

o/c



**Institute of Management Sciences  
Peshawar**  
**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**SHAHID WAHEED YOUNUS JAMIL**  
CHARTERED ACCOUNTANTS

c/c

**Institute of Management Sciences  
Peshawar**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013



**SHAHID WAHEED YOUNUS JAMIL**  
CHARTERED ACCOUNTANTS

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## Auditors' Report

### Introduction

We have audited the accompanying financial statements of the Institute of Management Sciences Peshawar (The Institute) which comprise the statement of financial position as at June 30, 2013 and the related statements of comprehensive income and statement of cash flows together with the notes forming part thereof for the year then ended, we state that we have obtained all the information & explanations which to the best of our knowledge & belief; were necessary for the purpose of our audit.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as applicable in Pakistan which require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

- a) In our opinion:
  - i) the statement of financial position and the related statements of comprehensive income and statement of cash flows, together with notes forming part thereof for the year then ended are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied ;


- ii) the expenditure incurred during the year was for the purposes of Institute's business; and
- iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Institute.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Statement of financial position, the related Statement of Comprehensive Income and cash flow statement together with notes forming part thereof for the year then ended, conform with the approved accounting standards as applicable in Pakistan and respectively give a true and fair view of the state of the Institute's affairs as at June 30, 2013 and of its deficit, and its cash flows for the year then ended.

Peshawar  
March 20, 2014

*Shahid Waheed*  
**SHAHID WAHEED YOUNUS JAMIL**  
PESHAWAR  
CHARTERED ACCOUNTANTS



# Statement of Financial Position

As At June 30, 2013

	Note	2013 ----- Rupees -----	2012 (Restated)
<b>Non-Current Assets</b>			
Property, plant and equipment	5	420,993,092	472,658,089
Long term deposits	6	2,419,600	2,426,600
		423,412,692	475,084,689
<b>Current Assets</b>			
Short term investments	7	144,248,360	126,071,201
Advances, prepayments and other receivables	8	13,120,976	17,034,751
Cash & bank balances	9	176,486,818	78,013,898
		333,856,154	221,119,850
<b>Current Liabilities</b>			
Scholarships	10	2,241,490	2,520,990
Library security refundable	11	8,041,025	8,002,025
Accrued & other liabilities	12	28,356,672	26,297,668
		38,639,187	36,820,683
<b>Net Current Assets</b>		295,216,967	184,299,167
<b>Contingencies and commitments</b>	13	-	-
<b>Net Assets</b>		718,629,659	659,383,856
<b>Financed by:</b>			
General fund	14	414,759,860	421,103,626
Restricted grants (Deferred income)	15	246,922,666	219,297,852
Deferred liability	16	56,947,133	18,982,378
		718,629,659	659,383,856

The annexed notes form an integral part of these financial statements.  
Auditors' report is annexed.

PESHAWAR  
MARCH 20, 2014

  
DIRECTOR

## Statement of Comprehensive Income

For the year ended June 30, 2013

	Note	2013 ----- Rupees -----	2012 (Restated)
Income	17	189,501,854	170,986,500
Expenditure			
Operational	18	249,419,464	224,499,957
Administrative	19	106,044,579	78,891,515
		355,464,043	303,391,472
Deficit from operations		(165,962,189)	(132,404,972)
Other income	22	16,618,745	18,147,160
		(149,343,444)	(114,257,812)
Recurring grant	20	142,999,678	86,999,200
Deficit for the year		(6,343,766)	(27,258,612)
Human resource development	21	-	-
Other comprehensive income		-	-
Total comprehensive income - <i>Transferred to general fund</i>		(6,343,766)	(27,258,612)

The annexed notes form an integral part of these financial statements.  
Auditors' report is annexed.

PESHAWAR  
MARCH 20, 2014

  
DIRECTOR

INSTITUTE OF MANAGEMENT SCIENCES, PESHAWAR  
**Graphical Analysis of Income & Expenditure**

