

**UNIVERSITY OF SCIENCE & TECHNOLOGY
BANNU
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**



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INDEPENDENT AUDITOR'S REPORT

To the Syndicate, University of Science and Technology, Bannu Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **University of Science and Technology, Bannu, (the 'University')**, which comprises the statement of financial position as at June 30, 2020 together with the statement of income and expenditure and other comprehensive income, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. Preparation of financial statements is the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of **University of Science and Technology, Bannu (the "University")**, as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Qualified Opinion

- The University has not maintained fixed asset register/cards for operating fixed assets valuing at cost Rs. 990.923 million as at June 30, 2020 (2019: Rs. 1,089.073 million), hence we were unable to verify the physical existence and condition of these assets. Accordingly impact of any discrepancies thereof against the financial records could not be ascertained.

The University has not recorded the free of cost allotment of 1402 Kanals & 19 Marlas by the Govt of KPK for establishment of University (Refer to Note No.5.2) which as per requirements of IAS 16, should have been recorded at its fair value (revalued amount) in the absence of actual cost.

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the University's management and board in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountant as adopted by the Institute of Chartered Accountants of Pakistan (the Code), 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 qualified opinion. *su*

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

The *management* is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as the management determine(s) is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the University ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the University or to ease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the University financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are Considered material if, individually or in the aggregate, they could reasonably be expected to influence the economics decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- . Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risks, ad obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- . Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University internal control.
- . Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.
- . Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to


modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Others matter:

Financial statements of the previous year were Audited by M/S Ilyas Saeed & Co., Chartered Accountants who gave their unmodified audit opinion vide their report dated February 02, 2020.


SHAHID AHMAD & CO,
Chartered Accountants
Manzoor Ahmed Savul, FCA
Engagement Partner

PESHAWAR 10¹ JUN 2021

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	NOTE	2020	2019 (-----Rupees-----)	2019
ASSETS			<i>Restated</i>	
NON-CURRENT ASSETS				
Property, Plant & Equipment	5	990,923,327	1,089,073,731	1,089,079,731
Capital Work in Progress	6	30,089,916	2,269,503	2,269,503
		<u>1,021,013,243</u>	<u>1,091,343,234</u>	<u>1,091,349,234</u>
CURRENT ASSETS				
Short Term Investments	7	515,938,821	368,114,293	-
Advances & Deposits	8	23,071,027	4,995,221	199,226,631
Cash & Bank Balances	9	380,492,690	402,093,861	402,093,861
		<u>919,502,538</u>	<u>775,203,375</u>	<u>601,320,492</u>
		<u>1,940,515,781</u>	<u>1,866,546,609</u>	<u>1,692,669,726</u>
FUNDS & LIABILITIES				
FUNDS				
General Fund	10	(281,412,551)	1,221,902,485	1,609,613,575
NON CURRENT LIABILITIES				
Pension Fund	11	1,946,657,000	501,600,324	-
CP Fund		86,839,826	67,287,224	-
Grant in Aid	12	159,835,065	47,879,820	-
		<u>2,193,331,891</u>	<u>616,767,368</u>	<u>-</u>
CURRENT LIABILITIES				
Accounts Payable	13	28,596,441	27,876,756	83,050,151
Contingencies & Commitments	14	-	-	-
		<u>1,940,515,781</u>	<u>1,866,546,609</u>	<u>1,692,663,726</u>

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


VICE CHANCELLOR


DIRECTOR FINANCE

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU

STATEMENT OF INCOME & EXPENDITURE AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 (-----Rupees-----)	2019 <i>Restated</i>
INCOME			
Admission & tuition fee	15	127,068,856	100,773,961
Hostel fee	16	6,248,550	8,184,922
Examination fee	17	46,639,206	27,426,298
Other collection	18	16,056,977	24,899,763
Profit on investment / PLS accounts	19	36,175,115	35,758,661
Recurring Grant from HEC	20	298,672,952	283,127,189
		530,861,656	480,170,794
EXPENDITURE			
Personnel	21	1,809,537,241	453,323,140
Operational	22	66,224,714	75,889,089
Promotional	23	33,298,498	23,737,781
Legal & professional	24	2,884,703	9,046,933
Depreciation	5	122,231,536	134,540,371
		2,034,176,692	696,537,314
(DEFECIT) FOR THE YEAR		(1,503,315,036)	(216,366,520)
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME		(1,503,315,036)	(216,366,520)

