

AUDITORS' REPORT TO THE BOARD OF TRUSTEES

We have audited the accompanying financial statements of Lahore University of Management Sciences which comprise of the balance sheet as at June 30, 2016, the related income and expenditure account, statement of changes in accumulated fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management Committee of the University is responsible for the preparation and fair presentation of these financial statements in accordance with the Guideline for Accounting and Financial Reporting by Non-Government Organisations / Non-Profit Organisations issued by the Institute of Chartered Accountants of Pakistan, and for such internal control as the Management Committee determines is necessary to enable the preparation of the 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 the financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. 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 statement 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, if any, made by the 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.



A.F.FERGUSON & CO.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lahore University of Management Sciences as at June 30, 2016 and its financial performance and its cash flows for the year then ended in accordance with the Guideline for Accounting and Financial Reporting by Non-Government Organisations / Non-Profit Organisations issued by the Institute of Chartered Accountants of Pakistan.


Chartered Accountants

Lahore, December 05, 2016

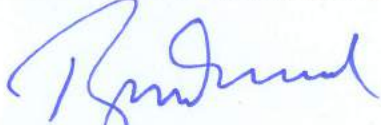
Name of Engagement partner: Muhammad Masood

LAHORE UNIVERSITY OF MANAGEMENT SCIENCES

BALANCE SHEET AS AT JUNE 30, 2016

	Note	Current fund Rupees	Endowment fund Rupees	Scholarship fund Rupees	Chair fund Rupees	Sponsored projects Rupees	Fixed assets fund Rupees	2016 Total Rupees	2015 Total Rupees
Fund balance		1,096,337,720	1,052,638,564	67,164,331	51,592,255	196,392,531	968,917,460	3,433,042,861	3,068,268,493
Represented by									
Non - current assets									
Operating fixed assets	5	-	-	-	-	-	961,106,483	961,106,483	957,096,120
Intangible assets	6	-	-	-	-	-	37,280,526	37,280,526	31,127,038
Capital work-in-progress	7	29,579,551	-	-	-	1,074,050	-	30,653,601	6,562,074
Investments	8	1,115,164,512	786,259,955	-	28,793,560	-	-	1,930,218,027	1,653,001,362
Long term loans and advances	9	56,102,984	489,574	647,360	-	-	-	57,239,918	62,407,321
		1,200,847,047	786,749,529	647,360	28,793,560	1,074,050	998,387,009	3,016,498,555	2,710,193,915
Non - current liabilities									
Accumulated compensated absences	10	31,599,046	-	23,138	-	-	-	31,622,184	29,499,841
Long term security deposits	11	43,032,000	-	-	-	-	-	43,032,000	41,796,000
Deferred income	12	-	-	-	-	-	29,469,549	29,469,549	40,970,708
Loan from National Management Foundation	13	35,016,320	-	-	-	-	-	35,016,320	-
		109,647,366	-	23,138	-	-	29,469,549	139,140,053	112,266,549
		1,091,199,681	786,749,529	624,222	28,793,560	1,074,050	968,917,460	2,877,358,502	2,597,927,366
Current assets									
Stores		13,973,278	-	-	-	-	-	13,973,278	15,641,076
Loans, advances, deposits		-	-	-	-	-	-	-	-
prepayments and other receivables	14	98,651,364	16,820,990	6,159,223	2,042,788	40,849,714	-	164,524,079	206,771,078
Short term investments	15	71,710,300	133,139,894	-	2,157,200	-	-	207,007,394	100,500,000
Cash and bank balances	16	480,571,866	116,410,295	115,499,064	18,599,376	170,002,947	-	901,083,548	688,254,959
		664,906,808	266,371,179	121,658,287	22,799,364	210,852,661	-	1,286,588,299	1,011,167,113
Current liabilities									
Short term running finance	17	-	-	-	-	-	-	-	2,855,433
Creditors, accrued and other liabilities	18	691,890,748	482,144	509,420	669	15,534,180	-	708,417,161	516,619,828
Due to National Management Foundation		22,486,779	-	-	-	-	-	22,486,779	21,350,725
		714,377,527	482,144	509,420	669	15,534,180	-	730,903,940	540,825,986
Net current assets		(49,470,719)	265,889,035	121,148,867	22,798,695	195,318,481	-	555,684,359	470,341,127
Due to / (from)	19	54,608,758	-	(54,608,758)	-	-	-	-	-
CONTINGENCIES AND COMMITMENTS	20								
Net assets		1,096,337,720	1,052,638,564	67,164,331	51,592,255	196,392,531	968,917,460	3,433,042,861	3,068,268,493

The annexed notes 1 to 30 form an integral part of these financial statements.


