

Shifa Tameer-E-Millat University

Financial Statements

For the Year Ended

June 30, 2020



Independent Auditors' Report to the Management

Opinion

We have audited the financial statements of “**Shifa Tameer-e-Millat University (the University)**” for the period from July 01, 2019 to June 30, 2020 which comprises the statement of financial position, statement of income and expenditure, statement of comprehensive income, statement of changes in funds, statement of cash flows for the year then ended, together with notes including a summary of significant accounting policies (here-in-after referred to as the financial statements).

In our opinion, the accompanying financial statements of the **University** are prepared, in all respects, in accordance with note **2** to the financial statements.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our audit report. We are independent of the University in accordance with the International Ethic Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of the financial statements in accordance with note **2** to the financial statements and for such internal control as the Management determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements Management is responsible for assessing the university's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Management either intends to liquidate the university or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the university's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

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individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit 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 university's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material misstatement exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the university to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Date: 29/06/2021

Place: Islamabad


Nasir Javaid Maqsood Imran

Chartered Accountants

Imran UI Haq, FCA



SHIFA TAMEER-E-MILLAT UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	30-Jun 2020	30-Jun 2019
(Rupees)		
ASSETS		
Non-current assets		
Property, plant and equipment	784,688,719	790,631,776
Intangible assets	10	329,574
Long term investment	19,425,733	18,340,413
Long term deposits	9,110,280	8,414,780
	813,224,742	817,716,543
Current assets		
Fee receivable	18,249,060	14,142,305
Stores and spares	3,238,168	2,411,260
Advances and prepayments	199,985,355	134,097,405
Other receivables	132,005,106	122,073,523
Cash and bank balances	497,884,709	203,040,920
	851,362,398	475,765,413
	1,664,587,140	1,293,481,956
TOTAL ASSETS		
FUNDS AND LIABILITIES		
General fund	363,100,732	206,685,202
Fair value reserve	2,835,495	2,136,195
	365,936,227	208,821,397
Non-current liabilities		
Deferred grants	261,902,541.00	264,814,091
Students' security deposits	39,228,059.00	33,688,994
Diminishing musharkah finance	173,073,322.00	128,571,430
Employee benefit obligations	243,021,252.00	169,651,589
	717,225,174.00	596,726,104
Current liabilities		
Fee received in advance	354,998,165	298,156,768
Creditors and other payables	38,880,467	51,236,644
Current portion of:		
Students' security deposits	11,013,615	9,969,615
Deferred grant	3,456,158	-
Assets subject to diminishing musharkah finance	173,077,334	128,571,428
	581,425,739	487,934,455
	1,298,650,913	1,084,660,559
TOTAL LIABILITIES		
Contingencies and commitments		
TOTAL FUNDS AND LIABILITIES	1,664,587,140	1,293,481,956

The annexed notes, from 1 to 28, form an integral part of these financial statements.


VICE-CHANCELLOR


TREASURER

**SHIFA TAMEER-E-MILLAT UNIVERSITY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020**

	30-Jun 2020	30-Jun 2019
	(Rupees)	
INCOME		
Fee income	981,331,441	822,723,718
Donations	30,079,095	63,533,848
Amortization	13,333,333	12,206,962
Other income	32,084,364	16,551,373
	<u>1,056,828,233</u>	<u>915,015,901</u>
EXPENDITURE		
Direct expenditures:		
Shifa College of Medicine	(469,174,316)	(449,282,192)
Shifa College of Dentistry	(89,697,663)	-
Shifa College of Nursing	(83,522,488)	(63,854,571)
Shifa College of Pharmaceutical Sciences	(101,185,618)	(92,871,863)
Allied Health Sciences	(89,480,393)	(94,205,336)
Others	(895,578)	-
	<u>(833,956,056)</u>	<u>(700,213,962)</u>
Operational surplus	<u>222,872,177</u>	<u>214,801,939</u>
Administrative expenditures		
STMU secretariat expenditures	(79,591,700)	(107,578,702)
Net surplus	<u>143,280,477</u>	<u>107,223,237</u>

NOTE

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The annexed notes, from 1 to 28, form an integral part of these financial statements.



VICE CHANCELLOR





TREASURER

**SHIFA TAMEER-E-MILLAT UNIVERSITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	30-Jun 2020	30-Jun 2019
	(Rupees)	
Net surplus	143,280,477	107,223,237
Other comprehensive income:		
Experience adjustment on funded gratuity scheme	13,135,053	6,005,382
Total comprehensive income for the year	<u>156,415,530</u>	<u>113,228,619</u>

The annexed notes, from 1 to 28, form an integral part of these financial statements.



VICE CHANCELLOR



TREASURER

**SHIFA TAMEER-E-MILLAT UNIVERSITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2020**

	General fund	Fair value reserve	Total
	----- Rupees -----		
Balance as at 01 July 2018	93,456,583	8,241,477	101,698,060
Net surplus	107,223,237	-	107,223,237
Other comprehensive income	6,005,382	-	6,005,382
Total comprehensive income for the year	113,228,619	-	113,228,619
for sale investment	-	(6,105,282)	(6,105,282)
Balance as at 30 June 2019	206,685,202	2,136,195	208,821,397
Balance as at 01 July 2019	206,685,202	2,136,195	208,821,397
Net surplus	143,280,477	-	143,280,477
Other comprehensive income	13,135,053	-	13,135,053
Total comprehensive income for the year	156,415,530	-	156,415,530
Revaluation gain on remeasurement of available for sale investment	-	699,300	699,300
Balance as at 30 June 2020	363,100,732	2,835,495	365,936,227

The annexed notes, from 1 to 28, form an integral part of these financial statements.