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


VICE CHANCELLOR


DIRECTOR FINANCE

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	2020 (-----Rupees-----)	2019 <i>Restated</i>
CASH FLOW FROM OPERATING ACTIVITIES		
(Deficit) for the year	(1,503,315,036)	(216,366,520)
Adjustments For Non-Cash Changes And Other Items:		
Depreciation	122,231,536	134,540,370
Operating Cash Flow Before Working Capital Changes	(1,381,083,500)	(81,826,150)
Working Capital Changes:		
(Increase) / Decrease In Current Assets		
Advances & Deposits	(18,075,806)	(40,027,503)
Increase / (Decrease) In Current Liabilities	719,686	(24,229,160)
Accounts Payable	(17,356,120)	(64,256,663)
Net Working Capital Changes	(1,398,439,620)	(146,082,813)
Net Cash Flow From Operating Activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in Property, Plant & Equipment	(24,081,133)	(653,946,779)
Addition in Capital WIP	(27,820,413)	470,593,452
Grant received	111,955,245	47,879,820
Short Term Investment	(147,824,528)	100,000,000
Net Cash Flow From Investing Activities	(87,770,829)	(35,473,507)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from GP fund / Pension	1,464,609,278	-
Net Cash Flow From Financing Activities	1,464,609,278	-
Net Changes in Cash & Cash Equivalents	(21,601,171)	(181,556,320)
Cash & Cash Equivalents at start of the year	402,093,861	583,650,181
Cash & Cash Equivalents at end Of the year	380,492,690	402,093,861

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


VICE CHANCELLOR


DIRECTOR FINANCE

UNIVERSITY OF SCIENCE AND TECHNOLOGY BANNU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 THE UNIVERSITY AND ITS OPERATIONS

The University of Science & Technology, Bannu (The University) is an autonomous body established under the University of Science & Technology, Bannu Act 2005 (NWFP ACT NO. XIII OF 2005) as further amended by University of Science & Technology, Bannu (AMENDMENT) ACT 2006, (NWFP ACT NO. V OF 2006). The objectives of (The University) include the promotion and dissemination of knowledge in areas of emerging sciences & technology; providing training, research, instruction, demonstration and services in different areas of learning; offering curriculum and courses matching international educational standards for computer sciences and information technology programmes, business administration, graduation & post graduation faculties and other branches of education as University may determine in future. The University has launched a number of degree and post degree programmes with the mission to be centre for the transmission, diffusion and extension of knowledge in the field of Science & Technology and allied discipline catering to the high level professional & Technical manpower requirement both from the Private & Public sectors segments of the Country.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Accounting Standards for Not for Profit Organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and International Financial reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as applicable in Pakistan. Where the requirements of IFRS differ from those of The Accounting Standard for NPOs, the requirements of the IFRS prevail.

2.1 STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS THAT ARE EFFECTIVE IN THE CURRENT YEAR AND ARE RELEVANT TO THE UNIVERSITY

First time adoption of IFRS 15- Revenue from contracts with customers

IFRS 15 replaces the previous standard: IAS 18 "Revenue", IAS 11 " Construction Contracts", and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on core principle that an entity should recognize revenue representing the transfer of promised goods or services to customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Management has undertaken a detailed assessment of the performance obligation associated with revenue streams and is of the view that application of IFRS 15 does not have a material impact on the current or prior year figures as well as the accounting policies applied for the recognition of revenue. Accordingly, no restatement of the information presented for the prior year is required.

Standards, amendments and interpretations to existing standards that are not yet effective.

		Effective date
IAS-16	Property, Plant and Equipment (Amendments)	January 1, 2022
IFRS-1	First time Adoption of IFRS (Amendments)	January 01, 2022
IAS-37	Provisions, Contingent Liabilities and	January 1, 2022
IFRS-3	Business combinations (Amendments)	January 01, 2023
IFRS-4	Insurance contracts (Amendments)	January 1, 2023
IFRS-16	Leases (Amendments)	1-Jun-20

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UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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 policies

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 loss, if any. Depreciation is charged on reducing balance method at the rates stated in note 5. Depreciation on addition is charged from the month in which the asset is put to use and on disposal, up to the month the asset has been in use.