Member of Management Committee


Head of Finance and Accounts

LAHORE UNIVERSITY OF MANAGEMENT SCIENCES

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2016

	Note	Current fund Rupees	Endowment fund Rupees	Scholarship fund Rupees	Chair fund Rupees	Sponsored projects Rupees	Fixed assets fund Rupees	2016 Total Rupees	2015 Total Rupees
Income									
Direct grants	22	238,138	-	339,607,770	2,007,443	311,152,348	11,712,159	663,717,858	794,452,569
Tuition fee and other income									
Tuition fee		2,068,394,164	-	-	-	-	-	2,068,394,164	1,900,824,487
Other fees		229,199,100	-	-	-	-	-	229,199,100	207,271,000
Consultancy fee		30,990,850	-	-	-	-	-	30,990,850	22,041,835
Executive development programmes		228,924,545	-	-	-	-	-	228,924,545	226,670,504
Miscellaneous income	23	445,154,613	-	-	-	13,867	-	445,168,480	499,170,391
Return on investments and term deposits	24	123,117,497	79,112,497	1,664,564	2,450,065	1,357,712	-	207,702,335	163,507,549
Exchange gain		-	-	-	-	-	-	-	17,250,705
		3,125,780,769	79,112,497	1,664,564	2,450,065	371,579	-	3,210,379,474	3,036,732,471
Total income for the year		3,126,018,907	79,112,497	341,272,334	4,457,508	311,523,927	11,712,159	3,874,097,332	3,831,185,040
Expenditure									
Salaries, wages and amenities		1,413,043,642	1,624,169	14,197,410	1,752,603	97,678,750	-	1,528,296,574	1,428,230,169
Training		8,257,161	-	-	-	8,073,499	-	16,330,660	13,675,022
Fuel and power		206,535,808	-	-	-	271,596	-	206,807,394	188,219,057
Telephone and postage		7,209,286	79,100	222,560	-	388,775	-	7,909,721	8,673,201
Contribution for buildings		273,266,916	-	-	-	-	-	273,266,916	256,430,965
Foreign travel and recruitment		36,103,280	-	-	7,704	8,507,107	-	44,618,091	48,506,247
Travelling and vehicle running expenses		20,158,346	38,152	1,689,490	-	10,736,069	-	32,622,057	132,568,730
Cafeteria expenses		105,350,325	41,410	3,066,674	-	1,633,452	-	110,091,861	116,488,486
Rent expense		1,430,000	-	-	-	6,046,375	-	7,476,375	15,548,058
REDC facility expenses		-	-	-	-	58,500	-	58,500	14,066,700
Repairs and maintenance		11,568,002	-	-	-	-	-	11,568,002	14,133,518
Advertisement and open house programme		56,390,796	246,450	3,265,318	-	1,355,092	-	61,447,556	50,879,388
Subscriptions		15,760,557	-	-	43,633	4,698	-	15,808,893	15,005,643
Research and case development		57,444,788	1,121,666	2,847,791	-	43,052,805	-	104,467,050	89,426,301
Convocation expenses		9,393,472	-	-	-	9,393,472	-	9,393,472	7,093,232
Printing, stationery and office supplies		128,490,837	432,086	769,175	-	12,697,779	-	142,419,874	155,336,113
Software consumables		58,693,084	-	-	-	4,500	-	58,697,584	42,499,390
Insurance		8,839,874	-	-	-	221,374	-	9,061,248	6,859,575
Scholarships and tuition fee waiver		120,940,311	22,123,451	308,329,363	-	3,511,500	-	454,904,625	419,024,411
PhD living allowance		60,163,100	-	-	-	-	-	60,163,100	29,883,325
Higher Education Commission Scholarship		-	-	10,775,800	-	-	-	10,775,800	8,560,370
Legal and professional charges		42,652,964	52,896	228,568	-	1,903,233	-	44,847,661	12,754,944
Estate management		230,465	-	-	-	290,465	-	290,465	730,736
Internet charges		40,048,926	-	-	-	37,535	-	40,086,461	18,667,090
Depreciation on owned assets		-	-	-	-	-	267,220,657	267,220,657	182,674,105
Amortization of intangible assets		-	-	-	-	-	13,651,408	13,651,408	11,546,995
Consultancy projects		5,203,286	117,647	-	-	21,063,038	-	26,683,971	23,053,154
Sports and student activities		47,300,288	414,500	1,592,299	-	-	-	49,307,085	46,013,452
Provision for doubtful receivable		5,729,789	2,235,732	4,698,623	-	-	-	12,664,144	1,471,734
Bad debts written off		3,740,993	-	-	-	-	-	3,740,993	8,680,903
Exchange loss		7,533,915	-	-	-	86,787	-	7,620,702	-
Finance cost		5,479,218	-	2,195	-	266	-	5,481,699	2,673,234
Miscellaneous		7,770,425	224,172	1,476,349	261,840	62,116,908	-	72,349,694	111,760,434
		2,764,789,852	28,751,431	353,191,615	2,065,785	280,459,645	280,872,065	3,710,130,393	3,481,734,822
Surplus/(deficit) of income over expenditure before taxation		361,229,055	50,361,066	(11,919,281)	2,391,723	31,064,282	(269,159,906)	163,966,939	349,450,218
Provision for taxation		-	-	-	-	-	-	-	-
Surplus/(deficit) of income over expenditure after taxation		361,229,055	50,361,066	(11,919,281)	2,391,723	31,064,282	(269,159,906)	163,966,939	349,450,218

The annexed notes 1 to 30 form an integral part of these financial statements.

