INSTITUTE OF MANAGEMENT SCIENCE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

RMM & CO

RAFAQAT MANSHA
MOHSIN DOSSANI
MASOOM & CO.
Chartered Accountants

INSTITUTE OF MANAGEMENT SCIENCES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Institute of Management Sciences (*the Institute*), which comprise of the statement of financial position as at June 30, 2014 , and the statement of comprehensive income, the and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:
The Board of Governors are responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion:
In our opinion, the financial statements present fairly, in all material respects the financial position of the **Institute** as at June 30, 2014, and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

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PESHAWAR

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INSTITUTE OF MANAGEMENT SCIENCES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2014

	Note	2014 RUPEES	2013 RUPEES Restated	2012 RUPEES Restated
Non-Current Assets				
Operating fixed assets	5	385,316,712	420,993,092	472,658,089
Long term deposits	6	1,864,600	2,419,600	2,426,600
		387,181,312	423,412,692	475,084,689
Current Assets				
Short term investments	7	239,665,000	144,248,360	126,071,201
Advances, prepayments and other receivables	8	14,351,679	13,120,976	17,034,751
Cash & bank balances	9	157,048,342	176,486,818	78,013,898
		411,065,021	333,856,154	221,119,850
Current Liabilities				
Scholarships	10	2,520,810	2,376,156	2,520,990
Library security refundable	11	9,003,025	8,041,025	8,002,025
Accrued & other liabilities	12	25,779,468	22,430,522	18,632,668
		37,303,303	32,847,703	29,155,683
Net Current Assets		**373,761,718**	**301,008,451**	**191,964,167**
Contingencies and commitments	13	-	-	-
Net Assets		**760,943,030**	**724,421,143**	**667,048,856**
Financed by:				
General fund	14	456,057,469	420,228,359	428,768,626
Restricted grants (Deferred income)	15	206,894,769	247,245,651	219,297,852
Deferred liability	16	97,990,792	56,947,133	18,982,378
		760,943,030	**724,421,143**	**667,048,856**

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

DIRECTOR

PESHAWAR

INSTITUTE OF MANAGEMENT SCIENCES
STATEMENT OF COMPREHENSIVE INCOME
AS AT JUNE 30, 2014

	Note	2014 RUPEES	2013 RUPEES Restated
Income	17	189,671,013	189,501,854
Expenditure			
Operational	18	295,681,217	252,885,259
Administrative	19	100,660,480	105,993,656
		396,341,697	358,878,915
Deficit from operations		(206,670,684)	(169,377,061)
Other income	20	19,297,758	16,469,116
		(187,372,926)	(152,907,945)
Recurring grant	21	165,202,036	142,999,678
Deficit for the year		(22,170,890)	(9,908,267)
Human resource development	22	-	-
Other comprehensive income		-	-
Total comprehensive deficit - *Transferred to general fund*		**(22,170,890)**	**(9,908,267)**

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

DIRECTOR

PESHAWAR

INSTITUTE OF MANAGEMENT SCIENCES
STATEMENT OF CASH FLOWS
AS AT JUNE 30, 2014

	2014 RUPEES	2013 RUPEES Restated
Cash flows from operating activities		
Deficit for the year	(22,170,890)	(9,908,267)
Adjustments for:		
Depreciation on operating fixed assets	27,548,712	28,728,918
Provision for employees gratuity	41,043,659	37,964,755
Restricted grant for DIMS	(16,199,648)	(26,431,302)
Loss on disposal	1,081,227	87,427
Other income	(20,378,985)	(16,556,543)
	33,094,965	23,793,255
Operating Profit before working capital changes	10,924,075	13,884,988
(Increase) / decrease in current assets		
Advances, Deposits & Prepayments	(1,230,703)	3,913,775
	(1,230,703)	3,913,775
Increase / (decrease) in current liabilities		-
Creditor, Provision & Accrued Charges	3,348,946	(3,867,146)
Scholarships	144,654	(144,834)
Library Security	962,000	39,000
	4,455,600	(3,972,980)
Net cash generated from operations	14,148,972	13,825,783
Net cash flows from Operating activities	**14,148,972**	**13,825,783**
Cash flows from investing activities		
Addition in Operating fixed assets	(17,104,793)	(5,326,253)
Addition in capital work in progress	-	(269,110)
(Increase)/decrease in long term deposits	555,000	7,000
Increase in short term investments	(95,416,640)	(18,177,159)
Other income - Profit on investments & bank deposit	20,378,985	16,556,543
Cash received on disposal	-	290,115
Net cash flows used in Investing activities	**(91,587,448)**	**(6,918,863)**
Cash flows from financing activities		
Grant received	58,000,000	91,566,000
Net cash flow from financing activities	58,000,000	91,566,000
Net increase in cash and cash equivalents	(19,438,476)	98,472,920
Cash and cash equivalents - at the beginning of the year	176,486,818	78,013,898
Cash and cash equivalents - at the end of the year	**157,048,342**	**176,486,818**