VICE CHANCELLOR



TREASURER

SHIFA TAMEER-E-MILLAT UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

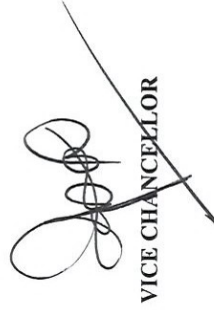
	30-Jun 2020	30-Jun 2019
	(Rupees)	
Cash flows from operating activities		
Net surplus	143,280,477	107,223,237
Adjustments for non-cash income and expenses:		
Dividend income	(388,559)	(499,141)
Provision for employee benefit obligations - gratuity	53,740,716	39,969,915
Provision for employee benefit obligations - compensated absences	40,902,000	-
Depreciation of property, plant and equipment	45,997,911	43,426,035
Amortization of deferred grants	(13,333,333)	(12,206,962)
Amortization of intangible assets	329,564	267,545
Rates and taxes	428,632	1,926,921
Donation received in kind	-	(2,580,000)
	<u>270,957,408</u>	<u>177,527,550</u>
Changes in working capital:		
Fees receivable	(4,106,755)	(6,071,444)
Stores and spares	(826,908)	992,526
Advances and prepayments	(65,887,950)	(16,105,961)
Other receivables	(6,510,547)	(11,676,193)
Creditors and other payables	(12,356,177)	12,942,626
Cash generated from operations	<u>238,110,468</u>	<u>207,591,943</u>
Income taxes paid	(3,849,668)	(27,638,721)
Gratuity paid	(8,138,000)	(15,388,413)
	<u>226,122,800</u>	<u>164,564,809</u>
Net cash inflows/(outflows) from operating activities		
Cash flows from investing activities		
Purchase of operating fixed assets	(40,054,854)	(23,945,518)
Purchase of long term investment	(386,020)	(587,422)
Long term deposits	(695,500)	(5,593,600)
Dividend received	388,559	499,141
Net cash (outflows) from investing activities	<u>(40,747,815)</u>	<u>(29,627,399)</u>
Cash flows from financing activities		
Grants received	494,000	79,010,500
Concessional financing grant	13,383,941	-
Liabilities against assets subject to diminishing musharkah - net	89,007,798	(128,571,428)
Students' security deposits	6,583,065	6,427,800
Net cash (outflows) from financing activities	<u>109,468,804</u>	<u>(43,133,128)</u>
Net increase/(decrease) in cash and cash equivalents	294,843,789	91,804,282
Cash and cash equivalents at the beginning of the year	203,040,920	111,236,638
Cash and cash equivalents at the end of the year	<u>497,884,709</u>	<u>203,040,920</u>

Note

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The annexed notes, from 1 to 28, form an integral part of these financial statements.


VICE CHANCELLOR



TREASURER

SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1 THE UNIVERSITY AND ITS OPERATIONS

1.1 Legal status and operations

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 (SCM) and Shifa College of Nursing (SCN) were transferred to and vested in Shifa Tameer-e-Millat University by the Shifa Foundation (Sponsor) on 01 July 2012.

The principal activities of the University are to provide high quality education in the field of medicine, nursing and social sciences with special emphasis on Islamic Medical Ethics.

The registered office of the University is situated at H-8/4, Islamabad.

2. BASIS OF PREPARATION

2.1 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 International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standard Board (IASB) as are notified by Securities and Exchange Commission of Pakistan (SECP).

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the University's functional currency.

2.4 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the University's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment -Note 3.1 & 4
- Useful lives, residual values and amortization method of intangible assets -Note 3.2 & 5
- Provision for impairment of stores and spares -Note 3.6 & 8
- Impairment loss of non financial assets other than stores and spares -Note 3.7
- Provision for doubtful receivables -Note 3.8-7 & 10
- Obligation of defined benefit obligations -Note 3.13 & 15
- Estimation of contingent liabilities - Note 3.15 & 18

The revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

3.1.1 Operating fixed assets

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent Measurement

Items of property, plant and equipment other than freehold land and capital work in progress are measured at cost less accumulated depreciation and impairment loss (if any).

Capital work in progress is stated at cost less impairment loss (if any).

Depreciation

Depreciation is charged so as to write off the cost of assets (other than land and capital work in progress) over their estimated useful lives, using the straight line method, at rates specified in note 4 to the financial statements. Depreciation is on additions to property, plant and equipment is charged from the month in which the property, plant and equipment is available for use while no depreciation is charged for the month in which the property, plant and equipment is disposed off.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the income and expenditure account.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 Intangible assets

Measurement

Intangible assets, other than goodwill, are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method, previously reducing balance method was used at the rates specified in note 5 to the financial statements.

Judgment and estimates

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.3 Investments

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 statement of comprehensive income for the year.

3.4 Assets subject to diminishing musharkah facility

Assets subject to diminishing musharkah 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 musharkah 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 musharkah charges so as to achieve a constant rate on the balance outstanding. The musharkah charges is charged to income and expenditure account over the term of diminishing musharkah.

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.

3.5 Method of preparation of cash flow statement

The cash flow statement is prepared using indirect method.



3.6 Stores and spares

Measurement

Stores and spares are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is calculated using the weighted average method and comprises the cost and other expenses that have been incurred in bringing the Stores and spares to their present location and condition.

Net realizable value represent the estimated selling price in the ordinary course of the business less all the estimated costs of completion and estimated cost necessary to be incurred in order to make the sale.

Impairment

At each reporting date, Stores and spares are assessed for impairment. If Stores and spares is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the income and expenditure account.

Judgments and estimates

Stores and spares write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on stores and spares for excess stores and spares, obsolescence and decline in net realizable value and an allowance is recorded against the stores and spares balances for any such decline.

3.7 Impairment of non-financial assets other than Stores and spares

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the income and expenditure account , unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The University recognises the reversal immediately in the income and expenditure account , unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.8 Fee and other receivables

Measurement

These are recognised and carried at transaction price less an allowance for impairment.

Impairment

A provision for impairment of fee and other receivables is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income and expenditure account . Bad debts are written-off in the statement of Income and expenditures on identification.

Judgments and estimates

The allowance for doubtful debts of the University is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables.

3.9 Impairment of financial assets other than trade receivables

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the income and expenditure account and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3.10 Deferred grants

Capital grants received / used for acquisition of property, plant 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.

3.11 Creditors and other payables

Creditors and other payables are obligations under normal short-term credit terms. These are measured at the undiscounted amount of cash to be paid.

3.12 Taxation

The income of the University is exempt from levy of tax under clause: d of sub-section (2) of Section 100C of the Income Tax Ordinance, 2001. Accordingly, no provision for taxation has been made in these financial statements.

3.13 Employee benefits - retirement benefits

3.13.1 Defined benefit plan

The University has a funded defined benefit plan (gratuity).

The University measures defined benefit liabilities at the present value of its obligation under defined benefit plan at the reporting date minus the fair value at the reporting date of plan assets out of which the obligations are to be settled directly. The obligation under defined benefit plan is determined using the projected unit credit method.

Actuarial gains and losses are recognised in the other comprehensive income in the period in which they occur. Past-service costs are recognised immediately in the income and expenditure account. The latest actuarial valuation of the plan was carried out as at June 30, 2019.

