# AUDIT REPORT

AIR UNIVERSITY

Air University; Islamabad Campus

Audit for the year ended

30 June 2025

Submitted by:

H.A.M.D & Co.
Chartered Accountants

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# INDEPENDENT AUDITOR'S REPORT

## TO THE BOARD OF GOVERNORS OF AIR UNIVERSITY

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

### Opinion

We have audited the annexed financial statements of **Air University ; Islamabad Campus** ("the University"), which comprise the statement of financial position as at June 30, 2025, and the statement of income and expenditure, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 changes in funds and the statement of cash flows together with the notes forming part present fairly, in all material respects with the guidelines for accounting and financial reporting for Non-Government organization (NGOs)/ Non-profit organizations (NPOs) issued by Institute of Chartered Accountants of Pakistan (ICAP) as applicable in Pakistan and Air University Ordinance 2002, 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, 2025 and of the surplus, the changes in funds 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 those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the guidelines for accounting and financial reporting for Non-Government organization (NGOs)/ Non-profit organizations (NPOs) issued by Institute of Chartered Accountants of Pakistan (ICAP) as applicable in Pakistan and Air University Ordinance 2002 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.

Those Charged with Governance 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 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 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.

We also provide those charged with governance with the statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Other Matter

The financial statements of the University for the year ended June 30, 2024, were audited by Asif Associates Chartered Accountants, who expressed an unmodified opinion on those financial statements on January 09, 2025.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Asif Raza (FCA).

H.A.M.D & Co.

H.A.M.D & Co.
*Chartered Accountants*
**Place:** Islamabad
**Date:** 17th December, 2025

# AIR UNIVERSITY; ISLAMABAD CAMPUS

## Statement of Financial Position

*As at 30 June 2025*

| | Note | 30 June 2025 (Rupees) | 30 June 2024 (Rupees) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Operating Fixed Assets | 4 | **1,487,327,457** | 1,402,985,134 |
| Capital Work in Progress | 5 | **2,215,784,724** | 1,259,294,445 |
| Intangible Assets | 6 | **713,819** | 2,233,578 |
| | | **3,703,826,000** | 2,664,513,157 |
| **Current Assets** | | | |
| Short Term Investment | 7 | **4,250,000,000** | 500,000,000 |
| Advances, Prepayments and Other Receivables | 8 | **1,135,148,538** | 976,931,048 |
| Cash and Bank Balances | 9 | **1,029,784,649** | 3,854,516,462 |
| | | **6,414,933,187** | 5,331,447,510 |
| **TOTAL ASSETS** | | **10,118,759,187** | 7,995,960,667 |
| **FUND AND LIABILITIES** | | | |
| **Funds** | | | |
| Accumulated Surplus | | **7,183,346,978** | 5,510,591,332 |
| Endowment Fund | 10 | **621,863,191** | 605,265,691 |
| Revaluation Surplus | | **16,236,593** | 24,155,025 |
| | | **7,821,446,762** | 6,140,012,048 |
| **Non-Current Liabilities** | | | |
| Long Term Securities | 11 | **115,464,103** | 98,681,603 |
| Deferred Capital Grants | 12 | **361,157,215** | 369,521,239 |
| Specific Grants | 13 | **362,026,164** | 321,070,030 |
| Payable to Multan Campus | | | - |
| | | **838,647,482** | 789,272,872 |
| **Current Liabilities** | | | |
| Accrued and Other Liabilities | 14 | **1,458,664,943** | 1,066,675,747 |
| | | **1,458,664,943** | 1,066,675,747 |
| **TOTAL FUND AND LIABILITIES** | | **10,118,759,187** | 7,995,960,667 |
| Contingencies and commitments | 15 | - | - |

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The annexed notes from 1 to 28 form an integral part of these financial statements.

**Director Finance** **Vice Chancellor**

## AIR UNIVERSITY; ISLAMABAD CAMPUS

Statement of Income and Expenditure

*For the year ended 30 June 2025*

| | Note | 30 June 2025 (Rupees) | 30 June 2024 (Rupees) |
|---|---|---|---|
| **INCOME** | | | |
| Fee Income | 16 | **1,923,642,960** | 1,596,530,277 |
| Grant Income | 17 | **1,590,914,300** | 750,286,229 |
| Other income | 18 | **516,658,858** | 768,038,584 |
| | | **4,031,216,118** | 3,114,855,089 |
| **EXPENDITURE** | | | |
| Salaries, Allowances and other Benefits | 19 | **1,364,725,210** | 1,174,186,351 |
| Student Scholarships & Discounts | | **88,611,691** | 77,790,937 |
| Expense against Specific Grants | 20 | **358,278,131** | 291,631,941 |
| Research & Development | | **53,058,133** | 65,653,644 |
| Utilities | 21 | **67,536,583** | 72,714,738 |
| Repair & Maintenance | | **96,253,012** | 58,271,226 |
| Petrol, Oil and Lubricants | | **20,112,012** | 19,976,185 |
| Sports & Student Activities | | **25,402,099** | 13,296,653 |
| Rent, Rates and Taxes | | **1,811,611** | 3,053,668 |
| Printing & Stationery | | **30,495,031** | 26,390,393 |
| Advertisement | | **4,999,622** | 5,680,677 |
| Fee & Subscription | | **8,411,438** | 10,845,070 |
| Postage and Courier | | **479,927** | 431,386 |
| Professional Charges | | **3,520,407** | 1,027,000 |
| Convocation | | **4,384,727** | 4,726,431 |
| Travelling | | **2,422,001** | 2,138,787 |
| Short courses | | **7,308,696** | 9,247,092 |
| Entertainment | | **7,512,303** | 8,864,847 |
| LC Charges | | - | 6,995,893 |
| Faculty Development | | **2,370,301** | 2,154,819 |
| Insurance | | **1,266,580** | 486,235 |
| Audit fee | | **1,752,462** | 1,099,421 |
| Financial charges | 22 | **333,950** | 1,135,465 |
| Depreciation | | **167,104,310** | 166,546,132 |
| Amortization - Intangibles | | **1,519,759** | 1,855,172 |
| Other Expenses | 23 | **30,111,408** | 6,124,998 |
| | | **2,349,781,404** | 2,032,325,161 |
| **Net Surplus for the Year** | | **1,681,434,714** | 1,082,529,928 |

The annexed notes from 1 to 28 form an integral part of these financial statements. HAM

**Director Finance** **Vice Chancellor**