**2013**                      **2012**  
*Rupees in 'Million'*

**INCOME**

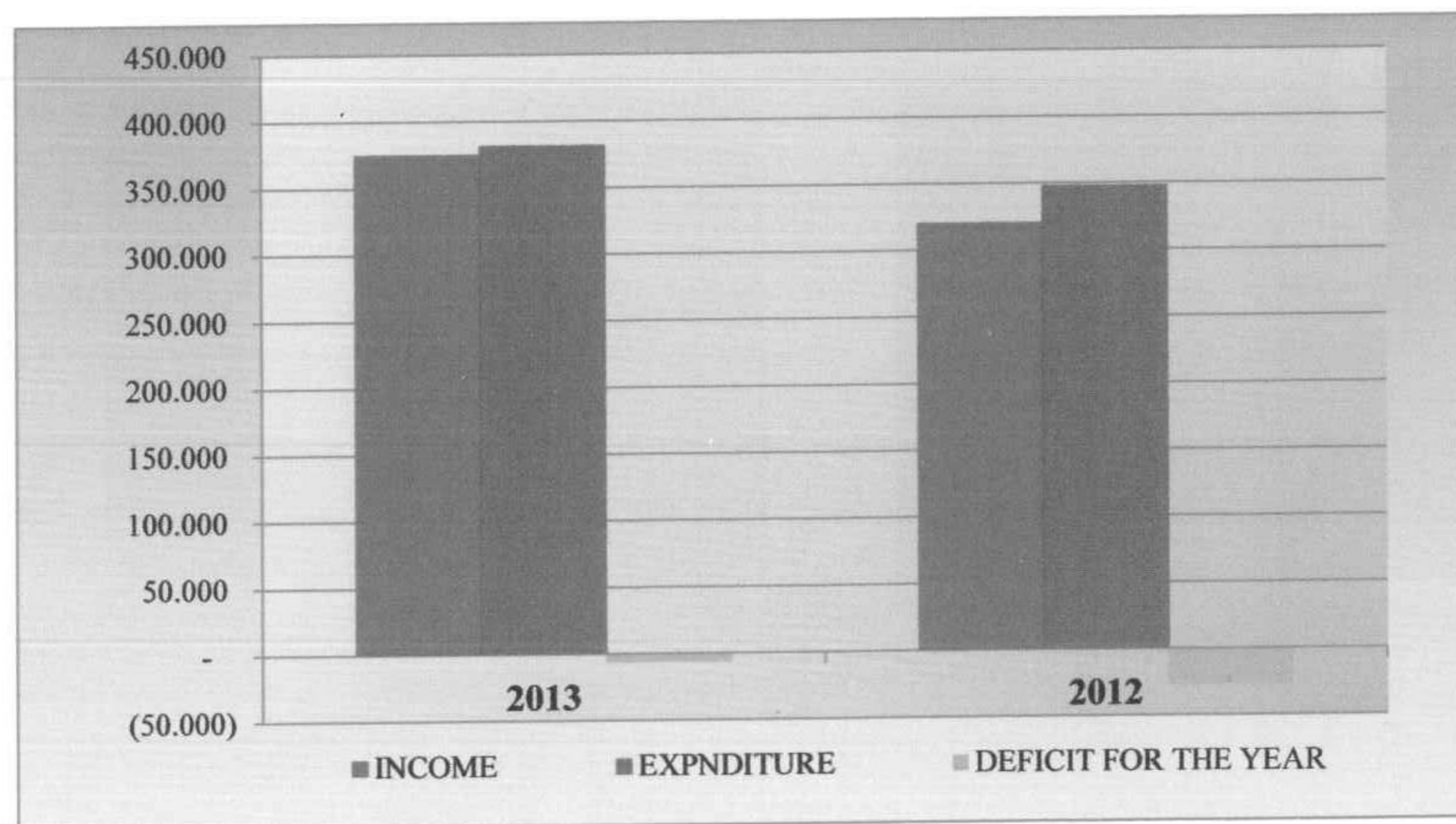
Tution fee	165.911	148.690
Profit on investments	16.707	18.147
Recurring grants	143.000	86.999
Other collections	49.934	66.824
	<b>375.552</b>	<b>320.660</b>

**EXPNDITURE**

Personnel	241.080	202.353
Operational	60.974	63.324
Administrative	25.004	20.106
Depreciation	28.406	17.608
Human Resource Development	26.431	44.527
	<b>381.895</b>	<b>347.918</b>