In determining the liability for long-service payments management must make an estimate of salary increases over the following five years, the discount rate to calculate present value over next five years, and the number of employees expected to leave before they receive the benefits.

3.13.2 Compensated absences

The University has started provision for compensated absences of its employees on unavailed balance of leaves in the period in which the leave is earned. The University provides for its estimated liability towards leaves accumulated by employees on an accrual basis using current salary levels. Maximum amount of sixty leaves can be paid to employee under this scheme.

3.14 Provisions

Provisions are recognised when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that the University will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the income and expenditure account.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provisions recognised in the income and expenditure account unless the provision was originally recognised as part of cost of an asset.

3.15 Contingent liabilities

A contingent liability is disclosed when the University has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the University or the University has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount to the obligation cannot be measured with sufficient reliability.

3.16 Off-setting of financial assets and liabilities

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

3.17 Revenue recognition

Revenue is recognised to the extent that the economic benefits will flow to the University and revenue can be realized measured. Revenue is recognized at fair value of consideration received or receivable. Revenue from different sources is recognised on the following basis:

- Income from the University fee is recognized on accrual basis. Revenue from the admission fee is recognized at the time of admission;
- Tuition fee and hostel fee received in advance are deferred and recognized as income in the related financial year.
- Donations, zakat and patient income are recognized on actual receipt basis.
- Dividend income is recognized when the right to receive payment is established.
- Capital grants are taken to income to the extent the related assets are purchased / depreciated.
- Profit on saving accounts is recognized on accrual basis.

3.18 Borrowing costs

Borrowing costs are recognised on the basis of the effective interest method and all borrowing costs are recognised as an expense in income and expenditure account in the period in which they are incurred.

3.19 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the rate of exchange ruling

on the statement of financial position date and exchange differences, if any, are charged in the income and expenditure account.

3.20 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and balances with banks.

3.21 Government grants

Government grants are recognised at the fair value of the asset received or receivable.

A grant without specified future performance conditions is recognised in income when the grant proceeds are receivable. A grant that imposes specified future performance conditions is recognised in income when all those conditions are met and there is a reasonable assurance that the grant will be received.

Government grants are presented separately from the assets to which they relate. Government grants received before the income recognition criteria are satisfied are presented as a separate liability in the statement of financial position.

Government grants recognised in income are presented separately in the 'other income'.



4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	814,706,776	4.1
Land purchased with grant	(24,075,000)	
Operating fixed assets	790,631,776	

NOTE

30-Jun	808,763,719
2020	784,688,719
2019	(24,075,000)
30-Jun	790,631,776

(Rupees)

	Land	Building	Computer equipment	Furniture and fixture	Electrical equipment	Office equipment	Vehicles	Lab equipment	Museum	Audio visual equipment	Library books	Mortuary room	Medical equipment	Grand Total
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As at 01 July 2018	509,075,000	196,517,022	50,555,690	46,706,583	82,823,415	13,637,191	17,997,424	56,452,825	6,721,535	11,099,078	15,358,571	7,036,744	32,812,733	1,046,793,811
Carrying value	509,075,000	185,819,687	7,306,312	19,506,189	64,781,904	3,864,402	2,473,620	14,052,669	3,492,647	1,467,662	10,809,671	5,949,881	5,587,649	834,187,293
Cost	-	(10,697,335)	(43,249,378)	(27,200,394)	(18,041,511)	(9,772,789)	(15,523,804)	(42,400,156)	(3,228,888)	(9,631,416)	(4,548,900)	(1,086,863)	(27,225,084)	(212,606,518)
Accumulated depreciation	509,075,000	185,819,687	7,306,312	19,506,189	64,781,904	3,864,402	2,473,620	14,052,669	3,492,647	1,467,662	10,809,671	5,949,881	5,587,649	834,187,293
Year ended 30 June 2019	509,075,000	175,680,478	6,682,428	17,839,839	61,077,854	5,133,414	618,572	13,958,573	4,797,822	1,801,941	10,776,660	5,252,251	2,011,944	814,706,776
Opening carrying value	509,075,000	175,680,478	54,110,687	49,905,161	87,602,468	16,890,240	17,997,424	61,347,765	8,569,607	12,197,338	16,105,247	7,036,744	33,384,626	1,070,739,329
Cost	509,075,000	(20,836,544)	(47,428,259)	(32,065,322)	(26,524,614)	(11,756,826)	(17,378,852)	(47,389,192)	(3,771,785)	(10,395,397)	(5,328,587)	(1,784,493)	(31,372,682)	(756,032,533)
Accumulated depreciation	509,075,000	175,680,478	6,682,428	17,839,839	61,077,854	5,133,414	618,572	13,958,573	4,797,822	1,801,941	10,776,660	5,252,251	2,011,944	814,706,776
Carrying value	509,075,000	175,680,478	6,682,428	17,839,839	61,077,854	5,133,414	618,572	13,958,573	4,797,822	1,801,941	10,776,660	5,252,251	2,011,944	814,706,776
Year ended 30 June 2020	509,075,000	175,680,478	6,682,428	17,839,839	61,077,854	5,133,414	618,572	13,958,573	4,797,822	1,801,941	10,776,660	5,252,251	2,011,944	814,706,776
Opening Carrying value	509,075,000	175,680,478	6,682,428	17,839,839	61,077,854	5,133,414	618,572	13,958,573	4,797,822	1,801,941	10,776,660	5,252,251	2,011,944	814,706,776
Additions	-	-	3,354,997	3,198,578	4,779,033	3,253,049	-	4,894,940	1,848,072	1,098,260	746,676	-	571,893	23,945,518
Depreciation for the year	-	(10,139,209)	(4,178,881)	(4,864,928)	(8,483,103)	(1,984,037)	(1,855,048)	(4,989,036)	(542,897)	(763,981)	(779,687)	(697,630)	(4,147,598)	(43,426,035)
Year ended 30 June 2020	509,075,000	175,680,478	6,682,428	17,839,839	61,077,854	5,133,414	618,572	13,958,573	4,797,822	1,801,941	10,776,660	5,252,251	2,011,944	814,706,776
Cost	509,075,000	196,517,022	59,288,187	62,632,611	88,297,838	19,305,560	24,431,686	67,201,620	8,605,397	12,918,210	18,226,634	7,036,744	37,157,684	1,110,794,183
Accumulated depreciation	509,075,000	165,541,268	52,993,509	52,993,509	5,932,907	6,219,069	14,458,046	4,149,754	1,845,088	6,977,853	4,581,751	4,955,268	808,763,719	
Carrying value	509,075,000	165,541,268	7,045,531	24,988,675	52,993,509	5,932,907	6,219,069	14,458,046	4,149,754	1,845,088	6,977,853	4,581,751	4,955,268	808,763,719
Year ended 30 June 2020	509,075,000	165,541,268	7,045,531	24,988,675	52,993,509	5,932,907	6,219,069	14,458,046	4,149,754	1,845,088	6,977,853	4,581,751	4,955,268	808,763,719
Cost	509,075,000	196,517,022	59,288,187	62,632,611	88,297,838	19,305,560	24,431,686	67,201,620	8,605,397	12,918,210	18,226,634	7,036,744	37,157,684	1,110,794,183
Accumulated depreciation	509,075,000	165,541,268	52,993,509	52,993,509	5,932,907	6,219,069	14,458,046	4,149,754	1,845,088	6,977,853	4,581,751	4,955,268	808,763,719	
Carrying value	509,075,000	165,541,268	7,045,531	24,988,675	52,993,509	5,932,907	6,219,069	14,458,046	4,149,754	1,845,088	6,977,853	4,581,751	4,955,268	808,763,719
Year ended 30 June 2020	509,075,000	165,541,268	7,045,531	24,988,675	52,993,509	5,932,907	6,219,069	14,458,046	4,149,754	1,845,088	6,977,853	4,581,751	4,955,268	808,763,719
Opening carrying value	509,075,000	165,541,268	7,045,531	24,988,675	52,993,509	5,932,907	6,219,069	14,458,046	4,149,754	1,845,088	6,977,853	4,581,751	4,955,268	808,763,719
Additions	-	-	5,277,500	12,727,450	695,360	2,415,320	6,434,262	5,853,855	35,790	720,872	2,121,387	-	3,773,058	40,054,854
Depreciation for the year	-	(10,139,210)	(4,914,397)	(5,578,614)	(8,779,705)	(1,615,828)	(833,765)	(5,354,382)	(683,858)	(677,725)	(5,920,194)	(670,500)	(829,734)	(45,997,911)
Year ended 30 June 2020	509,075,000	175,680,478	6,682,428	17,839,839	61,077,854	5,133,414	618,572	13,958,573	4,797,822	1,801,941	10,776,660	5,252,251	2,011,944	814,706,776
Opening Carrying value	509,075,000	175,680,478	6,682,428	17,839,839	61,077,854	5,133,414	618,572	13,958,573	4,797,822	1,801,941	10,776,660	5,252,251	2,011,944	814,706,776
Year ended 30 June 2020	509,075,000	175,680,478	6,682,428	17,839,839	61,077,854	5,133,414	618,572	13,958,573	4,797,822	1,801,941	10,776,660	5,252,251	2,011,944	814,706,776

