

**INSTITUTE OF MANAGEMENT SCIENCES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2017**

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Now, for tomorrow



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AUDITORS' REPORT TO THE GOVERNING BOARD

Opinion

We have audited the accompanying financial statements of **INSTITUTE OF MANAGEMENT SCIENCES (Institute)** which comprises of statement of financial position as at June 30, 2017 and statement of comprehensive income, cash flow statement and statement of changes in funds 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 **INSTITUTE OF MANAGEMENT SCIENCES (Institute)** as at June 30 2017, and of its financial performance, its cash flow and its fund for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

Basis of 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 disclosed in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We were independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the relevant institute (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 audit opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting and reporting standards as applicable in

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Pakistan, 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 institute's ability to continue as 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 institute or cease operations, or has no realistic alternative but to do so.

Board of Governance is responsible for overseeing the institute's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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



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- 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management'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 institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw our 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 up to the dates of our auditor's report. However, future events or conditions may cause the institute to cease to continue as 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 presentations.

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

Date: April 8, 2019
Place: Peshawar

Baker Tilly Mehmood Idrees Qamar

Chartered Accountants
Engagement Partner:
Mr. Muhammad Abdur Rub Khan

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INSTITUTE OF MANAGEMENT SCIENCES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

	NOTES	2017 RUPEES	2016 RUPEES Restated	2015 RUPEES Restated
Non-Current Assets				
Operating fixed assets	4	759,970,720	487,884,830	352,201,474
Long term deposits	5	1,854,600	1,864,600	1,864,600
		761,825,320	489,749,430	354,066,074
Current Assets				
Short term investments	6	235,665,000	350,665,000	346,165,000
Advances, prepayments and other receivables	7	45,995,759	46,608,159	22,461,953
Cash & bank balances	8	298,105,250	407,708,865	177,962,109
		579,766,009	804,982,024	546,589,062
Current Liabilities				
Scholarships	9	22,568,988	46,856,197	49,839,450
Employee benefits	10	101,993,145	71,905,379	62,848,645
Library security refundable	11	12,429,025	11,076,025	9,973,025
Accrued & other liabilities	12	115,910,572	106,287,056	12,974,374
		252,901,730	236,124,657	135,635,494
Net Current Assets		326,864,279	568,857,367	410,953,568
Contingencies and Commitments	13	-	-	-
Net Assets		1,088,689,599	1,058,606,797	765,019,641
Financed by:				
General fund		451,258,579	480,084,769	492,848,778
Restricted grants (Deferred income)	14	637,431,020	578,522,028	272,170,863
		1,088,689,599	1,058,606,797	765,019,641

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


CONTROLLER FINANCE


DIRECTOR

INSTITUTE OF MANAGEMENT SCIENCES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	NOTES	2017 RUPEES	2016 RUPEES Restated
Income	15	283,480,839	266,998,966
Expenditure			
Operational	16	411,232,426	395,140,793
Administrative	17	166,014,628	146,257,468
		577,247,054	541,398,261
Deficit from operations		(293,766,215)	(274,399,295)
Other income	18	21,674,310	26,461,400
		(272,091,905)	(247,937,895)
Recurring grant	19	243,265,715	235,173,886
(Deficit)/Surplus for the year		(28,826,190)	(12,764,009)
Human resource development	20	-	-
Other comprehensive income		-	-
Total comprehensive (deficit)/surplus		(28,826,190)	(12,764,009)

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


CONTROLLER FINANCE


DIRECTOR

**INSTITUTE OF MANAGEMENT SCIENCES
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>GENERAL FUND</u>
BALANCE AS ON 30 JUNE 2015	492,848,778
Total comprehensive (deficit)/surplus for the year	(12,764,009)
BALANCE AS ON 30 JUNE 2016	<u>480,084,769</u>
Total comprehensive (deficit)/surplus for the year	(28,826,190)
BALANCE AS ON 30 JUNE 2017	<u>451,258,579</u>

