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RIPHAH INTERNATIONAL UNIVERSITY (RIU)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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INDEPENDENT AUDITORS' REPORT

To the Board of Governors

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **Riphah International University (the University)**, which comprise the Statement of Financial Position as at **30 June 2020**, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Fund and Reserve, Statement of Cash Flows for the year then ended, and the notes to the Financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the University as at **30 June 2020**, and its financial performance and its cash flows for the year ended, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB).

Basis of 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 preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs issued by the IASB, 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

The Board of Governors are responsible for overseeing University's financial reporting process.

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 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 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 audit 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

Audit Engagement Partner's Name: Ahsan Shahzad

Auditor address: Islamabad

Date: 2 March 2021

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 -----Rupees-----	2019
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property and equipment	4	120,073,783	62,408,762
Intangible assets	5	97,500,793	43,924,879
Long-term investment	6	14,580,000	14,580,000
Long-term deposits and prepayment	7	38,880,000	-
Deferred tax asset	8	-	8,381,056
		271,034,576	129,294,697
CURRENT ASSETS			
Fees receivable	9	51,665,820	49,305,287
Advances	10	32,892,505	35,877,371
Short-term deposits and prepayments	11	48,384,002	16,882,407
Short-term loan	12	-	230,261,589
Tax paid in advance	13	2,585,517	3,998,561
Cash and bank balances	14	122,968,432	105,939,365
		258,496,276	442,264,580
TOTAL ASSETS		529,530,852	571,559,277
<u>FUND, RESERVE AND LIABILITIES</u>			
Fund account		44,095,688	44,095,688
Accumulated losses		(4,373,047)	(56,745,293)
		39,722,641	(12,649,605)
CURRENT LIABILITIES			
Restricted deferred grant	15	30,029,615	21,972,576
Creditors, accrued and other payables	16	179,010,401	112,028,811
Short-term loan	17	132,001,104	345,128,960
Security deposits	18	8,595,830	11,360,662
Unearned income	19	140,171,261	58,660,572
Provision for taxation		-	35,057,301
		489,808,211	584,208,882
TOTAL FUND, RESERVE AND LIABILITIES		529,530,852	571,559,277
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHANCELLOR

VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 ----- Rupees -----	2019 -----
REVENUE			
University fees	21	801,278,458	685,075,727
Training fees		4,845,531	3,048,200
Examination fees	19	58,136,457	59,038,074
Registration, enrolment and fines		74,653,466	43,099,359
		<u>938,913,912</u>	<u>790,261,360</u>
COST OF SERVICES	22	(646,655,760)	(534,692,427)
GROSS PROFIT		<u>292,258,152</u>	<u>255,568,933</u>
GENERAL AND ADMINISTRATIVE EXPENDITURE	23	(293,015,487)	(179,354,019)
OTHER OPERATING EXPENSES	24	(183,248)	(154,973)
OTHER INCOME	25	61,693,885	47,901,770
PROFIT BEFORE TAX		<u>60,753,302</u>	<u>123,961,711</u>
TAXATION	26	(8,381,056)	(31,120,060)
PROFIT AFTER TAX		<u>52,372,246</u>	<u>92,841,651</u>

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHANCELLOR

VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	----- Rupees -----	
NET PROFIT FOR THE YEAR	52,372,246	92,841,651
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME	52,372,246	92,841,651

The annexed notes, from 1 to 32, form an integral part of these financial statements.




CHANCELLOR



VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF CHANGES IN FUND AND RESERVE
FOR THE YEAR ENDED 30 JUNE 2020

	-----UNRESTRICTED FUNDS-----		
	Fund account	Accumulated losses	TOTAL
	----- Rupees -----		
Balance as at 30 June 2018	44,095,688	(149,586,944)	(105,491,256)
Profit for the year	-	92,841,651	92,841,651
Balance as at 30 June 2019	44,095,688	(56,745,293)	(12,649,605)
Profit for the year	-	52,372,246	52,372,246
Balance as at 30 June 2020	44,095,688	(4,373,047)	39,722,641

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHANCELLOR

VICE CHANCELLOR