

**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF GOVERNORS OF RIPHAH INTERNATIONAL UNIVERSITY  
REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of the Riphah international University (the University), which comprise the statement of financial position as at June 30, 2022, and the statement of revenue and expenditure, statement of other comprehensive income, statement of changes in fund and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the university as at June 30, 2022, the statement of revenue and expenditure, statement of other comprehensive income, statement of changes in fund and reserves and statement of cash flows in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified by the Securities and Exchange Commission of Pakistan (SECP).

**Basis for Opinion**

We conducted our audit in accordance with 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the University of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Matter**

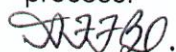
The financial statements of the University for the year ended June 30, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on June 20, 2022.

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

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

In preparing the financial statements, management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters relating 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's financial reporting process.



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**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 economic decisions of users taken on the basis of these financial statements.

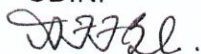
As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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's 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 disclosures 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 disclosures, 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.

Chartered Accountants  
Islamabad:

Engagement Partner: JehanZeb Amin  
UDIN:





**RIPHAH INTERNATIONAL UNIVERSITY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	June 30, 2022	June 30, 2021 (Restated)	July 1, 2020 (Restated)
-----Rupees-----				
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property and equipment	7	792,764,022	278,335,564	120,073,783
Right-of-use assets	8	949,680,018	817,870,264	316,474,621
Intangible assets	9	70,287,075	82,818,960	97,500,793
Long-term investment	10	14,580,000	14,580,000	14,580,000
Long-term advance	11	34,282,125	278,708,464	-
Long-term deposits	12	15,820,000	9,720,000	38,880,000
		<b>1,877,413,240</b>	<b>1,482,033,252</b>	<b>587,509,197</b>
<b>CURRENT ASSETS</b>				
Fee receivables	13	82,332,765	56,085,794	51,665,820
Advances	14	49,864,889	32,221,086	32,892,505
Short-term deposits and prepayments	15	16,650,345	14,714,261	48,384,002
Tax refundable from government	16	15,810,077	20,658,480	2,585,517
Cash and bank balances	17	298,626,234	250,645,737	122,968,432
		<b>463,284,310</b>	<b>374,325,358</b>	<b>258,496,276</b>
<b>TOTAL ASSETS</b>		<b>2,340,697,550</b>	<b>1,856,358,610</b>	<b>846,005,473</b>
<b>FUND &amp; RESERVE</b>				
Fund account		44,095,688	44,095,688	44,095,688
Endowment fund		15,000,000	-	-
Accumulated (Deficit)		(2,952,705)	(40,848,178)	(76,288,441)
		<b>56,142,983</b>	<b>3,247,510</b>	<b>(32,192,753)</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term loan - secured	18	-	11,039,146	-
Lease liabilities	19	997,366,373	829,411,098	310,338,865
Deferred government grant	20	-	593,716	-
		<b>997,366,373</b>	<b>841,043,960</b>	<b>310,338,865</b>
<b>CURRENT LIABILITIES</b>				
Restricted grant	21	22,834,212	30,142,165	30,029,615
Trade and other payables	22	270,872,497	161,264,525	179,010,401
Short-term loan	23	785,140,810	366,460,397	132,001,104
Deposits payable	24	12,896,310	11,018,823	8,595,830
Contract liabilities	25	112,731,204	260,031,710	140,171,261
Current portion of long-term of loan	18	30,981,417	78,125,000	-
Current portion of lease liabilities	19	51,463,161	55,818,531	78,051,150
Current portion of deferred government grant	20	268,583	3,992,138	-
Provision for taxation	34	-	45,213,851	-
		<b>1,287,188,194</b>	<b>1,012,067,140</b>	<b>567,859,361</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,340,697,550</b>	<b>1,856,358,610</b>	<b>846,005,473</b>

Contingencies and commitments

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The annexed notes 1 to 43 form an integral part of these financial statements.

*Sajid*

*Asad Khan*

CHANCELLOR

*[Signature]*

VICE CHANCELLOR

**RIPHAH INTERNATIONAL UNIVERSITY  
STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	June 30, 2022 ----- Rupees -----	June 30, 2021 (Restated)
<b>REVENUE</b>			
Revenue from operations	27	1,435,689,380	1,112,233,730
Other income	28	60,178,423	76,742,376
<b>TOTAL REVENUE</b>		<b>1,495,867,803</b>	<b>1,188,976,106</b>
<b>EXPENDITURE</b>			
Students financial assistance	29	(125,996,958)	(105,754,375)
Cost of services	30	(638,332,004)	(527,057,903)
Other operating expenses	31	(454,792,049)	(306,685,057)
Management expenses	32	(121,203,251)	(85,822,928)
Financial charges	33	(90,064,835)	(83,486,109)
Net impairment (losses)/ reversals on financial assets	13	(12,583,233)	484,380
		<b>(1,442,972,330)</b>	<b>(1,108,321,992)</b>
<b>INCOME LESS EXPENDITURE - BEFORE TAXATION</b>		<b>52,895,473</b>	<b>80,654,114</b>
Taxation	34	-	(45,213,851)
<b>Surplus for the year</b>		<b>52,895,473</b>	<b>35,440,263</b>

The annexed notes 1 to 43 form an integral part of these financial statements.

