

Shifa Tameer-e-Millat University
Audited Financial Statements
For the year ended June 30, 2019



Nasir Javaid Maqsood Imran
Chartered Accountants
Islamabad - Lahore - Karachi
islamabadoffice@njmi.net



NASIR JAVAID MAQSOOD IMRAN

Chartered Accountants

Islamabad Office:
Office # 17, 2nd Floor,
Hill View Plaza, Above
Fresco Sweets, Blue Area,
Islamabad.
Tel: 051-2228138
Fax: 051-2228139
E-mail:
njmiconsultants@gmail.com
islamabadoffice@njmi.net

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, 2018 to June 30, 2019 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 Fund 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 society 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,

Karachi Office:

904, 9th Floor, Q.M. House, Plot No. 11/2, Ellander Road, Opp. Shaheen Complex, Off. I.I Chundrigar Road, Karachi Pakistan
Tel: 021-32212382, 32212383, 32211516, Fax: 021-32211515

Lahore Office:

Office # 1102, Al-Hafeez Heights, 66-D/1, Ghalib Road, Gulberg-III, Lahore
Tel: 042-35754821-22, Fax: 042-36317513, E-mail: nasirg@wol.net.pk



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

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 society'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 society'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 society 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: Feb. 19, 2020

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 2019

	NOTE	30-Jun 2019	30-Jun 2018
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	4	790,631,776	810,112,293
Intangible assets	5	329,574	597,119
Long term investment	6	18,340,413	21,278,273
Long term deposits		8,414,780	2,821,180
		817,716,543	834,808,865
Current assets			
Fee receivable	7	14,142,305	8,070,861
Stores and spares	8	2,411,260	3,403,786
Advances and prepayments	9	134,097,405	117,991,444
Other receivables	10	122,073,523	84,685,530
Cash and bank balances	11	203,040,920	111,236,638
		475,765,413	325,388,259
TOTAL ASSETS		1,293,481,956	1,160,197,124
FUNDS AND LIABILITIES			
Funds			
General fund		206,685,202	93,456,583
Fair value reserve		2,136,195	8,241,477
		208,821,397	101,698,060
Non-current liabilities			
Deferred grants	12	264,814,091	198,010,553
Students' security deposits	13	33,688,994	29,066,194
Diminishing musharkah finance	14	128,571,430	257,142,858
Employee benefit obligations	15	169,651,589	151,075,469
		596,726,104	635,295,074
Current liabilities			
Fee received in advance	16	298,156,768	248,173,929
Creditors and other payables	17	51,236,644	38,294,018
Current portion of:			
Students' security deposits	13	9,969,615	8,164,615
Assets subject to diminishing musharkah finance	14	128,571,428	128,571,428
		487,934,455	423,203,990
TOTAL LIABILITIES		1,084,660,559	1,058,499,064
Contingencies and commitments	18		
TOTAL FUNDS AND LIABILITIES		1,293,481,956	1,160,197,124

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 2019

	NOTE	30-Jun 2019	30-Jun 2018
		(Rupees)	
INCOME			
Fee income	19	822,723,718	693,139,875
Donations	20	63,533,848	32,495,171
Amortization	12	12,206,962	9,796,128
Other income	21	16,551,373	12,469,355
		<u>915,015,901</u>	<u>747,900,529</u>
EXPENDITURE			
Salaries, allowances and other benefits	22	488,458,452	429,426,920
Security services		6,338,603	5,316,062
Travelling and conveyance		5,676,993	1,135,202
Repair and maintenance		16,240,493	5,782,966
Rent		36,207,528	25,480,740
Printing and stationery		7,950,214	6,193,129
Utilities		24,550,427	20,579,104
Research, trainings & development		30,341,004	2,301,180
Vehicles' running		2,246,136	1,914,362
Falahee clinic support cost - net	23	36,577,181	34,445,149
Affiliation and inspection fee		2,750,000	1,400,000
Students' awards and convocation		9,353,636	6,809,311
Auditors' remuneration		220,000	298,000
Insurance		11,649,216	12,728,889
Advertisement		5,798,853	8,578,631
Fee and subscription		172,584	780,731
Hostel		31,842,326	37,752,974
Examination		5,988,210	3,867,002
Supplies consumed		5,226,975	2,570,487
Legal and professional		3,474,000	3,356,000
Depreciation	4.2	38,762,895	46,217,625
Amortization of intangible assets	5	267,545	452,294
Bank charges		120,735	190,042
Financial charges		31,898,017	31,000,060
Rates and taxes		1,926,921	1,141,567
Miscellaneous		3,753,720	4,847,024
		<u>807,792,664</u>	<u>694,565,451</u>
Excess of income over expenditure for the year		<u>107,223,237</u>	<u>53,335,078</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 COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	30-Jun 2019	30-Jun 2018
	(Rupees)	
Excess of income over expenditure for the year	107,223,237	53,335,078
Other comprehensive income:		
Experience adjustment on funded gratuity scheme	6,005,382	(19,848,044)
Total comprehensive income for the year	<u>113,228,619</u>	<u>33,487,034</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 2019

