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working world**

RIPHAH INTERNATIONAL UNIVERSITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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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 2021**, 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 2021**, 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.

The engagement partner on the audit resulting in this independent auditors' report is Ahsan Shahzad.



Chartered Accountants

Place: Islamabad

Date: 20 June 2022

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

<u>ASSETS</u>	Note	2021 -----Rupees-----	2020
NON-CURRENT ASSETS			
Property and equipment	4	278,335,564	120,073,783
Intangible assets	5	82,818,960	97,500,793
Long-term investment	6	14,580,000	14,580,000
Long-term advance	7	278,708,464	-
Long-term deposits and prepayment	8	9,720,000	38,880,000
		664,162,988	271,034,576
CURRENT ASSETS			
Fees receivable	9	56,085,794	51,665,820
Advances	10	32,221,086	32,892,505
Short-term deposits and prepayments	11	61,048,453	48,384,002
Tax refund	12	20,658,480	2,585,517
Cash and bank balances	13	250,645,737	122,968,432
		420,659,550	258,496,276
TOTAL ASSETS		1,084,822,538	529,530,852
FUND, RESERVE AND LIABILITIES			
Fund account		44,095,688	44,095,688
Accumulated profit / (losses)		72,845,378	(4,373,047)
		116,941,066	39,722,641
NON-CURRENT LIABILITIES			
Long-term loan	14	11,039,146	-
Deferred government grant - below market loan	15	593,716	-
		11,632,862	-
CURRENT LIABILITIES			
Restricted deferred grant - operating activities	16	30,142,165	30,029,615
Creditors and other payables	17	161,264,526	179,010,401
Short-term loan	18	366,460,397	132,001,104
Security deposits	19	11,018,823	8,595,830
Unearned income	20	260,031,710	140,171,261
Current portion long-term of loan	14	78,125,000	-
Current portion of deferred government grant	15	3,992,138	-
Provision for taxation		45,213,851	-
		956,248,610	489,808,211
TOTAL FUND, RESERVE AND LIABILITIES		1,084,822,538	529,530,852
CONTINGENCIES AND COMMITMENTS			
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The annexed notes, from 1 to 35, 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 2021

	Note	2021 ----- Rupees -----	2020
REVENUE			
University fees	22	945,949,425	801,278,458
Training fees		1,523,767	4,845,531
Examination fees	20	76,986,136	58,136,457
Registration, enrolment and fines		87,774,402	74,653,466
		<u>1,112,233,730</u>	<u>938,913,912</u>
Students financial assistance	23	(105,754,375)	(91,051,020)
		<u>1,006,479,355</u>	<u>847,862,892</u>
COST OF SERVICES			
	24	(566,517,059)	(516,170,529)
GROSS PROFIT			
		<u>439,962,296</u>	<u>331,692,363</u>
GENERAL AND ADMINISTRATIVE EXPENDITURE			
	25	(298,291,047)	(254,937,849)
MANAGEMENT EXPENSES			
	26	(93,237,855)	(77,511,849)
OTHER OPERATING EXPENSES			
	27	(3,227,874)	(183,248)
OTHER INCOME			
	28	77,226,756	61,693,885
PROFIT BEFORE TAX			
		<u>122,432,276</u>	<u>60,753,302</u>
TAXATION			
	29	(45,213,851)	(8,381,056)
PROFIT AFTER TAX			
		<u><u>77,218,425</u></u>	<u><u>52,372,246</u></u>

The annexed notes, from 1 to 35, form an integral part of these financial statements.

JPR

Hossain Khan

CHANCELLOR

[Signature]

VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	----- Rupees -----	
PROFIT FOR THE YEAR	77,218,425	52,372,246
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME	77,218,425	52,372,246

The annexed notes, from 1 to 35, form an integral part of these financial statements.

SR

Hassan Khan

CHANCELLOR

[Signature]

VICE CHANCELLOR

RIPHAH INTERNATIONAL UNIVERSITY
STATEMENT OF CHANGES IN FUND AND RESERVE
FOR THE YEAR ENDED 30 JUNE 2021

	-----UNRESTRICTED FUNDS-----		
	Fund account	Accumulated (losses) / profit	TOTAL
	----- Rupees -----		
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
Profit for the year	-	77,218,425	77,218,425
Balance as at 30 June 2021	44,095,688	72,845,378	116,941,066

The annexed notes, from 1 to 35, form an integral part of these financial statements.

TR

Hassan Khan

CHANCELLOR

[Signature]

VICE CHANCELLOR