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Chartered Accountants

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**SHIFA TAMEER-E-MILLAT UNIVERSITY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

INDEPENDENT AUDITORS' REPORT TO THE SENATE

Opinion

We have audited the financial statements of **Shifa Tameer-e-Millat University** ("the University"), which comprise the statement of financial position as at 30 June 2018 and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as at 30 June 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.

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 report. We are independent of the University in accordance with the International Ethics 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.

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, 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 related 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 financial reporting process.

Auditor's responsibilities for the Audit of 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, 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 for 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 control.
- 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 management.
- Conclude on the appropriateness of management's 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 uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Nadeem Safdar & Co.
Chartered Accountants

Date: 23 JAN 2019
Islamabad

Engagement Partner: Nadeem Safdar

SHIFA TAMEER-E-MILLAT UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	NOTE	2018 (Rupees)	2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	810,112,293	834,749,466
Intangible asset	5	597,119	353,413
Long term investment	6	21,278,273	24,127,861
Long term deposits		2,821,180	1,906,180
		834,808,865	861,136,920
Current assets			
Fee receivable	7	8,070,861	9,096,784
Stores and spares	8	3,403,786	4,394,638
Advances and prepayments	9	117,991,444	9,989,002
Other receivables	10	84,685,530	33,431,042
Cash and bank balances	11	111,236,638	196,328,507
		325,388,259	253,239,973
TOTAL ASSETS		1,160,197,124	1,114,376,893
FUNDS AND LIABILITIES			
Funds			
General fund		93,456,583	59,969,549
Fair value reserve		8,241,477	11,091,065
		101,698,060	71,060,614
Non-current liabilities			
Deferred grants	12	198,010,553	156,142,681
Students' security deposits	13	29,066,194	26,568,200
Diminishing musharkah finance	14	257,142,858	385,714,286
Employee benefit obligations	15	151,075,469	130,462,471
		635,295,074	698,887,638
Current liabilities			
Fee received in advance	16	248,173,929	236,420,313
Creditors and other payables	17	38,294,018	37,832,505
Current portion of:			
Students' security deposits	13	8,164,615	5,890,109
Assets subject to diminishing musharkah finance	14	128,571,428	64,285,714
		423,203,990	344,428,641
TOTAL LIABILITIES		1,058,499,064	1,043,316,279
Contingencies and commitments	18		
TOTAL FUNDS AND LIABILITIES		1,160,197,124	1,114,376,893

The annexed notes, from 1 to 29, form an integral part of these financial statements.


VICE CHANCELLOR


TREASURER

SHIFA TAMEER-E-MILLAT UNIVERSITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 (Rupees)	2017
INCOME			
Fee income	19	693,139,875	606,520,896
Donations	20	32,495,171	12,791,998
Amortization	12	9,796,128	1,125,772
Other income	21	12,469,355	15,145,637
		<u>747,900,529</u>	<u>635,584,303</u>
EXPENDITURE			
Salaries, allowances and other benefits	22	434,742,982	381,563,425
Travelling and conveyance		1,135,202	387,328
Repair and maintenance		5,782,966	3,117,642
Rent		25,480,740	33,922,171
Printing and stationery		6,193,129	4,059,697
Utilities		16,228,448	16,731,957
Research, trainings & development		2,301,180	801,614
Vehicles' running		1,914,362	1,933,824
Falahee clinic support cost - net	23	34,445,149	31,181,144
Affiliation and inspection fee		1,400,000	1,220,518
Students' awards and convocation		11,159,967	9,874,839
Auditors' remuneration		298,000	230,000
Insurance		12,728,889	12,713,858
Advertisement		8,578,631	3,627,825
Fee and subscription		780,731	366,630
Hostel		37,752,974	30,675,955
Examination		3,867,002	6,132,996
Supplies consumed		2,570,487	2,337,823
Legal and professional		3,356,000	1,637,500
Depreciation	4.4	46,217,625	14,164,576
Amortization of intangible asset	5	452,294	168,030
Bank charges		190,042	357,837
Financial charges		31,000,060	37,453,808
Rates and taxes		1,141,567	-
Miscellaneous		4,847,024	3,270,221
		<u>694,565,451</u>	<u>597,931,218</u>
Excess of income over expenditure for the year		<u>53,335,078</u>	<u>37,653,085</u>

The annexed notes, from 1 to 29, form an integral part of these financial statements.

