

**IQRA UNIVERSITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**



MUNIFF ZIAUDDIN & CO.
Chartered Accountants

Business Executive Centre
F/17/3, Block 8, Clifton
Karachi – 75600 – Pakistan
Tel: +92-21-35375127-8,
+92-21-35872283
E-mail: info@mzco.com.pk
Web: bkrpakistan.com

**Independent Auditor's Report to the members of
Iqra University**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Iqra University** ("the University"), which comprise the statement of financial position as at **June 30, 2024**, and the statement of income and expenditure account, the statement of changes in fund balances and the statement of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the University as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

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 Board of Governors and Those Charged with Governance for the Financial Statements

The Board of Governors are responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and for such internal control as the Board of Governors 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, Board of Governors are 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.

Those charged with governance are responsible for overseeing the 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 the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Governors.
- Conclude on the appropriateness of Board 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 communicated with the board of Governors 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 auditor's report is **Muhammad Moin Khan**.



**Chartered Accountants
Karachi**

Date: November 20, 2024

UDIN: AR202410153G1jL3qTbn

Iqra University
Statement of Financial Position
As at 30 June 2024

Note	2024			2023			
	General Fund	Endowment Fund	Total	General Fund	Endowment Fund	Total	
(Rupees in '000)							
ASSETS							
Non-current assets							
Property and equipment	4	6,213,516	-	6,213,516	5,451,474	-	5,451,474
Intangible assets	5	764	-	764	1,350	-	1,350
Long term deposits		71,816	-	71,816	51,571	-	51,571
Long term loans - secured	6	7,240	-	7,240	11,311	-	11,311
Student qarz-e-hasna - net	7	1,829	-	1,829	3,136	-	3,136
Right-of-use assets	8	3,764,725	-	3,764,725	2,719,145	-	2,719,145
		10,059,891	-	10,059,891	8,237,988	-	8,237,988
Current assets							
Short term investments	9	350,607	270,638	621,245	298,388	225,638	524,026
Advances, deposits, prepayments and other receivables	10	463,331	89,317	552,648	464,120	79,065	543,186
Current portion of long term loans - secured	6	3,103	-	3,103	4,779	-	4,779
Current maturity of student qarz-e-hasna - net	7	11,761	-	11,761	10,769	-	10,769
Tuition fees receivables	11	622,664	-	622,664	525,033	-	525,033
Cash and bank balances	12	1,198,619	262,195	1,460,814	1,281,565	266,901	1,548,467
		2,650,085	622,150	3,272,235	2,584,654	571,604	3,156,259
TOTAL ASSETS		12,709,975	622,150	13,332,127	10,822,642	571,604	11,394,247
FUNDS AND LIABILITIES							
Accumulated funds							
General fund		6,431,758	-	6,431,758	5,900,062	-	5,900,062
Endowment fund		-	622,150	622,150	-	571,604	571,604
		6,431,758	622,150	7,053,908	5,900,062	571,604	6,471,666
Non-current liabilities							
Long term loans and borrowings - secured	13	148,492	-	148,492	257,919	-	257,919
Liabilities against right-of-use assets	14	4,754,065	-	4,754,065	3,431,913	-	3,431,913
		4,902,557	-	4,902,557	3,689,832	-	3,689,832
Current liabilities							
Trade and other payables	15	650,523	-	650,523	637,175	-	637,175
Current portion of long term loans and borrowings - secured	13	130,238	-	130,238	122,812	-	122,812
Current portion of liabilities against right-of-use assets	14	366,847	-	366,847	223,407	-	223,407
Contract liabilities	16	115,133	-	115,133	134,527	-	134,527
Caution money payable		112,917	-	112,917	114,827	-	114,827
		1,375,660	-	1,375,662	1,232,749	-	1,232,749
TOTAL FUNDS AND LIABILITIES		12,709,975	622,150	13,332,127	10,822,642	571,604	11,394,247
Contingencies and commitments	17						

The annexed notes from 1 to 25 form an integral part of these financial statements.


