

**UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**BANNU**  
**FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2021



**SHAHID AHMAD & CO**

CHARTERED ACCOUNTANTS

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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, 2021 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, 2021, 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. 937.034 million as at June 30, 2021 (2020: Rs. 990.923 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. 

## **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 cease 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. 

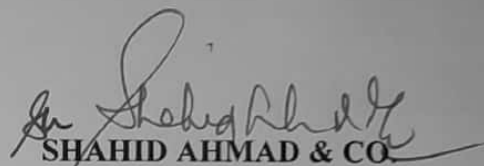
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Peshawar

16 SEP 2022

Date: \_\_\_\_\_



**SHAHID AHMAD & CO.**

Chartered Accountants

Manzoor Ahmed Savul, FCA

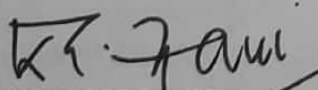
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UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2021

	Note	2021 Pak Rupees	2020 Pak Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	5	937,074,080	990,923,327
Capital work in progress	6	65,624,262	30,089,916
		1,002,698,342	1,021,013,243
<b>CURRENT ASSETS</b>			
Short term investments	7	675,800,000	515,938,821
Advances & deposits	8	19,113,152	23,071,027
Cash & bank balances	9	523,865,715	380,492,690
		1,218,778,866	919,502,538
		2,221,477,208	1,940,515,781
<b>FUNDS &amp; LIABILITIES</b>			
<b>FUNDS</b>			
General fund	10	(367,493,222)	(281,412,551)
<b>NON CURRENT LIABILITIES</b>			
Pension fund	11	2,082,005,392	1,946,657,000
CP fund		94,286,090	86,839,826
Grant in Aid	12	312,064,346	138,401,465
		2,488,355,828	2,171,898,291
<b>CURRENT LIABILITIES</b>			
Accounts payable	13	100,614,603	50,030,041
Contingencies & commitments	14	-	-
		2,221,477,208	1,940,515,781

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

  
VICE CHANCELLOR  
16.9.22

  
DIRECTOR FINANCE  


## UNIVERSITY OF SCIENCE &amp; TECHNOLOGY BANNU

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021

	NOTE	2021 Pak Rupees	2020 Pak Rupees
<b>INCOME</b>			
Student fee	15	153,619,154	127,068,856
Hostel fee	16	4,921,970	6,248,550
Examination fee	17	83,402,718	46,639,206
Other collections	18	38,451,427	16,056,977
Profit on investment / PLS accounts	19	12,300,133	36,175,115
Other income	20	8,455,119	-
Recurring grant from HEC	21	283,163,534	298,672,952
		<b>584,314,055</b>	<b>530,861,656</b>
<b>EXPENDITURE</b>			
Personnel	22	451,155,360	433,547,246
Operational	23	90,953,405	66,224,714
Promotional	24	1,675,415	33,298,498
Legal & professional	25	3,541,449	2,884,703
Depreciation	5	123,069,097	122,231,536
		<b>670,394,726</b>	<b>658,186,697</b>
		<b>(86,080,671)</b>	<b>(127,325,041)</b>
<b>(DEFECIT) FOR THE YEAR</b>			
<b>OTHER COMPREHENSIVE INCOME</b>			
Remeasurement loss (Actuarial loss)		-	(1,375,989,995)
<b>TOTAL COMPREHENSIVE (LOSS)</b>		<b>(86,080,671)</b>	<b>(1,503,315,036)</b>