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TREASURER

SHIFA TAMEER-E-MILLAT UNIVERSITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	(Rupees)	
Excess of income over expenditure for the year	53,335,078	37,653,085
Other comprehensive income:		
Experience adjustment on funded gratuity scheme	(19,848,044)	-
Total comprehensive income for the year	<u>33,487,034</u>	<u>37,653,085</u>

The annexed notes, from 1 to 29, form an integral part of these financial statements.

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TREASURER

SHIFA TAMEER-E-MILLAT UNIVERSITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2018

	General fund	Fair value reserve	Total
	----- Rupees -----		
Balance as at 01 July 2016	22,316,464	6,512,030	28,828,494
Excess of income over expenditure for the year	37,653,085	-	37,653,085
Other comprehensive income	-	-	-
Total comprehensive income for the year	37,653,085	-	37,653,085
Gain on remeasurement of available for sale investment	-	4,579,035	4,579,035
Balance as at 30 June 2017	59,969,549	11,091,065	71,060,614
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
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

The annexed notes, from 1 to 29, form an integral part of these financial statements.

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TREASURER

SHIFA TAMEER-E-MILLAT UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 (Rupees)	2017
Cash flows from operating activities			
Excess of income over expenditure for the year		53,335,078	37,653,085
Adjustments for non-cash income and expenses:			
Dividend income		(671,339)	(1,238,356)
Provision for employee benefit obligations - gratuity		35,764,954	28,946,352
Depreciation of property, plant and equipment	4.4	51,874,152	16,139,924
Amortization of deferred grants		(9,796,128)	(1,125,772)
Amortization of intangible asset		452,294	168,030
		<u>130,959,011</u>	<u>80,543,263</u>
Changes in working capital:			
Fees receivable		1,025,923	2,781,479
Stores and spares		990,852	87,575
Due from Shifa International Hospitals Limited - related party			
Due from Shifa Foundation - related party			
Advances and prepayments		(108,002,442)	(214,948)
Other receivables		(31,704,983)	(24,557,924)
Fee received in advance		11,753,616	38,707,800
Creditors and other payables		461,513	20,036,514
Cash generated from operations		<u>5,483,490</u>	<u>117,383,759</u>
Income taxes paid		(19,549,505)	(885,374)
Gratuity paid		(35,000,000)	(16,820,575)
Net cash (outflow) / inflow from operating activities		<u>(49,066,015)</u>	<u>99,677,810</u>
Cash flows from investing activities			
Purchase of operating fixed assets		(27,236,979)	(19,934,588)
Capital work-in-progress		-	(98,176,675)
Purchase of long term investment		-	(1,083,562)
Purchase of intangible asset		(696,000)	(29,451)
Long term deposits		(915,000)	(390,780)
Dividend received		671,339	1,238,356
Net cash (outflow) from investing activities		<u>(28,176,640)</u>	<u>(118,376,700)</u>
Cash flows from financing activities			
Grants received		51,664,000	60,100,000
Liabilities against assets subject to diminishing musharkah - net		(64,285,714)	(2,228,154)
Students' security deposits		4,772,500	4,899,000
Net cash (outflow) / inflow from financing activities		<u>(7,849,214)</u>	<u>62,770,846</u>
Net (decrease) / increase in cash and cash equivalents		<u>(85,091,869)</u>	<u>44,071,956</u>
Cash and cash equivalents at the beginning of the year		<u>196,328,507</u>	<u>152,256,551</u>
Cash and cash equivalents at the end of the year	11	<u><u>111,236,638</u></u>	<u><u>196,328,507</u></u>

The annexed notes, from 1 to 29, form an integral part of these financial statements.



VICE CHANCELLOR

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TREASURER

**SHIFA TAMEER-E-MILLAT UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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 judgements 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.

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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, 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, 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, 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.

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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.

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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, 2018.

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.

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

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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 and measured. Revenue is recognized at fair value of consideration received or receivable. Revenue from different sources is recognized 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.