R u p e e s

4.1.1 The detail of land is as under

Location	Nature	Area
Service Road South, Sector H-8, Islamabad	Leasehold land	14.69
Mozna Ahl-e-Faisal, Tehsil Taxila, Distt. Rawalpindi	Freehold land	31.10

*The multi-storey building is constructed on this plot with approximately 40K Square Feet.



	30-Jun 2020	30-Jun 2019
		(Rupees)
44,860,111	38,762,895	
1,137,800	4,663,140	
45,997,911	43,426,035	

Note

4.2 Depreciation
Charged to:
Expenditure
Falahlee clinic support cost - net

23

5 Intangible assets

Computer software
Opening carrying value
Amortization charge for the year
Closing carrying value
Cost as at 30 June
Accumulated amortization

329,574	597,119
(329,564)	(267,345)
10	329,574
3,099,451	3,099,451
(3,099,441)	(2,769,877)
10	329,574

Amortization rate - per annum

33%

6 LONG TERM INVESTMENT - AVAILABLE FOR SALE

Endowment Fund Investment
Investment in NIT units
Investment in shares

6.1	17,095,733	16,140,413
6.2	2,330,000	2,200,000
	19,425,733	18,340,413

6.1 ENDOWMENT FUND INVESTMENT

NIT units	30-Jun-20		30-Jun-19	
	Shares	Total	Shares	Total
.....RupeesRupeesRupeesRupeesRupees

Cost	14,010,238	2,580,000	16,590,238	13,624,218	2,580,000	16,204,218
Fair value adjustment	3,085,495	(250,000)	2,835,495	2,516,195	(380,000)	2,136,195
Net book value	17,095,733	2,330,000	19,425,733	16,140,413	2,200,000	18,340,413

6.2 This investment represents 10,000 ordinary shares of Shifa International Hospitals Limited and 304,086 units (2019:296,699) in National Investment (Unit) Trust as at 30 June.

7 FEE RECEIVABLE

Students - against tuition fees
Soft loan from students and sponsored organizations
Less: Impairment allowance against soft loan from students

18,596,837	14,490,082
-	1,352,223
18,596,837	15,842,305
(347,777)	(1,700,000)
18,249,060	14,142,305

8 STORES AND SPARES

Stores and spares
Other stores

8.1	2,648,712	1,690,228
	589,456	721,032
	3,238,168	2,411,260

8.1 The cost of stores and spares recognized as an expense amounted to Rs. 23,145,749. (June 30, 2019; Rs. 29,575,972)

	30-Jun 2020	30-Jun 2019
		(Rupees)
9.1	5,609,562	3,823,526
	187,268,914	112,736,604
	192,878,476	116,560,130
	6,230,882	16,785,132
	267,846	161,556
	608,151	590,587
	199,985,355	134,097,405

9 ADVANCES AND PREPAYMENTS

Considered good-unsecured
Advances to employees
Other advances
Prepayments:
-Rent
-Other expenses
-Insurance

9.1 This includes an amount of Rs. 110,000,000 paid as advance to Trustees of Taleem ul Quran Trust for the purchase of AHS building.

