

RIPHAH INTERNATIONAL UNIVERSITY

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2023**



A.F.FERGUSON & CO.

**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 annexed financial statements of the Riphah international University (the University), which comprise the statement of financial position as at June 30, 2023, 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 and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of revenue and expenditure, the statement of other comprehensive income, statement of changes in funds and reserves and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan in the manner so required and respectively give a true and fair view of the state of the University's affairs as at June 30, 2023 and of the revenue and expenditure and total comprehensive income, the changes in fund and reserve and its cash flows for the year then ended.

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.

Responsibilities of Management and Board of Governors 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.

Board of governors 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 Board of governors, 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: August 23, 2024

Engagement Partner: JehanZeb Amin
UDIN: AR202410083m650eg2XI

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	7	1,046,141,887	792,764,022
Right-of-use assets	8	833,653,226	949,680,018
Intangible assets	9	55,714,078	70,287,075
Long-term investment	10	14,580,000	14,580,000
Long-term advance	11	13,250,209	34,282,125
Long-term deposits	12	19,565,501	15,820,000
		1,982,904,901	1,877,413,240
CURRENT ASSETS			
Fee receivables	13	156,452,261	82,332,765
Loans and advances	14	78,508,918	49,864,889
Short-term deposits and prepayments	15	19,961,387	16,650,345
Tax refundable from government	16	17,544,933	15,810,077
Cash and bank balances	17	116,639,843	298,626,234
		389,107,342	463,284,310
TOTAL ASSETS		2,372,012,243	2,340,697,550
FUND & RESERVE			
Fund account		44,095,688	44,095,688
Endowment fund		15,000,000	15,000,000
Accumulated deficit		(273,159,229)	(2,952,705)
		(214,063,541)	56,142,983
NON-CURRENT LIABILITIES			
Lease liabilities	19	963,578,086	997,366,373
		963,578,086	997,366,373
CURRENT LIABILITIES			
Restricted grant	21	30,264,956	22,834,212
Trade and other payables	22	359,408,873	239,370,098
Payable to trust	23	886,266,957	785,140,810
Deposits payable	24	14,954,683	12,896,310
Contract liabilities	25	279,404,502	144,233,604
Current portion of long-term loan	18	-	30,981,417
Current portion of lease liabilities	19	52,197,727	51,463,161
Current portion of deferred government grant	20	-	268,583
		1,622,497,698	1,287,188,194
TOTAL EQUITY AND LIABILITIES		2,372,012,243	2,340,697,550

Contingencies and commitments

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

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CHANCELLOR


 VICE CHANCELLOR

**RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 ----- Rupees -----	2022 -----
REVENUE			
Revenue from operations	27	1,482,308,135	1,435,689,380
Other income	28	73,279,345	60,178,423
TOTAL REVENUE		<u>1,555,587,480</u>	<u>1,495,867,803</u>
EXPENDITURE			
Students financial assistance	29	(124,560,104)	(125,996,958)
Cost of services	30	(928,000,484)	(638,332,004)
Other operating expenses	31	(458,760,730)	(454,792,049)
Management expenses	32	(130,006,149)	(121,203,251)
Financial charges	33	(105,550,843)	(90,064,835)
Impairment loss on financial assets	13	(78,915,694)	(12,583,233)
		<u>(1,825,794,004)</u>	<u>(1,442,972,330)</u>
(DEFICIT) / SURPLUS OF INCOME OVER EXPENDITURE - BEFORE TAXATION		<u>(270,206,524)</u>	<u>52,895,473</u>
Taxation	34	-	-
(Deficit) / Surplus for the year		<u><u>(270,206,524)</u></u>	<u><u>52,895,473</u></u>

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

WZL

Hossain Khan
CHANCELLOR

[Signature]
VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- Rupees -----	
(DEFICIT)/ SURPLUS FOR THE YEAR	(270,206,524)	52,895,473
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE (LOSS)/ INCOME	<u>(270,206,524)</u>	<u>52,895,473</u>

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

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RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF CHANGES IN FUND AND RESERVE
FOR THE YEAR ENDED JUNE 30, 2023

	-----UNRESTRICTED FUNDS-----			
	Fund account	Endowment fund	Accumulated (deficit) / Surplus	TOTAL
	----- Rupees -----			
Balance as at July 1, 2021	44,095,688	-	(40,848,178)	3,247,510
Total comprehensive income for the year				
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)	-
Balance as at June 30, 2022	<u>44,095,688</u>	<u>15,000,000</u>	<u>(2,952,705)</u>	<u>56,142,983</u>
Balance as at July 1, 2022	44,095,688	15,000,000	(2,952,705)	56,142,983
Total comprehensive income for the year				
Deficit for the year	-	-	(270,206,524)	(270,206,524)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(270,206,524)	(270,206,524)
Balance as at June 30, 2023	<u>44,095,688</u>	<u>15,000,000</u>	<u>(273,159,229)</u>	<u>(214,063,541)</u>

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

Signature

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CHANCELLOR

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VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

(Deficit) / Surplus before tax

Adjustments for non-cash items:

Depreciation
Amortization
Grant Income from Higher Education Commission (HEC)
Grant Income against Salary Re-Finance Scheme
Financial Charges
Unwinding of interest on lease liabilities
Remeasurement gain on lease
Impairment loss on financial assets
Loss on disposal of property and equipment

Working capital changes:

(Increase) / decrease in current assets

Fee receivables
Loans and advances
Short-term deposits and prepayments
Tax refundable from government

(Decrease) / increase in current liabilities

Creditors and other payables
Current portion of long-term loans
Contract liabilities
Deposits payable

Cash generated from operating activities

Income tax paid
Grant received from HEC

Net cash generated from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property and equipment (including CWIP)
Long-term deposits
Long-term advance
Addition to intangible assets
Proceeds from disposal of property and equipment

Net cash used in investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Loan received from Islamic International Medical College Trust
Finance cost paid
Lease payments
Long-term loan

Net cash (used in) / generated from financing activities

NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR

CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

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

Note	2023 -----Rupees-----	2022
	(270,206,524)	52,895,473
7 & 8	288,360,795	249,854,380
9	14,572,997	15,308,059
21	(1,638,392)	(27,096,783)
20	(268,583)	(4,317,271)
33	156,935	6,031,740
33	105,227,738	83,747,062
19	(2,020,795)	-
13	78,915,694	-
	-	3,631,082
	483,306,389	327,158,269
13	(153,035,190)	(26,246,971)
14	(41,894,238)	(17,643,803)
15	(3,311,042)	(1,936,084)
16	(1,734,856)	-
	(199,975,326)	(45,826,858)
22	120,038,775	87,386,463
	(30,981,417)	(47,143,583)
25	135,170,898	(125,078,997)
24	2,058,373	1,877,487
	226,286,630	(82,958,630)
	239,411,169	251,268,254
	-	(40,365,448)
21.1	9,069,136	19,788,830
	248,480,305	230,691,636
7	(416,671,024)	(701,633,334)
12	(3,745,501)	(6,100,000)
11	34,282,125	244,426,339
9	-	(2,776,174)
7.1	-	444,320
	(386,134,400)	(465,638,849)
23	101,126,147	418,680,412
33	(156,935)	(6,031,740)
19	(145,301,508)	(118,681,816)
18	-	(11,039,146)
	(44,332,296)	282,927,710
	(181,986,391)	47,980,497
	298,626,234	250,645,737
17	116,639,843	298,626,234

CHANCELLOR

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