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4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Land purchased with grant

NOTE	2018 Rupees	2017 Rupees
4.1	834,187,293 (24,075,000)	858,824,466 (24,075,000)
	810,112,293	834,749,466

4.1 Operating fixed assets

	OWNED ASSETS													Total	Vehicles & Generator	Grand Total
	Land	Building	Computer equipment	Furniture and fixture	Electrical equipment	Office equipment	Vehicles	Lab equipment	Museum	Audio visual equipment	Library books	Mortuary room	Medical equipment			
As at 01 July 2016	509,075,000	-	41,107,293	42,514,768	19,250,602	8,765,030	13,519,091	43,098,247	5,283,604	9,803,473	13,335,107	331,744	30,660,733	736,744,692	6,813,933	743,558,625
Cost	-	-	(34,406,064)	(20,325,488)	(8,151,493)	(5,781,756)	(10,017,332)	(31,962,276)	(2,193,926)	(7,337,620)	(3,267,686)	(261,667)	(18,709,388)	(142,414,696)	(2,177,746)	(144,592,442)
Accumulated depreciation	-	-	6,701,229	22,189,280	11,099,109	2,983,274	3,501,759	11,135,971	3,089,678	2,465,853	10,067,421	70,077	11,951,345	594,329,996	4,636,187	598,966,183
Carrying value	509,075,000	-	6,701,229	22,189,280	11,099,109	2,983,274	3,501,759	11,135,971	3,089,678	2,465,853	10,067,421	70,077	11,951,345	594,329,996	4,636,187	598,966,183
Year ended 30 June 2017	509,075,000	-	6,701,229	22,189,280	11,099,109	2,983,274	3,501,759	11,135,971	3,089,678	2,465,853	10,067,421	70,077	11,951,345	594,329,996	4,636,187	598,966,183
Opening carrying value	-	-	2,602,769	1,874,931	685,133	1,407,391	-	2,077,500	1,437,931	903,239	1,458,194	6,705,000	782,500	19,934,588	-	19,934,588
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred from Capital work in process	-	194,427,966	-	-	61,635,653	-	-	-	-	-	-	-	-	256,063,619	-	256,063,619
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	2,335,600	4,478,333	-	-	-	-	-	-	6,813,933	(6,813,933)	-
Accumulated depreciation	-	-	-	-	-	(840,816)	(2,264,167)	-	-	-	-	-	-	(3,104,983)	3,104,983	-
Depreciation for the year	-	(810,117)	(2,494,822)	(2,283,287)	(1,666,896)	(694,668)	(700,338)	(2,516,941)	(375,233)	(575,686)	(533,589)	(118,758)	(2,442,352)	(15,212,687)	(927,237)	(16,139,924)
Closing 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	-	858,824,466
Year ended 30 June 2017	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	-	1,019,556,832
Cost	-	(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)	-	(160,732,366)
Accumulated depreciation	-	-	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	-	858,824,466
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	-	858,824,466
Year ended 30 June 2018	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	-	858,824,466
Opening Carrying value	-	2,089,056	6,845,628	2,316,884	1,252,027	1,129,170	-	11,277,078	392,366	565,270	(747,625)	-	1,369,500	27,236,979	-	27,236,979
Additions	-	(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)	(706,438)	-	(6,073,344)	(51,874,152)	-	(51,874,152)
Depreciation for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	834,187,293
Year ended 30 June 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	-	1,046,793,811
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)	-	(212,606,518)
Accumulated depreciation	-	-	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	-	834,187,293
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	-	834,187,293
Annual rate of depreciation (%)	-	5	33	10	10	20	20	20	10	20	5	10	20	20	-	20

4.1.1 The detail of land is as under:

Location	Nature	Area
Service Road South, Sector H-8, Islamabad	Leasehold land	14.69
Mouza Ahi-e-Pisawal, Tehsil Taxila, Distt. Rawalpindi	Freehold land	31.10

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

	Note	2018 (Rupees)	2017
4.2 Capital work in progress			
Building and other equipment	4.2.1	-	115,000,000
Building improvements	4.2.2	-	141,063,619
		<u>-</u>	<u>256,063,619</u>

4.2.1 During the year 2016, the University has acquired a building including land (NCBMS) against the total consideration paid of Rs. 600 million. As per valuation done by an independent valuer named Impulse (private) Limited, the said cost has been allocated between land, building and other equipment by the amount of Rs. 485 million and Rs. 115 million respectively.