[Handwritten Signature]
Member of Management Committee

[Handwritten Signature]
Head of Finance and Accounts


LAHORE UNIVERSITY OF MANAGEMENT SCIENCES

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
Cash flow from operating activities		
Surplus of income over expenditure	163,966,939	349,450,218
Tax	-	-
Surplus of income over expenditure before taxation	163,966,939	349,450,218
Adjustment for non cash charges and other items:		
Depreciation on operating fixed assets	267,220,657	182,874,105
Amortization on intangible assets	13,651,408	11,646,995
Profit on disposal of operating fixed assets	(3,052,019)	(3,308,759)
Finance cost	5,481,699	2,673,234
Provision for passage fare assistance	41,349,548	37,527,521
Provision for doubtful debts	12,664,144	1,471,734
Provision for accumulated compensated absences	17,506,214	12,475,350
Exchange loss / (gain)	7,620,702	(17,250,705)
Return on investments and term deposits	(207,702,335)	(163,503,549)
Gain on initial recognition of loan	(6,895,916)	-
Amortization of deferred income	(11,712,159)	(5,387,241)
Surplus before working capital changes	136,131,943	59,218,685
Effect on cash flow due to working capital changes:		
Decrease in stores	1,667,798	276,301
Decrease / (increase) in loans, advances, deposits prepayments and other receivables	21,386,715	(5,918,377)
Increase in due to National Management Foundation	1,136,054	23,272,977
Increase / (decrease) in creditors, accrued and other liabilities	191,188,723	(83,636,854)
	<u>215,379,290</u>	<u>(66,005,953)</u>
Cash flow from operating activities	515,478,172	342,662,950
Finance cost paid	(3,426,373)	(2,901,360)
Payment of accumulated compensated absences	(15,383,871)	(3,406,682)
Payment of passage fare assistance	(40,740,938)	(37,645,376)
Decrease in long term loans and advances	(6,221,543)	12,322,598
Increase in long term security deposits	1,236,000	6,431,760
	<u>(64,536,725)</u>	<u>(25,199,060)</u>
Net cash generated from operating activities	450,941,447	317,463,890
Cash flow from investing activities		
Fixed capital expenditure	(318,065,147)	(345,605,527)
Proceeds from disposal of operating fixed assets	6,200,723	6,020,268
Return on investments and term deposits received	208,277,773	144,719,781
Proceeds from maturity of investments	1,113,570,982	4,085,626,734
Purchase of investments	(1,485,906,095)	(4,547,350,378)
Net cash used in investing activities	(475,921,764)	(656,589,122)
Cash flow from financing activities		
Restricted funds received from donors not utilized	200,807,429	77,189,306
Long term loan received from National Management Foundation	39,856,910	-
Net cash generated from financing activities	240,664,339	77,189,306
Net increase in cash and cash equivalents	215,684,022	(261,935,926)
Cash and cash equivalents at the beginning of year	685,399,526	947,335,452
Cash and cash equivalents at the end of year	901,083,548	685,399,526

- note 27

The annexed notes 1 to 30 form an integral part of these financial statements.


Member of Management Committee


Head of Finance and Accounts

LAHORE UNIVERSITY OF MANAGEMENT SCIENCES

STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE YEAR ENDED JUNE 30, 2016

	Note	Current fund Rupees	Endowment fund Rupees	Scholarship fund Rupees	Chair fund Rupees	Sponsored projects Rupees	Fixed assets fund Rupees	Total Rupees
Opening balance as at July 1, 2015		1,238,580,746	710,455,898	29,170,545	49,200,532	93,608,322	947,252,450	3,068,268,493
Restricted funds received during the year		-	42,163,744	389,689,337	9,121,010	411,600,899	-	852,574,990
Transfer of restricted fund to income and expenditure		-	-	(339,607,770)	(2,007,443)	(310,152,348)	-	(651,767,561)
Surplus/(deficit) of income over expenditure after taxation		361,229,055	50,361,066	(11,919,281)	2,391,723	31,064,282	(269,159,906)	163,966,939
Transfer (from) / to funds	25	(250,000,000)	250,000,000	-	-	-	-	-
Transfer of fixed assets additions (from) / to funds	26	(256,620,785)	(342,144)	(168,500)	(7,113,567)	(29,728,624)	293,973,620	-
Transfer of fixed assets disposals to / (from) funds		3,148,704	-	-	-	-	(3,148,704)	-
Balance as at June 30, 2016		<u>1,096,337,720</u>	<u>1,052,638,564</u>	<u>67,164,331</u>	<u>51,592,255</u>	<u>196,392,531</u>	<u>968,917,460</u>	<u>3,433,042,861</u>

The annexed notes 1 to 30 form an integral part of these financial statements.


Member of Management Committee


Head of Finance and Accounts

LAHORE UNIVERSITY OF MANAGEMENT SCIENCES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1. University and its operations

The Lahore University of Management Sciences ("LUMS") is a body corporate and has been established under the Lahore University of Management Sciences Order, 1985 on March 31, 1985. The principal aims and objectives of the University are to design, prepare and offer courses of international standard and to undertake, organize, and promote research and dissemination of knowledge. The University has been divided into four schools namely Suleman Dawood School of Business (SDSB), Mushtaq Ahmad Gurmani School of Humanities and Social Sciences (MGSHSS), Syed Babar Ali School of Science and Engineering (SBASSE) and Sheikh Ahmed Hassan School of Law (SAHSOL). The University is a not-for-profit organization u/s 2(36) of Income Tax Ordinance, 2001 and its surplus, if any, is carried forward to the subsequent year, and is not available for appropriation.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Guideline for Accounting and Financial Reporting by Non-Government / Non-Profit Organizations (hereinafter referred to as "the Guideline") issued by The Institute of Chartered Accountants of Pakistan.

3. Basis of measurement

These financial statements have been prepared under the historical cost convention.

The University's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of the complexity, judgment and estimation involved in their application and their impact on these financial statements. Judgments and estimates are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) Employee retirement benefits - (note 4.15)
- b) Useful life and residual values of property, plant and equipment - (note 4.7)

4. Significant Accounting Policies

4.1 Current fund

This is an unrestricted fund. Grants and donations, utilization of which is not restricted for a specific purpose are credited to this fund. It includes grants and donations for all four schools of the University.

4.2 Endowment fund

This is a form of restricted fund which is held on trust to be retained for the benefit of the organization as a capital fund, which is not utilized as an income of the organization. The income generated from these capital funds is also credited to this fund and utilized for restricted purposes, which include but are not limited to, providing scholarships and loans to students and carrying out activities under different scholarship programmes of the University including National Outreach Programme.

4.3 Scholarship fund

This is a form of restricted fund utilized for providing scholarships and loans to students and carrying out activities under different scholarship programmes of the University including National Outreach Programme. Grants and donations received for this purpose are credited to the fund.

4.4 Chair funds

These are restricted funds. The funds received are expended on financing academic chairs.

4.5 Sponsored projects

This is a restricted fund utilized for carrying out activities by the University under different sponsored projects as per agreement with the donors. Grants and donations received for specific projects are credited to this fund. For completed projects, remaining surplus, if any, if permitted by the relevant agreement, is transferred to the current fund.