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

Kr. Jamir  
VICE CHANCELLOR  
16.9.22

  
DIRECTOR FINANCE

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED JUNE 30, 2021

	2021 <i>Pak Rupees</i>	2020 <i>Pak Rupees</i>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Deficit) for the year	(86,080,671)	(1,503,315,036)
<b>Adjustments For Non-Cash Changes And Other Items:</b>		
Depreciation	123,069,097	122,231,536
<b>Operating Cash Flow Before Working Capital Changes</b>	<b>36,988,426</b>	<b>(1,381,083,500)</b>
<b>Working Capital Changes:</b>		
<b>(Increase) / Decrease In Current Assets</b>		
Advances & Deposits	3,957,875	(18,075,806)
<b>Increase / (Decrease) In Current Liabilities</b>		
Accounts Payable	50,584,562	719,686
Net Working Capital Changes	54,542,437	(17,356,120)
<b>Net Cash Flow From Operating Activities</b>	<b>91,530,863</b>	<b>(1,398,439,620)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition in Property, Plant & Equipment	(69,219,850)	(24,081,133)
Addition in Capital WIP	(35,534,346)	(27,820,413)
Grant received	173,662,881	111,955,245
Short Term Investment	(159,861,179)	(147,824,528)
<b>Net Cash Flow From Investing Activities</b>	<b>(90,952,494)</b>	<b>(87,770,829)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from GP fund / Pension	142,794,656	1,464,609,278
<b>Net Cash Flow From Financing Activities</b>	<b>142,794,656</b>	<b>1,464,609,278</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>143,373,025</b>	<b>(21,601,171)</b>
<b>Cash &amp; Cash Equivalents at start of the year</b>	<b>380,492,690</b>	<b>402,093,861</b>
<b>Cash &amp; Cash Equivalents at end Of the year</b>	<b>523,865,715</b>	<b>380,492,690</b>

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

*ht. Faruq*  
 VICE CHANCELLOR

16.9.22

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 DIRECTOR FINANCE



## 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 the University may determine in future. The University has launched a number of degree and post degree programmes with the mission to be center 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.

IAS-16	Property, Plant and Equipment (Amendments)	January 1, 2022
IFRS-1	First time Adoption of IFRS (Amendments)	January 1, 2022
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2022
IFRS-3	Business combinations (Amendments)	January 1, 2023
IFRS-4	Insurance contracts (Amendments)	January 1, 2023
IFRS-16	Leases (Amendments)	June 1, 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 Property, plant & equipment**

Property, plant & equipment 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 income and expenditure and other 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 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 intended 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 the University. These are stated at cost. All acquisition and disposal of investments are recognized using settlement date of accounting. Settlement date is the date on which investments are disposed 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 ownership.

**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 Account payable and other liabilities**

Liabilities for account payable and other liabilities 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 University.



**4.8 Provisions**

Provisions are recognized in the financial statements when the 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**

The 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 income in the statement of income and expenditure and other comprehensive income in the year of receipt.

(ii) Restricted grants received from Government / donors:

Grants received from Government / donors for specific purposes are used in accordance with the stipulations attached therewith. These are recognized or charged to statement of income and expenditure and other comprehensive income on a systematic basis when the corresponding expense is incurred.

**4.13 Foreign currencies translation**

Foreign currencies are translated into Pak Rupees using the exchange rate prevailing at the date of transaction. Monetary 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**

The University is exempt from taxation under clause 126 of Part I 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 are recognized 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, 2021

5. PROPERTY, PLANT & EQUIPMENT  
5.1 OPERATING FIXED ASSETS (at cost-less accumulated depreciation)

PARTICULARS	Building	Computer & Printer	Library Books	Laboratory Equipment	Furniture & Fixtures	Plant & Machinery	Projectors	Office Equipment	Electrical Installation	Vehicles	Other Assets	TOTAL
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
<b>COST:</b>												
Balance as at July 1, 2019	1,271,178,640	79,176,045	48,927,159	133,787,848	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
Balance as at June 30, 2020	1,271,178,640	81,125,185	48,927,159	134,827,848	79,671,901	92,104,468	308,000	1,833,651	30,186,020	109,338,686	716,163	1,850,217,721
Balance as at July 1, 2020	1,271,178,640	81,125,185	48,927,159	134,827,848	79,671,901	92,104,468	308,000	1,833,651	30,186,020	109,338,686	716,163	1,850,217,721
Additions during the year	1,394,546	21,118,635	-	-	2,332,850	7,826,007	-	-	-	36,547,812	-	69,219,850
Balance as at June 30, 2021	1,272,573,186	102,243,820	48,927,159	134,827,848	82,004,751	99,930,475	308,000	1,833,651	30,186,020	145,886,498	716,163	1,919,437,571
<b>ACCUMULATED DEPRECIATION:</b>												
Balance as at July 1, 2019	424,900,426	64,166,716	27,976,540	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
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	6,175,082	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	84,648,358	553,007	859,294,394
Balance as at July 1, 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	84,648,358	553,007	859,294,394
Charge for the year	76,304,494	9,896,869	1,885,556	7,711,708	4,728,073	8,665,706	6,602	48,104	1,557,642	12,248,028	16,316	123,069,097
Balance as at June 30, 2021	585,832,741	79,151,126	31,957,158	65,422,476	39,452,092	65,267,653	248,580	1,400,713	16,167,244	96,896,386	569,323	982,363,491
<b>W.D.V.:</b>												
As at June 30, 2020	761,650,393	11,870,928	18,855,557	77,117,081	44,947,882	35,502,521	66,022	481,042	15,576,418	24,692,328	163,156	990,923,327
As at June 30, 2021	686,740,445	23,092,694	16,970,001	69,405,372	42,552,659	34,662,822	59,420	432,938	14,018,776	48,992,112	146,840	937,074,080