**DEFICIT FOR THE YEAR**

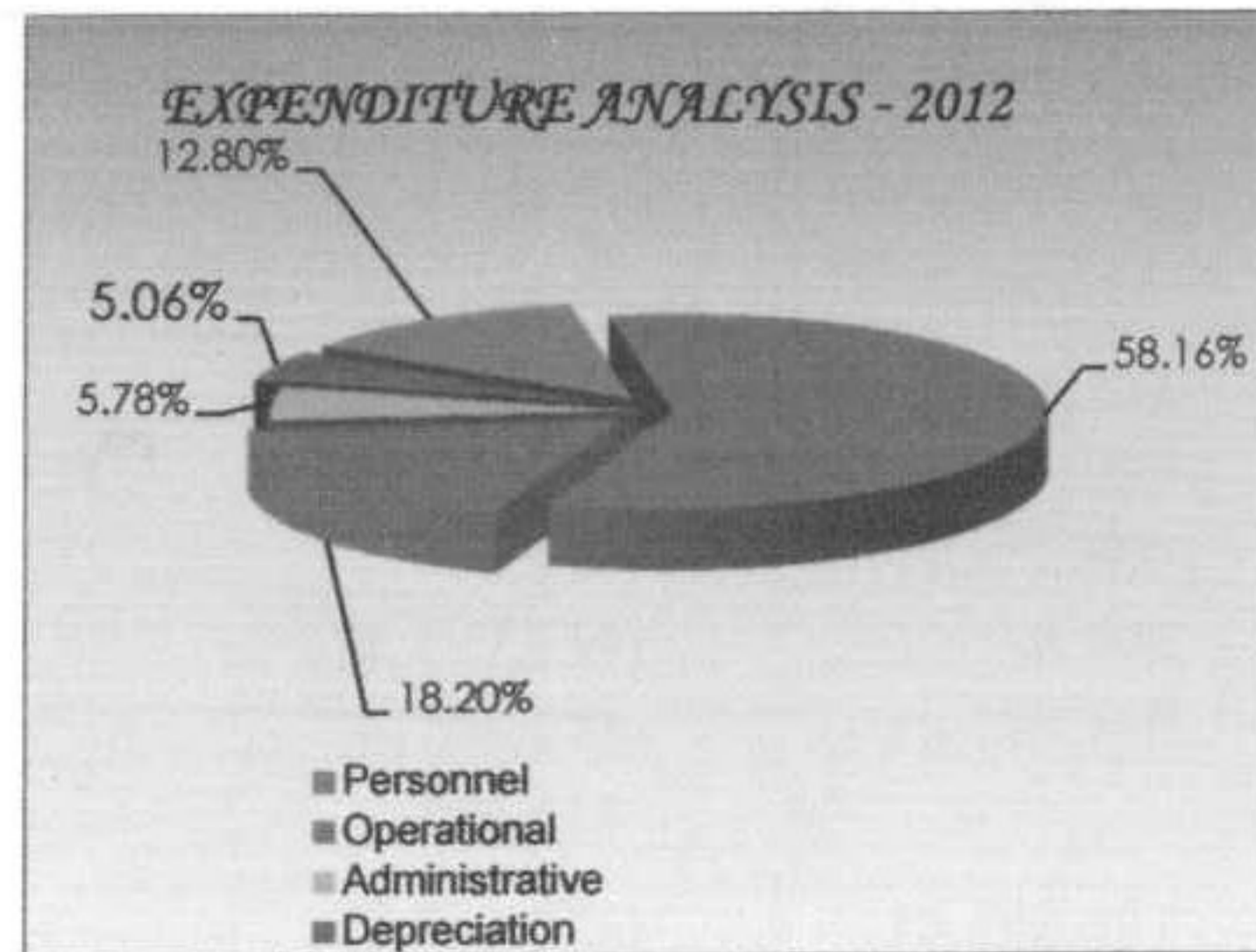
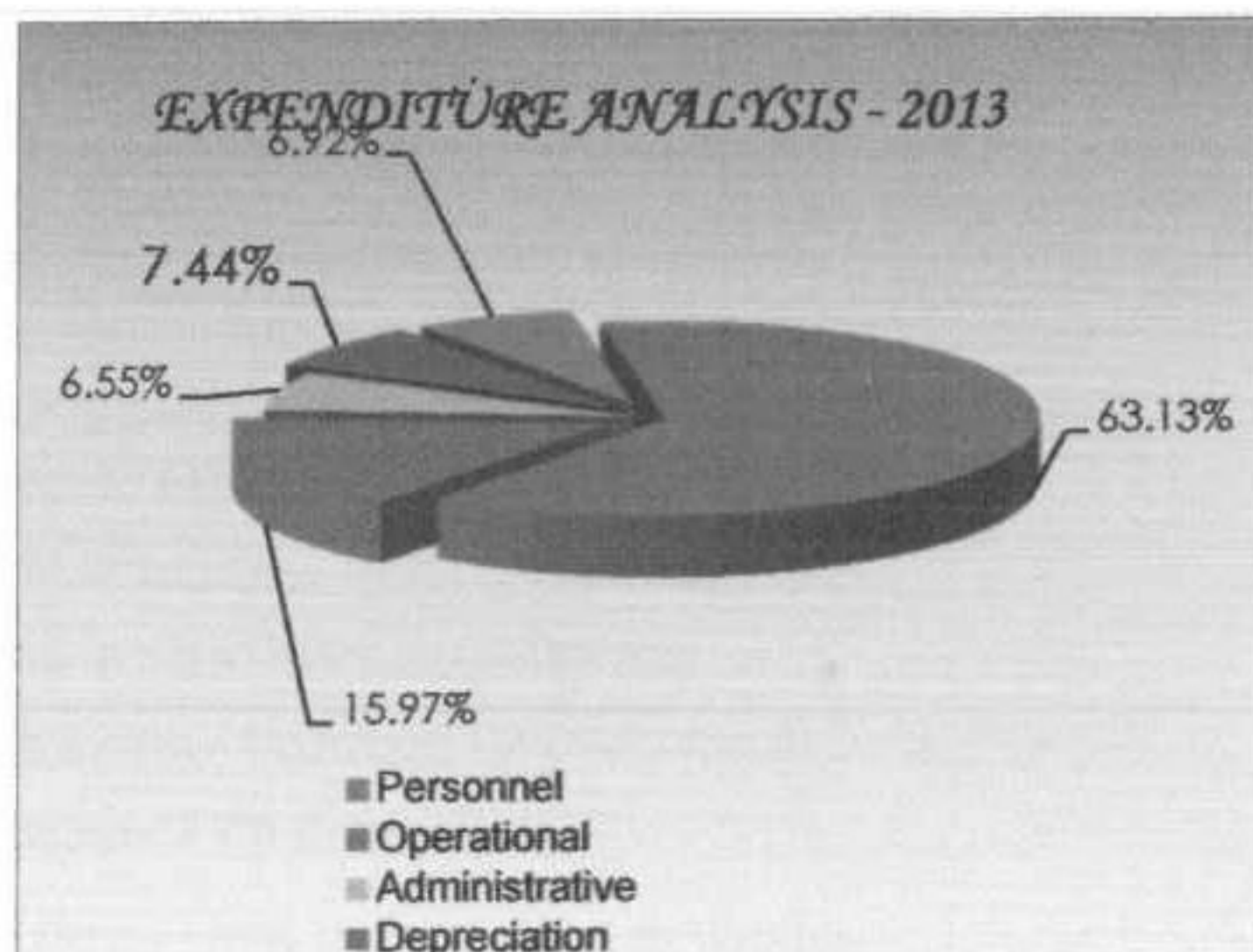
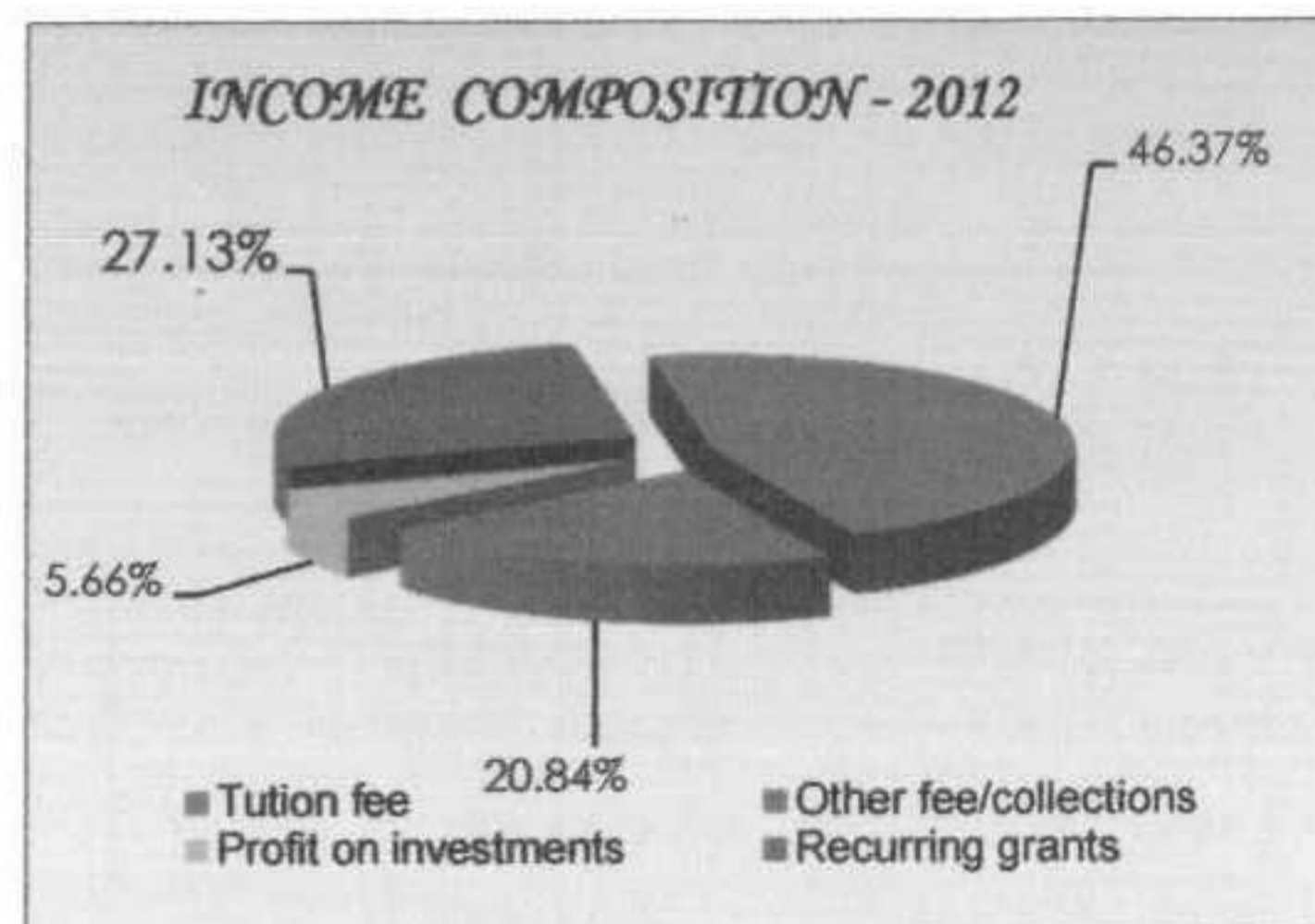
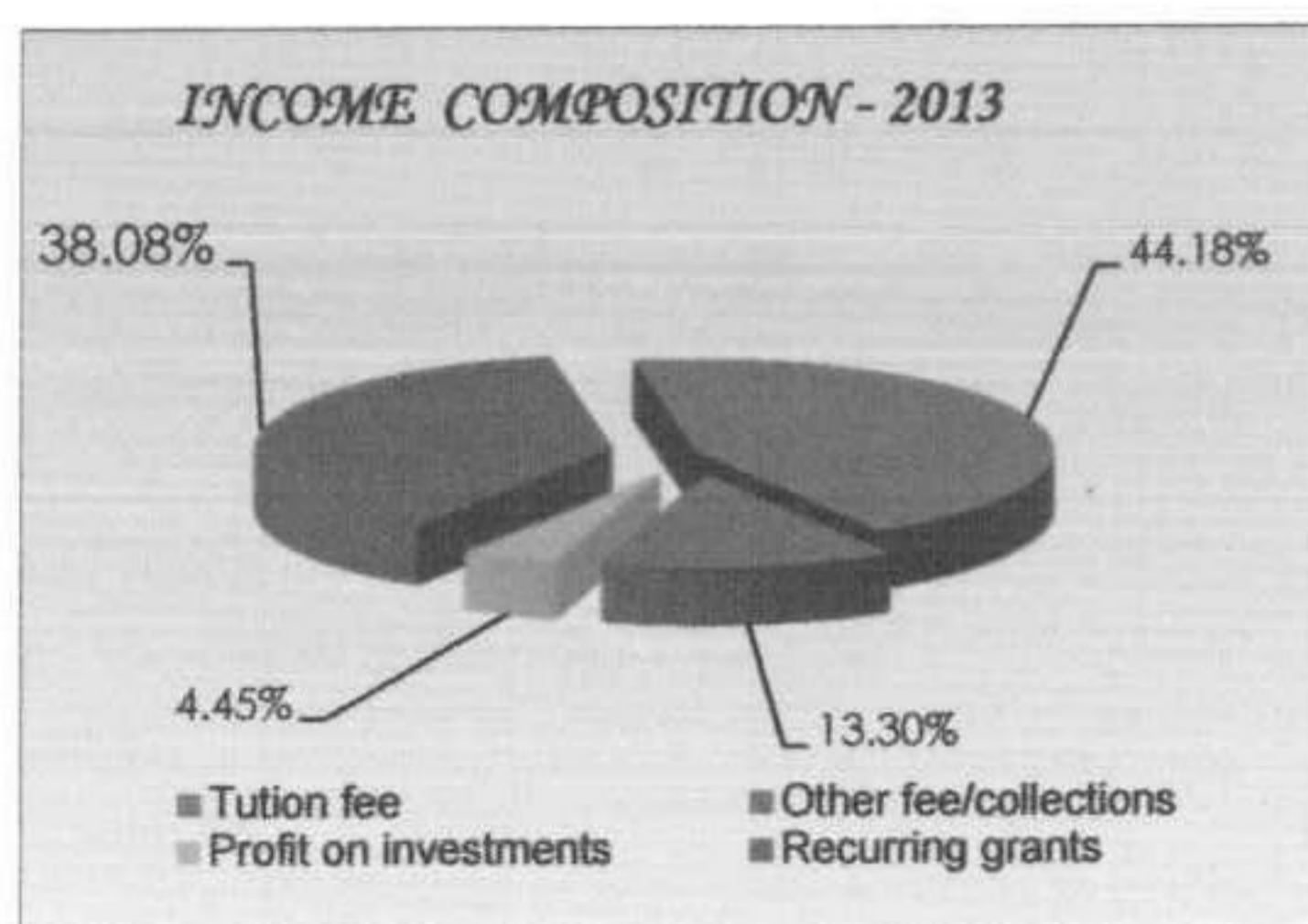
<b>(6.343)</b>	<b>(27.258)</b>
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INCOME	2013	2013	2012	2012
	Rs. in M	%AGE	Rs. in M	%AGE
Tuition fee	165.911	44.18	148.690	46.37
Other fee/collections	49.934	13.30	66.824	20.84
Profit on investments	16.707	4.45	18.147	5.66
Recurring grants	143.000	38.08	86.999	27.13
	<b>375.552</b>	<b>100.00</b>	<b>320.660</b>	<b>100.00</b>