4.6 Fixed assets fund

This fund represents the net book value of the tangible fixed assets and intangible assets of the University. These assets are accounted for in accordance with the policies given in note 4.7 and 4.8 respectively. Fixed assets received directly as donations are debited to the property, plant and equipment account at fair value and a corresponding amount credited to a deferred income account in the balance sheet. Such items are thereafter depreciated as per the policy of the university while a corresponding amount is transferred from the deferred income to the income and expenditure account.

4.7 Operating fixed assets and depreciation

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss. Depreciation on all operating fixed assets is charged to income on a reducing balance method, so as to write off the historical cost of an asset over its estimated useful life at the rates given in note 5.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off. Impairment loss or its reversal, if any, is also charged to income. When an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated remaining useful life.

The University reviews the useful lives of property, plant and equipment at least at each financial year end. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.10).

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. All other repair and maintenance costs are included in the income and expenditure account during the period in which they are incurred.

Fixed assets received as a grant are debited to the property, plant, and equipment account at fair value and a corresponding amount credited to the deferred income account in the balance sheet. Such items are then depreciated as per the policy of the University while a corresponding amount is transferred from the deferred income to the income and expenditure account.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and any identified impairment loss and represent the cost of computer software and license fee for the right of its use.

Amortization is charged to income on the reducing balance method so as to write off the cost of the intangible asset over its estimated useful life at the rates given in note 6. Amortization on additions to intangibles is charged from the month in which the asset is available for use, while no amortization is charged for the month in which the asset is disposed off. When an impairment loss is recognized, the amortization charge is adjusted in the future period to allocate the asset's revised carrying amount over its estimated remaining useful life.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.10).

4.9 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with such assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.10 Impairment of non-financial assets

Assets that are subject to depreciation / amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.11 Investments

Investments are measured initially at cost whereas investments received as a grant are recognized at fair value. Income on investments is accrued on a time proportion basis by reference to the principal outstanding and an applicable rate of return.

Investments classified as current assets are carried in the balance sheet at market value, where available.

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Investments classified as long-term assets are carried in the balance sheet at:

- i) cost ; or
- ii) in the case of marketable equity securities, the lower of cost and market value determined on a portfolio basis.

The University accounts for the increase / decrease in carrying amount of investments recognized at market value in the income and expenditure account.

The carrying amount of all long-term investments are adjusted to recognize a decline, that is not temporary, in the value of the investments, such adjustment being determined and made for each investment individually.

On disposal of an investment the difference between net disposal proceeds and the carrying amount is recognized as an income or expense.

4.12 Taxation

The University is allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final taxes, under section 100 (C) of the Income Tax Ordinance, 2001.

4.13 Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of the University are measured using the currency of the primary economic environment in which the University operates (the functional currency). The financial statements are presented in Pak Rupees, which is the University's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income and expenditure account.

4.14 Stores

Stores are valued principally at the lower of weighted average cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

4.15 Staff retirement benefits

There is an approved contributory provident fund for all permanent employees. Equal monthly contributions are made by the University and the employees to the fund at the rate of 10 percent of the basic salary. Retirement benefits are payable to the staff on completion of prescribed qualifying period of service under the scheme.

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4.16 Short term employee benefits

The University has a policy to provide short term employee benefits to its employees in the form of vesting accumulating compensated absences. As per the University's policy, employees are entitled to 20 days of paid leaves each year after completion of one year of service, depending on their service of years. The unused entitlement can be carried forward subject to the condition that the total unused accumulated leaves should not exceed 30 leaves. Any unused leaves in excess of 30 are lapsed and are not available for carry forward. Accumulated balance of unavailed earned leave up to 30 leaves shall be encashable at the rate of gross salary after every ten (10) years of continuous service.

Upon retirement, resignation, termination / dismissal of an employee's services, earned leave balance to the credit of employee shall be paid at the rate of gross salary on the respective date.

Staff leaves encashment policy has been revised during the current year by the University's management. The effect of this change in accounting estimate has been disclosed in note 10.

4.17 Provisions

Provisions are recognized when the University has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

4.19 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred.

4.20 Leases

4.20.1 Operating leases

The University is the lessor:

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental income received under operating leases (net of any incentives given to the lessee) are charged to surplus on a straight-line basis over the lease term.

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4.21 Income recognition

a) Current fund

Tuition fees are recognized when due and apportioned to revenue over the period of instruction. Admission fees are recognized as revenue when due. Application processing fees and cafeteria income are recognized as revenue on receipt.

Grants from National Management Foundation are recognized when approved by the Foundation. Other grants, gifts, and royalties on publications are recognized in the income and expenditure account on receipt.

b) Endowment fund

Grants received as endowments by the University are credited directly into the fund account. The income earned from the endowments is booked as a return on investments for the period.

c) Scholarship fund

Grants received for the purpose of providing scholarships and loans to students are credited directly into the fund account. Thereafter an amount equivalent to that which has been disbursed as scholarship is taken to the income and expenditure account.

d) Sponsored projects

Grant is recognized when conditions for its receipt have been complied with and there is a reasonable assurance that the grant will be received. Grants received to carry out different projects are credited directly into the fund account. Thereafter, grants received are recognized in the income and expenditure account so as to match the amount received with the related costs which they are intended to compensate on a systematic basis.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the enterprise with no future related costs is recognized as income of the period in which it becomes receivable.

On the conclusion of the projects any balances lying to the credit of the fund account are transferred to the current fund provided there are no restrictions identified by the donor.

e) Fixed asset fund

Fixed assets received as a grant are debited to the property, plant and equipment account at fair value and a corresponding amount credited to the deferred income account in the balance sheet. The amount is subsequently transferred from deferred income to the income and expenditure account on a systematic and rational basis over the useful life of the related asset.

4.22 Expenses

Expenses are recognized in the income and expenditure account when incurred.