	General fund	Fair value reserve	Total
	----- Rupees -----		
Balance as at 01 July 2017	59,969,549	11,091,065	71,060,614
Excess of income over expenditure for the year	53,335,078	-	53,335,078
Other comprehensive income	(19,848,044)	-	(19,848,044)
Total comprehensive income for the year	33,487,034	-	33,487,034
Revaluation loss on remeasurement of available for sale investment	-	(2,849,588)	(2,849,588)
Balance as at 30 June 2018	93,456,583	8,241,477	101,698,060
Balance as at 01 July 2018	93,456,583	8,241,477	101,698,060
Excess of income over expenditure for the year	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
Revaluation Loss on remeasurement of available for sale investment	-	(6,105,282)	(6,105,282)
Balance as at 30 June 2019	206,685,202	2,136,195	208,821,397

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 2019

	30-Jun 2019	30-Jun 2018
Note	(Rupees)	
Cash flows from operating activities		
Excess of income over expenditure for the year	107,223,237	53,335,078
Adjustments for non-cash income and expenses:		
Dividend income	(499,141)	(671,339)
Provision for employee benefit obligations - gratuity	39,969,915	35,764,954
Depreciation of property, plant and equipment	43,426,035	51,874,152
Amortization of deferred grants	(12,206,962)	(9,796,128)
Amortization of intangible assets	267,545	452,294
Rates and taxes	1,926,921	-
Donation received in kind	(2,580,000)	-
	<u>177,527,550</u>	<u>130,959,011</u>
Changes in working capital:		
Fees receivable	(6,071,444)	1,025,923
Stores and spares	992,526	990,852
Advances and prepayments	(16,105,961)	(108,002,442)
Other receivables	(11,676,193)	(31,704,983)
Fee received in advance	49,982,839	11,753,616
Creditors and other payables	12,942,626	461,513
Cash generated from operations	<u>207,591,943</u>	<u>5,483,490</u>
Income taxes paid	(27,638,721)	(19,549,505)
Gratuity paid	(15,388,413)	(35,000,000)
Net cash inflows/(outflows) from operating activities	<u>164,564,809</u>	<u>(49,066,015)</u>
Cash flows from investing activities		
Purchase of operating fixed assets	(23,945,518)	(27,236,979)
Purchase of long term investment	(587,422)	-
Purchase of intangible assets	-	(696,000)
Long term deposits	(5,593,600)	(915,000)
Dividend received	499,141	671,339
Net cash (outflows) from investing activities	<u>(29,627,399)</u>	<u>(28,176,640)</u>
Cash flows from financing activities		
Grants received	79,010,500	51,664,000
Liabilities against assets subject to diminishing musharkah - net	(128,571,428)	(64,285,714)
Students' security deposits	6,427,800	4,772,500
Net cash (outflows) from financing activities	<u>(43,133,128)</u>	<u>(7,849,214)</u>
Net increase/(decrease) in cash and cash equivalents	91,804,282	(85,091,869)
Cash and cash equivalents at the beginning of the year	111,236,638	196,328,507
Cash and cash equivalents at the end of the year	<u>11</u> <u>203,040,920</u>	<u>111,236,638</u>

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 2019**

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. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

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).

**SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

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, previously reducing balance method was used at rates specified in note 4 to the financial statements. Depreciation 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.

Change estimates

During the year 2018, the University has changed the method of depreciation from reducing balance to straight line. The revision was accounted for prospectively as changed in accounting estimate and as a result, the depreciation charged of the University for 2018 increased by Rs. 18,203,913 and carrying amount of the property plant and equipment decreased by same amount as compared to the amounts had there been no change in estimate.

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.

Change estimates

During the year 2018, the University has changed the method of amortization from reducing balance to straight line. The revision was accounted for prospectively as changed in accounting estimate and as a result, the amortization charged of the University for 2018 increased by Rs. 102,490 and carrying amount of the intangible assets decreased by same amount as compared to the amounts had there been no change in estimate.

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.



SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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.

SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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

The University has a defined benefit plan (gratuity).

Defined benefit plan

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.