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 University and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of income and expenditure 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 asset 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, deposits 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 investment in accordance with investment policy of University. 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 University. All investments are derecognized when right to receive economic benefits from the investments has expired or has been transferred and University has transferred substantially all the risks and rewards of

4.6 Cash and Cash equivalents

Cash and cash equivalents are carried in the statements of financial position at nominal amount. For the purpose of the statement of cash flows, cash and cash equivalent comprise of cash in hand, balance with banks and short term investments (three months or less)

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 University.

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

4.8 Provisions

Provisions are recognized in the financial statements when University 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

University operates contributory provident fund schemes for its permanent employees. University also operates pension fund as per prescribed rules for its permanent employees. However these funds have yet to be recognized by the tax authorities as require under the provisions of income Tax Ordinance 2001.

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 etc., is recognized as revenue when the examinations, seminars and conferences etc., are held. Return on investments and saving accounts is recognized on accrual basis.

4.11 Appropriation of General Funds

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

4.12 Grants

(i) Recurring grants received from donors / HEC:

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

(ii) Restricted grants received from Government / donors:

Grants received from Government / donors for specific purposes are used in accordance with the stipulations attached therewith.

4.13 Foreign currencies translation

Translation in foreign currencies are translated into Pak Rupees using the exchange rate prevailing at the date of transaction. Assets and liabilities in foreign exchange, if any, at the balance sheet date are translated into Pak rupees at the exchange rate prevailing on that date.

4.14 Taxation

University is exempt from taxation under clause 126 of Part 1 of the second schedule to the Income Tax Ordinance 2001 and its income is accordingly not taxable.

4.15 Off-setting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet, if the University has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.16 Intra-university transactions

Intra- university transactions are eliminated in full. Balances between the University and its projects if remain unsettled, then these balances are included as current assets or liabilities.

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UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

5. PROPERTY, PLANT & EQUIPMENT

5.1 OPERATING FIXED ASSETS (at cost-less accumulated depreciation)

PARTICULARS	Building	Computer & Printer	Library Books	Laboratory Equipments	Furniture & Fixtures	Plant & Machinery	Projectors	Office Equipments	Electrical Installation	Vehicles	Other Assets	TOTAL
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
COST:												
Balance as at July 01, 2018	694,648,640	71,641,411	45,911,716	90,202,238	59,940,978	68,629,435	308,000	1,833,651	30,097,426	108,260,130	716,163	1,172,189,808
Additions during the year	576,530,000	7,534,634	3,015,443	43,585,590	10,757,848	11,356,115	-	88,594	88,594	1,078,556	-	653,946,780
Balance as at June 30, 2019	1,271,178,640	79,176,045	48,927,159	133,787,828	70,698,826	79,985,550	308,000	1,833,651	30,186,020	109,338,686	716,163	1,826,136,588
Balance as at July 1, 2019	1,271,178,640	79,176,045	48,927,159	133,787,828	70,698,826	79,985,550	308,000	1,833,651	30,186,020	109,338,686	716,163	1,826,136,588
Additions during the year	-	1,949,140	-	1,040,000	8,973,075	12,118,918	-	-	-	-	-	24,081,133
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2020	1,271,178,640	81,125,185	48,927,159	134,827,828	79,671,901	92,104,468	308,000	1,833,651	30,186,020	109,338,686	716,163	1,850,217,721

ACCUMULATED DEPRECIATION:

Balance as at July 01, 2018	330,868,513	57,734,146	25,648,694	39,737,131	25,177,697	39,661,509	226,491	1,239,772	10,955,875	70,756,923	514,736	602,572,487
Charge for the year	94,030,913	6,432,570	2,127,846	9,405,072	4,552,113.00	8,064,808.00	8,151	59,388	1,923,014	7,716,353	20,143	134,540,371
Balance as at June 30, 2019	424,900,426	64,166,716	27,776,540	49,142,203	29,729,810	47,726,317	234,642	1,299,160	12,878,889	78,473,276	534,879	737,062,858
Balance as at July 1, 2019	424,900,426	64,166,716	27,776,540	49,142,203	29,729,810	47,726,317	234,642	1,299,160	12,878,889	78,473,276	534,879	737,062,858
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	84,627,821	5,087,541	2,095,062	8,568,565	4,994,209	8,875,630	7,336	53,449	1,730,713	6,173,082	18,128	122,231,536
Balance as at June 30, 2020	509,528,247	69,254,257	30,071,602	57,710,768	34,724,019	56,601,947	241,978	1,352,609	14,609,602	84,646,358	553,007	859,294,394