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5. Operating fixed assets

	Cost as at July 1, 2015 Rupees	Additions/ (deletions) (adjustments) Rupees	Cost as at June 30, 2016 Rupees	Accumulated depreciation as at July 01, 2015 Rupees	Depreciation/ (deletions)/ adjustments for the year Rupees	Accumulated depreciation as at June 30, 2016 Rupees	Book value as at June 30, 2016 Rupees	Rate of depreciation %
Furniture and fixtures	493,727,108	60,510,211 (1,455,994) (216,743)	552,564,582	200,851,203	97,881,373 (1,191,696) 7,578	297,548,458	255,016,124	30
Computers	482,906,842	63,801,893 (10,994,231)	535,714,504	352,709,663	52,032,607 (10,667,271) (3,650)	394,071,349	141,643,155	33.3
Equipment	951,496,357	137,155,055 (6,252,769) 343,705	1,082,742,348	449,938,570	109,982,783 (5,273,528) 53,309	554,701,134	528,041,214	20
Vehicles	25,710,601	5,253,573 (5,823,650)	25,140,524	15,117,242	2,248,587 (4,373,890) (14,726)	12,977,213	12,163,311	20
Books	83,788,228	7,658,992 (564,174) (2,117)	90,880,929	61,916,338	5,075,307 (435,729) 82,334	66,638,250	24,242,679	20
2016	2,037,629,136	274,379,724 (25,090,818) 124,845	2,287,042,887	1,080,533,016	267,220,657 (21,942,114) 124,845	1,325,936,404	961,106,483	

	Cost as at July 1, 2014 Rupees	Additions/ (deletions) Rupees	Cost as at June 30, 2015 Rupees	Accumulated depreciation as at July 01, 2014 Rupees	Depreciation/ (deletions) for the year Rupees	Accumulated depreciation as at June 30, 2015 Rupees	Book value as at June 30, 2015 Rupees	Rate of depreciation %
Furniture and fixtures	459,916,988	36,581,968 (2,771,848)	493,727,108	173,075,900	29,579,789 (1,804,486)	200,851,203	292,875,905	10
Computers	412,566,229	75,450,230 (5,109,617)	482,906,842	308,417,405	49,257,321 (4,965,063)	352,709,663	130,197,179	33.3
Equipment	754,139,752	199,840,561 (2,483,956)	951,496,357	355,474,276	96,680,694 (2,216,400)	449,938,570	501,557,787	20
Vehicles	30,161,925	523,611 (4,974,935)	25,710,601	16,030,532	2,729,608 (3,642,898)	15,117,242	10,593,359	20
Books	77,437,992	6,350,236	83,788,228	57,289,645	4,626,693	61,916,338	21,871,890	20
2015	1,734,222,886	318,746,606 (15,340,356)	2,037,629,136	910,287,758	182,874,105 (12,628,847)	1,080,533,016	957,096,120	

5.1 The depreciation for the year has been charged to fixed assets fund.

5.2 The management, during the current year, has revised the depreciation rate on furniture and fixtures to 30% from 10% keeping in consideration the assessed useful life of these assets. Management believes that the said change in estimate reflects more accurately the pattern of consumption of economic benefits of the assets. Effect of this change on current year financial statements has been disclosed below:

	Rupees
Increase in depreciation expense on furniture and fixtures for the current year	65,254,249

6. Intangible assets

	Cost as at July 1, 2015 Rupees	Additions Rupees	Cost as at June 30, 2016 Rupees	Accumulated amortization as at July 01, 2015 Rupees	Amortization for the year Rupees	Accumulated amortization as at June 30, 2016 Rupees	Book value as at June 30, 2016 Rupees	Rate of amortization %
Computer software and license	131,737,840	19,804,896	151,542,736	100,610,802	13,651,408	114,262,210	37,280,526	33.3
2016	131,737,840	19,804,896	151,542,736	100,610,802	13,651,408	114,262,210	37,280,526	
2015	122,715,002	9,022,838	131,737,840	88,963,807	11,646,995	100,610,802	31,127,038	33.3

6.1 The amortization for the year has been charged to fixed assets fund.

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	Current Fund Rupees	Endowment Fund Rupees	Scholarship Fund Rupees	Chair Fund Rupees	Sponsored Projects Rupees	2016 Total Rupees	2015 Total Rupees
7. Capital work-in-progress							
Advances for equipment	22,298,699	-	-	-	1,070,675	23,369,374	1,141,475
Advances for computers	2,223,360	-	-	-	3,375	2,226,735	540,000
Advances for books	-	-	-	-	-	-	418,801
Advances for furniture	-	-	-	-	-	-	4,461,798
Intangible assets under development	5,057,492	-	-	-	-	5,057,492	-
	<u>29,579,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,074,050</u>	<u>30,653,601</u>	<u>6,562,074</u>
8. Investments							
Pakistan investment bonds -	180,906,521	401,374,153	-	28,793,560	-	611,074,234	788,992,514
Term deposit receipts	-	-	-	-	-	-	117,316,868
Term finance certificates	3,000,450	17,664,018	-	-	-	20,664,468	14,659,568
Mutual funds - note 8.1	517,227,952	356,465,434	-	-	-	873,693,386	721,276,062
Investment in shares	-	10,756,350	-	-	-	10,756,350	10,756,350
National saving certificates	414,029,589	-	-	-	-	414,029,589	-
	<u>1,115,164,512</u>	<u>786,259,955</u>	<u>-</u>	<u>28,793,560</u>	<u>-</u>	<u>1,930,218,027</u>	<u>1,653,001,362</u>

8.1 Investments in mutual funds are carried at cost as per the Guideline. There would have been a gain of Rs 12.666 million (2015: Rs 3.852 million) if these investments were presented at the fair value of Rs 886.359 million (2015: Rs 725.128 million) as per IAS 39: Financial Instruments - Recognition and Measurement.