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


CONTROLLER FINANCE


DIRECTOR

**INSTITUTE OF MANAGEMENT SCIENCES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

	2017 RUPEES	2016 RUPEES Restated
Cash flows from operating activities		
(Deficit)/Surplus for the year	(28,826,190)	(12,764,009)
Adjustments for:		
Depreciation on operating fixed assets	26,104,135	23,818,566
Provision for employees gratuity	32,352,208	47,071,940
Restricted grant for DIMS	-	(4,821,955)
	<u>58,456,343</u>	<u>66,068,549</u>
Operating Profit before working capital changes	29,630,153	53,304,540
(Increase) / decrease in current assets		
Advances, prepayments and other receivables	612,400	(24,146,206)
	<u>612,400</u>	<u>(24,146,206)</u>
Increase / (decrease) in current liabilities		
Accrued & other liabilities	9,623,516	93,312,682
Scholarships	(24,287,209)	(2,983,253)
Library security	1,353,000	1,103,000
	<u>(13,310,693)</u>	<u>91,432,429</u>
Net cash generated from operations	16,931,860	120,590,763
Gratuity paid	(2,264,442)	(38,015,206)
Net cash flows from Operating activities	14,667,418	82,575,557
Cash flows from investing activities		
Addition in operating fixed assets	(84,934,315)	(8,017,306)
Addition in capital work in progress	(229,263,561)	(169,725,379)
Decrease in long term deposits	10,000	-
Increase in short term investments	115,000,000	(4,500,000)
Net cash flows used in Investing activities	(199,187,876)	(182,242,685)
Cash flows from financing activities		
Grant received for EIMS	47,581,843	299,413,884
Grant received for FATA Scholarship	27,335,000	30,000,000
Net cash flow from financing activities	74,916,843	329,413,884
Net increase in cash and cash equivalents	(109,603,615)	229,746,756
Cash and cash equivalents - at the beginning of the year	407,708,865	177,962,109
Cash and cash equivalents - at the end of the year	298,105,250	407,708,865

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


CONTROLLER FINANCE


DIRECTOR

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 BASIS OF PREPARATION:

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards issued by the Institute of Chartered Accountants of Pakistan.

2.2 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 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.

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 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

4.8.1 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.

4.8.2 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.

4.9 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.

4.10 Foreign currencies translation

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

4.11 Taxation

The Institute being established solely for educational purposes and not for profit, has availed approval under sub section 36 of section 2 of Income Tax Ordinance 2001 for non profit organization. Section 100(C) "Tax credit for certain persons" of Income Tax Ordinance 2001 allows 100% tax credit on tax payable by non profit organization and hence income of the institute is not taxable.

4.12 Appropriation of General Funds

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

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

4.13 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.

4.14 Restatement of comparative figures

During the year, the institute has conducted a detailed exercise for review of its accounting records and a number of prior year errors and omissions were identified. These errors and omissions are corrected retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Description	Balance as per Previous Financial Statements	Restated Balance	Net Effect
2016			
Effect on statement of financial position			
Operating fixed assets	487,608,105	487,884,830	276,725
Advance, prepayments & other receivables	46,544,659	46,608,159	63,500
Cash & bank balance	406,967,395	407,708,865	741,470
Scholarships	-	46,856,197	46,856,197
Accrued & other liabilities	152,600,493	106,287,056	(46,313,437)
Employee benefits	73,744,889	71,905,379	(1,839,510)
General fund	477,706,325	480,084,769	2,378,444
Effect on statement of comprehensive income			
Income from projects	1,523,671	1,701,757	178,086
Profit on bank accounts	3,497,305	3,521,795	24,490
Staff gratuity	45,896,244	44,056,734	(1,839,510)
Depreciation (Operational expenses)	23,769,732	23,818,566	48,834
Salaries, honoraria & allowances	238,856,927	238,908,260	51,333
Meeting, seminars & conferences	1,162,086	1,167,086	5,000
Entertainment	1,056,614	1,137,114	80,500

4.14.1 Office of Research Innovation and Commercialization (ORIC) is a cost center which was omitted from prior years financial statements of Institute of Management Sciences. The balance of ORIC are included in financial statements of June 30, 2017 with comparative being restated.