W.D.V:

As at June 30, 2019	846,278,114	15,009,329	20,950,619	84,645,645	40,969,016	33,259,233	73,358	534,971	17,907,131	30,865,410	181,284	1,089,073,721
As at June 30, 2020	761,650,193	11,870,928	18,855,457	77,117,081	44,947,882	35,502,521	66,022	481,042	16,576,418	24,692,328	163,156	990,923,327

RATE OF DEPRECIATION

10%	30%	10%	10%	10%	20%	10%	10%	10%	20%	10%
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5.2 Note:

Land measuring 1402 Kanal and 19 maris has been allotted by the Govt of KPK (Previously NWFP) through different notification for the establishment and development of University at Bannu for emerging sciences and technology besides other education institutions. The details of allotment of Land vide order No. CPO (HE)/SO/3-61/2004-2005 Dated Peshawar the 4th April 2006 are as follows:

Location	
148 Kanals & 2 Marlas	Kohat Bannu Road
38 Kanals & 12 Marlas	Near Judicial Complex in Bannu City
13 Kanals & 18 Marlas	Bannu Kohat Road in Bannu City
1202 Kanals & 7 Marlas	Bannu Town Ship
1402 Kanals & 19 Marlas	

Since the cost of the land was not mentioned in the above order hence the university has not so far recorded the land, referred to as above, in its books.

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 (-----Rupees-----)	2019 <i>Restated</i>
6 CAPITAL WORK IN PROGRESS			
Students Hostel Main Campus		30,089,916	2,269,503
7 SHORT TERM INVESTMENTS			
This comprises Term Deposits Receipts held with the following banks:			
National Rural Support Programme (Micro finance bank)		190,000,000	-
Bank of Khyber		220,938,821	-
United Bank limited		105,000,000	-
Habib Bank Limited		-	368,114,293
		515,938,821	368,114,293
7.1 Investment in Term Deposit Receipt (TDR) is held to maturity, carrying effective interest rate ranging from 10% to 14% per annum, with maturity period of one year.			
8 ADVANCES & DEPOSITS			
Advances to Staff		20,647,688	4,965,005
Income tax refundable		2,169,339	30,216
Student's Loan		254,000	-
		23,071,027	4,995,221
9 CASH & BANK BALANCES			
Cash in hand		72,000	634,950
Cash at bank:			
Habib Bank Limited (A/c # 1264)		2,104,356	2,104,356
National Bank Of Pakistan A/C # 142		234	234
National Bank Of Pakistan A/C # 143		144	144
National Bank Of Pakistan A/C # 144		54,128	54,128
National Bank Of Pakistan A/C # 145		450	450
National Bank Of Pakistan A/C # 146		66,128	66,128
Habib Bank Limited (A/c # 301)		30,355,663	23,354,504
Habib Bank Limited (A/c #401)		121,712	121,712
Habib Bank Limited (A/c #501)		4,170,726	8,369,923
Habib Bank Limited (A/c #601)		6,400	6,400
National Bank Of Pakistan A/c # 006		55,402,673	53,199,030
Habib Bank Limited (A/c #1416)		6,454,481	6,139,310
United Bank Limited (A/c # 2722)		57,507,147	152,413,338
Habib Bank Limited (A/C #2247-01)		1,708,149	966,430
United Bank Limited (A/C # 2293)		18,495	18,495
Habib Bank Limited (A/C # 205401)		12,309,013	8,508,745
Habib Bank Limited (A/c #205301)		40,265,492	41,270,989
National Bank Of Pakistan A/C # 41384		18,000,000	-
National Bank Of Pakistan A/c # 11-3		44,532,759	45,091,491
Habib Bank Limited (A/c # 2012)		37,806	18,837,345
National Bank Of Pakistan A/C # 5678		47,257,087	-
Habib Bank Limited (A/c #801)		21,954,109	30,434,325
Habib Bank Limited (A/c #901)		12,025,592	10,501,434
National Bank Of Pakistan A/C # 1696		26,067,947	-
		380,420,691	401,458,911
		380,492,690	402,093,861

