

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS BEACONHOUSE NATIONAL UNIVERSITY

### Opinion

We have audited the accompanying consolidated financial statements of **Beaconhouse National University** ("the University") which comprise of balance sheet as at **30 June 2018** and income and expenditure account, statement of cash flow and statement of changes in fund balance for the year then ended and a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of **Beaconhouse National University** as at **30 June 2018**, and of its financial performance, its cash flow and changes in accumulated funds for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

### 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 Consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, the 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 operation, 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, 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 the effectiveness of the University 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.



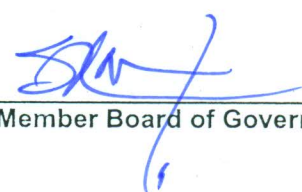
**EY Ford Rhodes**  
**Chartered Accountants**  
**Audit Engagement Partner: Farooq Hameed**  
**Lahore: 16 October 2019**

**BEACONHOUSE NATIONAL UNIVERSITY**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2018**

ASSETS	Note	2018 Rupees	2017 Rupees
<b>NON CURRENT ASSETS</b>			
Fixed assets	4	103,884,328	115,063,421
Intangible assets	5	1,359,443	105,752
Long term deposits	6	1,783,209	1,783,209
		<b>107,026,980</b>	<b>116,952,382</b>
<b>CURRENT ASSETS</b>			
Advances, deposits, prepayments and other receivables	7	16,008,862	19,988,529
Investments held to maturity	8	50,000,000	50,000,000
Receivable from related party	9	443,932,071	424,012,246
Cash and bank balances	10	172,290,229	134,981,314
		<b>682,231,162</b>	<b>628,982,089</b>
<b>TOTAL ASSETS</b>		<b>789,258,142</b>	<b>745,934,471</b>
<b>ACCUMULATED FUND</b>			
Capital fund	11	958,982,945	958,978,855
Endowment fund	12	50,000,000	50,000,000
Accumulated deficit		(441,561,524)	(451,524,749)
		<b>567,421,421</b>	<b>557,454,106</b>
<b>NON CURRENT LIABILITIES</b>			
Student security deposits	13	21,700,000	40,308,750
Security deposit		-	100,000
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities	14	44,301,025	24,321,256
Unearned income	15	16,345,834	15,703,319
Payable to related party	16	139,489,862	108,047,040
		<b>200,136,721</b>	<b>148,071,615</b>
<b>TOTAL LIABILITIES</b>		<b>221,836,721</b>	<b>188,480,365</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	17	-	-
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<b>789,258,142</b>	<b>745,934,471</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.


  
 Chairperson

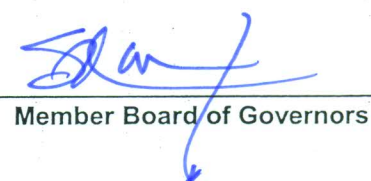
  
 Member Board of Governors

**BEACONHOUSE NATIONAL UNIVERSITY**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	<u>Note</u>	<u>2018</u> Rupees	<u>2017</u> Rupees
<b>OPERATING INCOME</b>			
Gross Student Fee	18	541,536,540	482,237,658
Less: Scholarship	19	<u>(61,627,392)</u>	<u>(47,780,174)</u>
		479,909,148	434,457,484
Other receipts from students - net	20	13,230,269	16,815,778
SAARC Receipts	21	<u>22,093,370</u>	<u>20,935,000</u>
		515,232,787	472,208,262
<b>Teaching expenditure</b>			
Teaching cost	22	<u>387,905,268</u>	345,099,220
Depreciation and amortization - School Specific	23	<u>19,940,802</u>	21,782,790
		407,846,070	366,882,010
<b>Gross surplus from teaching activities</b>			
		107,386,717	105,326,252
<b>General expenditure</b>			
Student support activities	24	<u>6,510,871</u>	2,502,495
Administrative cost	25	<u>69,706,603</u>	58,398,822
Rent of new campus building		<u>31,442,822</u>	29,663,040
Depreciation and amortization - general	23	<u>8,958,914</u>	9,786,470
Donation to Shahid Javed Bukhari IPP	26	<u>2,186,250</u>	2,915,000
Auxiliary facilities - net	27	<u>6,138,110</u>	5,057,963
Financial cost	28	<u>280,867</u>	221,576
		125,224,437	108,545,366
<b>OPERATING DEFICIT FOR THE YEAR</b>			
		<u>(17,837,720)</u>	<u>(3,219,114)</u>
<b>OTHER INCOME</b>			
	29	27,800,945	29,323,627
<b>NET SURPLUS FOR THE YEAR</b>			
		<u>9,963,225</u>	<u>26,104,513</u>
Accumulated deficit brought forward		<u>(451,524,749)</u>	<u>(477,629,262)</u>
Accumulated deficit carried forward		<u>(441,561,524)</u>	<u>(451,524,749)</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

  
 Chairperson

  
 Member Board of Governors