RATE OF DEPRECIATION

	10%	30%	10%	10%	10%	20%	10%	10%	20%	10%
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Note:  
Land measuring 1402 Kanal and 19 marlas has been allotted by the Govt of KPK (Previously NWFP) through different notifications for the establishment and development of University at Bannu for emerging sciences and technology besides other education instructions. The details of allotment of Land vide order No. CPO (HE)/SO-3-61/2004-2005 Dated 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.



	Note	2021 Pak Rupees	2020 Pak Rupees
<b>6 CAPITAL WORK IN PROGRESS</b>			
Students hostel main campus		65,624,262	30,089,916
		<b>65,624,262</b>	<b>30,089,916</b>
<b>7 SHORT TERM INVESTMENTS</b>			
This comprises Term Deposits Receipts held with the following banks:			
National Rural Support Programme (Micro finance bank)		290,800,000	190,000,000
Bank of Khyber		20,000,000	220,938,821
United Bank limited		-	105,000,000
JS Bank Limited		365,000,000	-
		<b>675,800,000</b>	<b>515,938,821</b>
<b>7.1</b> Investments in Term Deposit Receipt (TDR) are held to maturity, carrying effective interest rate ranging from 7% to 10% per annum, with maturity period of one year.			
<b>8 ADVANCES &amp; DEPOSITS</b>			
Advances to Staff		16,472,496	20,647,688
Income tax refundable		2,298,656	2,169,339
Student's Loan		342,000	254,000
		<b>19,113,152</b>	<b>23,071,027</b>
<b>9 CASH &amp; BANK BALANCES</b>			
Cash in hand		95,072	72,000
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)		25,157,091	30,355,663
Habib Bank Limited (A/c #401)		288,544	121,712
Habib Bank Limited (A/c #501)		2,276,876	4,170,726
Habib Bank Limited (A/c #601)		24,371,162	6,400
National Bank Of Pakistan A/c # 006		55,402,673	55,402,673
Habib Bank Limited (A/c #1416)		6,454,481	6,454,481
United Bank Limited (A/c # 2722)		59,476,775	57,507,147
Habib Bank Limited (A/C #2247-01)		3,956,402	1,708,149
United Bank Limited (A/C # 2293)		18,495	18,495
Habib Bank Limited (A/C # 205401)		135,544	12,309,013
Habib Bank Limited (A/c #205301)		5,293,733	40,265,492
National Bank Of Pakistan A/C # 41384		18,000,000	18,000,000
National Bank Of Pakistan A/c # 11-3		44,532,759	44,532,759
Habib Bank Limited (A/c # 203)		546,243	-
Habib Bank Limited (A/c # 2012)		37,806	37,806
National Bank Of Pakistan A/C # 5678		122,469,451	47,257,087
Habib Bank Limited (A/c #801)		21,073,155	21,954,109
Habib Bank Limited (A/c #901)		17,784,382	12,025,592
Bank Of Khyber (A/C#643)		34,727,190	-
Bank Of Khyber (A/C#234)		7,023,085	-
UBL 9125		8,603,791	-
UBL 9132		7,931,099	-
National Bank of Pakistan A/C # 1104		25,798,633	-
National Bank Of Pakistan A/C # 1696		30,185,833	26,067,947
		<b>523,770,643</b>	<b>380,420,691</b>
		<b>523,865,715</b>	<b>380,492,690</b>

