) 227 41 21-2
Fax (92-51) 227 88 59
racoisd@racopk.com
www.racopk.com

RIAZ AHMAD & COMPANY

Chartered Accountants

SHIFA TAMEER-E-MILLAT UNIVERSITY

**FINANCIAL STATEMENTS WITH
ACCOMPANYING INFORMATION**

AUDIT FOR THE YEAR ENDED

30 JUNE 2015



SHIFA TAMEER-E-MILLAT UNIVERSITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 Rupees	2014 Rupees
INCOME			
Fee income	18	482,809,014	412,764,460
Donations	19	19,205,864	62,467,463
Amortization of deferred grants	12	1,632,062	-
Other income	20	11,321,833	9,147,976
		<u>514,968,773</u>	<u>484,379,899</u>
EXPENSES			
Salaries, allowances and other benefits		344,832,437	320,309,948
Travelling and conveyance		357,493	213,635
Repair and maintenance		3,215,349	4,059,242
Rent		42,958,574	40,489,115
Printing and stationery		5,676,972	4,501,649
Utilities		17,991,860	13,774,246
Trainings and workshops		1,253,681	479,919
Vehicles' running		1,747,355	1,916,217
Falahee clinic support cost - net		7,954,794	11,572,736
Affiliation and inspection fee		890,000	1,600,000
Students' awards and convocation		4,187,178	2,331,762
Auditors' remuneration		165,000	140,000
Insurance		5,877,625	5,183,567
Advertisement		4,220,458	3,427,392
Fee and subscription		197,150	66,972
Education development		-	298,846
Hostel		27,383,206	24,981,950
Examination		5,555,600	5,820,919
PCR laboratory		7,879,281	3,449,600
Legal and professional		8,630,834	3,860,320
Depreciation	3.1	12,893,186	13,048,150
Amortization of intangible asset	4	133,993	176,392
Bank charges		904,371	51,802
Exchange loss		6,130,841	-
Store and spares - written off	8	2,843,363	-
Current Account with Shifa Foundation net - written off		8,802,501	-
Miscellaneous		2,487,827	3,926,594
		<u>525,170,929</u>	<u>465,680,973</u>
(DEFICIT) / SURPLUS FOR THE YEAR TRANSFERRED TO GENERAL FUND		<u>(10,202,156)</u>	<u>18,698,926</u>

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


 ✓ CHANCELLOR


 TREASURER

SHIFA TAMEER-E-MILLAT UNIVERSITY

BALANCE SHEET AS AT 30 JUNE 2015

	NOTE	2015 Rupees	2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	3	90,089,348	75,300,562
Intangible asset	4	272,047	406,040
Current account with Shifa Foundation - net	5	-	18,233,719
Long term investment	6	17,030,113	14,850,408
Long term deposits		1,516,442	1,001,042
		<u>108,907,950</u>	<u>109,791,771</u>
CURRENT ASSETS			
Fee receivable	7	16,700,729	21,810,644
Stores and spares	8	6,546,912	13,413,596
Advances and prepayments	9	8,516,145	4,234,783
Other receivables	10	5,395,301	4,567,485
Cash and bank balances	11	197,490,253	180,718,961
		<u>234,649,340</u>	<u>224,745,469</u>
TOTAL ASSETS		<u><u>343,557,290</u></u>	<u><u>334,537,240</u></u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		(18,412,094)	(8,209,938)
Fair value reserve		6,097,519	4,827,766
		<u>(12,314,575)</u>	<u>(3,382,172)</u>
NON-CURRENT LIABILITIES			
Deferred grants	12	17,638,168	13,682,669
Students' security deposits	13	17,893,036	16,619,536
Liabilities against assets subject to diminishing musharaka finance	14	1,245,644	3,400,752
Provision for gratuity	15	114,943,109	89,903,077
		<u>151,719,957</u>	<u>123,606,034</u>
CURRENT LIABILITIES			
Fee received in advance	16	178,847,239	167,821,892
Current portion of students' security deposits	13	4,800,000	2,350,000
Current portion of liabilities against assets subject to diminishing musharaka finance	14	1,370,390	1,532,081
Accrued and other liabilities	17	17,859,721	39,171,793
Due to Shifa International Hospitals Limited - related party		1,274,558	3,437,612
		<u>204,151,908</u>	<u>214,313,378</u>
TOTAL LIABILITIES		<u><u>355,871,865</u></u>	<u><u>337,919,412</u></u>
CONTINGENCIES AND COMMITMENTS			
		-	-
TOTAL FUNDS AND LIABILITIES		<u><u>343,557,290</u></u>	<u><u>334,537,240</u></u>

