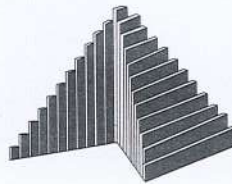


**INSTITUTE OF MANAGEMENT SCIENCES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

**RAM
D &
CO**

**RAFAQAT MANSHA
MOHSIN DOSSANI
MASOOM & CO.**
Chartered Accountants



INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of *Institute of Management Sciences (the institute)*, which comprise the statement of financial position as at June 30, 2016, and the statement of comprehensive income and 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 is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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 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 International Standards on Auditing. 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 management, 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, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as applicable in Pakistan.

PESHAWAR

CHARTERED ACCOUNTANTS
Engagement Partner: Saifullah, FCA

INSTITUTE OF MANAGEMENT SCIENCES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016

	NOTES	2016 RUPEES	2015 RUPEES
Non-Current Assets			
Operating fixed assets	5	487,608,105	351,875,915
Long term deposits	6	1,864,600	1,864,600
		<u>489,472,705</u>	<u>353,740,515</u>
Current Assets			
Short term investments	7	350,665,000	346,165,000
Advances, prepayments and other receivables	8	46,544,659	22,461,953
Cash & bank balances	9	406,967,395	177,716,777
		804,177,054	546,343,730
Current Liabilities			
Scholarships	10	-	-
Employee Benefits	11	73,744,889	62,848,645
Library security refundable	12	11,076,025	9,973,025
Accrued & other liabilities	13	152,600,493	62,764,959
		237,421,407	135,586,629
Net Current Assets		566,755,647	410,757,101
Contingencies and commitments	14	-	-
Net Assets		<u>1,056,228,352</u>	<u>764,497,616</u>
Financed by:			
General fund		477,706,325	492,326,753
Restricted grants (Deferred income)	15	578,522,027	272,170,863
		<u>1,056,228,352</u>	<u>764,497,616</u>

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

PESHAWAR

M. H. Khan
DIRECTOR

INSTITUTE OF MANAGEMENT SCIENCES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	NOTES	2016 RUPEES	2015 RUPEES
Income	16	266,820,880	207,032,975
Expenditure			
Operational	17	396,794,636	295,243,192
Administrative	18	146,257,468	100,394,214
		543,052,104	395,637,406
Deficit from operations		(276,231,224)	(188,604,431)
Other income	19	26,436,910	29,255,615
		(249,794,314)	(159,348,816)
Recurring grant	20	235,173,886	195,618,100
Surplus/(Deficit) for the year		(14,620,428)	36,269,284
Human resource development	21	-	-
Other comprehensive income		-	-
Total comprehensive surplus/(deficit) - <i>Transferred to general fund</i>		<u>(14,620,428)</u>	<u>36,269,284</u>

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

PESHAWAR


DIRECTOR

INSTITUTE OF MANAGEMENT SCIENCES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016

	2016 RUPEES	2015 RUPEES
Cash flows from operating activities		
Surplus/(Deficit) for the year	(14,620,428)	36,269,284
Adjustments for:		
Depreciation on operating fixed assets	23,769,731	26,120,031
Provision for employees gratuity	45,896,244	14,857,853
Restricted grant for DIMS	(4,821,955)	86,192,559
EIMS-grant	299,413,883	-
FATA Scholarship Grant	30,000,000	-
(Gain)/Loss on disposal	-	(615,875)
Other income	(26,436,910)	(28,639,739)
	367,820,993	97,914,829
Operating Profit before working capital changes	353,200,565	134,184,113
(Increase) / decrease in current assets		
Advances, prepayments and other receivables	(24,082,706)	(8,110,274)
	(24,082,706)	(8,110,274)
Increase / (decrease) in current liabilities		
Accrued & other liabilities	89,835,534	36,985,491
Scholarships	-	(2,520,810)
Library Security	1,103,000	970,000
	90,938,534	35,434,681
Net cash generated from operations	420,056,393	161,508,520
Gratuity Paid	(35,000,000)	(50,000,000)
Net cash flows from Operating activities	385,056,393	111,508,520
Cash flows from investing activities		
Addition in Operating fixed assets	(8,017,306)	(9,856,483)
Addition in capital work in progress	(169,725,379)	(3,901,119)
(Increase)/decrease in long term deposits	-	-
Increase in short term investments	(4,500,000)	(106,500,000)
Other income - Profit on investments & bank deposit	26,436,910	28,639,739
Cash received on disposal	-	777,778
Net cash flows used in Investing activities	(155,805,775)	(90,840,085)
Cash flows from financing activities		
Grant received	-	-
Net cash flow from financing activities	-	-
Net increase in cash and cash equivalents	229,250,618	20,668,435
Cash and cash equivalents - at the beginning of the year	177,716,777	157,048,342
Cash and cash equivalents - at the end of the year	406,967,395	177,716,777