3.14 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.

SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 statement of income and expenditure 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 and 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 statement of income and expenditure

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.



30-Jan 2019 (Rupees)

30-Jan 2018

NOTE
4.1 814,706,776 834,187,293
(24,075,000) (24,075,000)
790,631,776 810,112,293

4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Land purchased with grant

4.1 Operating fixed assets

	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
As at 01 July 2017														
Cost	509,075,000	194,427,966	43,710,062	44,389,699	81,571,388	12,508,021	17,997,424	45,175,747	6,721,535	10,706,712	14,793,301	7,036,744	31,443,233	1,019,556,832
Accumulated depreciation	-	(810,117)	(36,900,886)	(22,608,775)	(9,818,389)	(7,317,240)	(12,981,837)	(34,479,217)	(2,569,159)	(7,913,306)	(3,801,275)	(380,425)	(21,151,740)	(160,732,366)
Carrying value	509,075,000	193,617,849	6,809,176	21,780,924	71,752,999	5,190,781	5,015,587	10,696,530	4,152,376	2,793,406	10,992,026	6,656,319	10,291,493	858,824,466
Year ended 30 June 2018														
Opening carrying value	509,075,000	193,617,849	6,809,176	21,780,924	71,752,999	5,190,781	5,015,587	10,696,530	4,152,376	2,793,406	10,992,026	6,656,319	10,291,493	858,824,466
Additions	-	2,089,056	6,845,628	2,316,884	1,232,027	1,129,170	-	11,277,078	-	392,366	565,270	-	1,369,500	27,236,979
Depreciation for the year	-	(9,887,218)	(6,348,492)	(4,591,619)	(8,223,122)	(2,455,549)	(2,541,967)	(7,920,939)	(659,729)	(1,718,110)	(742,625)	(706,438)	(6,073,344)	(51,874,132)
Closing 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
Year ended 30 June 2018														
Cost	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
Accumulated depreciation	-	(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)
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
Year ended 30 June 2019														
Opening 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
Additions	-	-	3,554,997	3,198,578	4,779,053	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)
Closing 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 2019														
Cost	509,075,000	196,517,022	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
Accumulated depreciation	-	(20,836,544)	(47,428,259)	(32,065,322)	(26,524,614)	(11,756,826)	(17,378,852)	(47,389,192)	(3,771,985)	(10,395,397)	(5,328,587)	(1,784,493)	(31,372,682)	(256,032,553)
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
Annual rate of depreciation (%)	-	5	33	10	10	10	20	20	10	20	5	10	10	20

Rupees

4.1.1 The detail of land is as under

Location	Nature	Area
Service Road South, Sector H-8, Islamabad	Leasehold land	14.69
Monza Ah-e-Biswal, Tehsil Taxila, Distt. Rawalpindi	Freehold land	31.10

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

SHIFA TAMEER-E-MILLAT UNIVERSITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2019

	Note	30-Jun 2019	30-Jun 2018
		(Rupees)	
4.2 Depreciation			
Charged to:			
Expenditure		38,762,895	46,217,625
Falahee clinic support cost - net	23	4,663,140	5,656,527
		<u>43,426,035</u>	<u>51,874,152</u>
5 Intangible assets			
Computer software			
Opening carrying value		597,119	353,413
Additions during the year		-	696,000
Amortization charge for the year		(267,545)	(452,294)
Closing carrying value		<u>329,574</u>	<u>597,119</u>
Cost as at 30 June		1,932,923	1,932,923
Accumulated amortization		(1,603,349)	(1,335,804)
		<u>329,574</u>	<u>597,119</u>
Amortization rate - per annum		33%	33%
6 LONG TERM INVESTMENT - AVAILABLE FOR SALE			
Endowment Fund Investment			
Investment in NIT units	6.1	16,140,413	21,278,273
Investment in shares	6.1	2,200,000	-
		<u>18,340,413</u>	<u>21,278,273</u>

6.1 ENDOWMENT FUND INVESTMENT

	30 June 2019			30 June 2018		
	NIT units	Shares	Total	NIT units	Shares	Total
Rupees.....		Rupees.....		
Cost	13,624,218	2,580,000	16,204,218	13,036,796	-	13,036,796
Fair value adjustment	2,516,195	(380,000)	2,136,195	8,241,477	-	8,241,477
Net book value	<u>16,140,413</u>	<u>2,200,000</u>	<u>18,340,413</u>	<u>21,278,273</u>	<u>-</u>	<u>21,278,273</u>

This investment represents 10,000 ordinary shares of Shifa International Hospitals Limited and 296,699 units (2018:288,128) in National Investment (Unit) Trust as at 30 June.