10 OTHER RECEIVABLES

Advance income tax - considered good (unsecured)
Accrued income on deposit accounts
Due from related parties
Others
Less: Impairment allowance against others

10.1	54,987,402	51,566,366
	1,996,211	876,089
	74,589,934	69,133,927
	813,559	879,141
	132,387,106	122,455,523
	(382,000)	(382,000)
	132,005,106	122,073,523

10.1 This represents receivable from Shifa International Hospitals Limited and Shifa Foundation having common directorship with the University. Detail of balances of each related party is as under:

	30-Jun 2020	30-Jun 2019
		(Rupees)
11.1	36,860,249	33,546,627
	37,729,685	35,587,300
	74,589,934	69,133,927
	3,357	15,956

Shifa International Hospital
Shifa Foundation

11 CASH AND BANK BALANCES

Cash on hand
Cash at bank - deposit accounts:
Local currency
Foreign currency

11.1	482,867,441	185,980,589
	15,013,911	17,044,375
	497,881,352	203,024,964
	497,884,709	203,040,920

11.1 It includes USD 83,771.30 (2019: 101,259.31), EUR 5,257.14 (2019: 5,254.89) and GBP 2.56 (2019: 2.56).

12 DEFERRED GRANTS

- Related to assets
- Related to concessional financing
- Less current portion

12.1	251,974,758	264,814,091
12.2	13,383,941	-
12.2	(3,456,158)	-
	261,902,541	264,814,091

12.1

	30-Jun-20	30-Jun-19
Operating balance	5,500,000	77,500,000
Grants received during the year	(1,833,333)	-
Less: Amortization of deferred grants	3,666,667	77,500,000
	6,000,000	6,000,000
	119,166,667	39,583,333
	-	(5,000,000)
	-	(6,500,000)
	264,814,091	198,010,553
	494,000	79,010,500
	(13,333,333)	(12,206,962)
	251,974,758	264,814,091

12.2 Deferred Grant arisen due to difference between present value of financing and financing proceeds as detailed in note 14.3 at discount rate of 7.86%. It will be changed to statement of profit or loss over the repayment period in line with repayment obligations.

13 STUDENTS' SECURITY DEPOSITS

Students' security deposits
Less: Current portion shown under current liabilities

	30-Jun 2020	30-Jun 2019
		(Rupees)
13.1	50,241,674	43,658,609
	(11,013,615)	(9,969,615)
	39,228,059	33,688,994

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.

14 DIMINISHING MUSHARAKAH FINANCE

Secured

30-Jun 2019
2020 (Rupees)

MCB Islamic Bank Limited	14.1	85,963,168	-
Albaraka Bank (Pakistan) Limited	14.2	128,571,430	257,142,858
Albaraka Bank (Pakistan) Limited - Salary	14.3	131,616,059	-
		<u>346,150,657</u>	<u>257,142,858</u>
Less: Current portion shown under current liabilities		<u>(173,077,334)</u>	<u>(128,571,428)</u>
		<u>173,073,322</u>	<u>128,571,430</u>

The amount of future lease payments and the period in which these will become due are as follows:

Future minimum payments under the facility	395,278,966	278,411,831
Less: Un-amortized musharakah charges	<u>(49,128,310)</u>	<u>(21,268,973)</u>
Present value of future minimum payments under the facility	346,150,657	257,142,858
Less: Current portion shown under current liabilities	<u>(173,077,334)</u>	<u>(128,571,428)</u>
	<u>173,073,322</u>	<u>128,571,430</u>

	2020	2019
Future minimum payments under the facility	192,379,518	143,924,443
Present value of future minimum payments under the facility	173,077,334	128,571,428
Future minimum payments under the facility	202,899,448	134,487,388
Present value of future minimum payments under the facility	173,073,322	128,571,430
Future minimum payments under the facility	395,278,966	278,411,831
Present value of future minimum payments under the facility	346,150,657	257,142,858

Due not later than one year
Due later than one year but not later than five years

14.1 This represents the diminishing musharakah for equipment / P & M and vehicle (direct - run off basis) total facility of Rs. 86 million obtained during the year from MCB Islamic Bank Limited for the purchase of dental hospital & college equipment, lab equipment, IT equipment, generator, allied equipment, furniture etc. and 2 Haze for hospital staff and students. The present value of future minimum payments under the facility has been discounted at an implicit interest rate of 3 monthly KIBOR plus 0.60% p.a. (floor: 5% & Cap: 20%) tenor 5 Years max inclusive of 1 year grace period with early contribution of 3% on quarterly basis to arrive at their present value.

Vehicles 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 musharakah units at the end of the facility term of five years.

Profit: Quarterly in arrears calculated from the date of first drawdown. The first profit payment was paid at the end of three (03) months from the first drawdown date and will be paid subsequently every three (03) months thereafter on the outstanding balance of the facility. Profit is calculated on the basis of actual number of days elapsed in a year of 365 days.

Principal: In five years in shape of equal quarterly installments after grace period of one year from first disbursement and subsequently every three (03) months.

Tenor: 5 Years max inclusive of 1 Year grace period.

Security: Hypothecation over DM assets, Cash Collateral in shape of Lien over Savings A/c / CDR / TDR / Margin Account / Non Checking account up to any amount till creation of mortgage on proposed property. Pledge of 10,000 Shares (physically) of Shifa International Hospital. Pledge of 29%, 698 NIT Units with 5% margin. In case of Vehicle 30% Security deposit and title of leased assets / HPA in favour of the bank.

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

	2020	2019
Future minimum payments under the facility	18,614,929	8,565,106
Present value of future minimum payments under the facility	92,720,800	77,398,061
Future minimum payments under the facility	<u>111,335,729</u>	<u>85,963,168</u>
Present value of future minimum payments under the facility	<u>85,963,168</u>	<u>77,398,061</u>

Due not later than one year
Due later than one year but not later than five years

14.2 This represents the diminishing musharakah facility of Rs. 450 million obtained from Albaraka Bank Limited for the purchase of NCBMS building H-8, Islamabad. The present value of future minimum payments under the facility has been discounted at an implicit interest rate of 3 monthly KIBOR plus 1% p.a. The facility return will be calculated on the basis of the number of days elapsed in a year of 365 Days. It is repayable in 14 installments on quarterly basis starting from 29 January 2018.

Profit: Quarterly in arrears calculated from the date of first drawdown. The first profit payment was paid at the end of three (03) months from the first drawdown date and will be paid subsequently every three (03) months thereafter on the outstanding balance of the facility. Profit is calculated on the basis of actual number of days elapsed in a year of 365 days.

Principal: In fourteen (14) equal installments commencing from the 27th month after first disbursement and subsequently every three (03) months.

Security: This facility is secured against equitable mortgage on land and building of NCBMS H-8 Islamabad, with 25% margin along with personnel guarantees of Chairman and Chief Executive Officer of Shifa International Hospital Limited (SIHL).