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DIRECTOR

PESHAWAR

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2014

1. LEGAL STATUS & OPERATIONS:

The Institute of Management Sciences (the Institute) is an autonomous body formed under a notification of the Government of N.W.F.P wide /SO(UE)1-47/98 dated June 12, 1999. Later on the Institute was granted the status as a statutory entity through the promulgation of the Institute of Management Sciences Ordinance, 2002 by the Governor of the N.W.F.P on October 02, 2002.

The Institute has launched a number of degree and post degree programs with the mission to be a centre for the transmission, diffusion and extension of knowledge and management studies and allied disciplines, catering to the high level professional and technical man power requirements both from the private and public sectors segments of the country.

2. SIGNIFICANT ACCOUNTING POLICIES:

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 the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as applicable in Pakistan.

2.2 New standards, interpretations & amendments

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Institute:
Following new standards and amendments to existing standards have been published that are mandatory for accounting periods beginning on the dates mentioned below:

Standards or interpretation		Effective date
IAS 27	Separate financial statements (Amendments)	January 1, 2015
IAS 39	Financial instruments: Recognition and measurement (Amendments)	January 1, 2015
IFRS 10	Consolidated financial statements (Amendments)	January 1, 2015
IFRS 11	Joint arrangements	January 1, 2015
IFRS 12	Disclosure of interests in other entities (Amendments)	January 1, 2015
IFRS 13	Fair value measurement	January 1, 2015

The management anticipate that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan, for the purpose of their applicability in Pakistan:

IFRS 1 First-time adoption of International Financial Reporting standards
IFRS 9 Financial instruments
IFRS 14 Regulatory Deferral Accounts
IFRS 15 Revenue from Contracts from Customers
IFRIC 21 Levies

The following interpretations issued by the IASB have been waived off by SECP effective January 16, 2012:

IFRIC 4 Determining whether an arrangement contains lease
IFRIC 12 Service concession arrangements

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the Institute's functional currency. All the financial information presented in Pak rupee has been rounded-off to the nearest rupee.

3. BASIS OF MEASURMENT

3.1 These financial statements have been prepared under the historical cost convention except as otherwise stated.

3.2 The preparation of the financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.
Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and provision for doubtful receivables. RMDM

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The significant accounting policies applied in preparation of these financial statements are set out below. These polices have been consistently applied to all years presented, unless otherwise stated.

4.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged on reducing balance method at the rates stated in note 5.1 Depreciation on additions is charged from the day on which the asset is put to use and on disposals, up to the day the asset has been in use.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values and useful lives is recognized prospectively as a change of accounting estimate.

Disposal of assets is recognized when significant risks and rewards incidental to the ownership has been transferred to buyers. Gains and losses on disposal are determined by comparing the proceeds with the carrying amounts and are recognized in the statement of comprehensive income.

Subsequent costs are included in the assets' carrying amount and recognized as a separate asset as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income as and when incurred.

4.2 Long term deposits

Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

4.3 Advances, prepayments and other receivables

These are stated at their nominal values net off any allowance for uncollectable amount (if any). Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

4.4 Investments

(i) Investments at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

(ii) Investments measured at amortized cost:

The financial assets are initially classified on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Available-for-sale investments

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Gains or losses from changes in fair values are taken to equity until disposal at which time these are recycled to profit and loss account.

(iv) Loans and receivables

Investments are classified as loans and receivables which have fixed or determinable payments and are not quoted in an active market. These investments are measured at amortised cost using the effective interest method, less any impairment losses.