4.14.2 Reclassification of scholarships payable from "Accrued & other liabilities" to "Scholarships".

4.14.3 Restatement of "Employee benefits" and "Staff gratuity" by Rs. 1,839,510 to include the effect of return on investments and saving account.

**INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

4.15 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 Economics	Bachelor of Science Economics
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 & Takaful)
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
MS Development Studies	Masters of Science in Development Studies
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
PhD Islamic Banking & Finance	Doctor of Islamic Banking and Finance

4 OPERATING FIXED ASSETS - at cost less accumulated depreciation

P A R T I C U L A R S	Building	IT Equipment	Library Books	Furniture & Fixture	Office Equipment	Vehicles	General	TOTAL
	RS	RS	RS	RS	RS	RS	RS	RS
C O S T :								
Balance as at July 01, 2015	418,134,887	84,490,750	5,269,059	34,073,601	28,738,029	22,436,097	12,396,896	605,539,319
Additions during the year	-	1,508,461	325,518	2,031,597	379,500	-	3,772,230	8,017,306
Deletion during the year	-	-	-	-	-	-	-	-
Balance as at June 30, 2016	418,134,887	85,999,211	5,594,577	36,105,198	29,117,529	22,436,097	16,169,126	613,556,625
Balance as at July 01, 2016	418,134,887	85,999,211	5,594,577	36,105,198	29,117,529	22,436,097	16,169,126	613,556,625
Additions during the year	-	35,404,036	509,366	8,462,679	20,580,947	9,419,500	10,557,787	84,934,315
Deletion during the year	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	418,134,887	121,403,247	6,103,943	44,567,877	49,698,476	31,855,597	26,726,913	698,490,940
ACCUMULATED DEPRECIATION:								
Balance as at July 01, 2015	136,795,886	63,294,697	2,817,553	17,570,578	14,397,181	16,012,322	6,350,747	257,238,963
Charge for the year	28,133,900	6,504,319	397,827	2,512,250	2,163,882	1,284,755	1,062,395	42,059,330
Balance as at June 30, 2016	164,929,786	69,799,016	3,215,381	20,082,828	16,561,063	17,297,077	7,413,143	299,298,293
Balance as at July 01, 2016	164,929,786	69,799,016	3,215,381	20,082,828	16,561,063	17,297,077	7,413,143	299,298,293
Charge for the year	25,320,510	8,690,253	378,432	2,613,196	2,800,745	1,074,552	1,371,475	42,111,986
Balance as at June 30, 2017	190,250,296	78,489,270	3,593,813	22,696,024	19,361,809	18,371,628	8,784,618	341,410,279
W.D.V:								
As at June 30, 2017	227,884,591	42,913,977	2,510,130	21,871,853	30,336,667	13,483,969	17,942,295	357,080,661
As at June 30, 2016	253,205,101	16,200,195	2,379,196	16,022,370	12,556,466	5,139,020	8,755,983	314,258,332
Annual rate of depreciation (%)								
2017	10%	30%	15%	15%	15%	20%	15%	
2016	10%	30%	15%	15%	15%	20%	15%	

Depreciation is allocated as follows:

	2017	2016
Charged to IMS Operating expenses	26,104,136	23,818,566
Charged to DIMS project	16,007,850	18,240,764
	42,111,986	42,059,330

DIMS portion comprises of following

	2017	2016
IMS - DIMS (building)	14,576,918	16,196,575
IT equipment	1,430,932	2,044,189
	16,007,850	18,240,764

5.1 Work in Progress

Building

Opening as at July 1 2016	173,626,498	3,901,119
Additions during the year	229,263,561	169,725,379
Transferred to fixed assets	-	-
	402,890,059	173,626,498

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2017

	NOTES	2017 RUPEES	2016 RUPEES Restated
5 LONG TERM DEPOSITS			
These include securities deposited as follows :			
Landlords of the rented premises	5.1	300,000	310,000
SNGPL - for gas connection		1,147,000	1,147,000
PESCO - for electric connection		407,600	407,600
		<u>1,854,600</u>	<u>1,864,600</u>