	Current Fund Rupees	Endowment Fund Rupees	Scholarship Fund Rupees	Chair Fund Rupees	Sponsored Projects Rupees	2016 Total Rupees	2015 Total Rupees
9. Long term loans and advances							
Loans to employees - note 9.1	1,846,613	-	-	-	-	1,846,613	2,410,922
Loans to students - note 9.2	67,181,631	4,830,106	6,452,265	-	-	78,464,002	88,685,274
Long term security deposits	41,383,199	-	-	-	-	41,383,199	41,383,178
Advances to employees	107,352	-	-	-	-	107,352	428,087
	<u>110,518,795</u>	<u>4,830,106</u>	<u>6,452,265</u>	<u>-</u>	<u>-</u>	<u>121,801,166</u>	<u>132,907,461</u>
Less: Current portion included in current assets: - note 14							
Loans to employees	(737,539)	-	-	-	-	(737,539)	(983,055)
Loans to students	(53,678,272)	(4,340,532)	(5,804,905)	-	-	(63,823,709)	(69,517,085)
	<u>56,102,984</u>	<u>489,574</u>	<u>647,360</u>	<u>-</u>	<u>-</u>	<u>57,239,918</u>	<u>62,407,321</u>

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9.1 These represents long term loans given to employees for construction of houses. The house building loans given are recoverable within a period of 10 years commencing from the date of disbursement through monthly deductions from salaries. These loans are secured against retirement benefits of employees and guarantee provided by the employee's spouse or immediate family members. These carry mark-up at the rate of Re 0.2740 per Rs 1,000 per diem or part thereof (2015: Re 0.3288 per Rs 1,000 per diem or part thereof) on the outstanding balances.

9.2 These represents un-secured interest free loans given to students repayable in fixed number of installments (60) within the specified period of five years after six months from completion of course for loan over and above Rs 150,000. Loans up to Rs 150,000 are required to be repaid in fixed number of installments (36) by the students within specified period of three years after six months from completion of course.

10. Accumulated compensated absences

The management, during the current year, has revised the leaves encashment policy in order to incorporate a more inclusive and market aligned approach towards staff benefits. Effect of this change on current year financial statements has been disclosed below:

Increase in provision for the year	Rupees 4,801,358
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11. Long term security deposits

These represent security deposited by students at the time of admission to the University. These securities are refundable upon the completion of the program.

12. Deferred income

These represent assets donated to the University, recognized and amortized in accordance with the University's policy. The movement in the deferred income in the current period is as follows:

	2016 Rupees	2015 Rupees
Opening balance	40,970,708	46,357,949
Additions during the year	211,000	-
Deletions during the year	-	(12,528)
Amortization during the year	(11,712,159)	(5,374,714)
Closing balance	<u>29,469,549</u>	<u>40,970,708</u>

13. Loan from National Management Foundation

Receipt	39,856,910	-
Gain on initial recognition	(6,895,916)	-
Interest cost for the year	32,960,994	-
Closing balance	<u>2,055,326</u>	-
	<u>35,016,320</u>	<u>-</u>

- note 23

13.1 This represents long term interest free loan received from National Management Foundation in two tranches for the purpose of furnishing of newly constructed Shaikh Ahmad Hassan School of Law. Each tranche is repayable after two years from its disbursement. The loan has been measured at amortized cost by using weighted average interest rate of Re 0.2726 per Rs 1,000 per diem or part thereof (2015: Nil).

	Current Fund Rupees	Endowment Fund Rupees	Scholarship Fund Rupees	Chair Fund Rupees	Sponsored Projects Rupees	2016 Total Rupees	2015 Total Rupees
14. Loans, advances, deposits, prepayments and other receivables							
Advances to							
Staff	17,424,151	11,938	139,334	-	3,547,283	21,122,706	13,672,132
Suppliers	3,211,065	-	-	-	330,595	3,541,660	7,650,990
Prepayments	25,000	-	-	-	-	25,000	1,455,000
Accrued return on investments	19,831,653	12,722,304	4,903,577	2,042,788	141,446	39,641,768	40,217,206
Income tax refundable	9,198,628	961,698	10,030	-	161,286	10,331,642	7,863,975
Fee receivable	8,572,438	-	-	-	-	8,572,438	13,144,680
Receivable against REDC programs and other projects	11,749,243	-	-	-	12,448,304	24,197,547	67,132,287
Other receivables	5,898,437	1,020,250	-	-	24,220,800	31,139,487	13,145,789
Current portion of long term loans and advances - note 9							
Loans to employees - considered good	737,539	-	-	-	-	737,539	983,055
Loans to students							
- Considered good	22,003,210	2,104,800	1,106,282	-	-	25,214,292	41,505,964
- Considered doubtful	31,675,062	2,235,732	4,698,623	-	-	38,609,417	28,011,121
	53,678,272	4,340,532	5,804,905	-	-	63,823,709	69,517,085
Less: Provision for doubtful receivables - note 14.1	(31,675,062)	(2,235,732)	(4,698,623)	-	-	(38,609,417)	(28,011,121)
	<u>98,651,364</u>	<u>16,820,990</u>	<u>6,159,223</u>	<u>2,042,788</u>	<u>40,849,714</u>	<u>164,524,079</u>	<u>206,771,078</u>

14.1	2016 Rupees	2015 Rupees
Included in the current portion are following installments overdue for payments by students:		
Overdue for a period:		
Not exceeding one year	6,452,317	12,991,765
Exceeding one year but not more than five years	30,465,264	22,030,138
Exceeding five years	16,468,806	17,876,843
	<u>53,386,387</u>	<u>52,898,746</u>

	Current Fund Rupees	Endowment Fund Rupees	Chair Fund Rupees	2016 Total Rupees	2015 Total Rupees
15. Short term investments					
Pakistan investment bonds	71,710,300	119,754,126	2,157,200	193,621,626	-
Term deposit receipts	-	13,385,768	-	13,385,768	100,500,000
	<u>71,710,300</u>	<u>133,139,894</u>	<u>2,157,200</u>	<u>207,007,394</u>	<u>100,500,000</u>