4.5 Cash and Cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal amount. For the purpose of the statement of cash flows, cash and cash equivalent comprise of cash in hand and balance with banks.

4.6 Creditors, accrued and other liabilities

Liabilities for creditors and other amounts payable are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the institute.

4.7 Provisions

Provisions are recognized in the balance sheet when the Institute has a legal and constructive obligation as a result of past events and it is probable that the outflow of economic benefits will be required to settle the obligation and their reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

4.8 Staff retirement benefits

4.9.1 Contributory provident fund

The Institute operates contributory provident fund scheme for regular employees. Monthly contributions are made to the fund at 10% of basic salary both by the Institute and employees. The Institute's contribution is charged to the income and expenditure account.

4.9.2 Gratuity fund

The Institute also operates a gratuity scheme for its employees effective from July 01, 2010. The employees completing five (5) years continuous service with the Institute will be eligible for the payment of gratuity in accordance with the Employees Gratuity Fund Rules.

4.10 Revenue recognition

Income from students' fee is recognized as revenue over the period of instruction.

Income from examination fee, seminars and conferences are recognized as revenue when the examinations, seminars and conferences are held.

Return on investments and saving accounts is recognized on accrual basis with the assumption that investments will be realized on the respective maturity dates.

4.11 Foreign currencies translation

Transactions in foreign currencies are translated into Pak Rupee using the exchange rate prevailing at the dates of the

4.12 Taxation

The Institute being established solely for educational purposes and not for profit, is exempt from taxation under clause 92 of part I of the second schedule of the Income Tax Ordinance, 2001 and hence, the Institute's income is not taxable.

4.13 Appropriation of General Funds

Appropriation of General Funds are recognized in the financial statements in the period in which these are approved.

4.14 Grants

(i) Recurring grants received from donors

These are presented as a credit in the income statement for the year.

(ii) Restricted grants received from Government

(a) Grants related to assets are presented in the financial statements as "Deferred Income" and are recognized in the income statement on a systematic basis over the period in which the related costs are recognized as "expense".

(b) Grants other than for assets are credited in the income statement of the year as "other income" to match the expenses covered against the grants.

(iii) Restricted grants received from donors

Grants received from donors are to be used in accordance with the stipulations attached therewith.

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4.15 Restatement of Comparative Figures

The Institute has restated certain account balances in the financial statements to reflect the proper effect of compliance with accounting policies retrospectively:

Description	Balance as per Previous Financial Statements	Restated Balance	Net Effect
2013			
Effect on statement of financial position			
Scholarships payable	2,241,490	2,376,156	134,666
Accrued and other liabilities	28,356,672	22,430,522	(5,926,150)
General fund	414,759,860	420,228,359	5,468,499
Restricted Grants	246,922,666	247,245,651	322,985
Effect on statement of comprehensive income			
Expenditure:			
FATA Scholarship Expense	-	1,810,850	1,810,850
HEC Need Based Scholarship Expenses	-	1,296,000	1,296,000
Bank charges & commission	75,601	60,638	(14,963)
Other income	16,618,745	16,469,116	(149,629)

4.15.1 Restatement of scholarship payable and other income by Rs. 134,666 to include the effect of bank profit (net of bank charges Rs. 14,963) on scholarship grant being charged to income of the institute.

4.15.2 Reclassification of "FATA scholarship grant" and "HEC need based scholarship grant" under accrued and other payable into General Fund by Rs. 5,854,150 and Rs. 72,000 (Total: 5,926,150) in the year 2013 for proper classification of the grant.

4.15.3 Restating the General Fund and FATA scholarship expense by Rs. 1,810,850 for recording the effect of previous understatement of scholarship expense.

4.15.4 Restatement of HEC need based scholarship in accrued and other payable by Rs. 1,296,000 to include the effect of recognition of scholarship expense and scholarship grant in General Fund respectively.

4.15.5 Restatement of depreciation charge on DIMS assets on account of deprecation under charged by Rs. 322,985.

4.15.6 For consistency, comparative balances have also been re-presented on a similar basis to enhance the comparability of information presented.