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE	2020	2019
	(-----Rupees-----)	
		<i>Restated</i>
10 GENERAL FUND		
Balance as at July 01,	1,221,902,485	1,778,100,275
Deficit for the year	(1,503,315,036)	(216,366,520)
Prior year adjustment	-	(339,831,270)
Balance as at June 30	<u>(281,412,551)</u>	<u>1,221,902,485</u>
11 PENSION FUND	<u>1,946,657,000</u>	<u>501,600,324</u>
<p>The Pension fund has been based on the latest actuarial valuation which has increased the liability of the fund from Rs. 432.600 million as at June 30, 2018 to Rs. 1,946.66 million as at June 30, 2020 (The actuarial valuation for the year 2019 was not conducted). The substantial increase in the liability of fund of Rs. 662.06 million during the year as compared to the year 2018 has been attributed to the latest change in the method of calculation of Pension liability by M/S Anwar Associates (Consulting Actuaries).</p>		
12 GRANT IN AID - (Restricted grants)		
Balance as at July 01,	47,879,820	-
Grants received during the year::		
Development Projects	80,000,000	46,169,000
Research & Survey (ORIC)	361,645	531,250
Seminars & Conferences	160,000	1,179,570
Covid-19	10,000,000	-
Ehsaas Scholarship Programme	21,433,600	-
	<u>111,955,245</u>	<u>47,879,820</u>
Balance as at June 30,	<u>159,835,065</u>	<u>47,879,820</u>
13 ACCOUNTS PAYABLE		
Audit fee payable	99,750	675,000
Income tax payable (suppliers)	1,719,485	1,162,232
Income tax payable (employees)	1,920,983	585,476
Earnest money/security	6,191,334	4,978,604
Students scholarships & stipends	429,778	429,778
Payable to retired employees	396,829	396,829
Students security	2,614,277	4,850,479
Professional tax payable	428,028	410,029
Sales tax payable	272,977	2,983,251
Security - contractors	13,636,872	10,777,232
Other payable	19,145	19,145
DPR charges	24,866	27,377
Stamp duty payable	842,117	581,324
	<u>28,596,441</u>	<u>27,876,756</u>
14 CONTINGENCIES & COMMITMENTS		
<p>Commitments of the University against capital work in progress amounts to Rs. 14.13 million as at June 30, 2020. (2019= Rs. 41.95 Million)</p>		

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
NOTE	(Rupees)	(Rupees)
		<i>Restated</i>
15 ADMISSION & TUITION FEE		
Tuition fee	83,614,065	69,527,690
DMC fee	12,004,028	4,142,678
Degree fee	244,631	4,989,808
Admission fee	8,628,456	10,423,840
Registration fee	11,431,277	3,378,546
Library fee	4,492,474	4,545,204
Lab fee	4,879,925	1,660,195
Sale of prospectus	1,774,000	2,106,000
	<u>127,068,856</u>	<u>100,773,961</u>
16 HOSTEL FEE		
Hostel services charges	3,064,841	8,184,922
Hostel room rental	3,183,709	-
	<u>6,248,550</u>	<u>8,184,922</u>
17 EXAMINATION FEE		
Exam (University students)	35,577,255	20,921,291
Exam (Private students)	11,061,951	6,505,007
	<u>46,639,206</u>	<u>27,426,298</u>
18 OTHER COLLECTIONS		
Tender fee	110,800	676,687
Job Application fee	464,950	1,587,500
Fine/UFM	32,108	513,000
Affiliation fee	421,500	565,300
Transport fee	10,083,004	8,437,840
Shops rents	315,080	-
Sundry collection	4,629,535	13,119,436
	<u>16,056,977</u>	<u>24,899,763</u>
19 PROFIT ON INVESTMENT/PLS accounts		
Short term investments	5,162,981	-
PLS accounts	31,012,134	31,507,366
Income from Project	-	4,251,295
	<u>36,175,115</u>	<u>35,758,661</u>
20 RECURRING GRANT FROM HEC		
Recurring grants from HEC	293,412,456	283,127,189
Grants for tenure track faculty	5,260,496	-
	<u>298,672,952</u>	<u>283,127,189</u>