4.2.2 This represents the cost incurred on construction of NCBMS building and includes civil works and other direct expenses incurred during the year.

	Note	2018 (Rupees)	2017
4.3 Movement of capital work in progress is as under:			
Balance at beginning of year		-	157,886,944
Additions during the year		-	98,176,675
Transferred to property, plant and equipment		-	(256,063,619)
Balance at end of year		<u>-</u>	<u>-</u>
4.4 Depreciation			
Charged to:			
Expenditure		46,217,625	14,164,576
Falahee clinic support cost - net	23	5,656,527	1,975,348
		<u>51,874,152</u>	<u>16,139,924</u>

5 Intangible assets

Computer software

Opening carrying value		353,413	491,992
Additions during the year		696,000	29,451
Amortization charge for the year		(452,294)	(168,030)
Closing carrying value		<u>597,119</u>	<u>353,413</u>
Cost as at 30 June		1,932,923	1,236,923
Accumulated amortization		(1,335,804)	(883,510)
		<u>597,119</u>	<u>353,413</u>
Amortization rate - per annum		33%	33%

6 LONG TERM INVESTMENT - AVAILABLE FOR SALE

	30 June 2018			30 June 2017		
	Units (Numbers)	Cost(Rupees).....	Fair value	Units (Numbers)	Cost(Rupees).....	Fair value
ENDOWMENT FUND INVESTMENT						
National Investment Trust Limited	288,128	13,036,796	21,278,273	288,128	13,036,796	24,127,861
Add: Fair value adjustment		8,241,477			11,091,065	
		<u>21,278,273</u>	<u>21,278,273</u>		<u>24,127,861</u>	<u>24,127,861</u>

	Note	2018 (Rupees)	2017
7 FEE RECEIVABLE			
Students - against tuition fees		8,057,593	8,625,854
Soft loan from students and sponsored organizations		1,713,268	2,170,930
		9,770,861	10,796,784
Less: Impairment allowance against soft loan from students		(1,700,000)	(1,700,000)
		<u>8,070,861</u>	<u>9,096,784</u>
8 STORES AND SPARES			
Stores and spares	8.1	1,612,057	1,861,419
Other stores		1,791,729	2,533,219
		<u>3,403,786</u>	<u>4,394,638</u>

8.1 The cost of stores and spares recognised as an expense amounted to Rs. 32,135,760. (2017: Rs. 31,492,190).

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	Note	2018 (Rupees)	2017
9 ADVANCES AND PREPAYMENTS			
Considered good-unsecured			
Advances to employees		3,556,390	3,743,049
Other advances	9.1	110,422,400	-
		<u>113,978,790</u>	<u>3,743,049</u>
Prepayments:			
-Rent		3,294,936	5,742,214
-Insurance		717,718	503,739
		<u>117,991,444</u>	<u>9,989,002</u>

9.1 This includes an amount of Rs. 110,000,000 paid as advance to Mr. Qari Khalil for the purchase of AHS building.

10 OTHER RECEIVABLES

Advance income tax - considered good (unsecured)		25,854,566	6,305,061
Accrued income on deposit accounts		227,278	296,499
Due from related parties	10.1	57,889,347	26,007,234
Others		1,096,339	1,204,248
		<u>85,067,530</u>	<u>33,813,042</u>
Less: Impairment allowance against others		(382,000)	(382,000)
		<u>84,685,530</u>	<u>33,431,042</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	2018 (Rupees)	2017
Shifa International Hospital		36,721,904	23,346,915
Shifa Foundation		21,167,443	2,660,319
		<u>57,889,347</u>	<u>26,007,234</u>

11 CASH AND BANK BALANCES

Cash on hand		18,836	201,998
Cash at bank - deposit accounts:			
Local currency		62,810,271	154,737,922
Foreign currency	11.1	48,407,531	41,388,587
		<u>111,217,802</u>	<u>196,126,509</u>
		<u>111,236,638</u>	<u>196,328,507</u>