	Note	2021 Pak Rupees	2020 Pak Rupees
<b>10 GENERAL FUND</b>			
Balance as at July 01		(281,412,551)	1,221,902,485
Total comprehensive loss		(86,080,671)	(1,503,315,036)
Balance as at June 30		<u>(367,493,222)</u>	<u>(281,412,551)</u>
<b>11 PENSION FUND</b>			
Balance as at July 01		1,946,657,000	501,600,324
Contribution during the year		69,150,628	69,066,681
Actuarial loss		-	1,375,989,995
Interest credited in the fund		68,261,287	-
Payments made during the year		(2,063,523)	-
Balance as at June 30		<u>2,082,005,392</u>	<u>1,946,657,000</u>
<b>12 GRANT IN AID - (Restricted grants)</b>			
Development Projects	12.1	281,803,621	126,169,000
Research & Survey (ORIC)	12.2	856,895	892,895
Seminars & Conferences	12.3	743,880	1,339,570
Covid-19	12.4	28,659,950	10,000,000
		<u>312,064,346</u>	<u>138,401,465</u>
<b>12.1 Development Projects</b>			
Balance as at July 01		126,169,000	46,169,000
Addition during the year		162,777,000	80,000,000
Ammortized during the year		(7,142,379)	-
Balance as at June 30		<u>281,803,621</u>	<u>126,169,000</u>
<b>12.2 Research &amp; Survey (ORIC)</b>			
Balance as at July 01		892,895	531,250
Addition during the year		-	361,645
Ammortized during the year		(36,000)	-
Balance as at June 30		<u>856,895</u>	<u>892,895</u>
<b>12.3 Seminars &amp; Conferences</b>			
Balance as at July 01		1,339,570	1,179,570
Addition during the year		-	160,000
Ammortized during the year		(595,690)	-
Balance as at June 30		<u>743,880</u>	<u>1,339,570</u>
<b>12.4 Covid 19</b>			
Balance as at July 01		10,000,000	-
Addition during the year		19,341,000	10,000,000
Ammortized during the year		(681,050)	-
Balance as at June 30		<u>28,659,950</u>	<u>10,000,000</u>

**Note**

**13 ACCOUNTS PAYABLE**

	2021 Pak Rupees	2020 Pak Rupees
Ehsaas Scholarship Programme	26,657,380	21,433,600
RBDC Fund	12,903,932	-
Welfare Fund	11,431,274	-
Audit fee	99,750	99,750
Income tax withheld (suppliers)	2,586,179	1,719,485
Income tax withheld (employees)	2,897,797	1,920,983
Earnest money/security	11,548,155	6,191,334
Students scholarships & stipends	15,584,911	429,778
Payable to retired employees	-	396,829
Students security	4,661,777	2,614,277
Professional tax withheld	218,405	428,028
Sales tax withheld	313,368	272,977
Security - contractors	11,548,155	13,636,872
Other payables	-	19,145
DPR charges	21,968	24,866
Stamp duty withheld	141,552	842,117
	<b>100,614,603</b>	<b>50,030,041</b>

**14 CONTINGENCIES & COMMITMENTS**

Commitments of the University against capital work in progress amounts to Rs. 75.54 million as at June 30, 2021, (2020= Rs. 14.13 Million)

**15 STUDENT FEE**

Tuition fee	93,087,396	83,614,065
DMC fee	27,203,698	12,004,028
Degree fee	-	244,631
Admission fee	8,929,370	8,628,456
Registration fee	8,826,175	11,431,277
Library fee	7,297,973	4,492,474
Lab fee	6,400,242	4,879,925
Sale of prospectus	1,874,300	1,774,000
	<b>153,619,154</b>	<b>127,068,856</b>

**16 HOSTEL FEE**

Hostel services charges	2,967,100	3,064,841
Hostel room rental	1,954,870	3,183,709
	<b>4,921,970</b>	<b>6,248,550</b>