4.16 List of acronyms

BBA,BBA IT	Bachelor of Business Administration, Information Technology
BBS Banking & Finance	Banking and Business Solutions and Finance
BBS Evening	Banking and Business Solutions Evening
BBS Morning	Banking and Business Solutions Morning
BCS	Bachelor of Computer Science
B.Sc Political Science	Bachelors in Political Science
B.Sc Social Science	Bachelors of Social Sciences
DIMS	Development of Institute of Management Sciences
IMS	Institute of Management Sciences
MBA (Eve)	Master of Business Administration (Evening)
MBA Islamic Banking & Takaful	Masters in Business Administration (Islamic Banking
MBA (M)	Master of Business Administration (Morning)
M.Sc Applied Economics	Master of Science Applied Economics
Ms Computer Science	Master of Computer Science
M.Sc Computer Science	Master of Computer Science
M.Sc Development Study	Master of Science Development Study
MS Economics	Master of Science Economics
M.Sc Finance	Master of Science Finance
MS IT	Master of Science Information Technology
MS Management	Master of Science Management
MS / MPhil English	Masters of Science in English
MS Project Management	Master of Science in Management
MPA	Master of Public Administration
MPH	Master of Public Health
PhD Computer Science	Doctor of Philosophy in Computer Science
PhD Economics	Doctor of Philosophy in Economics
PhD Management	Doctor of Philosophy in Management

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5. OPERATING FIXED ASSETS - at cost less accumulated deprecation

PARTICULARS	Building	IT Equipment	Library Books	Furniture & Fixture	Office equipment	Vehicles	General	TOTAL
	RS	RS	RS	RS	RS	RS	RS	RS
COST:								
Balance as at July 01, 2012	169,713,750	65,411,681	4,500,196	32,261,618	44,834,882	18,577,292	1,617,040	336,916,459
Additions during the year	244,447,739	494,849	384,171	1,683,605	251,893	2,041,000	470,735	249,773,992
Deletion during the year	-	-	-	(290,338)	(383,950)	-	-	(674,288)
Balance as at June 30, 2013	414,161,489	65,906,530	4,884,367	33,654,885	44,702,825	20,618,292	2,087,775	586,016,163
Balance as at July 01, 2013	414,161,489	65,906,530	4,884,367	33,654,885	44,702,825	20,618,292	2,087,775	586,016,163
Additions during the year	176,601	9,267,291	196,886	2,297,185	4,938,500		228,330	17,104,793
Addition due to reclassifiaction	3,796,797	57,103,050	-	-	-	-	10,598,884	71,498,731
Deletion due to reclassification	-	(44,604,723)	-	(3,189,675)	(23,353,042)	-	(351,291)	(71,498,731)
Deletion during the year	-	(4,541,455)	-	(652,771)	(1,105,746)	(30,000)	(293,552)	(6,623,524)
Balance as at June 30, 2014	**418,134,887**	**83,130,693**	**5,081,253**	**32,109,624**	**25,182,537**	**20,588,292**	**12,270,146**	**596,497,432**
ACCUMULATED DEPRECIATION:								
Balance as at July 01, 2012	30,977,460	38,784,061	1,438,302	9,613,261	13,277,200	13,882,818	463,896	108,436,999
Charge for the year	38,318,403	8,136,741	516,910	3,606,244	4,713,844	1,347,095	243,582	56,882,817
Assets sold	-	-	-	(111,957)	(184,788)	-	-	(296,745)
Balance as at June 30, 2013	69,295,863	46,920,802	1,955,212	13,107,548	17,806,256	15,229,913	707,478	165,023,071
Balance as at July 01, 2013	69,295,863	46,920,802	1,955,212	13,107,548	17,806,256	15,229,913	707,478	165,023,071
Addition due to reclassifiaction	1,356,232	34,539,454	-	-	-	-	4,683,122	40,578,808
Deletion due to reclassification	-	(29,945,405)	-	(1,071,269)	(9,393,294)	-	(168,840)	(40,578,808)
Deletion during the year	-	(4,086,076)		(480,015)	(800,691)	(23,709)	(151,806)	(5,542,297)
Charge for the year	34,883,902	7,293,542	450,905	3,281,028	4,492,237	1,071,676	226,656	51,699,946
								-
Balance as at June 30, 2014	**105,535,997**	**54,722,317**	**2,406,117**	**14,837,292**	**12,104,508**	**16,277,880**	**5,296,610**	**211,180,720**
W.D.V:								
As at June 30, 2014	**312,598,890**	**28,408,376**	**2,675,136**	**17,272,332**	**13,078,029**	**4,310,412**	**6,973,536**	**385,316,712**
As at June 30, 2013	**344,865,626**	**18,985,728**	**2,929,155**	**20,547,337**	**26,896,569**	**5,388,379**	**1,380,297**	**420,993,092**
Annual rate of depreciation (%)								
2014	**10%**	**30%**	**15%**	**15%**	**15%**	**20%**	**15%**	
2013	**10%**	**30%**	**15%**	**15%**	**15%**	**20%**	**15%**	