	Current Fund Rupees	Endowment Fund Rupees	Scholarship Fund Rupees	Chair Fund Rupees	Sponsored Projects Rupees	2016 Total Rupees	2015 Total Rupees
16. Cash and bank balances							
Cash in hand	1,365,415	-	-	-	-	1,365,415	1,085,337
- US\$ 9,999 (2015: US\$ 9,999)							
- Pak Rupees 320,531 (2014: Pak Rupees 70,451)							
Balances at bank:							
In current accounts	61,466,511	466,009	1,115,946	-	8,038,543	71,087,009	69,051,788
- US\$ 47,817.81 (2015: US\$ 56,869.31)							
- Pak Rupees 66,090,069 (2015: Pak Rupees 63,279,554)							
In savings accounts	417,739,940	115,944,286	114,383,118	18,599,376	161,964,404	828,631,124	618,117,834
- US\$ 1,201,252.53 (2015: US\$ 2,359,316.21)							
- Euro 169,316.39 (2015: Euro 62,014.23)							
- GBP 1,559,609.19 (2015: 560,667.06)							
- JPY 9,843,111.00 (2015: JPY 6,950,671.53)							
- Pak Rupees 454,907,967 (2015: Pak Rupees 281,516,226)							
	<u>480,571,866</u>	<u>116,410,295</u>	<u>115,499,064</u>	<u>18,599,376</u>	<u>170,002,947</u>	<u>901,083,548</u>	<u>688,254,959</u>

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16.1 Included in savings accounts are Rs 30.033 million (2015: Rs 30.033 million) which are under lien against bank guarantee and letters of credit as referred to in note 20.1.

16.2 Furthermore, included in savings accounts is an amount of Rs 3.100 million (2015: Rs 2.449 million) in an escrow account with MCB bank. Under the terms of agreement between MCB bank and LUMS, the University has deposited 6% of each tranche of the finance extended by MCB bank to students of the University. The bank has the right to utilize this amount for the purpose of recovery in case of default by any student.

17. Short term running finance

Short term running finance was available from National Bank of Pakistan under mark up arrangement amounting to Nil (2015: Rs 8 million). The facility has not been renewed in the current year.

	Current Fund Rupees	Endowment Fund Rupees	Scholarship Fund Rupees	Chair Fund Rupees	Sponsored Projects Rupees	2016 Total Rupees	2015 Total Rupees
Advance tuition and other fees	468,537,406	-	133,877	-	-	468,671,283	308,054,096
Creditors	41,540,491	303,668	206,872	669	3,831,700	45,883,400	30,219,337
Accrued liabilities	42,794,209	168,886	125,671	-	6,478,014	49,566,780	52,235,311
Payable against executive development programmes	16,875,309	-	-	-	-	16,875,309	9,226,803
Payable to student societies	19,004,705	-	-	-	449,572	19,454,277	14,255,991
Provident fund payable	8,567,943	-	-	-	-	8,567,943	-
Employee fund payable	8,455,045	-	-	-	-	8,455,045	8,795,183
Current portion of long term security deposits	32,579,783	-	-	-	-	32,579,783	24,299,700
Other liabilities	53,535,857	9,590	43,000	-	4,774,894	58,363,341	69,533,407
	<u>691,890,748</u>	<u>482,144</u>	<u>509,420</u>	<u>669</u>	<u>15,534,180</u>	<u>708,417,161</u>	<u>516,619,828</u>

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19. This represents the scholarships paid prior to receipt of funds from donors, resulting in utilization of resources of the current fund. While there is a commitment from donors to pay these amounts, the timing and amount of these receipts is not certain. Furthermore, the Guideline does not allow recognition of grants on mere promise alone, hence income cannot be recognized in respect of these amounts till actual receipt of funds, when reasonable assurance is established.

20. **Contingencies and commitments**

Contingencies

20.1 University has provided bank guarantee of Rs 18.0 million (2015: Rs 18.0 million) in favour of Sui Northern Gas Pipelines Limited (SNGPL) on account of payment of gas dues, Rs 0.802 million (2015: Rs 0.802 million) to Pakistan State Oil (PSO) on account of fuel cards and Rs 8.50 million (2015: Rs 8.50 million) on account of any damage to solar power panels installed at LUMS. These guarantees have been secured by lien on savings account balance as mentioned in note 16.1, for an amount equal to 110% of the amount of guarantee.

20.2 Walton Cantonment Board has levied property tax on buildings under LUMS occupation amounting to Rs 1,036.235 million for the period 1993-94 to 2014-15. LUMS has contended the assessment on account of exemption available to it under the Cantonment Act, 1924 and has filed an appeal before the Director General Military Lands and Cantonment, Rawalpindi. Pending the outcome of the appeal, no provision has been made in these accounts for the demand aggregating to Rs 1,036.235 million (2015: Rs 799.139 million) since in the management and its legal counsel's view, the outcome of the appeal is expected to be favourable.

Commitments

20.3 Commitments in respect of contracts for capital expenditure amount to Rs 40.722 million (2015: Nil) whereas outstanding letters of credit amount to Rs 6.182 million (2015: Rs 6.895 million).

	2016	2015
	Total	Total
	Rupees	Rupees
21. Endowments - Endowment Fund		
Suleman Dawood School of Business	148,279,280	138,279,280
Mushtaq Ahmad Gurmani School of Humanities and Social Sciences	70,250,000	50,250,000
Syed Babar Ali School of Science and Engineering	120,742,842	120,742,842
Sheikh Ahmed Hassan School of Law	10,000,000	10,000,000
National Outreach Program	225,045,991	212,882,248
On Board Endowment - note 21.1	293,698,768	43,698,768
	<u>868,016,881</u>	<u>575,853,138</u>

These represent grants and donations received for the endowment of students of University with the restriction on utilization of original grant. The interest income earned on such endowments is to be used for the benefit of students. These amounts have been included in bank balance of endowment fund as mentioned in note 16 and balances of long and short term investments of endowment fund as mentioned in notes 8 and 15 respectively.

