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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS

We have audited the accompanying consolidated financial statements of **Beaconhouse National University** which comprise of consolidated balance sheet as at **30 June 2016**, consolidated income and expenditure account, consolidated cash flow statement and consolidated statement of changes in fund balance for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we are complying with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of **Beaconhouse National University** as at **30 June 2016**, its financial performance, cash flows and changes in fund balance for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Chartered Accountants
Audit Engagement Partner: Farooq Hameed
Lahore: 20 March 2017

BEACONHOUSE NATIONAL UNIVERSITY
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2016

	<u>Notes</u>	<u>2016</u> Rupees	<u>2015</u> Rupees
ASSETS			
NON CURRENT ASSETS			
Fixed assets	4	111,838,082	110,449,406
Capital work in progress	5	-	6,937,573
Intangible assets	6	157,839	235,581
Long term deposits	7	1,783,209	1,883,209
		113,779,130	119,505,769
CURRENT ASSETS			
Advances, deposits, prepayments and other receivables	8	27,820,090	55,199,462
Investments held to maturity	9	50,000,000	59,796,000
Receivable from related party	10	380,517,423	354,481,503
Cash and bank balances	11	84,323,840	38,511,885
		542,661,353	507,988,850
TOTAL ASSETS		656,440,483	627,494,619
ACCUMULATED FUND			
Capital fund	12	932,975,307	903,970,405
Endowment fund	13	50,000,000	61,680,634
Accumulated deficit		(477,629,262)	(448,757,856)
		505,346,045	516,893,183
NON CURRENT LIABILITIES			
Student security deposits	14	31,378,250	28,186,500
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	15	29,551,497	26,072,121
Unearned income	16	11,280,691	5,942,815
Payable to related party	17	78,884,000	50,400,000
		119,716,188	82,414,936
TOTAL LIABILITIES		151,094,438	110,601,436
CONTINGENCIES AND COMMITMENTS		-	-
TOTAL FUND BALANCE AND LIABILITIES		656,440,483	627,494,619

The annexed notes from 1 to 30 form an integral part of these financial statements.


Chairperson


Member Board of Governors

**BEACONHOUSE NATIONAL UNIVERSITY
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016**

	<u>Notes</u>	<u>2016</u> Rupees	<u>2015</u> Rupees
OPERATING INCOME			
Gross Student Fee	18	417,628,989	423,119,326
Less: Scholarship	19	<u>(35,732,104)</u>	<u>(29,359,585)</u>
		381,896,885	393,759,741
Other receipts from students - net	20	7,201,992	31,600,273
SAARC Receipts		21,289,075	22,431,896
Research revenue - net	21	<u>-</u>	<u>(1,742,293)</u>
		410,387,952	446,049,617
Teaching expenditure			
Teaching cost	22	<u>266,545,282</u>	<u>265,724,751</u>
Depreciation and amortization - School Specific	23	<u>11,370,918</u>	<u>11,268,048</u>
		277,916,200	276,992,799
Gross surplus from teaching activities		<u>132,471,752</u>	<u>169,056,818</u>
General Expenditure			
Student Support Activities		<u>515,274</u>	<u>436,802</u>
Administrative cost	24	<u>121,820,699</u>	<u>112,588,130</u>
Rent of new campus building		<u>27,984,000</u>	<u>26,400,000</u>
Depreciation and amortization - general	23	<u>19,361,294</u>	<u>19,186,136</u>
Donation to Shahid Javed Burki IPP	25	<u>2,915,000</u>	<u>-</u>
Auxiliary facilities - net	26	<u>2,607,052</u>	<u>3,490,157</u>
Financial cost	27	<u>123,552</u>	<u>51,125</u>
		175,326,871	162,152,350
OPERATIONAL (DEFICIT) / SURPLUS FOR THE YEAR		<u>(42,855,119)</u>	<u>6,904,468</u>
OTHER INCOME	28	17,365,327	24,567,320
NET (DEFICIT) / SURPLUS FOR THE YEAR		<u>(25,489,792)</u>	<u>31,471,788</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.


Chairperson


Member Board of Governors