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Depreciation is allocated as follows:

	2014	2013 Restated
Charged to IMS Operating expenses	27,548,712	28,728,918
Charged to DIMS project	24,151,234	28,153,899
	51,699,946	**56,882,817**

DIMS portion comprises of following

	2014	2013 Restated
IMS - DIMS (building)	19,995,772	22,217,524
IT equipment	4,155,462	5,936,375
	24,151,234	**28,153,899**

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INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2014

	Note	2014 RUPEES	2013 RUPEES Restated
6. LONG TERM DEPOSITS			
These include securities deposited as follows :			
Landlords of the rented premises	6.1	310,000	310,000
PESCO - *for electric connection*		407,600	407,600
SNGPL - *for gas connection*		1,147,000	1,702,000
		1,864,600	**2,419,600**
6.1 Landlords of the rented premises			
Haji Umer Khan - *for Institute premises*	13.2	300,000	300,000
Mr. Mehr Rehman - *for Jamrud road male hostel*		10,000	10,000
		310,000	**310,000**
7. SHORT TERM INVESTMENTS - (Term Deposit Receipts)			
National Bank of Pakistan		219,665,000	124,248,360
Bank of Khyber		20,000,000	20,000,000
		239,665,000	**144,248,360**

7.1 Date of maturity and markup on TDRs

Name of Institution	Amount Rs.	Date of maturity	Interest rate
National Bank of Pakistan	20,000,000	20-Sep-14	9.50%
National Bank of Pakistan	17,665,000	24-Oct-14	9.35%
National Bank of Pakistan	45,000,000	10-Dec-14	9.85%
National Bank of Pakistan	15,000,000	17-Aug-14	9.50%
National Bank of Pakistan	50,000,000	27-Nov-14	9.80%
Bank of Khyber	20,000,000	27-Feb-15	9.80%
National Bank of Pakistan	30,000,000	29-Jun-15	9.95%
National Bank of Pakistan	21,000,000	26-Apr-15	10.20%
National Bank of Pakistan	10,500,000	17-May-15	9.95%
National Bank of Pakistan	10,500,000	19-Jun-15	9.95%
	239,665,000		

8. ADVANCES, PREPAYMENTS & RECEIVABLES			
Advances :			
Staff		4,240,429	1,107,118
CMF centre		678,000	678,000
		4,918,429	1,785,118
Prepayments :			
Insurance		314,614	416,373
Receivables :			
IMS Trust		1,984,000	338,000
Travel grant from HEC & others		1,910,296	3,122,688
Inter projects accounts receivable	8.1	4,503,959	5,138,575
Student loan scholarship		-	931,500
Laptop recovery		324,064	1,185,497
Accounts receivable - *Others*		396,317	203,225
		9,118,636	10,919,485
		14,351,679	**13,120,976**

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	Note	2014 RUPEES	2013 RUPEES Restated
8.1 Inter project accounts receivable			
HRDC Project		2,071,704	5,071,704
DGPSM Project		21,871	21,871
HRDC (DPSM) Project		15,000	15,000
US Access (ETP)		435,453	15,000
HEC BC Inspire		1,907,750	-
CPPR		52,181	15,000
		4,503,959	**5,138,575**

This amount represents dues receivable from the Institute's projects.