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CHANCELLOR

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VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY  
STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022 ----- Rupees -----	June 30, 2021 (Restated)
SURPLUS FOR THE YEAR	52,895,473	35,440,263
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME	<u>52,895,473</u>	<u>35,440,263</u>

The annexed notes 1 to 43 form an integral part of these financial statements.

*207721*

*Hossain Khan*

CHANCELLOR

*[Signature]*

VICE CHANCELLOR



**RIPHAH INTERNATIONAL UNIVERSITY**  
**STATEMENT OF CHANGES IN FUND AND RESERVE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	-----UNRESTRICTED FUNDS-----			
	Fund account	Endowment fund	Accumulated (deficit) / Surplus	TOTAL
	----- Rupees -----			
Balance as at June 30, 2020 as previously reported	44,095,688	-	(4,373,047)	39,722,641
Adjustment on initial application of IFRS 16	-	-	(71,915,394)	(71,915,394)
Adjusted balance as at July 1, 2020	44,095,688	-	(76,288,441)	(32,192,753)
<b>Total comprehensive income for the year</b>				
Surplus for the year - restated (note 6)	-	-	35,440,263	35,440,263
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	35,440,263	35,440,263
<b>Balance as at June 30, 2021</b>	<u>44,095,688</u>	<u>-</u>	<u>(40,848,178)</u>	<u>3,247,510</u>
Balance as at July 1, 2021	44,095,688	-	(40,848,178)	3,247,510
<b>Total comprehensive income for the year</b>				
Surplus for the year	-	-	52,895,473	52,895,473
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	52,895,473	52,895,473
Transfer to endowment fund	-	15,000,000	(15,000,000)	-
<b>Balance as at June 30, 2022</b>	<u>44,095,688</u>	<u>15,000,000</u>	<u>(2,952,705)</u>	<u>56,142,983</u>

The annexed notes 1 to 43 form an integral part of these financial statements.

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CHANCELLOR

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**RIPHAH INTERNATIONAL UNIVERSITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

		June 30, 2022	June 30, 2021 (Restated)
	Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before tax		52,895,473	80,654,114
<b>Adjustments for non-cash items:</b>			
Depreciation	7,8	249,854,380	171,797,689
Amortization	9	15,308,059	14,681,833
Grant Income from Higher Education Commission (HEC)	21	(27,096,783)	(30,263,703)
Grant Income against Salary Re-Finance Scheme	20	(4,317,271)	(5,246,530)
Finance Charges	33	6,031,740	3,048,801
Unwinding of interest on lease liabilities		83,747,062	80,258,235
Loss on disposal of property and equipment		3,631,082	-
		327,158,269	234,276,325
<b>Working capital changes:</b>			
<b>(Increase) / decrease in current assets</b>			
Fee receivables		(26,246,971)	(4,419,974)
Advances		(17,643,803)	671,419
Short-term deposits and prepayments		(1,936,084)	(12,664,451)
		(45,826,858)	(16,413,006)
<b>(Decrease) / increase in current liabilities</b>			
Creditors and other payables		109,607,972	(17,745,875)
Current portion of long-term loans		(47,143,583)	78,125,000
Contract liabilities		(147,300,506)	119,860,449
Deposits payable		1,877,487	2,422,993
		(82,958,630)	182,662,567
<b>Cash generated from operating activities</b>		251,268,254	481,180,000
Income tax paid		(40,365,448)	(18,072,963)
Grant received from HEC	21.1	19,788,830	30,376,253
<b>Net cash generated from operating activities</b>		230,691,636	493,483,290
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment (including CWIP)		(701,633,334)	(224,491,698)
Long-term deposits		(6,100,000)	29,160,000
Long-term advance		244,426,339	(278,708,464)
Addition to Intangible assets		(2,776,174)	-
Proceeds from disposal of property and equipment		444,320	-
<b>Net cash (used in) / generated from investing activities</b>		(465,638,849)	(474,040,162)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan received from Islamic International Medical College Trust		418,680,412	234,459,293
Finance cost paid		(6,031,740)	(3,048,801)
Lease payments		(118,681,816)	(169,357,997)
Grant received under Re-Finance Scheme		-	9,832,384
Long-term loan		(11,039,146)	11,039,146
<b>Net cash generated / (used in) from financing activities</b>		282,927,710	82,924,025
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		47,980,497	102,367,153
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		250,645,737	122,968,432
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	17	298,626,234	225,335,585

The annexed notes 1 to 43 form an integral part of these financial statements.

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