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

	2020	2019
Future minimum payments under the facility	135,408,118	128,571,430
Present value of future minimum payments under the facility	143,524,443	128,571,428
Due not later than one year	-	128,571,430
Due later than one year but not later than five years	135,408,118	278,411,831
	143,524,443	257,142,858

14.3 This represents the diminishing musharakah facility of Rs. 145 million obtained during the year from Al - Baraka Bank Limited for the salaries & wages payment under SBP IH & SMFD Circular No. 06 & 07 of 2020 & Circular No. 09 of 2020 at implicit interest rate of 1.5% P.A. The present value of future minimum payments under the facility has been discounted at an market interest rate of 7.86 % P.A. The facility return will be calculated on the basis of the number of days elapsed in a year of 365 Days.

Profit: Quarterly in arrears calculated from the date of first drawdown. The first profit payment was received at the end of three (03) months from the first drawdown date and will be received subsequently every three (03) months thereafter on the outstanding balance of the facility. Profit is calculated on the basis of actual number of days elapsed in a year of 365 days.

Principal: In eight (8) equal installments commencing from the 9th month after first disbursement and subsequently every three (03) months.

Tenor: 2.5 Years inclusive of 6 months grace period.

Security: This facility is secured against equitable mortgage on land and building of NCBMS H-8 Islamabad, token registered mortgage of Rs. 0.2 Million of NCBMS Building.

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

	2020	2019
Future minimum payments under the facility	38,356,472	35,940,798
Present value of future minimum payments under the facility	110,178,648	95,675,261
Due not later than one year	148,535,120	131,616,059
Due later than one year but not later than five years	-	-

Due not later than one year

Due later than one year but not later than five years

15 EMPLOYEE BENEFIT OBLIGATIONS

	30-Jun 2020	30-Jun 2019
Gratuity	202,119,252	169,651,589
Compensated absences	40,902,000	-
	243,021,252	169,651,589
15.1 The amounts recognized in the statement of financial position are determined as follows:		
Present value of defined benefits obligation	183,092,918	167,815,225
Fair value of plan assets	(1,651,355)	(466,966)
Benefits payable to members left (unsettled)	20,677,689	2,303,330
	202,119,252	169,651,589

NOTE

15.1

15.3

15.5

15.2 The amount recognized in the income and expenditure account:

Current service cost	31,863,265	28,029,073
Interest cost	22,082,931	12,610,900
Interest income on plan assets	(205,480)	(670,058)
	53,740,716	39,969,915

15.3 Changes in the present value of defined benefit obligations are as follows:

Opening defined benefit obligation	167,815,225	146,517,407
Interest cost	22,082,931	12,610,900
Current service cost	31,863,265	28,029,073
Benefits due but not paid (payables)	(19,506,570)	(1,132,211)
Benefits paid	(6,188,002)	(11,660,371)
Remeasurements:		
Actuarial (gains)/losses from changes in financial assumptions	(3,053,233)	2,632,168
Experience adjustments	(9,920,698)	(9,181,741)
Carrying value of defined benefit obligation	183,092,918	167,815,225

30-Jun
2020

30-Jun
2019

(Rupees)

NOTE

15.4 Changes in liability recognized in statement of financial position:

Balance at beginning of year	169,651,589	151,075,469
Charge for the year	53,740,716	39,969,915
Re-measurements chargeable in other comprehensive income	(13,135,053)	(6,005,382)
Contributions for the year	(8,138,000)	(15,388,413)
Balance at end of year	<u>202,119,252</u>	<u>169,651,589</u>

15.2

15.5 Changes in fair value of plan assets are as follow:

Fair value of plan assets	466,966	5,581,069
Contributions	8,138,000	15,388,413
Interest income	205,480	670,058
Benefits paid	(7,320,213)	(20,628,383)
Return on plan assets excluding interest income	161,122	(344,191)
	<u>1,651,355</u>	<u>466,966</u>

15.6 Principal actuarial assumptions

Following are few important actuarial assumptions used in the valuation:

Discount rate used for year end obligation	8.5% p.a.	14.25% p.a.
Discount rate used for interest cost in P&L charge	14.25% p.a.	9.00% p.a.
Expected rate of increase in salary	7.50%	13.25%
Salary increase FY 2020 onward		
Mortality rate		

Retirement assumption

SLIC 2001-2005	SLIC 2001-2005
Setback 1 year	Setback 1 year
Age 60	Age 60

15.7 The plan assets comprise of bank balances.

30-Jun
2020

30-Jun
2019

(Rupees)

16 FEE RECEIVED IN ADVANCE

Tuition fee	333,717,188	282,227,231
Hostel fee	14,034,227	11,143,537
Extracurricular fee	274,000	384,000
Examination fee	60,000	48,000
Registration fee	4,547,250	4,054,000
Others	2,365,500	300,000
	<u>354,998,165</u>	<u>298,156,768</u>

17 CREDITORS AND OTHER PAYABLES

Creditors	21,165,416	31,383,158
Withholding tax	5,131,069	4,877,093
Accrued liabilities	1,735,607	1,395,925
Retention money	114,212	967,853
Accrued markup on musharaka facility	2,033,770	5,348,307
Other liabilities	8,700,393	7,264,308
	<u>38,880,467</u>	<u>51,236,644</u>

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 Description of legal proceedings

For the tax year 2014, 2015, 2016 & 2017, Shifa Tameer-e-Millat University (STMU) has claimed 100% tax credit of tax payable being a non-profit organization as per the Act of Parliament and in accordance with provision of clause (d) of sub section (2) of section 100C of the Income Tax Ordinance, 2001. The tax department has disallowed about 75% of the expenses in an arbitrary manner and on assumption basis and issued orders u/s 121 for the tax year 2014 and u/s 122(1) for the tax years 2015 and 2016. Against the said orders, STMU has filed an appeal to Commissioner, Inland Revenue (Appeals-II) Islamabad, which passed an order on November 15, 2017 to remand the case back to the assessing officer on the grounds that aforementioned disallowance of expenses is unjustified and is against the law and facts. STMU has already applied for the tax exemption under section 2(36) of the Income Tax Ordinance, 2001. STMU is certified from Pakistan Centre for Philanthropy (PCP) as Non-Profit Organization (NPO) as per NPO evaluation standards notified by FBR. STMU has paid an amount aggregate of Rs. 35,580,414/- against tax years 2014, 2015 and 2016 and has accounted for as an advance tax and no provision for income taxes has been made in these financial statements. The proceedings of the case are in progress.