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 (-----Rupees-----)	2019 <i>Restated</i>
21 PERSONNEL			
Salaries allowances & other benefits	21.1	1,804,751,516	437,220,732
Traveling & conveyance		4,785,725	16,102,408
		<u>1,809,537,241</u>	<u>453,323,140</u>
21.1 Salaries, allowances and other benefits include Rs. 69,066,681 (2019 : Rs. 69,000,000) relating to staff yearly Pension contribution.			
22 OPERATIONAL			
Exam conducting charges		6,927,896	18,277,113
Security charges		8,330,933	25,848,611
Utilities		17,310,594	9,800,059
Electronic communication (Pern ,Internet)		11,337,822	3,113,316
Vehicle running & maintenance		-	57,891
Printing & stationary		7,668,630	8,109,905
Service charges		-	236,980
News paper & periodical		739,769	76,635
Entertainment		89,790	731,373
Repair & maintenance		1,241,094	2,825,999
Uniform / misc. expenses		2,022,808	1,339,169
Postage & courier		-	146,303
Research & survey		75,642	123,500
Human resource development		-	1,450,497
Power ,oil and lubricant		8,603,278	-
Electrification & plumbing cost		1,674,680	1,778,956
Bank charges, commission		201,778	1,972,782
		<u>66,224,714</u>	<u>75,889,089</u>
23 PROMOTIONAL			
Meeting seminar & conference		-	7,180
Scholarships & stipends		32,461,256	17,207,403
Advertisement		837,242	4,451,558
Sports		-	2,071,640
		<u>33,298,498</u>	<u>23,737,781</u>
24 LEGAL & PROFESSTIONAL			
Legal & professional		367,180	6,062,320
Consultancy charges		2,417,773	2,909,613
Audit fee		99,750	75,000
		<u>2,884,703</u>	<u>9,046,933</u>

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

			2020	2019
			(-----Rupees-----)	
				<i>Restated</i>
25	Remuneration of key management personnel			
	Number of person(s)			
	Vice chancellor	Salary & other benefits	1	4,426,064
	Registrar	Salary & other benefits	1	2,268,072
26	Details of Personnel			
	Vice chancellor		1	1
	Managerial staff		26	26
	Teaching faculty		115	115
	Other staff		308	308
			450	450

27 Restatement of financial statements for the year ended June 30, 2019

The financial statements for the year ended June 30, 2019 were restated as per requirement of IAS 8 for correcting the following errors:

Pension Fund

The University has not recognized pension fund liability as at June 30, 2019.

CP Fund

The University has not recognized CP fund liability as at June 30, 2019.

Investments

Investments were made but not accounted for in the financial statements.

Advances

'Advances to project' and "secured advances to contractors" amounting to Rs. 132,194,229 and Rs. 62,037,181 respectively have already been settled in prior years but have remained unrecorded till June 30, 2019.

Advance- Money Shops

'Advance money' shops Rs. 55,173,395 has already been settled in prior years and remains unadjusted.

27.1 EFFECT OF RESTATEMENTS ON THE FINANCIAL POSITION

	2019	2019
	(-----Rupees-----)	
	<i>After</i>	<i>Before</i>
	<i>Restatement</i>	<i>Restatement</i>
Short term investment	368,114,293	-
Advances & deposits	4,995,221	199,226,631
Pension fund	501,600,324	-
CP Fund	67,287,224	-
Account payable	27,876,756	83,050,151
Grant in Aid	47,879,820	-
General fund	1,221,902,485	1,609,613,575

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

28. IMPACT OF COVID -19

The University's management has assessed the possible accounting implications arising from Covid-19 for these financial statements, including but not limited to impairment of financial and non-financial assets, and concluded that there has been no material accounting impact of Covid-19 on these financial statements. From the very outset of Covid-19, the management has adopted various policies and practices to minimize the adverse impact of Covid-19 on the University affairs and is continuously monitoring the situation in order to proactively address any challenges which may arise from Covid-19.

29. Date of Authorization for issue:

These financial statements were authorized for issue on 01 JUN 2021.

30. GENERAL

30.1 Figures have been rounded off to the nearest Rupee.

30.2 Figures of preceding year have been rearranged & regrouped to facilitate comparison.


VICE CHANCELLOR

1.6.2021


DIRECTOR FINANCE