**17 EXAMINATION FEE**

Exam - University students	18,150,669	35,577,255
Exam - Private students	65,252,049	11,061,951
	<b>83,402,718</b>	<b>46,639,206</b>

**18 OTHER COLLECTIONS**

Tender fee	196,000	110,800
Job application fee	-	464,950
Fine/UFM	-	32,108
Affiliation fee	1,876,032	421,500
Transport fee	14,551,090	10,083,004
Rent from shops	10,480,191	315,080
Sundry collection	11,348,114	4,629,535
	<b>38,451,427</b>	<b>16,056,977</b>



	Note	2021 Pak Rupees	2020 Pak Rupees
<b>19 PROFIT ON INVESTMENT / PLS ACCOUNTS</b>			
Short term investments		-	5,162,981
PLS accounts		12,300,133	31,012,134
		<b>12,300,133</b>	<b>36,175,115</b>
<b>20 OTHER INCOME</b>			
Income from Project:			
Amortization of Development project		7,142,379	-
Amortization of ORIC		36,000	-
Amortization of Conference and Seminar		595,690	-
Amortization of COVID 19		681,050	-
		<b>8,455,119</b>	<b>-</b>
<b>21 RECURRING GRANT FROM HEC</b>			
Recurring grants from HEC		280,532,000	293,412,456
Grants for tenure track faculty		2,631,534	5,260,496
		<b>283,163,534</b>	<b>298,672,952</b>
<b>22 PERSONNEL</b>			
Salaries allowances & other benefits		355,359,167	353,000,704
Traveling & conveyance		17,779,053	4,785,725
Pension contribution		69,150,628	69,066,681
Remuneration of Vice Chancellor		7,300,800	4,426,064
Remuneration of Registrar		1,565,712	2,268,072
		<b>451,155,360</b>	<b>433,547,246</b>
<b>23 OPERATIONAL</b>			
Exam conducting charges		19,047,759	6,927,896
Security charges		18,194,313	8,330,933
Utilities		19,053,792	17,310,594
Electronic communication (Pern ,Internet)		12,043,033	11,337,822
Vehicle running & maintenance		1,578,894	-
Printing & stationery		4,201,976	7,668,630
News Paper & periodicals		1,558,552	739,769
Entertainment		597,745	89,790
Repair & maintenance		1,325,922	1,241,094
Uniform / misc. expenses		4,012,512	2,022,808
Postage & courier		155,077	-
Research & survey		36,000	75,642
Power ,oil and lubricant		7,002,371	8,603,278
Electrification & plumbing cost		1,678,713	1,674,680
Bank charges, commission		466,746	201,778
		<b>90,953,405</b>	<b>66,224,714</b>
<b>24 PROMOTIONAL</b>			
Meetings, seminars & conferences		595,690	-
Scholarships & stipends		248,500	32,461,256
Advertisement		609,853	837,242
Sports		221,372	-
		<b>1,675,415</b>	<b>33,298,498</b>
<b>25 LEGAL &amp; PROFESSTIONAL</b>			
Legal & professional		1,473,879	367,180
Consultancy charges		1,967,820	2,417,773
Audit fee		99,750	99,750
		<b>3,541,449</b>	<b>2,884,703</b>

## 26. Financial Risk Management

### 26.1 Financial risk factors

The University's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Management. The management provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

The University's overall risk management procedures to minimize the potential adverse effects of financial market on the University's performance are as follows:

#### (a) Market risk

##### (i) Currency risk

Currently, the University is not exposed to any currency risk arising from various currency exposures as the University is dealing in Pak rupees only.

##### (ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The University is not exposed to any price risk because the University does not held any investments classified as available-for-sale.

##### (iii) Cash flow and fair value interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the University has no significant floating interest rate instruments, the University's income is substantially independent of changes in market interest rates. At the balance sheet date, the interest rate profile of the University's interest bearing financial instruments was:

#### Fixed rate instruments:

##### Financial assets

Bank balances

Investments

Financial liabilities

	2021 Pak Rupee	2020 Pak Rupee
	523,770,643	380,420,691
	675,800,000	515,938,821
	<b>1,199,570,643</b>	<b>896,359,512</b>
	100,614,603	50,030,041
	<b>1,300,185,246</b>	<b>946,389,553</b>

#### Fair value sensitivity analysis for fixed rate instruments

The University does not account for any fixed rate for its financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect income and expenditure account of the University.