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



✓ CHANCELLOR



TREASURER

SHIFA TAMEER-E-MILLAT UNIVERSITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) / surplus for the year	(10,202,156)	18,698,926
Adjustments for non-cash charges and other items:		
Dividend income	(909,952)	-
Gratuity expense	32,780,511	38,034,916
Depreciation	12,893,186	13,048,150
Amortization of deferred grants	(1,632,062)	-
Amortization of intangible asset	133,993	176,392
Cash generated from operations before working capital changes	<u>33,063,520</u>	<u>69,958,384</u>
Working capital changes		
Decrease / (increase) in current assets		
Fees receivable	5,109,915	5,358,355
Stores and spares	6,866,684	(1,062,087)
Due from Shifa Foundation	18,233,719	3,528
Advances and prepayments	(4,281,362)	2,064,609
Other receivables	344,081	(957,885)
Increase / (decrease) in current liabilities		
Fee received in advance	11,025,347	11,226,366
Accrued and other liabilities	(21,312,072)	11,505,800
Due to Shifa International Hospitals Limited - related party	(2,163,054)	(17,944,890)
Cash generated from operations	<u>13,823,258</u>	<u>10,193,796</u>
Income tax paid	(1,171,897)	(598,418)
Gratuity paid	(7,740,479)	(5,793,520)
Net cash generated from operating activities	<u>37,974,402</u>	<u>73,760,242</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(31,006,972)	(38,063,613)
Purchase of long term investment	(909,952)	(10,022,642)
Purchase of intangible asset	-	(137,500)
Long term deposits	(515,400)	(500,000)
Dividend received	909,952	-
Net cash used in investing activities	<u>(31,522,372)</u>	<u>(48,723,755)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received	8,912,561	15,220,398
Liabilities against assets subject to diminishing musharaka	(2,316,799)	-
Students' security deposits	3,723,500	3,548,841
Net cash generated from financing activities	<u>10,319,262</u>	<u>18,769,239</u>
Net increase in cash and cash equivalents	<u>16,771,292</u>	<u>43,805,726</u>
Cash and cash equivalents at the beginning of the year	<u>180,718,961</u>	<u>136,913,235</u>
Cash and cash equivalents at the end of the year	<u><u>197,490,253</u></u>	<u><u>180,718,961</u></u>

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 2015

	General fund	Fair value reserve	Total
	----- Rupees -----		
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 01 July 2014	(8,209,938)	4,827,766	(3,382,172)
Deficit for the year	(10,202,156)	-	(10,202,156)
Gain on remeasurement of available for sale investment	-	1,269,753	1,269,753
Balance as at 30 June 2015	(18,412,094)	6,097,519	(12,314,575)

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


✓ CHANCELLOR


TREASURER

SHIFA TAMEER-E-MILLAT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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 06 March, 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 and social sciences 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 the 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 Pak 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 and expenditure account.

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 and expenditure account as expense for the year.

2.4 Taxation

No provision for taxation has been made in these financial statements as the University is allowed one hundred percent tax credit of the total tax payable, including minimum tax and final taxes payable under clause (d) of subsection (2) of Section 100C of The Income Tax Ordinance, 2001 subject to the conditions mentioned therein.