5.1 Landlords of the rented premises			
Haji Umer Khan-for institute premises		300,000	300,000
Mr.Mehr Rehman- for Jamrud Road Male hostel		-	10,000
		<u>300,000</u>	<u>310,000</u>

6 SHORT TERM INVESTMENTS - at amortized cost

Term Deposit Receipts:

National Bank of Pakistan		135,000,000	250,000,000
Bank of Khyber		20,000,000	20,000,000
National Saving Certificates/(FATA Endowment Fund)		80,665,000	80,665,000
		<u>235,665,000</u>	<u>350,665,000</u>

6.1 Date of maturity and markup on TDRs & National Saving Certificates

Name of Institution	Amount	Date of maturity	Interest rate
Bank of Khyber	20,000,000	27-Feb-18	5.80%
National Bank of Pakistan (FATA Endowment Fund)	15,000,000	17-Dec-17	5.90%
National Bank of Pakistan	10,000,000	20-Mar-18	5.90%
National Bank of Pakistan	30,000,000	29-Sep-17	6.25%
National Bank of Pakistan	20,000,000	1-Nov-17	6.25%
National Bank of Pakistan	45,000,000	10-Dec-17	5.90%
National Bank of Pakistan	30,000,000	29-Jun-18	5.90%
National Saving Certificates (FATA Endowment Fund)	58,000,000	19-Aug-17	11.50%
National Saving Certificates (FATA Endowment Fund)	7,665,000	29-Oct-17	11.50%

235,665,000

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2017

	NOTES	2017 RUPEES	2016 RUPEES Restated
7 ADVANCES, PREPAYMENTS & RECEIVABLES			
Advances (Considered Good)			
Advances to staff for expenses		6,975,954	7,506,919
Advances to Supplier		7,050,000	-
CMF center		678,000	678,000
Withholding tax		-	3,491,541
		14,703,954	11,676,460
Prepayments :			
Vehicles insurance		364,555	2,156,420
Receivables :			
IMS Trust		1,657,000	1,814,000
Travel grant from HEC & others		1,653,214	1,640,115
Inter projects accounts receivable	7.1	19,346,321	5,478,066
Accounts receivable - <i>Others</i>		3,682,221	831,947
Receivable From Applicants		-	268,000
Receivable From Students		4,588,494	22,036,729
Receivable from Askari General Insurance Company		-	2,613
Receivable from AYS International		-	25,829
Receivable From USAID		-	112,400
Receivable from Ehsan Trust		-	565,580
		30,927,250	32,775,279
		45,995,759	46,608,159
7.1 Inter project accounts receivable			
Human Resource Development Center		4,871,704	4,871,704
DGPSM Project		21,871	21,871
US Access English Teaching Programme		435,453	435,453
Diploma in Public Sector Management		15,000	15,000
Centre for Public Policy and Research		11,902,293	52,181
Enhancement Infrastructure of IMS		-	81,857
Higher Education Institute		2,100,000	-
		19,346,321	5,478,066
This amount represents dues receivable from the Institute's projects.			
8 CASH & BANK BALANCES			
Cash in hand		160,000	40,000
With banks:			
<i>Local Currency:</i>			
Current accounts		85,995,711	11,816,026
Savings accounts		211,655,457	395,558,757
		297,651,168	407,374,783
<i>Foreign Currency:</i>			
Current accounts		294,082	294,082
		298,105,250	407,708,865