EXPENDITURE	2013	2013	2012	2012
	Rs. in M	%AGE	Rs. in M	%AGE
Personnel	241.080	63.13	202.353	58.16
Operational	60.974	15.97	63.324	18.20
Administrative	25.004	6.55	20.106	5.78
Depreciation	28.406	7.44	17.608	5.06
Human Resource Development	26.431	6.92	44.527	12.80
	<b>381.895</b>	<b>100.00</b>	<b>347.918</b>	<b>100.00</b>





# Statement of Cash Flows

For the year ended June 30, 2013

	2013	2012 <i>(Restated)</i>
	----- Rupees -----	
<b>Cash flows from operating activities</b>		
Deficit for the year	(6,343,766)	(27,258,612)
Adjustments for:		
Depreciation on property, plant & equipment	28,405,933	17,608,232
Provision for employees gratuity	37,964,755	18,982,378
Restricted grant for DIMS	(26,431,302)	(44,526,735)
Other income	(16,618,745)	(18,147,160)
	23,320,641	(26,083,285)
Operating Profit before working capital changes	16,976,875	(53,341,897)
(Increase) / decrease in current assets		
Advances, Deposits & Prepayments	3,913,775	(4,715,692)
	3,913,775	(4,715,692)
Increase / (decrease) in current liabilities		
Creditor, Provision & Accrued Charges	2,059,004	(9,878,245)
Scholarships	(279,500)	(2,341,252)
Library Security	39,000	987,000
	1,818,504	(11,232,497)
Net cash generated from operations	22,709,155	(69,290,086)
<b>Net cash flows from Operating activities</b>	<b>22,709,155</b>	<b>(69,290,086)</b>
<b>Cash flows from investing activities</b>		
Addition in Operating fixed assets	(5,326,253)	(28,665,253)
Addition in capital work in progress	(269,110)	(1,071,009)
(Increase)/decrease in long term deposits	7,000	(1,147,000)
Increase in short term investments	(18,177,159)	30,928,799
Other income - Profit on investments & bank deposit	16,706,172	18,147,160
Cash received on disposal	290,115	
<b>Net cash flows used in Investing activities</b>	<b>(6,769,235)</b>	<b>18,192,697</b>
<b>Cash flows from financing activities</b>		
Grant received	82,533,000	77,665,000
<b>Net cash flow from financing activities</b>	<b>82,533,000</b>	<b>77,665,000</b>
Net increase in cash and cash equivalents	98,472,920	26,567,612
Cash and cash equivalents - at the beginning of the year	78,013,898	51,446,286
Cash and cash equivalents - at the end of the year	176,486,818	78,013,898

*M. Uddin*  
DIRECTOR

# Notes to the Financial Statements

For the year ended June 30, 2013

## 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

New standards, amendments to approved accounting standards and interpretations which are mandatory for accounting periods beginning on or before July 01, 2012, are considered not to be relevant or do not have any significant impact on the Institute's financial statements and are, therefore, not detailed in these financial statements.

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
IFRS-1 First time adoption (amendments)	January 01, 2013
IAS-1 Financial statements presentation (amendments)	- do -
IAS-16 Property, plant & equipment (amendments)	- do -
IAS-32 Financial instruments (amendments)	- do -
IAS-34 Interim financial reporting (amendments)	- do -
IFRS-7 (Amendment) Disclosure on off setting financial assets & liabilities	- do -
IFRS-9 Classification & measurement of financial assets and financial liabilities (replacing IAS-39)	January 01, 2015
IFRS-13 Fair value measurement	January 01, 2013

#### 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.

# Notes to the Financial Statements

For the year ended June 30, 2013

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## 3. BASIS OF MEASUREMENT

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.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The significant accounting policies applied in preparation of these financial statements are set out below. These policies 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 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred and advances made in the course of construction and installation. These are transferred to specific assets as and when the assets are available for use.

### 4.3 Impairment in financial assets

A financial assets is impaired when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets and that loss event has an impact on the estimated future cash flows of financial assets that can be reliably estimated.

### 4.4 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.

#### **4.5 Investments**

Surplus funds are subjected to term investments in accordance with investment policy of the Institute. These are stated at cost. All purchases and sales of investments are recognized using settled date accounting, (settlement date is the date on which investments are delivered to or by the Institute). All investments are derecognized when right to receive economic benefits from the investments has expired or has been transferred and the Institute has transferred substantially all the risks and rewards of ownership.

#### **4.6 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.

#### **4.7 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.

#### **4.8 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.

#### **4.9 Staff retirement benefits**

##### **4.9.1 Contributory provident fund**

The Institute operates contributory provident fund scheme for permanent 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 on receipt basis and 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 actual receipt basis.