Chancellor


Vice Chancellor

Iqra University
Statement of Income and Expenditure Account
For the year ended 30 June 2024

	Note	2024			2023		
		General Fund	Endowment Fund	Total	General Fund	Endowment Fund	Total
----- (Rupees in '000) -----							
Income from academic activities	18	6,662,081	-	6,662,081	5,552,195	-	5,552,195
Income from investments	9.1	-	-	-	-	-	-
		<u>6,662,081</u>	<u>-</u>	<u>6,662,081</u>	<u>5,552,195</u>	<u>-</u>	<u>5,552,195</u>
Operating expenses	19	(5,640,170)	-	(5,640,170)	(4,597,011)	-	(4,597,011)
		<u>1,021,911</u>	<u>-</u>	<u>1,021,911</u>	<u>955,184</u>	<u>-</u>	<u>955,184</u>
Administrative and management expense	20	(895,338)	-	(895,338)	(716,384)	-	(716,384)
Other income	21	405,123	50,546	455,669	174,394	48,790	223,184
Surplus of income over expenditure before taxation		<u>531,696</u>	<u>50,546</u>	<u>582,242</u>	<u>413,194</u>	<u>48,790</u>	<u>461,984</u>
Taxation	3.5	-	-	-	-	-	-
Surplus of income over expenditure after taxation		<u>531,696</u>	<u>50,546</u>	<u>582,242</u>	<u>413,194</u>	<u>48,790</u>	<u>461,984</u>
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		<u><u>531,696</u></u>	<u><u>50,546</u></u>	<u><u>582,242</u></u>	<u><u>413,194</u></u>	<u><u>48,790</u></u>	<u><u>461,984</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.



Chancellor



Vice Chancellor

Iqra University
Statement of Changes in Fund Balances
For the year ended 30 June 2024

	General Fund	Endowment Fund	Total
	(Rupees in '000)		
Balance as at 1 July 2022	5,486,868	522,814	6,009,682
Surplus of income over expenditure after taxation	413,194	48,790	461,984
Balance as at 30 June 2023	<u>5,900,062</u>	<u>571,604</u>	<u>6,471,666</u>
Surplus of income over expenditure after taxation	531,696	50,546	582,242
Balance as at 30 June 2024	<u>6,431,758</u>	<u>622,150</u>	<u>7,053,908</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.



Chancellor



Vice Chancellor

Iqra University
Statement of Cash Flows
For the year ended 30 June 2024

Note 2024 2023
(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Surplus of income over expenditure before taxation		582,242	461,984
<i>Adjustments for:</i>			
- Depreciation	4.1.1	467,475	422,328
- Depreciation right-of-use-asset	8.2	217,450	150,957
- Interest expense on lease liability	14	675,646	419,800
- Amortization of intangibles	5.1	586	119
- Provision for doubtful student qarz-e-hasna	7.2	4,069	24,515
- Other income		(1,487)	-
- Bad debt expense		-	8,792
- Allowance for impairment on tuition fees receivables	11.1	251,834	150,017
- Interest on unwinding of long term deposits		(19,955)	(2,241)
- Interest expense on long term borrowings		86,198	69,754
- Gain on extinguishment of finance lease		(4,028)	-
- Net loss / (gain) on disposal of fixed asset	20	37,301	(183)
		2,297,331	1,705,840

Working capital changes:

(Increase) / decrease in current assets

- Loans, advances, deposits, prepayments and other receivables
- Tuition fees receivable
- Long term deposits - net
- Long term loans to employees - net
- Student qarz-e-hasna

60,879	14,152
(349,466)	(312,319)
(290)	(870)
5,747	5,233
(3,754)	(7,329)

(Decrease) / increase in current liabilities

- Trade and other payables
- Contract liabilities
- Caution money payable

13,349	166,374
(19,394)	(61,753)
(1,908)	(3,033)
(294,837)	(199,546)

Taxes withheld

(70,341) (49,765)

Interest paid

(79,711) (69,754)

Net cash generated from operating activities

1,852,442 1,386,775

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure including intangible assets- net

(1,293,745) (683,351)

Proceeds from sale of property and equipment

26,928 25,258

Short term investment - net

(97,219) (71,086)

Net cash used in investing activities

(1,364,036) (729,179)

CASH FLOWS FROM FINANCING ACTIVITIES

Long term borrowing

(107,001) (244,642)

Payment of lease liabilities

(469,057) (305,624)

Net cash used in financing activities

(576,058) (550,266)

Net (decrease) / increase in cash and cash equivalents

(87,652) 107,330


Cash and cash equivalents at beginning of the year

1,548,467 1,441,137

Cash and cash equivalents at end of the year

12 **1,460,814** 1,548,467

The annexed notes from 1 to 25 form an integral part of these financial statements.


Chancellor


Vice Chancellor

24. NUMBER OF EMPLOYEES

Number of employees at year end
Average Number of employees

2024	2023
<u>1,023</u>	<u>842</u>
<u>990</u>	<u>956</u>

25. CORRESPONDING FIGURES

25.1 Comparative information has been re-arranged or additionally incorporated in these financial statements wherever necessary to facilitate comparison and better presentation.

25.2 These financial statements were authorised for issue by the Board of Governors in their meeting held on 18 NOV 2024



Chancellor



Vice Chancellor