9. CASH & BANK BALANCES

Cash in hand		62,355	-
With banks:			
Current accounts		69,170,407	81,694,136
Saving accounts		87,815,580	94,792,682
		156,985,987	176,486,818
		157,048,342	**176,486,818**

10. SCHOLARSHIPS

Khushali Bank scholarships	10.1	2,520,810	2,376,156

10.1 KHUSHALI BANK SCHOLARSHIPS

Balance as at July 01,	2,376,156	2,520,990
Add : Received during the year	-	-
	2,376,156	2,520,990
Less:		
Paid during the year	-	279,500
Bank charges & commission	16,073	14,963
	16,073	294,463
	2,360,083	2,226,527
Add: Profit on bank deposits	160,727	149,629
Balance as at June 30,	**2,520,810**	**2,376,156**

11. LIBRARY SECURITY REFUNDABLE

Balance as at July 01,	8,041,025	8,002,025
Add: Received during the year	2,198,000	1,804,000
	10,239,025	9,806,025
Less: Paid during the year	1,236,000	1,765,000
Balance as at June 30,	**9,003,025**	**8,041,025**

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INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2014

	Note	2014 RUPEES	2013 RUPEES Restated
12 Accrued and other liabilities			
Accrued and other payables	12.1	13,517,916	14,643,254
Scholarships	12.2	8,886,447	5,340,517
Payable to ACE Arts (Pvt) Ltd.		889,211	889,211
Payable to Peshawar Paints Palace		-	4,591
Payable to Mega Plus		-	82,107
LUMS Project Payables		741,766	-
PCNA FATA Project Payables		654,000	-
Project CPPR payable		652,044	652,044
Securities refundable to suppliers		188,675	384,928
Retention money *-refundable to contractors*	12.3	249,409	433,870
		25,779,468	**22,430,522**

12.1 **Accrued and other payables:**

Accrued expenses		701,681	1,590,725
Other account payable		2,778,631	3,907,377
Institute of Management Studies - (UOP)	13.1	120,471	120,471
Unadjusted excessive cost recovered from Project DIMS		45,610	45,610
Rent payable to IMS Trust (hostel fee)	15	9,729,551	8,265,946
Income tax payable		21,972	580,401
Audit fee		120,000	120,000
Sales tax payable		-	12,724
		13,517,916	**14,643,254**

12.2 **Scholarships**

Frontier Education Foundation - scholarships		241,272	217,272
Tribal scholarships		1,050,287	563,645
HEC Indigenous		862,885	674,885
Earthquake effected student scholarships		-	396,150
Student loan		94,100	94,100
Internship fee - IBP		-	130,000
Payable to Student		84,660	-
Outstanding Cheques / Payorders Payable		829,796	-
Research grant - sandee project		62,852	62,852
French need based scholarship grant		2,141,613	3,123,863
Prime Minister Scholorship Payable		2,031,750	-
Students Advancement Scholarship Payable (SAFE)		1,098,962	-
Research grant - National ICT R&D Fund		-	77,750
HEC Usaid scholarship payable		388,270	
		8,886,447	**5,340,517**

12.3 **Retention money *-refundable to contractors***

Ghulam Habib & Co (Pvt) Limited	248,596	248,596
Banuri Construction Company	813	-
Insiyabi Pakistan (Pvt) Limited	-	185,274
	249,409	**433,870**

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13. CONTINGENCIES & COMMITMENTS

13.1 The Institute was established in June 1999 and launched its operations at the University of Peshawar (UOP) staying there for eighteen (18) months before shifting to its rented Campus in year 2001.The Institute was initially charged a sum of Rs. 15.94 M for availing facilities and services of teaching staff of UOP during that period, which was reduced to Rs. 7.60 M through negotiations and a sum of Rs. 1.40 M was paid subsequently. However, the matter is still not settled since the Institute has also filed a counter claim of Rs. 4.80 M, comprising non payment of recurring grant of Rs. 3.98 M and excess charges for facilities of Rs. 0.82 M by UOP. Though a liability of Rs. 0.12 M has duly been provided in the financial statements under note 11.1 which may, however, vary as no settlement has been reached so far in this respect.

13.2 A case was filed in the court of Senior Civil Judge, Peshawar by the Institute for the recovery of security deposit of Rs. 300,000/-for the premises vacated by the Institute during October 2001. However the landlord has not refunded the security deposit despite decision of case in favor of the Institute. A petition has been filed by the Institute for performance of decree issued in favor of the Institute and the court's decision is awaited. No provision has been made in these financial statements against the doubtful recovery of deposit.