11.1 It includes USD 384,455.24 (2017: 383,050.83), EUR 5,253.57 (2017: 5,252.62) and GBP 2.56 (2017: 2.56).

12 DEFERRED GRANTS

	30-Jun-18							30-Jun-17	
	Development of library	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	600,000	6,000,000	79,666,667	49,583,333	1,503,090	13,289,591	156,142,681	97,168,453
Grants received during the year	-	1,664,000	-	50,000,000	-	-	-	51,664,000	60,100,000
Less: Amortization of deferred grants	-	-	-	(4,000,000)	(5,000,000)	(796,128)	-	(9,796,128)	(1,125,772)
	<u>5,500,000</u>	<u>2,264,000</u>	<u>6,000,000</u>	<u>125,666,667</u>	<u>44,583,333</u>	<u>706,962</u>	<u>13,289,591</u>	<u>198,010,553</u>	<u>156,142,681</u>

	NOTE	2018 (Rupees)	2017
13 STUDENTS' SECURITY DEPOSITS			
Students' security deposits	13.1	37,230,809	32,458,309
Less: Current portion shown under current liabilities		(8,164,615)	(5,890,109)
		<u>29,066,194</u>	<u>26,568,200</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.

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	NOTE	2018 (Rupees)	2017
14 DIMINISHING MUSHARKAH FINANCE			
Secured			
Albaraka Bank (Pakistan) limited		385,714,286	450,000,000
Less: Current portion shown under current liabilities		(128,571,428)	(64,285,714)
		<u>257,142,858</u>	<u>385,714,286</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		440,216,507	526,559,037
Less: Un-amortized musharkah charges		(54,502,221)	(76,559,037)
Present value of future minimum payments under the facility		385,714,286	450,000,000
Less: Current portion shown under current liabilities		(128,571,428)	(64,285,714)
		<u>257,142,858</u>	<u>385,714,286</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).

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

	2018		2017	
	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	157,290,446	128,571,428	95,888,078	64,285,714
Due later than one year but not later than five years	282,926,061	257,142,858	430,670,959	385,714,286
	<u>440,216,507</u>	<u>385,714,286</u>	<u>526,559,037</u>	<u>450,000,000</u>

	NOTE	2018 (Rupees)	2017
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	146,517,407	129,937,044
Fair value of plan assets	15.5	(5,581,069)	-
Benefits payable to members left (unsettled)		10,139,131	525,427
		<u>151,075,469</u>	<u>130,462,471</u>
15.2 The amount recognised in the income and expenditure account:			
Current service cost		27,980,811	21,374,744
Interest cost		8,473,725	7,571,608
Interest income on plan assets		(689,582)	-
		<u>35,764,954</u>	<u>28,946,352</u>
15.3 Changes in the present value of defined benefit obligations are as follows:			
Opening defined benefit obligation		144,937,044	117,811,267
Interest cost		8,473,725	7,571,608
Current service cost		27,980,811	21,374,744
Benefits due but not paid (payables)		(10,139,131)	-
Benefits paid		(45,977,036)	(1,820,575)
Remeasurements:			
Actuarial (gains)/losses from changes in financial assumptions		803,037	-
Experience adjustments		20,438,957	-
Carrying value of defined benefit obligation		<u>146,517,407</u>	<u>144,937,044</u>

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	2018	2017
	(Rupees)	
15.4 Changes in liability recognized in statement of financial position:		
Balance at beginning of year	130,462,471	118,336,694
Charge for the year	15.2 35,764,954	28,946,352
Remeasurements chargeable in other comprehensive income	19,848,044	-
Contributions for the year	(35,000,000)	(15,000,000)
Benefits paid	-	(1,820,575)
Balance at end of year	<u>151,075,469</u>	<u>130,462,471</u>
15.5 Changes in fair value of plan assets are as follow:		
Fair value of plan assets	15,000,000	-
Contributions	35,000,000	-
Interest income	689,582	-
Benefits paid	(46,502,463)	-
Return on plan assets excluding interest income	1,393,950	-
	<u>5,581,069</u>	<u>-</u>
15.6 Principal actuarial assumptions		
Following are few important actuarial assumptions used in the valuation:		
	2018	2017
Discount rate used for year end obligation	9% p.a.	7.25% p.a.
Discount rate used for interest cost in P&L charge	7.25% p.a.	7.25% p.a.
Expected rate of increase in salary		
Salary increase FY 2017 onward	8.00%	6.25%
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.		
	2018	2017
	(Rupees)	
16 FEE RECEIVED IN ADVANCE		
Tuition fee	226,416,794	218,891,313
Hostel fee	13,422,635	10,850,000
Extracurricular fee	4,883,000	3,460,000
Examination fee	36,000	209,000
Registration fee	5,500	1,280,000
Library fee	2,130,000	1,730,000
Others	1,280,000	-
	<u>248,173,929</u>	<u>236,420,313</u>
17 CREDITORS AND OTHER PAYABLES		
Creditors	19,386,915	22,385,317
Withholding tax	2,302,544	3,505,669
Accrued liabilities	1,342,577	1,481,714
Retention money	1,243,912	3,139,027
Accrued markup on musharaka facility	4,933,233	5,545,726
Other liabilities	9,084,837	1,775,052
	<u>38,294,018</u>	<u>37,832,505</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 and accordingly the order is pending for the tax year 2017 under section 122 (9) with Additional Commissioner. STMU has paid an amount aggregate of Rs. 15,580,414/- 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.