	30-Jun 2019	30-Jun 2018
		(Rupees)
7 FEE RECEIVABLE		
Students - against tuition fees	14,490,082	8,057,593
Soft loan from students and sponsored organizations	1,352,223	1,713,268
	15,842,305	9,770,861
Less: Impairment allowance against soft loan from students	(1,700,000)	(1,700,000)
	<u>14,142,305</u>	<u>8,070,861</u>

SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	30-Jun 2019	30-Jun 2018
		(Rupees)	
8 STORES AND SPARES			
Stores and spares	8.1	1,690,228	1,612,057
Other stores		721,032	1,791,729
		<u>2,411,260</u>	<u>3,403,786</u>

8.1 The cost of stores and spares recognized as an expense amounted to Rs. 29,575,972. (June 30, 2018: Rs. 32,135,760)

	Note	30-Jun 2019	30-Jun 2018
		(Rupees)	
9 ADVANCES AND PREPAYMENTS			
Considered good-unsecured			
Advances to employees		3,823,526	3,556,390
Other advances	9.1	<u>112,736,604</u>	<u>110,422,400</u>
		116,560,130	113,978,790
Prepayments:			
-Rent		16,785,132	3,294,936
-Other expenses		161,556	-
-Insurance		590,587	717,718
		<u>134,097,405</u>	<u>117,991,444</u>

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)		51,566,366	25,854,566
Accrued income on deposit accounts		876,089	227,278
Due from related parties	10.1	69,133,927	57,889,347
Others		879,141	1,096,339
		122,455,523	85,067,530
Less: Impairment allowance against others		(382,000)	(382,000)
		<u>122,073,523</u>	<u>84,685,530</u>

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;

	Note	30-Jun 2019	30-Jun 2018
		(Rupees)	
Shifa International Hospital		33,546,627	36,721,904
Shifa Foundation		35,587,300	21,167,443
		<u>69,133,927</u>	<u>57,889,347</u>

11 CASH AND BANK BALANCES

Cash on hand		15,956	18,836
Cash at bank - deposit accounts:			
Local currency		185,980,589	62,810,271
Foreign currency	11.1	<u>17,044,375</u>	<u>48,407,531</u>
		203,024,964	111,217,802
		<u>203,040,920</u>	<u>111,236,638</u>

11.1 It includes USD 101,259.31 (2018: 384,455.24), EUR 5,254.89 (2018: 5,253.57) and GBP 2.56 (2018: 2.56).

SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

12 DEFERRED GRANTS

	30-Jun-19								30-Jun-18	
	Development of library	Grants for Center of Islamic Studies	Grants for financial assistance contribution	Grants for cancer research	Grants for buildings	Electric equipment	Medical equipment	Purchase of land	Total	Total
	Rupees									
Opening balance	5,500,000	-	2,264,000	6,000,000	125,666,667	44,583,333	706,962	13,289,591	198,010,553	156,142,681
Grants received during the year	-	77,500,000	1,510,500	-	-	-	-	-	79,010,500	51,664,000
Less: Amortization of deferred grants	-	-	-	-	(6,500,000)	(5,000,000)	(706,962)	-	(12,206,962)	(9,796,128)
	<u>5,500,000</u>	<u>77,500,000</u>	<u>3,774,500</u>	<u>6,000,000</u>	<u>119,166,667</u>	<u>39,583,333</u>	<u>-</u>	<u>13,289,591</u>	<u>264,814,091</u>	<u>198,010,553</u>

	NOTE	30-Jun 2019	30-Jun 2018
		(Rupees)	
13 STUDENTS' SECURITY DEPOSITS			
Students' security deposits	13.1	43,658,609	37,230,809
Less: Current portion shown under current liabilities		(9,969,615)	(8,164,615)
		<u>33,688,994</u>	<u>29,066,194</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.

	NOTE	30-Jun 2019	30-Jun 2018
		(Rupees)	
14 DIMINISHING MUSHARKAH FINANCE			
Secured			
Albaraka Bank (Pakistan) limited		257,142,858	385,714,286
Less: Current portion shown under current liabilities		(128,571,428)	(128,571,428)
		<u>128,571,430</u>	<u>257,142,858</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	278,411,831	440,216,507
Less: Un-amortized musharkah charges	(21,268,973)	(54,502,221)
Present value of future minimum payments under the facility	257,142,858	385,714,286
Less: Current portion shown under current liabilities	(128,571,428)	(128,571,428)
	<u>128,571,430</u>	<u>257,142,858</u>