	Note	2014 RUPEES	2013 RUPEES Restated
14. GENERAL FUND			
Balance as at July 01,		420,228,359	421,103,626
Transferred to restricted grants		-	-
		420,228,359	421,103,626
Income / (Deficit) for the year	14.1	(22,170,890)	(9,908,267)
Grants received		58,000,000	9,033,000
Balance as at June 30		**456,057,469**	**420,228,359**
14.1 Grants received			
FATA Scholarship Grant		58,000,000	7,665,000
HEC Need based Scholarship		-	1,368,000
		58,000,000	9,033,000.00
15 RESTRICTED GRANTS (Deferred Income)			
Balance as at July 01		247,245,651	219,297,852
Receipts during the year		-	82,533,000
		247,245,651	301,830,852
Less: Transferred to			
Restricted grant for DIMS	22	16,199,648	26,431,302
Depreciation reserve	5	24,151,234	28,153,899
		40,350,882	54,585,201
Balance as at June 30		**206,894,769**	**247,245,651**
16 DEFERRED LIABILITY - PROVISION FOR GRATUITY			
Balance as at July 01		56,947,133	18,982,378
Expense for the year		42,005,444	37,964,755
Payments during the year		961,785	-
Balance as at June 30		97,990,792	56,947,133
17. INCOME			
Tuition fee	17.1	164,082,694	165,910,659
Sale of prospectus		2,282,400	2,067,200
Hostel fee		9,729,551	8,265,946
Transportation fee		4,357,700	5,431,097
Convocation Fee		2,203,000	-
Miscellaneous		6,605,660	7,008,372
Income from projects	17.2	410,008	818,580
		189,671,013	**189,501,854**

RMDM

	2014 RUPEES	2013 RUPEES Restated
17.1 Tuition fee		
BBA,BBA IT	45,365,440	54,431,275
BCS	11,241,930	11,788,650
B.Sc Economics	9,202,690	12,674,350
MBA (M)	16,506,200	18,157,075
MBA (Eve)	17,510,720	21,488,645
M.Sc Applied Economics	1,731,400	2,045,600
MS IT	143,300	1,052,500
MPA	3,898,500	5,399,250
MPH	1,186,100	1,029,699
MS Management	5,315,600	5,559,250
M.Sc Computer Science	2,594,660	2,720,200
M.Sc Development Study	4,266,800	5,659,632
Ms Computer Science	2,915,234	2,094,766
Make-up / Course Repeat	2,108,800	3,105,442
M.Sc Finance	2,454,700	2,526,100
MS Economics	3,999,060	3,716,500
PhD Computer Science	827,800	790,000
B.Sc Social Science	5,741,510	4,150,350
Degree Fee	835,500	1,332,300
PhD Management	1,459,400	1,947,250
BBS Banking & Finance	1,128,400	761,600
BBS Evening	2,536,750	1,921,550
BBS Morning	14,112,200	4,838,000
MS Project Management	1,683,000	-
PhD Economics	244,800	-
Bachelor of Software Engineering	5,285,000	-
MS / MPhil English	729,300	-
MBA Islamic Banking & Takaful	504,900	-
B.Sc Political Science	33,600	-
	165,563,294	169,189,984
Less: Admission cancelled/ or refunded	1,480,600	3,279,325
	164,082,694	**165,910,659**
17.2 Income from projects		
Human Resource Development Center (HRDC)	410,008	136,680
US Access English Teaching Project (ETP)	-	180,000
Center for Public Policy Research (CPPR)	-	501,900
	410,008	**818,580**