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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	2018 (Rupees)	2017
Not later than 1 year		50,302,916	52,315,356
Later than 1 year		55,333,207	50,302,916
		<u>105,636,123</u>	<u>102,618,272</u>
19 FEE INCOME			
Tuition fee		572,080,404	495,172,943
Admission fee		28,218,000	23,258,500
Application fee		9,551,111	13,489,724
Examination fee		24,399,000	21,388,000
Hostel fee		36,492,795	34,681,367
Library fee		3,920,000	3,806,465
Extracurricular fee		8,167,500	7,641,932
Others		10,311,065	7,081,965
		<u>693,139,875</u>	<u>606,520,896</u>
20 DONATIONS			
In cash			
From related parties:			
Shifa International Hospitals Limited		32,495,171	10,791,998
From others		-	2,000,000
		<u>32,495,171</u>	<u>12,791,998</u>
21 OTHER INCOME			
Profit on deposit accounts		3,542,770	2,831,829
Profit on investments		-	3,760,934
Exchange gain		6,861,227	534,604
Dividend income		671,339	1,238,356
Prospectus sale		1,031,000	1,253,900
Miscellaneous		363,019	5,526,014
		<u>12,469,355</u>	<u>15,145,637</u>
22 SALARIES, ALLOWANCES AND OTHER BENEFITS			
Salaries, allowances and other benefits include Rs. 35,764,954 (2017: Rs. 28,946,352) in respect of staff retirement benefits (gratuity).			
23 FALAHEE CLINIC SUPPORT COST - NET			
Receipts			
Receipts from patients		23,206,499	24,230,060
Donations for patients treatment		21,792,952	7,706,445
		<u>44,999,451</u>	<u>31,936,505</u>
Payments			
Salaries, allowances and other benefits		22,669,288	22,333,004
Repair and maintenance		328,636	406,538
Printing and stationery		962,465	1,269,768
Utilities		27,561	13,590
Surgical & medical supplies		2,302,823	2,681,607
Radiology supplies		479,191	599,508
Medicine expense		10,326,732	10,049,411
Medical bills expense		30,806,256	16,434,346
Insurance		145,620	-
Advertisement		68,904	-
Supplies consumed		5,575,766	7,238,782
Depreciation	4.4	5,656,527	1,975,348
Miscellaneous		94,831	115,747
		<u>79,444,600</u>	<u>63,117,649</u>
Falahee clinic support cost - net		<u>(34,445,149)</u>	<u>(31,181,144)</u>

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24 - INCOME AND EXPENDITURE ACCOUNT - DEPARTMENT WISE
FOR THE PERIOD ENDED 30 JUNE 2018