PESHAWAR

DIRECTOR

INSTITUTE OF MANAGEMENT SCIENCES
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL FUND	ACCUMULATED PROFIT/(LOSS)	TOTAL
BALANCE AS ON JUNE 30, 2014	456,057,469	-	456,057,469
Total comprehensive income for the year	-	36,269,284	36,269,284
BALANCE AS ON JUNE 30, 2015	456,057,469	36,269,284	492,326,753
Total comprehensive loss for the year	-	(14,620,428)	(14,620,428)
BALANCE AS ON JUNE 30, 2016	456,057,469	21,648,856	477,706,325

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M. Khan

PESHAWAR

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 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 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS:

The following amendments to existing standards have been published that are applicable to the Institute's financial statements covering annual periods, beginning on or after the following dates:

2.2.1 Amendments to published standards effective in current year:

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2014 but are considered not to be relevant or to have any significant effect on the Institute's operations and are, therefore, not detailed in these financial statements.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the companies having accounting periods beginning on or after July 01, 2015 but are considered not to be relevant or to have any significant effect on the Institute's operations and are, therefore, not detailed in these financial statements.

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 Institute of Chartered Accountants of 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

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.

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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.

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.

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- (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.

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 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

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5. 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
COST:								
Balance as at July 01, 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
Additions during the year	-	1,360,057	187,806	1,636,377	3,432,492	3,113,001	126,750	9,856,483
Deletion during the year	-	-	-	-	-	(1,265,196)	-	(1,265,196)
Balance as at June 30, 2015	418,134,887	84,490,750	5,269,059	33,746,001	28,615,029	22,436,097	12,396,896	605,088,719
Balance as at July 01, 2015	418,134,887	84,490,750	5,269,059	33,746,001	28,615,029	22,436,097	12,396,896	605,088,719
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	35,777,598	28,994,529	22,436,097	16,169,126	613,106,025
ACCUMULATED DEPRECIATION:								
Balance as at July 01, 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
Charge for the year	31,259,889	8,572,380	411,436	2,642,377	2,258,541	837,735	1,054,137	47,036,495
Assets sold	-	-	-	-	-	(1,103,293)	-	(1,103,293)
Balance as at June 30, 2015	136,795,886	63,294,697	2,817,553	17,479,669	14,363,049	16,012,322	6,350,747	257,113,922
Balance as at July 01, 2015	136,795,886	63,294,697	2,817,553	17,479,669	14,363,049	16,012,322	6,350,747	257,113,922
Charge for the year	28,133,900	6,504,319	397,827	2,476,746	2,150,552	1,284,755	1,062,395	42,010,496
Assets Sold	-	-	-	-	-	-	-	-
Balance as at June 30, 2016	164,929,786	69,799,016	3,215,381	19,956,415	16,513,601	17,297,077	7,413,143	299,124,418
W.D.V:								
As at June 30, 2016	253,205,101	16,200,195	2,379,196	15,821,183	12,480,928	5,139,020	8,755,983	313,981,607
As at June 30, 2015	281,339,001	21,196,054	2,451,506	16,266,332	14,251,980	6,423,775	6,046,149	347,974,796
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 (%)								
2016	10%	30%	15%	15%	15%	20%	15%	
2015	10%	30%	15%	15%	15%	20%	15%	

5.1

Depreciation is allocated as follows:

	2016	2015
Charged to IMS Operating expenses	23,769,732	26,120,031
Charged to DIMS project	18,240,764	20,916,465
	<u>42,010,496</u>	<u>47,036,496</u>

DIMS portion comprises of following

	2016	2015
IMS - DIMS (building)	16,196,575	17,996,195
IT equipment	2,044,189	2,920,270
	<u>18,240,764</u>	<u>20,916,465</u>

