

RIPHAH INTERNATIONAL UNIVERSITY

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2024**



**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF GOVERNORS OF RIPHAK 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, 2024, and the statement of income and expenditure, statement of comprehensive income, statement of changes in fund and reserve 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 income and expenditure, the statement of comprehensive income, statement of changes in fund and reserve, 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, 2024, and of the income 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 Institute 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.

[Signature]

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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: April 24, 2025

Engagement Partner: JehanZeb Amin
UDIN: AR202410083IPAdXuqUT

**RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	Note	2024	2023
		-----Rupees-----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	1,003,725,124	1,046,141,887
Right-of-use assets	7	636,082,608	833,653,226
Intangible assets	8	44,075,308	55,714,078
Long-term investment	9	14,580,000	14,580,000
Long-term advance	10	10,947,332	13,250,209
Long-term deposits	11	19,515,501	19,565,501
		1,728,925,873	1,982,904,901
CURRENT ASSETS			
Fee receivables	12	194,454,485	156,452,261
Short term advances	13	43,179,017	78,508,918
Short-term deposits and prepayments	14	24,276,057	19,961,387
Tax refundable from government	15	13,269,069	17,544,933
Cash and bank balances	16	96,767,706	116,639,843
		371,946,334	389,107,342
TOTAL ASSETS		2,100,872,207	2,372,012,243
FUND & RESERVE			
Fund account		44,095,688	44,095,688
Endowment fund	16.2	15,000,000	15,000,000
Accumulated deficit		(610,380,036)	(273,159,229)
		(551,284,348)	(214,063,541)
NON-CURRENT LIABILITIES			
Lease liabilities	17	828,466,188	963,578,086
		828,466,188	963,578,086
CURRENT LIABILITIES			
Restricted grant	18	27,322,919	30,264,956
Trade and other payables	19	1,376,274,659	1,245,675,830
Deposits payable	20	17,505,343	14,954,683
Contract liabilities	21	330,610,921	279,404,502
Current portion of lease liabilities	17	71,976,525	52,197,727
		1,823,690,367	1,622,497,698
TOTAL EQUITY AND LIABILITIES		2,100,872,207	2,372,012,243
Contingencies and commitments	22		

The annexed notes 1 to 38 form an integral part of these financial statements.

CHANCELLOR

VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ----- Rupees -----	2023
INCOME			
Revenue from operations	23	1,672,384,579	1,482,308,135
Other income	24	93,322,251	73,279,345
TOTAL INCOME		1,765,706,830	1,555,587,480
EXPENDITURE			
Students financial assistance	25	(158,475,217)	(124,560,104)
Cost of services	26	(1,048,477,221)	(928,000,484)
Other operating expenses	27	(620,392,742)	(458,760,730)
Management expenses	28	(168,335,850)	(130,006,149)
Financial charges	29	(100,478,300)	(105,550,843)
Impairment loss on financial assets	12	(6,768,307)	(78,915,694)
TOTAL EXPENDITURE		(2,102,927,637)	(1,825,794,004)
DEFICIT OF INCOME OVER EXPENDITURE - BEFORE TAXATION		(337,220,807)	(270,206,524)
Taxation	34	-	-
Deficit for the year		(337,220,807)	(270,206,524)

The annexed notes 1 to 38 form an integral part of these financial statements.

Signature

Signature
 CHANCELLOR

Signature
 VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
DEFICIT FOR THE YEAR	(337,220,807)	(270,206,524)
Comprehensive loss for the year	-	-
TOTAL COMPREHENSIVE LOSS	<u>(337,220,807)</u>	<u>(270,206,524)</u>

The annexed notes 1 to 38 form an integral part of these financial statements.

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CHANCELLOR

VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF CHANGES IN FUND AND RESERVE
FOR THE YEAR ENDED JUNE 30, 2024

	Fund account	Endowment fund	Accumulated (deficit) / Surplus	TOTAL
	----- Rupees -----			
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>
Balance as at July 1, 2023	44,095,688	15,000,000	(273,159,229)	(214,063,541)
Total comprehensive income for the year				
Deficit for the year	-	-	(337,220,807)	(337,220,807)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(337,220,807)	(337,220,807)
Balance as at June 30, 2024	<u>44,095,688</u>	<u>15,000,000</u>	<u>(610,380,036)</u>	<u>(551,284,348)</u>

The annexed notes 1 to 38 form an integral part of these financial statements.