14.1 This represents the diminishing musharkah 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).

SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

14.1.1 The minimum payments under the facility and their present value fall due as follows.

	30-Jun-19		30-Jun-18	
	Future minimum payments under the facility	Present value of future minimum payments under the facility	Future minimum payments under the facility	Present value of future minimum payments under the facility
(Rupees).....			
Due not later than one year	143,924,443	128,571,428	157,290,446	128,571,428
Due later than one year but not later than five years	134,487,388	128,571,430	282,926,061	257,142,858
	<u>278,411,831</u>	<u>257,142,858</u>	<u>440,216,507</u>	<u>385,714,286</u>

NOTE
30-Jun 2019
30-Jun 2018
(Rupees)

15 EMPLOYEE BENEFIT OBLIGATIONS

15.1 The amounts recognized in the statement of financial position are determined as follows:

Present value of defined benefits obligation	15.3	167,815,225	146,517,407
Fair value of plan assets	15.5	(466,966)	(5,581,069)
Benefits payable to members left (unsettled)		<u>2,303,330</u>	<u>10,139,131</u>
		<u>169,651,589</u>	<u>151,075,469</u>

15.2 The amount recognized in the income and expenditure account:

Current service cost	28,029,073	27,980,811
Interest cost	12,610,900	8,473,725
Interest income on plan assets	(670,058)	(689,582)
	<u>39,969,915</u>	<u>35,764,954</u>

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

Opening defined benefit obligation	146,517,407	144,937,044
Interest cost	12,610,900	8,473,725
Current service cost	28,029,073	27,980,811
Benefits due but not paid (payables)	(1,132,211)	(10,139,131)
Benefits paid	(11,660,371)	(45,977,036)
Remeasurements:		
Actuarial (gains)/losses from changes in financial assumptions	2,632,168	803,037
Experience adjustments	(9,181,741)	20,438,957
Carrying value of defined benefit obligation	<u>167,815,225</u>	<u>146,517,407</u>

NOTE
30-Jun 2019
30-Jun 2018
(Rupees)

15.4 Changes in liability recognized in statement of financial position:

Balance at beginning of year	151,075,469	130,462,471
Charge for the year	39,969,915	35,764,954
Remeasurements chargeable in other comprehensive income	(6,005,382)	19,848,044
Contributions for the year	<u>(15,388,413)</u>	<u>(35,000,000)</u>
Balance at end of year	<u>169,651,589</u>	<u>151,075,469</u>

SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE	30-Jun 2019	30-Jun 2018
	(Rupees)	
15.5 Changes in fair value of plan assets are as follow:		
Fair value of plan assets	5,581,069	15,000,000
Contributions	15,388,413	35,000,000
Interest income	670,058	689,582
Benefits paid	(20,628,383)	(46,502,463)
Return on plan assets excluding interest income	(544,191)	1,393,950
	<u>466,966</u>	<u>5,581,069</u>
15.6 Principal actuarial assumptions		
Following are few important actuarial assumptions used in the valuation:	30-Jun 2019	30-Jun 2018
Discount rate used for year end obligation	14.25% p.a.	9.00% p.a.
Discount rate used for interest cost in P&L charge	9.00% p.a.	7.25% p.a.
Expected rate of increase in salary		
Salary increase FY 2020 onward	13.25%	8.00%
Mortality rate	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year
Retirement assumption	Age 60	Age 60
15.7 The plan assets comprise of bank balances.		
	30-Jun 2019	30-Jun 2018
	(Rupees)	
16 FEE RECEIVED IN ADVANCE		
Tuition fee	282,227,231	226,416,794
Hostel fee	11,143,537	13,422,635
Extracurricular fee	384,000	4,883,000
Examination fee	48,000	36,000
Registration fee	4,054,000	5,500
Library fee	-	2,130,000
Others	300,000	1,280,000
	<u>298,156,768</u>	<u>248,173,929</u>
17 CREDITORS AND OTHER PAYABLES		
Creditors	18,383,158	19,386,915
Withholding tax	4,877,093	2,302,544
Accrued liabilities	1,395,925	1,342,577
Retention money	967,853	1,243,912
Accrued markup on musharaka facility	5,348,307	4,933,233
Other liabilities	20,264,308	9,084,837
	<u>51,236,644</u>	<u>38,294,018</u>
18 CONTINGENCIES AND COMMITMENTS		
18.1 Contingencies		

SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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:

	NOTE	30-Jun 2019	30-Jun 2018
		(Rupees)	
Not later than 1 year		89,415,176	50,302,916
Later than 1 year		96,773,029	55,333,207
		<u>186,188,205</u>	<u>105,636,123</u>
19 FEE INCOME			
Tuition fee		684,970,366	572,080,404
Admission fee		47,275,625	28,218,000
Application fee		4,635,000	9,551,111
Examination fee		26,374,000	24,399,000
Hostel fee		42,651,633	36,492,795
Library fee		2,140,000	3,920,000
Extracurricular fee		5,541,000	8,167,500
Others		9,136,094	10,311,065
		<u>822,723,718</u>	<u>693,139,875</u>
20 DONATIONS			
In cash			
From related parties:			
Shifa International Hospitals Limited		53,966,585	32,495,171
From others			
In kind		2,580,000	-
In cash		6,987,263	-
		<u>63,533,848</u>	<u>32,495,171</u>
21 OTHER INCOME			
Profit on deposit accounts		6,939,671	3,542,770
Exchange gain		5,894,617	6,861,227
Dividend income		499,141	671,339
Prospectus sale		2,479,500	1,031,000
Miscellaneous		738,444	363,019
		<u>16,551,373</u>	<u>12,469,355</u>
22 SALARIES, ALLOWANCES AND OTHER BENEFITS			
Salaries, allowances and other benefits include Rs. 39,969,915 (June 30, 2018: Rs. 35,764,954) in respect of staff retirement benefits.			

SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	30-Jun 2019	30-Jun 2018
(Rupees)			
23 FALAHEE CLINIC SUPPORT COST - NET			
Receipts			
Receipts from patients		16,707,295	23,206,499
Donations for patients treatment		26,520,829	21,792,952
		<u>43,228,124</u>	<u>44,999,451</u>
Payments			
Salaries, allowances and other benefits		23,170,914	22,669,288
Repair and maintenance		201,620	328,636
Printing and stationery		801,954	962,465
Utilities		-	27,561
Surgical & medical supplies		2,560,577	2,302,823
Radiology supplies		676,710	479,191
Medicine expense		7,573,154	10,326,732
Medical bills expense		38,307,084	30,806,256
Insurance		247,665	145,620
Advertisement		-	68,904
Fee and subscription		7,500	-
Supplies consumed		1,452,056	5,575,766
Depreciation	4.2	4,663,140	5,656,527
Miscellaneous		142,931	94,831
		<u>79,805,305</u>	<u>79,444,600</u>
Falahee clinic support cost - net		<u>(36,577,181)</u>	<u>(34,445,149)</u>

- 23.1 University is providing subsidised/ free of cost medical services to the deserving 127,794 (2018:169,308) patients in Out Patient Department and 4,541 (2018: 4,535) patients in In Patient Department. Overall subsidy / free of cost medical services provided are almost amounting to Rs. 388 Million (2018: 444 Million).