2.5 Operating fixed assets

Owned

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 in use while no depreciation is charged for 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.

Assets subject to diminishing musharaka facility

Assets subject to diminishing musharaka facility are capitalized at the commencement of the facility term at the lower of present value of minimum payments under the facility and the fair value of the assets, each determined at the inception of the facility.

The related rental obligation, net of finance cost, is included in liabilities against assets subject to diminishing musharaka facility. The liability is classified as current and long term depending upon the timing of payments.

Each payment under the facility is allocated between the liability and musharaka charges so as to achieve a constant rate on the balance outstanding. The musharaka charges is charged to income and expenditure account over the term of diminishing musharaka.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to income and expenditure account.

2.6 Intangible asset

These are stated at cost less accumulated amortization and accumulated impairment losses, if any. The cost 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, an impairment loss is recognized in the income and expenditure account. 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

Investments 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 on accrual basis. 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 purchased / 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 uncollectable 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 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.

3 OPERATING FIXED ASSETS

Less: Grants received for purchase of land
Opening balance
Land purchased during the year

NOTE	2015 Rupees	2014 Rupees
3.1	114,164,348	96,050,562
	(20,750,000)	(10,400,000)
12	(3,325,000)	(10,350,000)
	(24,075,000)	(20,750,000)
	<u>90,089,348</u>	<u>75,300,562</u>