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2017

	NOTES	2017 RUPEES	2016 RUPEES Restated
9 SCHOLARSHIPS			
Tribal and other scholarships		729,860	657,058
Frontier education foundation scholarship		217,272	217,272
Dr Hidayat Ullah need based scholarship		2,993,242	2,300,542
Prime minister scholarship		7,030,952	32,710,467
Research grant - sandee grant		-	62,852
Students advancement scholarship (SAFE)		3,155,120	3,155,120
SAS memorial need based merit scholarship		70,506	-
Worker welfare board scholarship		127,257	125,328
Ihsan trust merit scholarship		599,995	1,628,480
French need based scholarship grant		2,192,513	1,980,513
NTS need based scholarship		851,000	857,000
Chief minister scholarship		301,770	154,270
BOK scholarship		339,150	339,150
HEC USAID scholarship		2,850,920	2,082,260
Ms. Shandana Shoaib-IMS faculty scholarship		49,250	-
HEC indigenous scholarship		1,060,181	585,885
		22,568,988	46,856,197
10 EMPLOYEE BENEFITS - PROVISION FOR GRATUITY			
Present value of defined benefit obligation	10.1	150,470,238	126,982,639
Fair value of plan assets	10.2	(48,477,093)	(55,077,260)
		101,993,145	71,905,379
10.1 Changes in the present value of defined benefit obligation:			
Present value of obligation as at beginning of the year		126,982,639	90,773,441
Expenses for the year		32,352,208	47,071,940
Benefits paid		(8,864,609)	(10,862,742)
Present value of obligation as at end of the year		150,470,238	126,982,639
10.2 Changes in fair value of plan assets:			
Present value of obligation as at beginning of the year		55,077,260	27,924,796
Contribution during the year		2,264,442	38,015,206
Benefits paid		(8,864,609)	(10,862,742)
Present value of obligation as at end of the year		48,477,093	55,077,260

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2017

	NOTES	<u>2017</u> <u>RUPEES</u>	<u>2016</u> <u>RUPEES</u> Restated
11 LIBRARY SECURITY REFUNDABLE			
Balance as at July 01,		11,076,025	9,973,025
Add: Received during the year		<u>2,570,000</u>	<u>2,611,000</u>
		13,646,025	12,584,025
Less: Paid during the year		1,217,000	(1,508,000)
Balance as at June 30,		<u><u>12,429,025</u></u>	<u><u>11,076,025</u></u>
12 ACCRUED AND OTHER LIABILITIES			
Accrued and other payables	12.1	28,825,713	88,129,083
Project payables	12.2	63,576,633	2,456,280
ACE Arts (Pvt) Ltd.		889,211	889,211
Retention money - <i>refundable to contractors</i>	12.3	22,619,015	14,812,482
		<u><u>115,910,572</u></u>	<u><u>106,287,056</u></u>

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2017

	NOTES	2017 RUPEES	2016 RUPEES Restated
12.1 Accrued and other payables:			
Salaries payable		1,938,525	62,562,031
Other account payable		8,092,547	12,287,555
Institute of Management Studies - (UOP)	13.1	-	120,471
Unadjusted excessive cost recovered from Project DIMS		-	45,610
Rent payable to IMS Trust (hostel fee)		14,337,350	11,529,800
Income tax payable		2,667,341	680,674
Payable to students		753,260	449,660
NBP student loan		48,000	48,000
Sale tax payable		428,341	246,582
KPPRA tax payable		24,000	-
Stamp duty payable		386,349	-
Audit fee payable		150,000	158,700
		28,825,713	88,129,083
12.2 Project payables			
Knowledge Exchange Project Payables		1,781,589	813,205
FATA Institutional Strengthening Project Payables		-	29,250
Other Project Payables		2,966,345	578,825
Zero Semester Afghan Student Scholarships		502,082	-
US Access English		1,015,000	1,035,000
Centre for Public Policy and Research		56,881,617	-
Journal of Business & Economics Review		430,000	-
		63,576,633	2,456,280
12.3 Retention money - refundable to contractors			
Security refundable to suppliers		188,675	188,675
Juma Raz Khan & Sons		388,423	-
Ghulam Habib & Co (Pvt) Limited		148,596	148,596
Banuri Construction Company		-	813
EIMS-Retention Money			
Khawaja Brothers		346,405	-
Silicon Technologies		509,184	-
Vital International		199,490	-
Ajmal Furniture		822,787	-
Haier Pakistan		1,799,787	-
NS Developers		503,476	-
J S Laino Traders		60,374	-
Jalat Khan Contractor		5,388,317	3,603,693
Ihsan Ullah Construction		9,079,433	5,747,224
Zain ul Abideen & Sons		3,184,068	5,123,481
		22,619,015	14,812,482