18.2 Commitments

18.2.1 Operating lease commitments - University as lessee

The University leases various hostels, University's building campus under non-cancelable operating lease agreements. The lease terms are between 1 and 3 years. The majority of lease agreements are renewable at the end of the lease period at market rate.

The future minimum lease payments under non-cancelable operating leases are as follows:

	30-Jun 2020	30-Jun 2019
Not later than 1 year	95,444,292	89,415,176
Later than 1 year	128,988,721	96,773,029
	224,433,013	186,188,205

NOTE

(Rupees)

19 FEE INCOME

Tuition fee	850,654,984	684,970,366
Admission fee	50,147,875	47,275,625
Application fee	6,229,000	4,635,000
Examination fee	28,774,000	26,374,000
Hostel fee	34,705,316	42,651,633
Library fee	-	2,140,000
Extracurricular fee	2,801,000	5,541,000
Others	8,019,266	9,136,094
	981,331,441	822,723,718

20 DONATIONS

In cash
From related parties:
Shifa International Hospitals Limited

From others	29,477,631	53,966,585
In kind	-	2,580,000
In cash	601,464	6,987,263
	30,079,095	63,533,848

21 OTHER INCOME

Profit on deposit accounts	20,031,609	6,939,671
Profit on investments	4,726,027	-
Exchange gain	444,589	5,894,617
Dividend income	388,559	499,141
Prospectus sale	4,808,000	2,479,500
Miscellaneous	1,685,580	738,444
	32,084,364	16,551,373

22 SALARIES, ALLOWANCES AND OTHER BENEFITS

Salaries, allowances and other benefits include Rs. 94,642,716 (June 30, 2019: Rs. 39,969,915) in respect of staff retirement benefits.

23 FALAAHEE CLINIC SUPPORT COST - NET

Receipts	6,234,050	16,707,295
Receipts from patients	5,286,952	26,520,829
Donations for patients treatment	11,521,002	43,228,124

Payments

Salaries, allowances and other benefits	12,617,521	23,170,914
Repair and maintenance	115,108	201,620
Printing and stationery	535,333	801,954
Surgical & medical supplies	2,567,782	2,560,577
Radiology supplies	378,452	676,710
Medicine expense	1,927,859	7,573,154
Medical bills expense	14,427,002	38,307,084
Insurance	488,595	247,665
Fee and subscription	8,000	7,500
Supplies consumed	101,137	1,452,056
Depreciation	1,137,800	4,663,140
Miscellaneous	171,206	142,931
	34,475,795	79,805,305
	(22,954,793)	(36,577,181)

4.2

Falabee clinic support cost - net

23.1

University is providing subsidised/ free of cost medical services to the deserving 91,094 (2019:127,794) patients in Out Patient Department and 1,692 (2019: 4,541) patients in In Patient Department. Overall subsidy/ free of cost medical services provided are almost amounting to Rs. 286 Million (2019: 388 Million).

25 Financial instruments

	Fair value through changes in fund		Amortized cost		Total	
	30-Jun 2020	30-Jun 2019	30-Jun 2020	30-Jun 2019	30-Jun 2020	30-Jun 2019
	Rupees					
Financial assets	19,425,733	18,340,413	-	-	19,425,733	18,340,413
Long term investment	-	-	9,110,280	8,414,780	9,110,280	8,414,780
Long term deposits	-	-	18,249,060	14,142,305	18,249,060	14,142,305
Fee receivables	-	-	132,005,106	122,073,523	132,005,106	122,073,523
Other receivables	-	-	89,985,355	24,097,405	89,985,355	24,097,405
Advances and prepayments	-	-	497,884,709	203,040,920	497,884,709	203,040,920
Cash and bank balances	-	-	747,234,510	371,768,933	766,660,243	390,109,346
Financial liabilities	19,425,733	18,340,413	-	-	19,425,733	18,340,413
Diminishing musharakah finance	-	-	346,150,656	257,142,838	346,150,656	257,142,838
Employee benefit obligation	-	-	243,021,252	169,651,589	243,021,252	169,651,589
Creditors and other payables	-	-	38,880,467	51,236,644	38,880,467	51,236,644
Students' security deposits	-	-	50,241,674	43,658,609	50,241,674	43,658,609
	-	-	678,294,049	521,689,700	678,294,049	521,689,700

26 RELATED PARTY TRANSACTIONS

The related parties comprise of Shifa International Hospitals Limited (SIHL), Tameer-e-Millat Foundation and Shifa Foundation, their close relatives and the staff retirement plan. Amounts due from related parties are shown under other receivables. Other significant transactions with related parties are as follows:

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	30-Jun 2020	30-Jun 2019
Shifa International Hospitals Limited (SIHL)	Common Directorship	Balance receivable at the beginning of the year	33,546,627	36,721,904
		Services provided by Shifa College of Nursing	68,283,081	69,517,525
		House Officers	15,505,601	11,819,225
		Services Provided	83,788,682	81,336,750
		Charge against services provided to patients of falahbe clinic	(14,389,932)	(38,077,428)
		Rent and utilities and other services	(11,241,908)	(15,090,638)
		Honorarium	(4,458,000)	(8,646,000)
		Services Received	(30,089,840)	(61,814,066)
		Paid / Settled	17,982,784	41,654,124
		Received / Settled	(68,368,004)	(64,352,085)
		Balance receivable at the year end	36,860,249	33,546,627
Shifa Foundation	Common Directorship	Balance receivable at the beginning of the year	35,587,300	21,167,443
		Services Provided	5,311,932	26,520,829
		Received / Settled	(3,169,567)	(12,100,972)
		Balance receivable at the year end	37,729,685	35,587,300
Key Management Personnel	Key management	Managerial Remuneration	52,156,084	55,945,138
Staff retirement benefit plan - Gratuity fund	Other related party	Balance Payable at the beginning of the year	(169,651,589)	(151,075,469)
		Liability charge for the year	(53,740,716)	(39,969,915)
		Remeasurements chargeable in other comprehensive income	13,135,053	6,005,382
		Contribution towards gratuity fund	8,138,000	15,388,413
		Balance Payable at the year end	(202,119,252)	(169,651,589)

26.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University directly or indirectly. The University considers Chancellor, Vice Chancellor, Registrar, Deans/ Principals and Senior Managers as its key management personnel.