#### **4.11 Foreign currencies translation**

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

#### **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.

#### 4.15 Restatement of comparative information

The balance of general fund reported last year has been restated to match the requirements of IAS - 20 (Ref note 14 - 15)

	Note	2013 ----- Rupees -----	2012
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	444,113,081	228,479,460
Capital work-in-progress	5.2	-	244,178,629
		<u>444,113,081</u>	<u>472,658,089</u>
<b>5.1 Operating fixed assets</b>			
<i>Details as per next page</i>			
<b>5.2 Capital work in progress</b>			
<i>Building and external area</i>			
Development of IMS (DIMS)		-	233,531,465
Development of external area		-	10,647,164
		<u>-</u>	<u>244,178,629</u>

5.1 OPERATING FIXED ASSETS - at cost less accumulated depreciation

PARTICULARS	Building	IT Equipment	Library Books	Furniture & Fixture	Office equipment	Vehicles	General	TOTAL
	RS	RS	RS	RS	RS	RS	RS	RS
<b>COST:</b>								
Balance as at July 01, 2011	166,337,350	48,399,263	4,152,345	28,070,681	41,098,235	18,577,292	1,616,040	308,251,206
Additions during the year	3,376,400	17,012,418	347,851	4,190,937	3,736,647	-	1,000	28,665,253
Deletion during the year	-	-	-	-	-	-	-	-
<b>Balance as at June 30, 2012</b>	<b>169,713,750</b>	<b>65,411,681</b>	<b>4,500,196</b>	<b>32,261,618</b>	<b>44,834,882</b>	<b>18,577,292</b>	<b>1,617,040</b>	<b>336,916,459</b>
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)
<b>Balance as at June 30, 2013</b>	<b>414,161,489</b>	<b>65,906,530</b>	<b>4,884,367</b>	<b>33,654,885</b>	<b>44,702,825</b>	<b>20,618,292</b>	<b>2,087,775</b>	<b>586,016,163</b>
<b>ACCUMULATED DEPRECIATION:</b>								
Balance as at July 01, 2011	23,675,550	28,643,903	1,277,150	7,096,777	9,770,791	12,709,199	335,769	83,509,139
Adjustment during the year	-	-	-	-	-	-	-	-
Charge for the year	7,301,910	10,140,158	161,152	2,516,484	3,506,409	1,173,619	128,127	24,927,859
<b>Balance as at June 30, 2012</b>	<b>30,977,460</b>	<b>38,784,061</b>	<b>1,438,302</b>	<b>9,613,261</b>	<b>13,277,200</b>	<b>13,882,818</b>	<b>463,896</b>	<b>108,436,999</b>
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)
<b>Balance as at June 30, 2013</b>	<b>69,295,863</b>	<b>46,920,802</b>	<b>1,955,212</b>	<b>13,107,548</b>	<b>17,806,256</b>	<b>15,229,913</b>	<b>707,478</b>	<b>165,023,071</b>
<b>W.D.V:</b>								
As at June 30, 2013	<b>344,865,626</b>	<b>18,985,728</b>	<b>2,929,155</b>	<b>20,547,337</b>	<b>26,896,569</b>	<b>5,388,379</b>	<b>1,380,297</b>	<b>420,993,092</b>
As at June 30, 2012	<b>138,736,290</b>	<b>26,627,620</b>	<b>3,061,894</b>	<b>22,648,357</b>	<b>31,557,682</b>	<b>4,694,474</b>	<b>1,153,143</b>	<b>228,479,460</b>
<b>Annual rate of depreciation (%)</b>								
2013	10%	30%	15%	15%	15%	20%	15%	
2012	5%	20-30%	5%	10%	10%	20%	10%	

Depreciation is allocated as follows:

	2013	2012
Operating expenses	28,405,933	17,608,232
DIMS	28,476,884	7,319,627
	<b>56,882,817</b>	<b>24,927,859</b>

DIMS portion comprises of following

	2013	2012
IMS - DIMS (building)	23,353,146	-
IT equipment	5,123,748	7,319,627
	<b>28,476,894</b>	<b>7,319,627</b>

\* All the disposals were made through open auction.

# Notes to the Financial Statements

For the year ended June 30, 2013

	Note	2013	2012
		----- Rupees -----	
<b>6. LONG TERM DEPOSITS</b>			
These include securities deposited as follows :			
Landlords of the rented premises	6.1	310,000	317,000
PESCO - <i>for electric connection</i>		407,600	407,600
SNGPL - <i>for gas connection</i>		1,702,000	1,702,000
		<u>2,419,600</u>	<u>2,426,600</u>
<b>6.1 Landlords of the rented premises</b>			
Haji Umer Khan - <i>for Institute premises</i>	13.3	300,000	300,000
Mr. Mehr Rehman - <i>for Jamrud road male hostel</i>		10,000	10,000
Mr. Abdul Rauf - <i>for Bilal Market male hostel</i>		-	7,000
		<u>310,000</u>	<u>317,000</u>
<b>7. SHORT TERM INVESTMENTS</b>			
National Bank of Pakistan		124,248,360	106,071,201
Bank of Khyber		20,000,000	20,000,000
		<u>144,248,360</u>	<u>126,071,201</u>
<b>8. ADVANCES, PREPAYMENTS &amp; RECEIVABLES</b>			
Advances :			
Staff		1,107,118	1,018,660
Others		678,000	1,503,000
Salary		-	10,130
		<u>1,785,118</u>	<u>2,531,790</u>
Prepayments :			
Insurance		416,373	791,904
Rent		-	472,900
		<u>416,373</u>	<u>1,264,804</u>
Receivables :			
IMS Trust		338,000	2,049,000
Travel grant from HEC & others		3,122,688	2,395,083
Inter projects accounts	8.1	5,138,575	5,529,480
Student loan scholarship		931,500	931,500
Laptop recovery		1,185,497	2,081,840
Accounts receivable - <i>Others</i>		203,225	251,254
		<u>10,919,485</u>	<u>13,238,157</u>
		<u>13,120,976</u>	<u>17,034,751</u>
<b>8.1 Inter project accounts</b>			
HRDC Project		5,071,704	4,020,000
DGPSM Project		21,871	21,871
HRDC (DPSM) Project		15,000	15,000
US Access (ETP)		15,000	1,265,000
Mega project (DIMS)		-	192,609
CPPR (BHCP)		15,000	15,000
		<u>5,138,575</u>	<u>5,529,480</u>