24 - INCOME AND EXPENDITURE ACCOUNT - DEPARTMENT WISE
FOR THE PERIOD ENDED 30 JUNE 2019

	Consolidated		Shifa College of Medicine		Shifa College of Nursing		Shifa College of Pharmaceutical Sciences		Allied Health Sciences		STMU - Secretariat		OTHERS	
	30-Jun 2019	30-Jun 2018	30-Jun 2019	30-Jun 2018	30-Jun 2019	30-Jun 2018	30-Jun 2019	30-Jun 2018	30-Jun 2019	30-Jun 2018	30-Jun 2019	30-Jun 2018	30-Jun 2019	30-Jun 2018
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
INCOME														
19 Fee income	822,723,718	693,139,875	558,456,035	484,159,544	53,954,950	39,626,025	60,375,691	47,039,005	149,777,042	122,315,301	160,000	-	-	-
20 Donations	63,533,848	32,495,171	-	-	38,966,585	32,495,171	-	-	-	-	24,164,263	-	-	-
Amortization	12,206,962	9,796,128	12,206,962	9,796,128	-	-	-	-	-	-	-	-	-	-
21 Other income	16,551,373	12,469,355	693,790	351,012	1,143,515	1,013,000	662,950	-	691,067	2,006	13,000,016	9,350,893	360,035	1,752,444
	915,015,901	747,900,529	571,356,787	494,306,684	94,065,050	73,134,196	61,038,641	47,039,005	150,468,109	122,317,307	37,324,279	9,350,893	763,035	1,752,444
EXPENSES														
Salaries, allowances and other benefits	488,458,452	429,426,920	285,737,803	273,748,598	50,947,800	37,862,748	47,530,541	23,498,681	55,629,913	47,221,001	48,612,395	47,094,972	-	920
Security services	6,338,603	5,316,062	3,980,490	3,410,514	658,996	577,458	1,314,300	511,746	312,832	767,624	71,985	48,720	-	-
Travelling and conveyance	5,676,993	1,135,202	120,954	375,527	881,897	399,296	57,423	151,008	38,367	58,880	4,578,352	150,491	-	-
Repair and maintenance	16,240,493	5,782,966	2,094,341	3,904,746	587,344	389,319	10,504,453	222,811	2,199,851	699,680	854,504	566,410	-	-
Rent	36,207,528	25,480,740	-	-	667,826	667,271	15,337,121	4,193,436	18,468,175	19,103,460	2,402,232	2,183,844	-	-
Printing and stationery	7,950,214	6,193,129	2,450,177	2,164,868	1,326,620	1,641,835	1,224,429	282,439	610,478	569,893	2,997,304	2,334,708	-	173,950
Utilities	24,550,427	20,579,104	18,210,804	14,678,994	1,800,000	1,641,835	1,871,895	801,983	1,571,517	1,769,531	1,569,591	1,686,761	-	-
Research, trainings & development	30,341,004	2,301,180	637,993	1,087,912	94,460	95,000	80,157	66,499	183,587	254,331	29,344,807	797,438	-	-
Vehicles running	2,246,136	1,914,362	445,684	574,513	-	-	118,310	13,280	3,050	87,559	1,679,092	1,239,010	-	-
Falabeeh clinic support cost - net	36,577,181	34,445,149	1,800,000	34,445,149	-	-	-	-	-	-	-	-	-	-
Affiliation and inspection fee	2,750,000	1,400,000	1,800,000	1,050,000	(50,000)	50,000	1,000,000	-	-	1,644,458	-	300,000	-	-
Students' awards and convocation	9,353,636	6,809,311	4,189,893	3,328,101	754,667	1,007,022	1,152,972	596,704	2,571,477	1,644,458	684,627	233,026	-	-
Auditors' remuneration	220,000	298,000	298,000	136,000	-	32,500	-	-	-	59,500	220,000	40,000	-	30,000
Insurance	11,649,216	12,728,889	7,518,514	8,341,207	950,968	1,158,021	861,270	335,202	819,720	815,492	1,498,744	2,078,967	-	-
Advertisement	5,798,853	8,578,631	54,084	2,282,039	414,858	1,136,901	843,186	963,171	2,727,994	4,090,584	1,758,731	105,936	-	-
Fee and subscription	172,584	780,731	12,261	39,556	-	-	(433,502)	552,837	38	38	-	188,300	-	-
Hostel	31,842,326	37,752,974	22,191,154	28,742,841	3,055,293	5,153,925	2,600,048	1,455,454	3,995,831	2,400,754	-	-	-	-
Examination	5,988,210	3,867,002	1,337,120	1,351,250	969,787	651,240	1,050,108	693,115	1,818,795	1,001,206	812,400	170,191	-	-
Supplies consumed	5,226,975	2,570,487	1,247,596	770,163	79,515	234,644	1,050,108	747,878	3,990,970	111,197	1,184,129	706,605	-	-
Legal and professional	3,474,000	3,356,000	1,765,000	1,010,000	200,000	1,500	2,324,765	747,878	390,970	100,000	1,509,000	2,244,500	-	-
Depreciation	38,762,895	46,217,625	23,962,965	31,113,279	2,073,438	2,018,194	5,194,962	4,751,550	2,669,107	3,034,925	4,862,423	5,299,677	-	-
Amortization of intangible assets	267,545	452,294	29,000	210,477	-	-	6,545	9,817	-	-	232,000	232,000	-	-
Bank charges	120,735	190,042	22,352	2,854,782	233,002	387,894	-	-	-	254,092	40,000	-	-	-
Financial charges	31,898,017	31,000,060	31,898,017	31,000,060	8,100	232	200	-	-	-	90,083	189,210	-	-
Rates and taxes	1,926,921	1,141,567	1,886,921	1,141,567	-	-	-	-	-	-	-	-	-	-
Miscellaneous	3,753,720	4,847,024	1,111,888	2,854,782	233,002	387,894	232,680	232,599	193,672	254,092	1,982,478	1,111,657	-	-
	807,792,664	694,565,451	449,282,192	447,762,143	63,854,571	53,463,051	92,871,863	40,080,210	94,205,336	84,044,205	107,578,702	69,008,423	-	205,470
SURPLUS FOR THE YEAR	107,223,237	53,335,078	122,074,595	46,544,541	30,210,479	19,669,196	(31,833,222)	6,958,795	56,262,773	38,273,102	(70,254,423)	(59,657,530)	763,035	1,546,974