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21.1 These on board endowments represent grants and donations received for the endowment of the students of University and are kept centralized. Return on these investments can be utilized by any of the four schools of LUMS as required by them with the approval of the Financial Aid Committee.

22. Direct grants for sponsored projects include the grant of USAID for the Assessment and Strengthening Programme project, whereas direct grants for scholarship projects include the grant of UKAID-DFID for the Empowerment Through Education Initiative project. The details of these grants is as follows:

	2016		2015				
	USAID- ASP Rupees	UKAID- DFID Rupees	USAID- ASP Rupees	UKAID- DFID Rupees			
Total receipt during the year	119,180,875	241,199,010	377,670,498	192,994,073			
Operating expenditure	(77,683,432)	(254,457,933)	(398,924,560)	(203,207,741)			
Capital expenditure	(45,195)	(168,500)	(3,332,442)	(278,689)			
	Current Fund Rupees	Endowment Fund Rupees	Scholarship Fund Rupees	Chair Fund Rupees	Sponsored Projects Rupees	2016 Total Rupees	2015 Total Rupees
23. Miscellaneous Income							
Hostel and faculty apartment income	145,040,671	-	-	-	-	145,040,671	126,811,146
Cafeteria income	125,058,248	-	-	-	-	125,058,248	119,327,549
Profit on sale of fixed assets	3,038,152	-	-	-	13,867	3,052,019	3,308,759
Liabilities (restored) / written back	(6,660,714)	-	-	-	-	(6,660,714)	11,832,676
Test and processing fee	18,535,956	-	-	-	-	18,535,956	17,534,218
Sponsored projects income	52,911,897	-	-	-	-	52,911,897	101,630,525
Gain on initial recognition of loan	6,895,916	-	-	-	-	6,895,916	-
Societies sponsorship income	41,699,832	-	-	-	-	41,699,832	40,285,775
Rental income	16,638,315	-	-	-	-	16,638,315	24,633,473
Other income	41,996,340	-	-	-	-	41,996,340	53,806,270
	<u>445,154,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,867</u>	<u>445,168,480</u>	<u>499,170,391</u>
	Current Fund Rupees	Endowment Fund Rupees	Scholarship Fund Rupees	Chair Fund Rupees	Sponsored Projects Rupees	2016 Total Rupees	2015 Total Rupees
24. Return on investments and term deposits							
Interest earned on saving deposits	24,106,697	2,600,386	1,664,564	208,114	1,702,854	30,282,615	55,387,441
Interest earned on investments	63,302,370	56,355,422	-	2,241,951	-	121,899,743	92,012,367
Dividend earned on investments	25,117,087	14,194,342	-	-	-	39,311,429	7,306,005
Capital gains on disposal of investments	10,591,343	5,617,205	-	-	-	16,208,548	8,797,736
	<u>123,117,497</u>	<u>78,767,355</u>	<u>1,664,564</u>	<u>2,450,065</u>	<u>1,702,854</u>	<u>207,702,335</u>	<u>163,503,549</u>

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25. This amount, being last year's surplus, was transferred from the current fund to endowment fund as per the management's decision.

26. This represents the total amount of fixed and intangible assets capitalized during the year other than donated assets. Capital expenditure made through endowment, scholarship, chair and sponsored funds was made for the purpose of these funds and is in line with the restrictions imposed on these funds.

27. Cash and cash equivalents

Short term running finance - secured

Cash and bank balances

- note 16

	2016	2015
	Total	Total
	Rupees	Rupees
	-	(2,855,433)
	901,083,548	688,254,959
	<u>901,083,548</u>	<u>685,399,526</u>

28. Remuneration of key management personnel

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the University, directly or indirectly, including any director (whether executive or otherwise). The aggregate amounts charged in the accounts for the year for remuneration, including certain benefits, to the key management personnel of the University is as follows:

Remuneration
Housing rent
Medical expenses
Utilities
Other allowances

	2016	2015
	Total	Total
	Rupees	Rupees
	10,096,300	4,675,145
	4,543,337	2,103,812
	807,700	374,014
	1,009,625	467,519
	7,743,625	7,715,488
	<u>24,200,587</u>	<u>15,335,978</u>

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29. Transactions with related parties

The related parties comprise of associated undertakings, key management personnel and post employment benefit plans.

Significant transactions and balances with related parties other than those disclosed elsewhere in the financial statements are as follows:

Relationship with the University	Nature and transaction	2016 Total Rupees	2015 Total Rupees
Retirement benefit plan	Provident fund contribution	50,068,417	45,560,674
Associated undertakings	Contribution for buildings paid to National Management Foundation	273,266,916	256,430,965
Associated undertakings	Grant received from The Coca Cola Export Corporation, Pakistan transferred to National Management Foundation, along with the profit thereon	22,000,000	22,376,110
Associated undertakings	Payments made on behalf of National Management Foundation to be recovered	5,520,489	15,148,401
Associated undertakings	Donations received from associated undertakings	19,263,310	15,450,000
Associated undertakings	Services rendered by associated undertakings	22,251,361	21,160,020
Associated undertakings	Services provided to associated undertakings	3,766,500	5,212,370
Associated undertakings	Goods purchased from associated undertakings	1,316,328	1,489,045
Associated undertakings	Fixed assets purchased from associated undertakings	6,104,201	23,273,415
Relationship with the University	Nature and balances		
Retirement benefit plan	Provident fund payable / (receivable)	8,567,943	(4,323,754)
Associated undertakings	Paybale to associated undertakings	326,352	8,712,470

All transactions with related parties are carried out on commercial terms and conditions.

30. Date of authorization

These financial statements were authorized for issue on 5th Dec, 2016 by the Board of Trustees of the University.



Member of Management Committee



Head of Finance and Accounts