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

# Notes to the Financial Statements

For the year ended June 30, 2013

	Note	2013	2012
		----- Rupees -----	
<b>9. CASH &amp; BANK BALANCES</b>			
In hand		-	75,000
With banks:			
National Bank of Pakistan		139,050,561	54,900,359
Allied Bank of Pakistan		35,060,100	20,517,549
NIB Bank Limited		2,376,156	2,520,990
		176,486,818	77,938,898
		<u>176,486,818</u>	<u>78,013,898</u>
<b>10. SCHOLARSHIPS</b>			
HEC - US AID scholarships	10.1	-	-
Khushali Bank scholarships	10.2	2,241,490	2,520,990
		<u>2,241,490</u>	<u>2,520,990</u>
<b>10.1 HEC-US AID SCHOLARSHIP</b>			
Balance as at July 01,		-	147,693
Add: Received during the year		-	5,377,334
Less: Paid during the year		-	(5,525,027)
		<u>-</u>	<u>-</u>
<b>10.2 KHUSHALI BANK SCHOLARSHIPS</b>			
Balance as at July 01,		2,520,990	4,673,549
Add : Received during the year		-	156,740
		<u>2,520,990</u>	<u>4,830,289</u>
Less:			
Paid during the year		414,167	2,309,299
Bank charges & commission		14,963	-
		<u>429,130</u>	<u>2,309,299</u>
		2,091,860	2,520,990
Add: Profit on bank deposits		149,629	-
		<u>2,241,489</u>	<u>2,520,990</u>
<b>11. LIBRARY SECURITY</b>			
Balance as at July 01,		8,002,025	7,015,025
Add: Received during the year - (net)		1,804,000	2,055,000
		<u>9,806,025</u>	<u>9,070,025</u>
Less: Paid during the year		1,765,000	1,068,000
		<u>8,041,025</u>	<u>8,002,025</u>



# Notes to the Financial Statements

For the year ended June 30, 2013

	Note	2013	2012
		----- Rupees -----	
<b>12 Accrued and other liabilities</b>			
Accrued and other payables	12.1	14,643,254	12,728,692
Scholarships	12.2	11,266,667	10,169,296
Payable to ACE Arts (Pvt) Ltd.		802,811	802,811
Payable to Peshawar Paints Palace		4,591	-
Payable to Mega Plus		82,107	-
Project CPPR payable		652,044	1,152,044
Securities refundable to suppliers		384,928	384,928
Retention money - <i>refundable to contractors</i>	12.3	520,270	1,059,897
		<u>28,356,672</u>	<u>26,297,668</u>
<b>12.1 Accrued and other payables:</b>			
Accrued expenses		1,590,725	835,618
Other account payable		3,907,377	49,803
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	8,265,946	10,456,765
Income tax payable		580,401	1,083,932
Audit fee		120,000	80,000
Sales tax payable		12,724	56,493
		<u>14,643,254</u>	<u>12,728,692</u>
<b>12.2 Scholarships</b>			
Frontier Education Foundation - scholarships		217,272	162,000
Tribal scholarships		563,645	214,965
HEC Indigenous		674,885	937,218
Earthquake effected student scholarships		396,150	396,150
Student loan		94,100	278,300
Internship fee - IBP		130,000	290,000
President Directives		-	225,663
Research grant - sandee project		62,852	-
French need based scholarship grant		3,123,863	-
Research grant - National ICT R&D Fund		77,750	-
HEC need based scholarship grant		72,000	-
FATA - scholarship grant		5,854,150	7,665,000
		<u>11,266,667</u>	<u>10,169,296</u>
<b>12.3 Retention money -<i>refundable to contractors</i></b>			
Ghulam Habib & Co (Pvt) Limited		248,596	248,596
Banuri Construction Company		185,274	-
Insiyabi Pakistan (Pvt) Limited		-	724,901
Other petty contractors		86,400	86,400
		<u>520,270</u>	<u>1,059,897</u>

# Notes to the Financial Statements

For the year ended June 30, 2013

## 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	2013	2012 (Restated)
----- Rupees -----			
<b>14. GENERAL FUND</b>			
Balance as at July 01,		421,103,626	649,506,452
Transferred to restricted grants		-	(201,144,214)
		421,103,626	448,362,238
Deficit for the year		(6,343,766)	(27,258,612)
Balance as at June 30		414,759,860	421,103,626
<b>15 RESTRICTED GRANTS (Deferred Income)</b>			
Balance as at July 01		219,297,852	201,144,214
Receipts during the year		82,533,000	70,000,000
		301,830,852	271,144,214
Less: Transferred to			
Restricted grant for DIMS		26,431,302	44,526,735
Depreciation reserve		28,476,884	7,319,627
		54,908,186	51,846,362
Balance as at June 30		246,922,666	219,297,852
<b>16 DEFERRED LIABILITY</b>			
Provision for employees gratuity		56,947,133	18,982,378