5.2 Work in Progress

Building

Opening as at July 1 2015	3,901,119
Additions during the year	169,725,379
Transferred to Fixed Assets	-
	<u>173,626,498</u>

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INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2016

	NOTES	2016 RUPEES	2015 RUPEES
6. LONG TERM DEPOSITS			
These include securities deposited as follows :			
Landlords of the rented premises		310,000	310,000
PESCO - for electric connection		407,600	407,600
SNGPL - for gas connection		1,147,000	1,147,000
		1,864,600	1,864,600
6.1 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	10,000
		310,000	310,000
7. SHORT TERM INVESTMENTS			
Term Deposit Receipts:			
National Bank of Pakistan		250,000,000	260,500,000
Bank of Khyber		20,000,000	20,000,000
National Saving Certificates/TDR/(FATA Endowment Fund)		80,665,000	65,665,000
		350,665,000	346,165,000

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

Name of Institution	Amount Rs.	Date of maturity	Interest rate
National Bank of Pakistan	15,000,000	17-Aug-16	6.95%
National Bank of Pakistan	15,000,000	10-Dec-16	6.25%
National Bank of Pakistan	15,000,000	10-Dec-16	6.25%
National Bank of Pakistan	15,000,000	10-Dec-16	6.25%
National Bank of Pakistan	10,000,000	22-Sep-16	6.20%
National Bank of Pakistan	10,000,000	22-Sep-16	6.20%
National Bank of Pakistan	10,000,000	29-Jun-17	5.90%
National Bank of Pakistan	10,000,000	29-Jun-17	5.90%
National Bank of Pakistan	10,000,000	28-Jun-17	5.90%
National Bank of Pakistan	10,000,000	16-Aug-16	6.95%
National Bank of Pakistan	10,000,000	22-Sep-16	6.20%
Bank of Khyber	10,000,000	22-Sep-16	6.20%
National Saving Certificates	10,000,000	30-Oct-16	6.25%
National Saving Certificates	10,000,000	30-Oct-16	6.25%
National Saving Certificates	10,000,000	20-Mar-17	6.25%
National Saving Certificates	30,000,000	29-Sep-16	6.25%
National Saving Certificates	50,000,000	29-Nov-16	6.25%
Bank of Khyber	20,000,000	22-Feb-17	6.00%
	270,000,000		
IMS-FATA Endowment Fund Investment			
National Saving Certificates	58,000,000	25-Aug-17	11.50%
National Saving Certificates	7,665,000	29-Oct-17	11.50%
National Saving Certificates	15,000,000	17-Dec-16	6.25%
	80,665,000		
	350,665,000		

NOTES 2016 2015
RUPEES RUPEES

8. ADVANCES, PREPAYMENTS & RECEIVABLES

Advances (Considered Good)		
Advances to staff for expenses	7,443,419	8,606,357
CMF centre	678,000	678,000
Withholding tax	3,491,541	1,571,641
	11,612,960	10,855,998

Prepayments :		
Insurance	2,156,420	2,217,031

Receivables :

IMS Trust		
Travel grant from HEC & others	1,814,000	-
Inter projects accounts receivable	1,640,115	2,020,082
Laptop recovery	5,478,066	4,096,209
HEC Project-HEI staff training	-	-
Accounts receivable - <i>Others</i>	-	2,612,088
Receivable From Applicants	831,947	660,545
Receivable From PM	268,000	-
Receivable from Askari General Insurance Company	22,036,729	-
Receivable From USAID	2,613	-
Receivable from AYS International	112,400	-
Receivable from Ehsan Trust	25,829	-
	565,580	-
	32,775,279	9,388,924

8.1

	46,544,659	22,461,953
	46,544,659	22,461,953

8.1 Inter project accounts receivable

HRDC Project	4,871,704	3,571,704
DGPSM Project	21,871	21,871
HRDC (DPSM) Project	-	15,000
US Access (ETP)	435,453	435,453
Receivable from DPSM	15,000	-
CPPR	52,181	52,181
Receivable from Enhancement Infrastructure IMS	81,857	-
	5,478,066	4,096,209
	5,478,066	4,096,209