Number of Students

1,805

1,561

566

516

302

244

290

248

647

553

SHIFA TAMEER-E-MILLAT UNIVERSITY
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25 Financial instruments

	Fair value through changes in fund		Amortized cost		Total	
	30-Jun 2019	30-Jun 2018	30-Jun 2019	30-Jun 2018	30-Jun 2019	30-Jun 2018
	Rupees					
Financial assets						
Long term investment	18,340,413	21,278,273	-	-	18,340,413	21,278,273
Long term deposits	-	-	8,414,780	2,821,180	8,414,780	2,821,180
Fee receivables	-	-	14,142,305	8,070,861	14,142,305	8,070,861
Other receivables	-	-	122,073,523	84,685,530	122,073,523	84,685,530
Advances and prepayments	-	-	24,097,405	7,991,444	24,097,405	7,991,444
Cash and bank balances	-	-	203,040,920	111,236,638	203,040,920	111,236,638
	<u>18,340,413</u>	<u>21,278,273</u>	<u>371,768,933</u>	<u>214,805,653</u>	<u>390,109,346</u>	<u>236,083,926</u>
Financial liabilities						
Diminishing musharkah finance	-	-	257,142,858	385,714,286	257,142,858	385,714,286
Employee benefit obligation	-	-	169,651,589	151,075,469	169,651,589	151,075,469
Creditors and other payables	-	-	51,236,644	38,294,018	51,236,644	38,294,018
Students' security deposits	-	-	43,658,609	37,230,809	43,658,609	37,230,809
	<u>-</u>	<u>-</u>	<u>521,689,700</u>	<u>612,314,582</u>	<u>521,689,700</u>	<u>612,314,582</u>

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 2019	30-Jun 2018
			(Rupees)	
Shifa International Hospitals Limited (SIHL)	Common Directorship	Balance receivable at the beginning of the year	36,721,904	23,346,915
		Services provided by Shifa College of Nursing	69,517,525	45,674,671
		House Officers	11,819,225	9,679,460
		Services Provided	81,336,750	55,354,131
		Charge against services provided to patients of falahee clinic	(38,077,428)	(30,818,199)
		Rent and utilities and other services	(15,090,638)	(7,326,450)
		Honorarium	(8,646,000)	(1,470,000)
		Services Received	(61,814,066)	(39,614,649)
		Paid / Settled	41,654,124	27,635,507
		Received / Settled	(64,352,085)	(30,000,000)
		Balance receivable at the year end	<u>33,546,627</u>	<u>36,721,904</u>
Shifa Foundation	Common Directorship	Balance receivable at the beginning of the year	21,167,443	2,660,319
		Services provided	26,520,829	21,792,952
		Received / Settled	(12,100,972)	(3,285,828)
		Balance receivable at the year end	<u>35,587,300</u>	<u>21,167,443</u>
Key Management Personnel	Key management	Managerial Remuneration	<u>55,945,138</u>	<u>51,027,084</u>
Staff retirement benefit plan - Gratuity fund	Other related party	Balance Payable at the beginning of the year	(151,075,469)	(130,462,471)
		Liability charge for the year	(39,969,915)	(35,764,954)
		Remeasurements chargeable in other comprehensive income	6,005,382	(19,848,044)
		Contribution towards gratuity fund	15,388,413	35,000,000
		Balance Payable at the year end	<u>(169,651,589)</u>	<u>(151,075,469)</u>

SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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.

		30-Jun 2019	30-Jun 2018
		(Rupees)	
26.2 Donations / Support provided by the Sponsors Since Inception to Date:			
<u>In kind</u>			
	Shifa Foundation (Net worth of SCM, Falahee Clinic & SCN at inception of University)	(32,848,994)	(32,848,994)
	Tameer-e-Millat Foundation	10,017,790	10,017,790
<u>In cash</u>			
	Shifa Foundation	23,089,549	23,089,549
	Shifa International Hospitals Limited (SIHL)	38,791,998	38,791,998
	Tameer-e-Millat Foundation	16,000,000	16,000,000
<u>Grants</u>			
	Shifa International Hospitals Limited (SIH)	15,000,000	-
<u>Grants for Library</u>			
	Shifa Foundation	3,500,000	3,500,000
		30-Jun 2019	30-Jun 2018
		(Rupees)	
<u>Grants for Equipment</u>			
	Shifa International Hospitals Limited (SIHL)	50,000,000	50,000,000
<u>Grants for Building</u>			
	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
		253,596,008	238,550,343

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 12-02-2020.


VICE CHANCELLOR


TREASURER