	Consolidated		Shifa College of Medicine		Shifa College of Nursing		Shifa College of Pharmaceutical Sciences		Allied Health Sciences		STMU - Secretariat		OTHERS	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
INCOME														
Fee income	693,139,875	606,520,896	484,159,544	453,976,440	39,626,025	40,843,526	47,039,005	34,701,870	122,315,301	76,999,060	-	-	-	-
Donations	32,495,171	12,791,998	9,796,128	1,125,772	32,495,171	10,791,998	-	-	-	-	-	2,000,000	-	-
Amortization	9,796,128	1,125,772	351,012	5,484,223	-	-	-	169,500	-	-	-	-	-	-
Other income	12,469,355	15,145,637	494,306,684	460,386,435	1,013,000	586,906	47,039,005	34,871,370	2,006	446,001	9,350,893	5,618,888	1,752,444	2,840,119
	747,900,529	635,584,303	73,134,196	52,222,430	73,134,196	52,222,430	47,039,005	34,871,370	122,317,307	77,445,061	9,350,893	7,618,888	1,752,444	2,840,119
EXPENSES														
Salaries, allowances and other benefits	434,742,982	381,563,425	264,077,366	252,351,883	38,440,206	29,195,369	24,010,427	15,388,038	41,061,349	33,626,732	67,152,714	51,001,403	920	-
Travelling and conveyance	1,135,202	387,328	375,527	225,380	399,296	21,714	151,008	88,880	58,880	680	150,491	139,556,000	-	-
Repair and maintenance	5,782,966	3,117,642	3,904,746	1,152,300	389,319	373,603	222,811	480,340	699,680	436,942	566,410	674,458	-	-
Rent	25,480,740	33,922,171	-	9,392,555	-	-	4,193,436	6,763,287	19,103,460	15,781,013	2,183,844	1,985,316	-	-
Printing and stationery	6,193,129	4,059,697	2,164,868	1,734,699	667,271	429,111	282,439	242,525	569,893	441,960	2,334,708	1,211,402	-	-
Utilities	16,228,448	16,731,957	12,408,437	13,472,908	576,880	764,518	568,778	253,222	1,194,581	890,787	1,479,772	1,350,522	-	-
Research, trainings & development	2,301,180	801,614	1,087,912	427,940	95,000	25,000	66,499	144,140	254,331	74,635	797,438	129,900	-	-
Vehicles running	1,914,562	1,933,824	574,513	832,714	3,500	3,500	13,280	3,305	87,559	167,765	1,239,010	926,540	-	-
Falahe clinic support cost - net	34,445,149	31,181,144	34,445,149	31,181,144	-	-	-	-	-	-	-	-	-	-
Affiliation and inspection fee	1,400,000	1,220,518	1,050,000	1,050,000	50,000	10,000	-	50,518	2,219,408	1,086,690	300,000	1,160,000	-	-
Students' awards and convocation	11,159,967	9,874,839	5,598,658	5,786,787	2,071,977	2,216,917	829,909	605,195	59,500	59,500	440,015	179,251	-	-
Auditors' remuneration	298,000	230,000	136,000	68,000	32,500	32,500	-	-	815,492	957,862	2,078,967	2,677,717	30,000	30,000
Insurance	12,728,889	12,713,858	8,341,207	7,916,968	1,158,021	1,029,542	335,202	131,769	4,090,584	1,451,132	105,936	15,000	-	-
Advertisement	8,578,631	3,627,825	2,282,039	1,391,150	1,136,901	405,936	963,171	364,607	38	-	188,300	293,700	-	-
Fee and subscription	780,731	366,630	39,556	72,930	5,153,925	5,469,945	552,837	1,748,676	2,400,754	1,889,995	-	-	-	-
Hostel	37,752,974	30,675,955	28,742,841	22,167,339	651,240	228,267	1,455,454	352,337	1,001,206	1,224,776	170,191	141,800	-	-
Examination	3,867,002	6,132,996	1,351,250	4,185,816	234,644	143,530	693,115	789,661	100,000	203,519	706,605	188,667	-	-
Supplies consumed	2,570,487	2,337,823	770,163	1,012,447	234,644	143,530	747,878	789,661	111,197	203,519	2,244,500	727,500	-	-
Legal and professional	3,356,000	1,637,500	1,010,000	910,000	1,500	-	-	-	3,034,925	1,393,097	5,299,677	1,322,817	-	-
Depreciation	46,217,625	14,164,576	31,113,279	8,079,643	2,018,194	978,054	4,751,550	2,390,968	-	-	232,000	343,913	-	-
Amortization of intangible asset	452,294	168,030	210,477	162,360	-	-	9,817	5,670	-	-	189,210	-	-	-
Bank charges	190,042	357,837	31,000,060	37,453,808	232	58	-	-	-	-	-	-	-	-
Financial charges	31,000,060	37,453,808	31,000,060	37,453,808	-	-	-	-	-	-	-	-	-	-
Rates and taxes	1,141,567	-	1,141,567	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	4,847,024	3,270,221	2,854,782	1,810,498	387,894	200,222	232,599	167,584	254,092	190,584	1,117,657	901,333	-	-
	694,565,451	597,931,218	434,680,397	401,802,135	53,465,000	41,527,786	40,080,210	29,281,842	77,116,929	59,877,669	89,017,445	65,410,796	205,470	31,000
SURPLUS FOR THE YEAR	53,335,078	37,655,085	59,626,287	58,784,301	19,669,196	10,694,644	6,958,795	5,589,528	45,200,378	17,567,392	(79,666,552)	(57,791,908)	1,546,974	2,809,119