#### Cash flow sensitivity analysis for variable rate instruments

The University does not account for any variable rate for its financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect income and expenditure of the University.

#### (b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

##### (i) Exposure to credit risk

The University monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets exposed to credit risk and which are neither past due nor impaired are as under:

Short term investments

Staff advances

Cash at bank

	675,800,000	515,938,821
	16,472,496	20,647,688
	523,770,643	380,420,691
	<b>1,216,043,139</b>	<b>917,007,200</b>

**(ii) Credit quality of financial assets**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if a fund is unrated, credit rating of the management company) or to historical information about counterparty default rate:

	Rating Short term	Long term	Rating Agency	2021 Pak Rupee	2020 Pak Rupee
<b>Bank balances and deposits:</b>					
Habib Bank Limited	A1+	AAA	VIS	109,479,774	131,513,499
National Bank of Pakistan	A1+	AAA	PACRA	296,510,434	191,381,550
United Bank Limited	A1+	AAA	VIS	76,030,160	57,525,642
Bank of khyber	A1	A	PACRA	41,750,275	-
	A1	A+	VIS	523,770,643	380,420,691

**(c) Liquidity Risk**

Liquidity risk represents the risk that the University shall encounter difficulties in meeting obligations associated with financial liabilities. The University's approach to managing liquidity is to ensure that, as far as possible, it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable loss or risking damage to the University's reputation.

The following are the contractual maturities of financial liabilities as at June 30, 2021 and June 30, 2020:

<b>Carrying value</b>	<b>Pak Rupee</b>
<b>At June 30, 2021</b>	
Accounts payable	100,614,603
<b>At June 30, 2020</b>	
Accounts payable	50,030,041

Financial instruments by categories	Held to maturity	Available-for-sale	Loans and receivables	2021 Total
	----- (Rupees) -----			
<b>As at June 30, 2021</b>				
<b>Assets as per balance sheet</b>				
Short term Investments	675,800,000	-	-	675,800,000
Advances & Deposits	19,113,152	-	-	19,113,152
Cash & Bank balances	523,865,715	-	-	523,865,715
	1,218,778,866	-	-	1,218,778,866



	Held to maturity	Available-for-sale	Loans and receivables	2020 Total
	----- (Rupees) -----			
<b>As at June 30, 2020</b>				
<b>Assets as per balance sheet</b>				
Short term Investments	515,938,821	-	-	515,938,821
Advances & Deposits	23,071,027	-	-	23,071,027
Cash & Bank balances	380,492,690	-	-	380,492,690
	<b>919,502,538</b>	-	-	<b>919,502,538</b>

**Liabilities as per balance sheet**

Non-Current Liabilities  
 Current Liabilities

**Financial liabilities**

2021 Pak Rupee	2020 Pak Rupee
2,488,355,828	2,171,898,291
100,614,603	50,030,041
<b>2,588,970,431</b>	<b>2,221,928,332</b>

**27. REMUNERATION OF KEY MANAGEMENT PERSONNEL**

**Number of person(s)**

Vice chancellor	Salary & other benefits	1	7,300,800	4,426,064
Registrar	Salary & other benefits	1	1,565,712	2,268,072

**28. DETAILS OF PERSONNEL**

Vice chancellor	1	1
Managerial staff	26	26
Teaching faculty	115	115
Other staff	306	308
	<b>448</b>	<b>450</b>

**29. 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.

**30. Date of Authorization for issue:**

These financial statements were authorized for issue on 16 SEP 2022.

**31. GENERAL**

- 31.1 Figures have been rounded off to the nearest Rupee.  
 31.2 Figures of preceding year have been rearranged & regrouped to facilitate comparison.

*K. Jami'*  
 VICE CHANCELLOR

16.9.22

*[Signature]*  
 DIRECTOR FINANCE