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2017

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 Million for availing facilities and services of teaching staff of UOP during that period, which was reduced to Rs. 7.60 Million through negotiations and a sum of Rs. 1.40 Million was paid subsequently. However, the matter is still not settled since the Institute has also filed a counter claim of Rs. 4.80 Million, comprising non payment of recurring grant of Rs. 3.98 Million and excess charges for facilities of Rs. 0.82 Million by UOP. No provision has been made in these financial statements.
- 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.

	NOTES	2017 RUPEES	2016 RUPEES Restated
14 RESTRICTED GRANTS (Deferred Income)			
Balance as at July 01		578,522,027	272,170,863
Receipts during the year:			
HEC Grant for Enhancement Infrastructure Project		40,435,000	297,503,000
EIMS-Other payable (Net profit on bank)		7,146,843	1,906,683
EIMS-Miscellaneous income		-	4,201
Restricted grant for DIMS	20	-	13,590,081
FATA scholarship grant		27,335,000	30,000,000
		74,916,843	343,003,965
		653,438,870	615,174,828
Less: Transferred to			
Restricted grant for DIMS		-	-
Grant for DIMS		-	18,412,036
Depreciation reserve	4	16,007,850	18,240,764
		16,007,850	36,652,800
Balance as at June 30		<u>637,431,020</u>	<u>578,522,028</u>
15 INCOME			
Tuition fee	15.1	235,232,947	228,224,622
Sale of prospectus		3,008,100	4,143,000
Hostel fee		14,337,350	11,644,800
Transportation fee		5,114,800	5,762,000
Miscellaneous		4,719,071	15,522,787
Income from projects	15.2	21,068,571	1,701,757
		<u>283,480,839</u>	<u>266,998,966</u>

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2017

	NOTES	2017 RUPEES	2016 RUPEES Restated
15.1 Tuition fee			
BBA,BBA IT		65,297,006	63,822,585
BCS		16,952,540	15,216,300
BSc Economics		13,427,010	13,044,030
Bachelor of Software Engineering		26,562,170	20,183,010
BSc Social Science		11,964,040	11,984,837
MSc Applied Economics		389,540	1,584,750
MSc Computer Science		749,730	1,261,950
MSc Development Study		402,300	2,469,650
Ms Computer Science		3,685,070	2,231,620
MSc Finance		1,897,050	3,120,560
BBS Banking & Finance		537,700	706,300
BBS Morning		12,505,010	14,873,400
MBA 25 Years		3,273,080	4,451,310
BBS Evening		1,475,800	2,814,410
MBA 3 Semesters		33,024,132	32,083,315
MPH		902,930	1,412,500
MPA		2,254,800	3,767,370
MBA (M)		-	224,520
MBA (Eve)		30,500	-
MBA Islamic Banking & Takaful		2,363,550	3,455,295
BS Accounting & Finance		11,472,890	10,383,660
MS Project Management		2,915,560	2,920,290
MS Management		4,452,830	5,101,090
MS Economics		4,556,530	4,304,420
MS / MPhil English		-	139,050
MS IT		-	62,300
MS Development Studies		1,361,820	1,293,400
PhD Economics		255,914	228,830
PhD Management		827,560	1,300,680
PhD Computer Science		419,330	228,830
PhD Islamic Banking & Finance		342,520	155,945
Degree Fee		924,400	936,000
Make-up / Course Repeat		12,461,700	4,526,500
		<u>237,685,012</u>	<u>230,288,707</u>
Less: Admission cancelled/ or refunded		2,452,065	2,064,085
		<u><u>235,232,947</u></u>	<u><u>228,224,622</u></u>
15.2 Income from projects			
Other projects		867,501	15,000
Human Resource Development Centre (HRDC)		1,315,333	486,733
US Access English Teaching Project (ETP)		-	329,180
Income From EDC		18,000	36,000
FATA Institutional Strengthening Project		571,840	356,678
Karakorum University Staff Training Project		-	300,080
Office of Research Innovation and Commercialization (ORIC)		280,242	178,086
Income from project account		17,879,575	-
		<u><u>21,068,571</u></u>	<u><u>1,701,757</u></u>