3.1 Operating fixed assets

	OWNED ASSETS												Musharaka	Grand Total	
	Land	Computer equipment	Furniture and fixture	Electrical equipment	Office equipment	Vehicles	Lab equipment	Museum	Audio visual equipment	Library books	Mortuary room	Medical equipment	Total		Vehicles
	Rupees														
At 01 July 2013															
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	-	71,035,099
Additions	10,350,000	6,204,092	5,160,703	2,101,380	1,090,035	174,750	1,938,432	898,000	447,620	2,110,736	-	1,042,865	31,518,613	6,545,000	38,063,613
Depreciation charge	-	(4,154,926)	(2,050,871)	(796,227)	(671,604)	(665,288)	(2,153,623)	(92,293)	(837,088)	(352,804)	(9,612)	(942,854)	(12,727,190)	(320,960)	(13,048,150)
Closing net book value	<u>20,750,000</u>	<u>9,003,027</u>	<u>20,605,564</u>	<u>8,134,406</u>	<u>3,251,634</u>	<u>2,366,798</u>	<u>9,085,631</u>	<u>1,538,401</u>	<u>3,230,694</u>	<u>7,444,474</u>	<u>86,514</u>	<u>4,329,379</u>	<u>89,826,522</u>	<u>6,224,040</u>	<u>96,050,562</u>
At 30 June 2014															
Cost	20,750,000	37,138,852	34,722,265	13,580,430	6,980,252	11,138,110	32,735,759	3,289,469	9,349,967	9,782,129	331,744	10,828,240	190,627,217	6,545,000	197,172,217
Accumulated depreciation	-	(28,135,825)	(14,116,701)	(5,446,024)	(3,728,618)	(8,771,312)	(23,650,128)	(1,751,068)	(6,119,273)	(2,337,655)	(245,230)	(6,498,861)	(100,800,695)	(320,960)	(101,121,655)
Net book value	<u>20,750,000</u>	<u>9,003,027</u>	<u>20,605,564</u>	<u>8,134,406</u>	<u>3,251,634</u>	<u>2,366,798</u>	<u>9,085,631</u>	<u>1,538,401</u>	<u>3,230,694</u>	<u>7,444,474</u>	<u>86,514</u>	<u>4,329,379</u>	<u>89,826,522</u>	<u>6,224,040</u>	<u>96,050,562</u>
Opening net book value	20,750,000	9,003,027	20,605,564	8,134,406	3,251,634	2,366,798	9,085,631	1,538,401	3,230,694	7,444,474	86,514	4,329,379	89,826,522	6,224,040	96,050,562
Additions	3,325,000	2,509,215	2,979,550	3,549,127	404,697	378,481	1,569,200	261,240	104,200	2,517,933	-	-	17,598,643	-	17,598,643
Donation received during the year	-	-	-	-	-	-	-	-	-	-	-	3,980,639	3,980,639	-	3,980,639
Transfer in	-	-	2,266,720	888,078	944,617	-	5,131,805	-	-	-	-	15,690,394	24,921,614	-	24,921,614
Cost	-	-	(1,693,645)	(599,237)	(687,758)	-	(4,135,593)	-	-	-	-	(8,377,691)	(15,493,924)	-	(15,493,924)
Accumulated depreciation	-	-	573,075	288,841	256,859	-	996,212	-	-	-	-	7,312,703	9,427,690	-	9,427,690
Depreciation charge	-	(3,319,499)	(2,178,274)	(928,020)	(665,570)	(522,949)	(1,920,319)	(160,371)	(656,809)	(422,040)	(8,651)	(865,876)	(11,648,378)	(1,244,808)	(12,893,186)
Closing net book value	<u>24,075,000</u>	<u>8,192,743</u>	<u>21,979,915</u>	<u>11,044,354</u>	<u>3,247,620</u>	<u>2,222,330</u>	<u>9,730,724</u>	<u>1,639,270</u>	<u>2,678,085</u>	<u>9,540,367</u>	<u>77,863</u>	<u>14,756,845</u>	<u>105,204,477</u>	<u>4,979,232</u>	<u>114,164,348</u>
At 30 June 2015															
Cost	24,075,000	39,648,067	39,968,535	18,017,635	8,329,566	11,516,591	39,436,764	3,550,709	9,454,167	12,300,062	331,744	30,499,273	233,147,474	6,545,000	243,673,113
Accumulated depreciation	-	(31,455,324)	(17,988,620)	(6,973,281)	(5,081,946)	(9,294,261)	(29,706,040)	(1,911,439)	(6,776,082)	(2,759,695)	(253,881)	(15,742,428)	(127,942,997)	(1,565,768)	(129,508,765)
Net book value	<u>24,075,000</u>	<u>8,192,743</u>	<u>21,979,915</u>	<u>11,044,354</u>	<u>3,247,620</u>	<u>2,222,330</u>	<u>9,730,724</u>	<u>1,639,270</u>	<u>2,678,085</u>	<u>9,540,367</u>	<u>77,863</u>	<u>14,756,845</u>	<u>105,204,477</u>	<u>4,979,232</u>	<u>114,164,348</u>
Annual rate of depreciation (%)	-	33	10	10	20	20	20	10	20	5	10	20		20	

	2015 Rupees	2014 Rupees
4 INTANGIBLE ASSET		
Computer software		
Opening net book value	406,040	444,932
Additions	-	137,500
Amortization	(133,993)	(176,392)
Closing net book value	<u>272,047</u>	<u>406,040</u>
Cost as at 30 June	859,472	859,472
Accumulated amortization	(587,425)	(453,432)
	<u>272,047</u>	<u>406,040</u>
Amortization rate - per annum	33%	33%
5 CURRENT ACCOUNT WITH SHIFA FOUNDATION - NET		
Receivable against Falahee Clinic - Islamabad	-	20,122,908
Less: Loan from Shifa Foundation	-	(1,889,189)
	<u>-</u>	<u>18,233,719</u>

6 LONG TERM INVESTMENT - AVAILABLE FOR SALE

	30 June 2015			30 June 2014		
	Units	Cost Rupees	Fair value Rupees	Units	Cost Rupees	Fair value Rupees
ENDOWMENT FUND INVESTMENT						
National Investment Trust Limited	259,210	10,932,594	17,030,113	244,693	10,022,642	14,850,408
Add: Fair value adjustment		6,097,519			4,827,766	-
		<u>17,030,113</u>	<u>17,030,113</u>		<u>14,850,408</u>	<u>14,850,408</u>

NOTE

7 FEE RECEIVABLE

From:

	NOTE	2015 Rupees	2014 Rupees
Students		16,070,191	13,173,716
Qazi Foundation	7.1	630,538	2,048,488
Shifa International Hospitals Limited - related party	7.1	-	6,205,640
KPK Provisional Health Science Academy	7.1	-	382,800
		<u>16,700,729</u>	<u>21,810,644</u>

7.1 These represent the fees against students sponsored by Qazi Foundation, Shifa International Hospitals Limited and Khyber Pakhtunkhwa (Provisional Health Science Academy).