# Notes to the Financial Statements

For the year ended June 30, 2013

	Note	2013	2012
		----- Rupees -----	
<b>17. INCOME</b>			
Tuition fee	17.1	165,910,659	148,689,800
Sale of prospectus		2,067,200	1,985,000
Hostel fee		8,265,946	10,456,765
Transportation fee		5,431,097	3,577,881
Miscellaneous		7,008,372	4,520,726
Income from projects	17.2	818,580	1,756,328
		<u>189,501,854</u>	<u>170,986,500</u>
<b>17.1 Tuition fee</b>			
BBA,BBA IT		54,431,275	49,865,080
BCS		11,788,650	20,993,150
B.Sc Economics		12,674,350	-
MBA ( M )		18,157,075	30,599,220
MBA ( Eve )		21,488,645	16,976,870
M.Sc Applied Economics		2,045,600	2,250,130
MS IT		1,052,500	1,511,700
MPA		5,399,250	5,027,950
MPH		1,029,699	1,152,700
MS Management		5,559,250	5,038,900
M.Sc Computer Science		2,720,200	2,606,700
M.Sc Development Study		5,659,632	3,216,300
Ms Computer Science		2,094,766	2,182,800
Make-up / Course Repeat		3,105,442	2,925,460
M.Sc Finance		2,526,100	1,247,040
PhD Computer Science		790,000	182,500
B.Sc Social Science		4,150,350	2,174,600
BS English		-	64,750
Degree Fee		1,332,300	-
PhD Management		1,947,250	1,447,500
BBS Banking & Finance		761,600	-
BBS Evening		1,921,550	-
BBS Morning		4,838,000	-
B.Sc Political Science		-	64,750
MS Economics		3,716,500	1,453,250
		<u>169,189,984</u>	<u>150,981,350</u>
Less: Admission cancelled/ or refunded		3,279,325	2,291,550
		<u>165,910,659</u>	<u>148,689,800</u>
<b>17.2 Income from projects</b>			
Human Resource Development Center (HRDC)		136,680	190,919
US Access English Teaching Project (ETP)		180,000	100,000
Center for Public Policy Research (CPPR)		501,900	5,000
Dynamic Behavioral Attestation Mobile Project		-	377,079
Extended Android Security Intent Policy		-	1,027,360
PMP Project		-	55,970
		<u>818,580</u>	<u>1,756,328</u>

# Notes to the Financial Statements

For the year ended June 30, 2013

	2013	2012
	----- Rupees -----	
<b>18. OPERATIONAL</b>		
Salaries, honoraria & allowances	139,042,889	132,322,576
Staff gratuity	20,945,793	10,472,897
MPH Kabul honoraria	50,000	772,500
Occupancy cost	8,265,946	10,456,765
Hostel security	108,000	63,000
Utilities	14,775,058	20,709,790
Meeting, seminars & conferences	715,708	898,009
Student extra curricular activities	2,142,720	1,298,530
Cost of entry test	1,364,240	1,432,499
Supervision of thesis report	3,025,000	565,500
Gender based merit scholarship B.Sc Economics	584,000	862,000
Paper setting & checking	770,020	888,900
Scholarships	16,774,880	13,328,700
Computer accessories	271,451	353,603
I.T Skill development	-	22,736
Examination charges (Internal examiner)	1,159,510	885,500
Entertainment	639,998	644,705
Research & survey	2,396,769	5,561,196
HEC British council inspire scholarship	1,553,814	-
Transport running expense	5,043,607	5,009,884
Contingency	919,495	42,435
Rent Hostel	39,900	-
Strengthening of QEC-IMSciences	424,733	300,000
Depreciation	28,405,933	17,608,232
	<u>249,419,464</u>	<u>224,499,957</u>
<b>19. ADMINISTRATIVE EXPENSES</b>		
Salaries, wages & benefits	63,020,978	50,209,854
Staff group Insurance	284,813	65,876
Staff Gratuity	17,735,267	8,509,481
Communication	5,286,036	7,574,995
Printing & stationery	3,426,485	3,502,664
Repair & maintenance	10,463,160	4,928,651
Insurance	1,104,477	211,294
Traveling & conveyance	98,175	74,908
Newspaper & periodicals	358,644	173,904
Legal & professional	605,000	252,000
Uniform & protective clothing	53,551	226,448
Audit fee	120,000	80,000
Advertisement & publicity	2,001,249	1,618,354
Miscellaneous	978,143	1,440,230
Rent Building / Office	433,000	-
Bank charges & commission	75,601	22,856
	<u>106,044,579</u>	<u>78,891,515</u>

# Notes to the Financial Statements

For the year ended June 30, 2013

	2013	2012
	----- Rupees -----	
<b>20. RECURRING GRANT</b>		
HEC recurring grant	130,463,291	58,491,500
HEC grant for additional finance	12,536,387	27,593,700
HEC grant for QEC	-	914,000
	<u>142,999,678</u>	<u>86,999,200</u>

## 21. 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	474,360
Mr. Sohail Younas	-	731,940
Mr. M. Nauman	43,050	-
Mr. Shabi-ul-Hassan	680,760	2,641,706
Mrs. Saroosh Shabi	680,760	2,641,706
Mr. Saleem Gul	-	217,680
Mr. Shakir Ullah	65,000	1,317,412
Mr. Nafees ur Rehman	1,267,560	1,317,410
Mr. Adnan Yousaf	1,032,120	1,317,410
Mr. Nawaz	1,778,125	2,961,258
Mr. Shafiullah Jan	1,738,800	1,894,765
Mr. Imran Ahmad	1,738,800	3,183,463
Ms. Tayyaba Azim	1,738,800	3,183,463
Mr. Sadique	2,282,819	2,855,573
Mr. Atique	743,230	1,650,814
Mr. Salman Ahmad	1,738,800	1,317,412
Mr. Furqan Aziz	1,738,800	2,928,642
Mr. Rafiq Ullah Jan	1,738,800	2,564,068
Ms. Shandana Shoaib	590,100	2,144,094
Mr. Muhammad Nauman	-	1,749,334
Mr. Gohar Saleem	3,562,499	2,961,258
Ms. Salma	1,830,529	2,705,502
Mr. Kareemullah	1,398,600	1,767,465
	<u>26,431,302</u>	<u>44,526,735</u>

Less: Transfer from restricted grants	15	(26,431,302)	(44,526,735)
		<u>-</u>	<u>-</u>

## 22. OTHER INCOME

Profit on investments	12,325,723	10,433,844
Profit on bank accounts	4,380,449	7,713,316
	<u>16,706,172</u>	<u>18,147,160</u>
Loss on disposal of fixed assets	(87,427)	-
	<u>16,618,745</u>	<u>18,147,160</u>