RMDM

	2014 RUPEES	2013 RUPEES Restated
18. OPERATIONAL		
Salaries, honoraria & allowances	143,728,389	139,042,889
Staff gratuity	31,290,399	20,945,793
MPH Kabul honoraria	-	50,000
Occupancy cost	9,729,551	8,265,946
Hostel security	81,000	108,000
Utilities	18,870,366	14,775,058
Meeting, seminars & conferences	2,847,724	715,708
Student extra curricular activities	1,922,031	2,142,720
Cost of entry test	1,577,838	1,364,240
Supervision of thesis report	1,862,000	3,025,000
Convocation Expenses	3,326,933	-
Gender based merit scholarship B.Sc Economics	1,840,000	584,000
Paper setting & checking	630,100	770,020
Scholarships	17,341,651	16,774,880
FATA Scholarship Expense	4,212,750	1,810,850
HEC Need Based Scholarship Expenses	18,353,200	1,296,000
DMC / Degree Verification Charges	387,375	35,960
FEF Scholarship Expenses	69,040	-
IMS Scholarship Expenses	683,100	-
Computer accessories	209,406	271,451
Examination charges (Internal examiner)	456,000	1,159,510
Entertainment	890,931	639,998
Research & survey	703,114	2,396,769
HEC British council inspire scholarship	1,896,870	1,553,814
Transport running expense	4,916,004	5,043,607
Contingency	193,815	919,495
Rent hostel	-	39,900
Strengthening of QEC-IMSciences	112,918	424,733
Depreciation	27,548,712	28,728,918
	295,681,217	**252,885,259**
19. ADMINISTRATIVE EXPENSES		
Salaries, wages & benefits	66,066,480	63,020,978
Staff group Insurance	298,178	284,813
Staff Gratuity	10,715,045	17,735,267
Communication	5,304,867	5,286,036
Printing & stationery	3,695,559	3,426,485
Repair & maintenance	9,276,273	10,463,160
Insurance	632,333	1,104,477
Traveling & conveyance	185,563	98,175
Newspaper & periodicals	622,602	358,644
Legal & professional	65,000	605,000
Uniform & protective clothing	319,256	53,551
Audit fee	120,000	120,000
Advertisement & publicity	2,296,637	2,001,249
Miscellaneous	1,047,309	942,183
Rent Building / Office	-	433,000
Bank charges & commission	15,378	60,638
	100,660,480	**105,993,656**
20. OTHER INCOME		
Profit on investments	13,356,685	12,325,723
Profit on bank accounts	7,022,300	4,230,820
	20,378,985	16,556,543
Loss on disposal of fixed assets	(1,081,227)	(87,427)
	19,297,758	**16,469,116**

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	2014 RUPEES	2013 RUPEES Restated
21. RECURRING GRANT		
HEC recurring grant	142,193,000	130,463,291
HEC grant for additional finance	21,533,400	12,536,387
Research Grant _ Sandee Project	103,094	-
IMSciences Student Advancement Endowment Fund	1,372,542	-
	165,202,036	**142,999,678**

22. HUMAN RESOURCE DEVELOPMENT

This is a Component of Mega (DIMS) Project of about USD 3.124 M approved by Higher Education Commission (HEC), whereby the scholars will be sent abroad for PhD studies. It represents payment of tuition fee and expenses to the following faculty members.

Mr. Amer Taj		-	43,350
Mr. Sohail Younas		52,600	-
Mr. M. Nauman		242,320	43,050
Mr. Shabi-ul-Hassan		441,732	680,760
Mrs. Saroosh Shabi		441,732	680,760
Mr. Saleem Gul		47,850	-
Mr. Shakir Ullah		-	65,000
Mr. Nafees ur Rehman		-	1,267,560
Mr. Adnan Yousaf		-	1,032,120
Mr. Nawaz		57,364	1,778,125
Mr. Shafiullah Jan		123,073	1,738,800
Mr. Imran Ahmad		1,354,109	1,738,800
Ms.Tayyaba Azim		811,762	1,738,800
Mr.Sadique		504,239	2,282,819
Mr.Atique		378,720	743,230
Mr. Salman Ahmad		1,115,408	1,738,800
Mr.Furqan Aziz		2,947,999	1,738,800
Mr.Rafiq Ullah Jan		2,655,028	1,738,800
Ms.Shandana Shoaib		1,148,581	590,100
Mr. Muhammad Khan		1,073,520	-
Mr.Gohar Saleem		1,115,408	3,562,499
Ms. Salma		759,600	1,830,529
Mr.Kareemullah		927,703	1,398,600
		16,198,748	26,431,302
Less: Charged to restricted grants	15	(16,198,748)	(26,431,302)
		-	-

23. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Governors on .....

24. GENERAL

- Figure have been rounded off to the nearest Rupees
- Figures of the previous year have been re-arranged and re-grouped wherever necessary for the purpose of comparison. RMDM.

DIRECTOR

PESHAWAR