15/6/18

Number of Students 1,561 1,438 516 544 244 236 248 187 553 471

25 Financial instruments

	Fair value through changes in fund		Amortized cost		Total	
	2018	2017	2018	2017	2018	2017
Rupees.....					
Financial assets						
Long term investment	21,278,273	24,127,861	-	-	21,278,273	24,127,861
Long term deposits	-	-	2,821,180	1,906,180	2,821,180	1,906,180
Fee receivables	-	-	8,070,861	9,096,784	8,070,861	9,096,784
Other receivables	-	-	84,685,530	33,431,042	84,685,530	33,431,042
Advances and prepayments	-	-	3,978,790	3,743,049	3,978,790	3,743,049
Cash and bank balances	-	-	111,236,638	196,328,507	111,236,638	196,328,507
	<u>21,278,273</u>	<u>24,127,861</u>	<u>210,792,999</u>	<u>244,505,562</u>	<u>232,071,272</u>	<u>268,633,423</u>
Financial liabilities						
Diminishing musharkah finance	-	-	385,714,286	450,000,000	385,714,286	450,000,000
Employee benefit obligation	-	-	151,075,469	130,462,471	151,075,469	130,462,471
Creditors and other payables	-	-	38,294,018	37,832,505	38,294,018	37,832,505
Students' security deposits	-	-	37,230,809	32,458,309	37,230,809	32,458,309
	<u>-</u>	<u>-</u>	<u>612,314,582</u>	<u>650,753,285</u>	<u>612,314,582</u>	<u>650,753,285</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	Nature of transactions	2018	2017
(Rupees)				
Shifa International Hospitals Limited	Common Directorship	Rent and utilities	5,473,650	20,844,654
		Charge against services provided to patients of falahee clinic	34,120,866	26,483,757
		Grants for Building / Equipment	50,000,000	50,000,000
		Services provided by Shifa College of Nursing	32,495,171	24,065,998
Shifa Foundation	Common Directorship	Donations for Library	-	3,500,000
Employee's gratuity fund	Benefit plan	Payment made by the university during the year	35,000,000	16,820,575
Key management personnel Chancellor, Vice chancellor Registrar, Deans / Principals and Other Executive	Key Management	Managerial Remuneration	51,027,084	37,567,321

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.

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		30-Jun 2018	30-Jun 2017
		(Rupees)	
26.2	<u>Donations / Support provided by the Sponsors Since Inception to Date:</u>		
	<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 for Library</u>		
	Shifa Foundation	3,500,000	3,500,000
	<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	50,000,000
	Tameer-e-Millat Foundation	25,000,000	25,000,000
		238,550,343	188,550,343

27 CORRESPONDING FIGURES

Previous year figures have been rearranged / reclassified wherever necessary for the purpose of comparison. However, the significant change / rearrangement of corresponding figures has been made in these financial statements is as follows:

-Corresponding figures in Note 23 were reclassified under head "falahee clinic support cost-net" which were added in their respective account heads in the last year financial statements.

		2018	2017
		(Numbers)	
28	NUMBER OF EMPLOYEES		
	Total employees of the University at the year end	489	462
	Average employees of the University during the year	474	439

29 AUTHORIZATION FOR ISSUE

These financial statements were approved by the Senate of the University and authorised for issue on

23 JAN 2019

NCS


VICE CHANCELLOR


TREASURER