	2015 Rupees	2014 Rupees
8 STORES AND SPARES		
Stores and spares	8,483,822	12,115,953
Stores and spares - written off	(2,843,363)	-
	<u>5,640,459</u>	<u>12,115,953</u>
Other stores	906,453	1,297,643
	<u>6,546,912</u>	<u>13,413,596</u>

	NOTE	2015 Rupees	2014 Rupees
9 ADVANCES AND PREPAYMENTS			
Advances to:			
Employees		537,338	1,078,939
Prepaid rent		7,704,770	2,719,468
Prepaid insurance		274,037	436,376
		<u>8,516,145</u>	<u>4,234,783</u>
10 OTHER RECEIVABLES			
Advance income tax		3,866,307	2,694,410
Accrued income on deposit accounts		764,994	1,873,075
Others		764,000	-
		<u>5,395,301</u>	<u>4,567,485</u>
11 CASH AND BANK BALANCES			
Cash in hand		17,601	228,341
Cash at bank:			
Deposit accounts			
Local currency		110,692,697	91,417,616
Foreign currency	11.1	86,772,163	89,065,212
		197,464,860	180,482,828
Current accounts			
Local currency		7,792	7,792
		<u>197,490,253</u>	<u>180,718,961</u>

11.1 It includes USD 838,831 (2014: 811,355), EUR 5,247 (2014: 5,238) and GBP 2.56 (2014: 2.56).

12 DEFERRED GRANTS

	2015				2014
	Development of library	Medical equipment	Purchase of land	Total	Total
	Rupees				
Opening balance	1,500,000	-	12,182,669	13,682,669	8,812,271
Grants received during the year	500,000	3,980,639	4,431,922	8,912,561	15,220,398
Less: Land purchased during the year (Note 3)	-	-	(3,325,000)	(3,325,000)	(10,350,000)
Less: Amortization of deferred grants	-	(1,632,062)	-	(1,632,062)	-
	<u>2,000,000</u>	<u>2,348,577</u>	<u>13,289,591</u>	<u>17,638,168</u>	<u>13,682,669</u>

	NOTE	2015 Rupees	2014 Rupees
13 STUDENTS' SECURITY DEPOSITS			
Students' security deposits	13.1	22,693,036	18,969,536
Less: Current portion shown under current liabilities		(4,800,000)	(2,350,000)
		<u>17,893,036</u>	<u>16,619,536</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.

	2015 Rupees	2014 Rupees
14 LIABILITIES AGAINST ASSETS SUBJECT TO DIMINISHING MUSHARAKA FINANCE		
Future minimum payments under the facility	3,199,768	6,370,852
Less: Un-amortized musharaka charges	(583,734)	(1,438,019)
Present value of future minimum payments under the facility	2,616,034	4,932,833
Less: Current portion shown under current liabilities	(1,370,390)	(1,532,081)
	<u>1,245,644</u>	<u>3,400,752</u>

14.1 The present value of future minimum payments under the facility has been discounted at an implicit interest rate of 6 monthly KIBOR plus 2.5% on quarterly basis to arrive at their present value.

Minimum payments under the facility are to be made in monthly installments. Taxes, repairs, replacements and insurance costs are to be borne by the University. The facility carries renewal and purchase option of musharaka units at the end of the facility term of three years.