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

9. CASH & BANK BALANCES

Cash in hand	40,000	115,000
With banks:		
<i>Local Currency:</i>		
Current accounts	11,816,026	145,416,808
Saving accounts	394,817,287	31,685,834
	406,633,313	177,102,642
<i>Foreign Currency:</i>		
Current accounts	294,082	499,135
	406,967,395	177,716,777
	406,967,395	177,716,777

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	NOTES	2016 RUPEES	2015 RUPEES
10. SCHOLARSHIPS			
Khushali Bank scholarships	10.1	-	-
10.1 KHUSHALI BANK SCHOLARSHIPS			
Balance as at July 01,		-	2,520,810
Add : Received during the year		-	-
		-	2,520,810
Less:			
Paid during the year		-	-
Bank charges & commission		-	880
		-	880
		-	2,519,930
Add: Profit on bank deposits		-	6,778
Transferred to Student advancement Fund account		-	(2,526,708)
Balance as at June 30,		-	-
11 EMPLOYEE BENEFITS - PROVISION FOR GRATUITY			
Balance as at July 01		62,848,645	97,990,792
Expense for the year		45,896,244	14,857,853
Payments during the year		(35,000,000)	(50,000,000)
Balance as at June 30		73,744,889	62,848,645
12 LIBRARY SECURITY REFUNDABLE			
Balance as at July 01,		9,973,025	9,003,025
Add: Received during the year		2,611,000	2,272,000
		12,584,025	11,275,025
Less: Paid during the year		(1,508,000)	(1,302,000)
Balance as at June 30,		11,076,025	9,973,025
13 ACCRUED EXPENSES AND OTHER LIABILITIES			
Accrued expenses and other payables	13.1	86,346,509	5,859,963
Scholarships	13.2	48,625,667	49,839,450
Project payables	13.3	1,926,624	5,838,251
Payable to ACE Arts (Pvt) Ltd.		889,211	889,211
Securities refundable to suppliers		188,675	188,675
Retention money -refundable to contractors	13.4	14,623,807	149,409
		152,600,493	62,764,959

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INSTITUTE OF MANAGEMENT SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2016

	NOTES	2016 RUPEES	2015 RUPEES
13.1 Accrued and other payables:			
Accrued expenses		62,562,031	1,954,491
Other account payable		11,002,641	3,533,950
Institute of Management Studies - (UOP)	14.1	120,471	120,471
Unadjusted excessive cost recovered from Project DIMS		45,610	45,610
Rent payable to IMS Trust (hostel fee)		11,529,800	-
Income tax payable		680,674	55,441
Sales tax payable		246,582	-
Audit fee		158,700	150,000
		86,346,509	5,859,963
13.2 Scholarships			
Frontier Education Foundation - scholarships		217,272	217,272
Tribal scholarships		657,058	1,183,008
HEC Indigenous		585,885	1,413,052
Student loan-NBP		48,000	-
Payable to Student		449,660	203,280
Outstanding Cheques / Payorders Payable		1,271,810	2,912,796
Research grant - sandee project		62,852	62,852
French need based scholarship grant		1,980,513	1,137,113
Prime Minister Scholarship Payable		32,710,467	33,605,092
Students Advancement Scholarship Payable (SAFE)		3,155,120	3,155,120
HEC Usaid scholarship payable		2,082,260	2,564,420
NTS need based scholarship payable		857,000	1,118,300
Workers Welfare Board Scholarship payable		125,328	125,328
Mr. Hidayat Ullah scholarship payable		2,300,542	2,044,042
Ehsan trust scholarship		1,628,480	97,775
Chief Minister Scholarship Payable		154,270	-
BOK scholarship expense		339,150	-
		48,625,667	49,839,450
13.3 Project payables			
ASP-LUMS Project		813,205	813,205
PCNA FATA Secretariat Project		-	1,516,027
		49,169	49,169
HEC-Univ Faculty Startup Research Program Payables		-	325,000
ORIC-HEC Social Integration Project Payables		-	475,000
Knowledge Exchange Project Payables		-	1,367,350
US access payable		1,035,000	1,292,500
FATA Institutional Strengthening Project Payables		29,250	-
		1,926,624	5,838,251
13.4 Retention money - refundable to contractors			
Ghulam Habib & Co (Pvt) Limited		148,596	148,596
Banuri Construction Company		813	813
EIMS-Retention money		14,474,398	-
		14,623,807	149,409