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2017

	NOTES	2017 RUPEES	2016 RUPEES Restated
16 OPERATIONAL			
Salaries, honoraria & allowances		252,838,870	238,908,260
Staff gratuity		21,784,890	29,668,303
Occupancy cost		14,337,350	11,529,800
Hostel security		-	115,000
Utilities		20,153,455	17,370,951
Meeting, seminars & conferences		3,438,139	1,167,086
Student extra curricular activities		3,145,929	2,187,602
Cost of entry test		1,077,382	583,550
Supervision of thesis report		2,603,736	2,848,640
Gender based merit scholarship B.Sc Economics		2,144,600	2,797,300
Paper setting & checking		1,003,450	933,350
FATA scholarship expense		9,659,900	9,748,950
HEC need based scholarship expenses		3,829,500	7,009,000
DMC / degree verification charges		75,370	81,700
Other scholarships		25,003,320	20,690,306
IMS scholarship expenses		257,450	6,407,655
Computer accessories		128,261	47,500
Examination charges (Internal examiner)		584,915	752,000
Entertainment		667,879	1,137,114
Research & survey		1,508,856	1,700,407
Transport running expense		4,044,932	4,556,783
Contingency		266,610	338,422
Industrial trip / Exhibitions		318,200	191,310
Strengthening of QEC-IMSciences		106,665	121,809
ORIC expenses		618,375	27,729
IMS contribution for establishing center of Islamic studies		-	9,399,300
Afghan student project expenses		14,287,256	-
Printing of prospectus		1,243,000	1,002,400
Depreciation		26,104,136	23,818,566
		411,232,426	395,140,793
17 ADMINISTRATIVE EXPENSES			
Salaries, wages & benefits		123,834,638	109,076,955
Staff group insurance		385,106	323,958
Staff gratuity		8,302,876	14,388,431
Communication		8,003,978	5,197,637
Printing & stationery		2,504,533	2,790,919
Repair & maintenance		8,690,903	8,132,806
Insurance		446,008	465,636
Traveling & conveyance		66,180	118,173
Newspaper & periodicals		471,329	170,926
Legal & professional		1,673,780	150,000
Uniform & protective clothing		725,036	189,440
Audit fee		150,000	158,700
Advertisement & publicity		1,697,903	2,695,264
Miscellaneous		8,743,361	2,104,544
Bank charges & commission		318,998	294,079
		166,014,628	146,257,468

INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2017

	NOTES	2017 RUPEES	2016 RUPEES
18 OTHER INCOME			Restated
Profit on investments-NBP		16,612,500	21,440,257
Profit on investments-BOK		1,200,000	1,499,348
Profit on bank accounts		3,760,911	3,521,795
		<u>21,573,410</u>	<u>26,461,400</u>
Other receipts		100,900	-
		<u>21,674,310</u>	<u>26,461,400</u>
19 RECURRING GRANT			
HEC recurring grant		199,733,000	190,193,000
HEC supplementary recurring grant		-	19,915,000
HEC tenure track grant		43,532,715	25,065,886
		<u>243,265,715</u>	<u>235,173,886</u>
20 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. Shabi-ul-Hassan		-	6,795,040
Mrs. Saroosh Shabi		-	6,795,041
		-	13,590,081
Less: Charged to restricted grants	14	-	(13,590,081)
		<u>-</u>	<u>-</u>

21 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been authorized for issue by the Director of the Institute on

22 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.


CONTROLLER FINANCE


DIRECTOR

About Baker Tilly

Baker Tilly is a full-service accounting and advisory firm that offers industry specialised services in assurance, tax and advisory.

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