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 CHANCELLOR


 VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Notes	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit before tax	(337,220,807)	(270,206,524)
Adjustments for non-cash items:		
Depreciation - Property and equipment	6.1.1 170,009,381	163,293,159
Depreciation - Right of use asset	7.1 105,434,310	125,067,636
Amortization - Intangible assets	26 5,103,266	14,572,997
Grant Income from Higher Education Commission (HEC)	18 (22,250,182)	(1,638,392)
Grant Income against Salary Re-Finance Scheme	-	(268,583)
Financial Charges	29 -	156,935
Unwinding of interest on lease liabilities	29 100,256,254	105,227,738
Remeasurement (gain)/loss on lease	26 26,996,621	(2,020,795)
Impairment loss on financial assets	12 6,768,307	78,915,694
	392,317,957	483,306,389
Working capital changes:		
(Increase) / decrease in current assets		
Fee receivables	12 (44,770,531)	(153,035,190)
Short term advances	13 35,329,901	(41,894,238)
Short-term deposits and prepayments	14 (4,314,670)	(3,311,042)
Tax refundable from government	15 4,275,864	(1,734,856)
	(9,479,436)	(199,975,326)
(Decrease) / increase in current liabilities		
Trade and other payables	19 140,068,560	221,164,922
Current portion of long-term loans	-	(30,981,417)
Contract liabilities	21 51,206,419	135,170,898
Deposits payable	20 2,550,660	2,058,373
	193,825,639	327,412,776
Cash generated from operating activities	239,443,353	340,537,315
Grant received from HEC	18.1 19,308,145	9,069,136
Net cash generated from operating activities	258,751,498	349,606,451
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment (including CWIP)	6 (127,592,618)	(416,671,024)
Long-term deposits	11 50,000	(3,745,501)
Long-term advance	10 2,302,877	34,282,125
Addition to intangible assets	8 (2,934,227)	-
	(128,173,968)	(386,134,400)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	29 -	(156,935)
Lease payments	17 (150,449,667)	(145,301,508)
	(150,449,667)	(145,458,443)
Net cash used in financing activities		
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,872,137)	(181,986,391)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	116,639,843	298,626,234
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	96,767,706	116,639,843
Less: Endowment funds	(15,000,000)	(15,000,000)
NET CASH AND CASH EQUIVALENTS AT END OF THE YEAR	81,767,706	101,639,843

The annexed notes 1 to 38 form an integral part of these financial statements.

CHANCELLOR

VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. Legal status and operations

Riphah International University ("the University") is a non for was established on October 16, 2002 upon the promulgation of the Riphah International University Ordinance, 2002 ("the Ordinance"), by the President of Pakistan. Under the Ordinance, the University is a "Body Corporate" having perpetual succession. Islamic International Medical College Trust ("IIMCT"), a non-profit organization is the sponsoring body of the University and having its nomination in the Board of Governors of the University.

The main purpose of the University is to provide instruction and training in such branches of learning as it may deem fit, and to make provision for research, demonstrations and other services, and for the advancement and dissemination of knowledge. The main campus of the University is located at Sector I-14, near Hajj Complex, Islamabad.

These are separate financial statements of the University, where the investment is recognized at cost.

2. Statement of compliance

2.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified by the Securities and Exchange Commission of Pakistan. Riphah International University is not required to comply with the requirements of IFRS, however to follow the best practices, University has adopted accounting and reporting standards as applicable in Pakistan as a framework for preparation of these financial statements.

2.2 Net current liability position

The University has a net current liability position of Rs. 1,451 million, whereas loss for the year is Rs 337 million (2023: Rs 270 million) and accumulated deficit is Rs 610 million (2023: Rs 273 million). In view of these factors, the continuation of the University on a going concern basis on which the financial statements have been prepared, is dependent on the University attaining sufficient cash inflows to sustain its operation or the continued financial support from its sponsoring body "IIMCT".

IIMCT has confirmed its intention for a period of twelve months from the date of financial statements, to provide financial support to the University to meet its liabilities as and when they fall due and to carry on their business without significant curtailment of operations Further, the University is confident that based on approved business plan the University will attain sufficient cashflows to sustain its operations. Accordingly, these financial statements have been prepared on a going concern basis.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the University:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026
IFRS 17	Insurance contracts	January 1, 2026