14. CONTINGENCIES & COMMITMENTS

- 14.1 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.
- 14.2 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	2016 RUPEES	2015 RUPEES
15 RESTRICTED GRANTS (Deferred Income)			
Balance as at July 01		272,170,863	206,894,769
Receipts during the year:			
HEC grant for Enhancement Infrastructure Project		297,503,000	90,000,000
EIMS-Other Payable(Net Profit on bank)		1,906,683	-
EIMS-Mis Income		4,200	-
Restricted grant for DIMS	22	13,590,081	-
FATA Scholarship Grant		30,000,000	-
Balance as at June 30		343,003,964	90,000,000
		<u>615,174,827</u>	<u>296,894,769</u>
Payments:			
Less: Transferred to			
Restricted grant for DIMS		-	3,807,441
Grant for DIMS		18,412,036	-
Depreciation reserve	5	18,240,764	20,916,465
		36,652,800	24,723,906
Balance as at June 30		<u>578,522,027</u>	<u>272,170,863</u>
16. INCOME			
Tuition fee	16.1	228,224,622	183,993,645
Sale of prospectus		4,143,000	2,401,900
Hostel fee		11,644,800	9,093,664
Transportation fee		5,762,000	5,155,700
Miscellaneous		15,522,787	4,969,165
Income from projects	16.2	1,523,671	1,418,901
		<u>266,820,880</u>	<u>207,032,975</u>

	NOTES	2016 RUPEES	2015 RUPEES
16.1 Tuition fee			
BBA,BBA IT		63,822,585	51,882,000
BCS		15,216,300	12,205,300
B.Sc Economics		13,044,030	11,140,700
MBA (M)		224,520	1,790,725
MBA (Eve)		-	395,400
M.Sc Applied Economics		1,584,750	1,345,000
MS IT		62,300	222,500
MPA		3,767,370	3,282,800
MPH		1,412,500	1,954,100
MS Management		5,101,090	4,140,550
M.Sc Computer Science		1,261,950	2,446,200
M.Sc Development Study		2,469,650	3,918,900
Ms Computer Science		2,231,620	3,146,950
Make-up / Course Repeat		4,526,500	2,837,330
M.Sc Finance		3,120,560	2,954,900
MS Economics		4,304,420	2,570,550
PhD Computer Science		228,830	409,700
B.Sc Social Science		11,984,837	8,460,040
Degree Fee		936,000	752,500
PhD Management		1,300,680	1,314,600
BBS Banking & Finance		706,300	1,053,900
BBS Evening		2,814,410	2,759,200
BBS Morning		14,873,400	11,627,650
MS Project Management		2,920,290	2,624,200
PhD Economics		228,830	176,600
Bachelor of Software Engineering		20,183,010	14,864,600
MS / MPhil English		139,050	527,800
MBA Islamic Banking & Takaful		3,455,295	803,600
MBA 2.5 years		4,451,310	3,162,400
MBA 3 semesters		32,083,315	27,416,250
BS Accounting & Finance		10,383,660	3,927,300
MS Development Studies		1,293,400	-
PhD Islamic Banking & Finance		155,945	-
		<u>230,288,707</u>	<u>186,114,245</u>
Less: Admission cancelled/ or refunded		2,064,085	2,120,600
		<u>228,224,622</u>	<u>183,993,645</u>
16.2 Miscellaneous			
Misc Income		742,256	2,252,414
ID-Card Fee Receipt		42,500	125,950
Late Fee _ Student's Tuition Fee		1,375,920	910,780
Late Fee _ R&DD Department		349,600	404,700
Degree Verification Fee Receipts		199,450	94,600
Transcript Fee Receipts		357,200	263,600
Migration Fee Receipts		15,000	30,680
Unclaimed Cheques / Amounts		4,062,085	119,100
Rent Canteen		50,000	54,000
IMS-French Scholarship Income		17,500	36,750
Other Receipts		8,295,576	392,918
Sale Of Hostel Forms		15,700	11,900
IMS-HEC Need Based Scholarship Income		-	15,007
Sale Of Furniture & Fixture		-	256,766
		<u>15,522,787</u>	<u>4,969,165</u>