14.2 Future minimum payments under the facility and their present value are regrouped as under.

	2015		2014	
	Future minimum payments under the facility Rupees	Present value of future minimum payments under the facility Rupees	Future minimum payments under the facility Rupees	Present value of future minimum payments under the facility Rupees
Due not later than one year	1,745,328	1,370,390	2,248,536	1,532,081
Due later than one year but not later than five years	1,454,440	1,245,644	4,122,316	3,400,752
	<u>3,199,768</u>	<u>2,616,034</u>	<u>6,370,852</u>	<u>4,932,833</u>
			2015 Rupees	2014 Rupees
15 PROVISION FOR GRATUITY				
Balance at the beginning of the year			89,903,077	57,661,681
Charge for the year			32,780,511	38,034,916
Payments for the year			(7,740,479)	(5,793,520)
Net liability at the end of the year			<u>114,943,109</u>	<u>89,903,077</u>
16 FEE RECEIVED IN ADVANCE				
Tuition fee			160,560,792	151,586,867
Hostel fee			12,061,447	10,150,025
Extracurricular fee			4,150,000	4,060,000
Library fee			2,075,000	2,025,000
			<u>178,847,239</u>	<u>167,821,892</u>
17 ACCRUED AND OTHER LIABILITIES				
Payable to vendors			5,090,884	11,363,315
Withholding tax payable			2,572,151	4,294,551
Accrued liabilities			7,416,159	22,590,073
Other payables			2,780,527	923,854
			<u>17,859,721</u>	<u>39,171,793</u>
18 FEE INCOME				
Tuition fee			390,636,236	332,004,078
Admission fee			16,134,000	9,072,100
Application fee			13,468,504	11,557,757
Examination fee			13,701,000	13,337,225
Administrative charges			441,000	323,000
Hostel income			30,361,720	28,532,918
Medical checkup			1,042,000	1,066,650
Campus fund			2,990,781	2,933,363
Library fee			3,815,781	4,058,363
Extracurricular fee			7,671,563	8,136,727
Others			2,546,429	1,742,279
			<u>482,809,014</u>	<u>412,764,460</u>

	2015 Rupees	2014 Rupees
19 DONATIONS		
From related parties		
In cash		
Shifa International Hospitals Limited	16,616,315	18,411,423
Shifa Foundation	1,589,549	16,000,000
Tameer-e-Millat Foundation	1,000,000	15,000,000
Others	-	1,006,038
	<u>19,205,864</u>	<u>50,417,461</u>
In kind		
Tameer-e-Millat Foundation	-	10,017,790
	-	<u>10,017,790</u>
From others		
In cash	-	2,027,360
In kind	-	4,852
	-	<u>2,032,212</u>
	<u>19,205,864</u>	<u>62,467,463</u>
20 OTHER INCOME		
Profit on deposit accounts	6,279,064	5,208,077
Profit on investments	1,973,917	1,121,917
Exchange gain	-	1,243,344
Dividend income	909,952	-
Prospectus sale	1,181,400	1,092,200
Laboratory and other charges	72,000	-
Miscellaneous	905,500	482,438
	<u>11,321,833</u>	<u>9,147,976</u>
21 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:

	2015 Rupees	2014 Rupees
Shifa International Hospitals Limited		
- Rent and utilities	<u>41,278,574</u>	<u>32,484,369</u>
- Charge against services provided to patients of falahee clinic	<u>17,837,018</u>	<u>15,520,198</u>
- Deficit financing for Shifa College of Nursing	<u>6,616,315</u>	<u>6,234,350</u>
- Donation	<u>10,000,000</u>	<u>18,000,000</u>
Tameer-e-Millat Foundation		
- Donation	<u>1,000,000</u>	<u>15,000,000</u>
- Transfer of National Investment Trust Units	<u>-</u>	<u>10,017,790</u>
Shifa Foundation		
- Donations	<u>2,089,549</u>	<u>16,000,000</u>

22 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 23 JUN 2016 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. *Pw*


CHANCELLOR


TREASURER