26.2 Donations / Support provided by the Sponsors Since Inception to Date:

In kind	30-Jun 2020	30-Jun 2019
	(Rupees)	
	(32,848,994)	(32,848,994)
Shifa Foundation (Net worth of SCM, Falahae Clinic & SCN at inception of University)		
In cash	10,017,790	10,017,790
Tameer-e-Millat Foundation		
Shifa Foundation	23,089,549	23,089,549
Shifa International Hospitals Limited (SIHL)	46,791,998	38,791,998
Tameer-e-Millat Foundation	16,000,000	16,000,000
Grants		
Shifa International Hospitals Limited (SIHL)	15,000,000	15,000,000
Grants for Library		
Shifa Foundation	3,500,000	3,500,000
Grants for Equipment		
Shifa International Hospitals Limited (SIHL)	50,000,000	50,000,000
Grants for Building		
Shifa Foundation	5,000,000	5,000,000
Shifa International Hospitals Limited (SIHL)	100,000,000	100,000,000
Tameer-e-Millat Foundation	25,000,000	25,000,000
	261,550,343	253,530,343

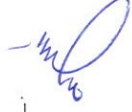
27 CORRESPONDING FIGURES

Previous year figures have been rearranged / reclassified wherever necessary for the purpose of comparison. However, no significant change / rearrangement of corresponding figures has been made in these financial statements.

28 AUTHORIZATION FOR ISSUE

These financial statements were approved by the Senate of the university and authorized for issue on _____.


VICE CHANCELLOR



TREASURER

24 - INCOME AND EXPENDITURE ACCOUNT - DEPARTMENT WISE
FOR THE PERIOD ENDED 30 JUNE 2020

Consolidated	NOTE		INCOME		EXPENSES		SURPLUS FOR THE YEAR		Number of Students
	30-Jun 2020	30-Jun 2019	30-Jun 2020	30-Jun 2019	30-Jun 2020	30-Jun 2019	30-Jun 2020	30-Jun 2019	
	981,331,441	822,723,718	625,946,922	558,456,035	26,968,250	73,604,205	53,954,950	79,583,888	290
	19 & 24.1								
	30,079,095	63,533,848							343
	20 & 24.1								
	13,333,333	12,206,962							302
	20 & 24.1								
	32,084,364	16,551,373	571,356,787	27,190,050	96,167,996	1,143,515	1,066,100	80,649,888	375
	21 & 24.1								
	1,056,828,233	915,015,901	640,093,923	571,356,787	27,190,050	96,167,996	1,143,515	1,066,100	48
	19 & 24.1								
	618,880,837	488,458,452	326,929,743	285,737,803	43,690,717	66,262,785	50,947,800	54,201,030	566
	22								
	488,458,452	326,929,743	326,929,743	285,737,803	43,690,717	66,262,785	50,947,800	54,201,030	547
	22								
	6,338,003	3,980,490	635,190	432,800	21,702	924,992	950,968	861,270	547
	22								
	1,665,430	5,670,993	67,970	1,205,954	1,085,477	881,897	38,700	26,143	547
	22								
	12,408,934	16,240,493	2,085,155	2,094,341	7,289,211	917,361	587,344	23,262,696	547
	22								
	58,944,956	36,207,528			26,000,000				547
	22								
	8,395,894	7,950,214	2,489,120	2,450,177	1,107,220	1,074,345	667,826	1,072,187	547
	22								
	3,955,892	9,353,636	976,294	4,189,893	573,850	659,998	754,667	444,991	547
	22								
	292,200	220,000							547
	22								
	11,649,216	11,649,216	5,954,429	7,518,514	21,702	924,992	950,968	861,270	547
	22								
	10,564,538	5,798,853	135,316	54,084	465,332	1,873,940	414,858	781,799	547
	22								
	1,664,540	172,584			12,261	10,000	14,069	42,737	547
	22								
	4,676,358	5,798,853	135,316	54,084	465,332	1,873,940	414,858	781,799	547
	22								
	1,664,540	172,584			12,261	10,000	14,069	42,737	547
	22								
	31,842,326	31,842,326	21,162,304	22,191,154	45,494	4,444,273	4,055,293	4,058,376	547
	22								
	5,988,210	5,988,210	1,671,620	1,337,120		828,270	969,787	1,153,330	547
	22								
	3,319,104	5,226,975	718,246	1,247,596	164,127	61,684	79,515	1,657,108	547
	22								
	4,168,000	3,474,000	3,450,000	1,765,000	10,000	200,000	2,000,000	2,073,438	547
	22								
	44,860,111	38,762,895	26,619,074	23,962,965	1,416,432	3,003,570	2,073,438	6,075,763	547
	42								
	329,564	267,545	90,148	29,000			6,545	7,419	547
	22								
	344,106	120,735	31,650	22,352	237,866	8,100			547
	22								
	28,428,784	31,898,017	25,578,493	31,898,017	2,637,010				547
	22								
	428,632	1,926,921	428,632	1,886,921					547
	22								
	434,076	3,753,320	1,920,618	1,111,888	176,292				547
	22								
	913,280,477	807,792,664	469,174,316	449,282,192	89,697,663	126,454,008	63,854,571	101,188,618	2,064
	2064								
	143,280,477	107,223,237	171,519,607	122,074,595	(62,507,613)	30,210,479	(20,562,330)	(20,562,330)	290
	2064								
	94,205,336	94,205,336	1,205,811	1,205,811	1,205,811	1,205,811	1,205,811	1,205,811	731
	2064								
	193,672	193,672	473,660	473,660	473,660	473,660	473,660	473,660	647
	2064								
	92,871,863	92,871,863	232,680	232,680	232,680	232,680	232,680	232,680	731
	2064								
	89,480,993	89,480,993	473,660	473,660	473,660	473,660	473,660	473,660	731
	2064								
	56,262,773	56,262,773	1,205,811	1,205,811	1,205,811	1,205,811	1,205,811	1,205,811	647
	2064								
	79,591,700	79,591,700	1,205,811	1,205,811	1,205,811	1,205,811	1,205,811	1,205,811	647
	2064								
	107,578,702	107,578,702	1,982,478	1,982,478	1,982,478	1,982,478	1,982,478	1,982,478	647
	2064								
	2,468,583	2,468,583	1,350	1,350	1,350	1,350	1,350	1,350	647
	2064								
	763,035	763,035							20
	20								

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