NOTES	2016 RUPEES	2015 RUPEES
16.3 Income from projects		
Human Resource Development Center (HRDC)	486,733	419,355
US Access English Teaching Project (ETP)	329,180	375,000
FATA Institutional Strengthening Project	356,678	554,052
Other projects	15,000	70,494
Income From Karakorum University Staff Training Project	300,080	-
Income From EDC	36,000	-
	1,523,671	1,418,901

17. OPERATIONAL

Salaries, honoraria & allowances	238,856,927	168,903,523
Staff gratuity	31,507,813	10,386,107
Occupancy cost	11,529,800	9,093,664
Hostel security	115,000	63,000
Utilities	17,370,951	25,212,781
Meeting, seminars & conferences	1,162,086	2,219,447
Student extra curricular activities	2,187,602	1,776,980
Cost of entry test	583,550	1,052,669
Supervision of thesis report	2,848,640	2,729,569
Gender based merit scholarship B.Sc Economics	2,797,300	3,017,600
Paper setting & checking	933,350	769,720
Scholarships	20,690,306	16,092,450
FATA Scholarship Expense	9,748,950	6,574,300
HEC Need Based Scholarship Expenses	7,009,000	9,345,500
DMC / Degree Verification Charges	81,700	244,775
FEF Scholarship Expenses	-	7,380
IMS Scholarship Expenses	6,407,655	373,700
Computer accessories	47,500	47,870
Examination charges (Internal examiner)	752,000	327,500
Entertainment	1,056,614	523,280
Research & survey	1,700,407	600,213
HEC British council inspire scholarship	-	3,521,908
Transport running expense	4,556,783	4,529,459
Contingency	338,422	712,974
Industrial trip	191,310	22,250
Strengthening of QEC-IMSciences	121,809	71,009
Alumni Association	-	872,009
ORIC expenses	27,729	31,524
IMS Contribution for Establishing Centre of Islamic Studies)	9,399,300	-
Printing of prospectus	1,002,400	-
Depreciation	23,769,732	26,120,031
	396,794,636	295,243,192

18. ADMINISTRATIVE EXPENSES

Salaries, wages & benefits	109,076,955	72,721,541
Staff group Insurance	323,958	99,906
Staff Gratuity	14,388,431	4,471,746
Communication	5,197,637	4,933,753
Printing & stationery	2,790,919	2,524,615
Repair & maintenance	8,132,806	9,119,814
Insurance	465,636	384,654
Traveling & conveyance	118,173	107,180
Newspaper & periodicals	170,926	210,375
Legal & professional	150,000	35,000
Uniform & protective clothing	189,440	394,392
Audit fee	158,700	150,000
Advertisement & publicity	2,695,264	2,829,751
Miscellaneous	2,104,544	2,287,778
Bank charges & commission	294,079	123,709
	146,257,468	100,394,214

	NOTES	2016 RUPEES	2015 RUPEES
19. OTHER INCOME			
Profit on investments-NBP		21,440,257	22,543,484
Profit on investments-BOK		1,499,348	
Profit on bank accounts		3,497,305	6,096,255
		<u>26,436,910</u>	<u>28,639,739</u>
Gain on disposal of fixed assets		-	615,876
		<u>26,436,910</u>	<u>29,255,615</u>
20. RECURRING GRANT			
HEC recurring grant		190,193,000	161,812,000
HEC supplementary recurring grant		19,915,000	19,118,000
HEC Tenure Track grant		25,065,886	14,688,100
		<u>235,173,886</u>	<u>195,618,100</u>

21. HUMAN RESOURCE DEVELOPMENT

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

Mr. M. Nauman	-	921,673
Mr. Shabi-ul-Hassan	6,795,040	-
Mrs. Saroosh Shabi	6,795,041	-
Ms. Tayyaba Azim	-	65,000
Mr. Sadique	-	65,000
Mr. Salman Ahmad	-	237,012
Mr. Rafiq Ullah Jan	-	1,802,225
Ms. Shandana Shoaib	-	542,211
Mr. Gohar Saleem	-	174,320
	13,590,081	3,807,441

Less: Charged to restricted grants	15	(13,590,081)	(3,807,441)
		<u>-</u>	<u>-</u>

22. AUTHORIZATION OF FINANCIAL STATEMENTS

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

23. 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.