

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

Opinion

We have audited the accompanying consolidated financial statements of **Beaconhouse National University** ("the University") which comprise of consolidated statement of financial position as at **30 June 2019** and consolidated statement of profit or loss, consolidated statement of cash flows and consolidated 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 2019**, and of its financial performance, its cash flow and changes in fund balance 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: 13 December 2019

**BEACONHOUSE NATIONAL UNIVERSITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

ASSETS	Note	2019 Rupees	2018 Rupees
NON CURRENT ASSETS			
Fixed assets	4	95,490,753	103,884,328
Intangible assets	5	1,163,417	1,359,443
Long term deposits	6	25,044	1,783,209
		96,679,214	107,026,980
CURRENT ASSETS			
Advances, deposits, prepayments and other receivables	7	24,138,914	16,008,862
Investments held to maturity	8	50,000,000	50,000,000
Receivable from related party	9	554,874,533	443,932,071
Cash and cash equivalents	10	196,292,239	172,290,229
		825,305,686	682,231,162
TOTAL ASSETS		921,984,900	789,258,142
ACCUMULATED FUND			
Capital fund	11	1,008,982,945	958,982,945
Endowment fund	12	50,000,000	50,000,000
Accumulated deficit		(409,486,012)	(441,561,524)
		649,496,933	567,421,421
NON CURRENT LIABILITIES			
Student security deposits	13	29,929,000	21,700,000
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	14	42,149,671	44,301,025
Unearned income	15	27,590,043	16,345,834
Payable to related party	16	172,819,253	139,489,862
		242,558,967	200,136,721
TOTAL LIABILITIES		272,487,967	221,836,721
CONTINGENCIES AND COMMITMENTS	17	-	-
TOTAL FUND BALANCE AND LIABILITIES		921,984,900	789,258,142

The annexed notes from 1 to 32 form an integral part of these financial statements.


Chairperson


Member Board of Governors

BEACONHOUSE NATIONAL UNIVERSITY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2019

	<u>Note</u>	<u>2019</u> Rupees	<u>2018</u> Rupees
OPERATING INCOME			
Gross Student Fee	18	612,214,496	541,536,540
Less: Scholarships	19	<u>(68,991,440)</u>	<u>(61,627,392)</u>
		543,223,056	479,909,148
Other receipts from students - net	20	16,014,120	13,230,269
SAARC Receipts	21	<u>27,895,000</u>	<u>22,093,370</u>
		587,132,176	515,232,787
Teaching expenditure			
Teaching cost	22	<u>445,208,274</u>	<u>387,905,268</u>
Depreciation and amortization - School Specific	23	<u>18,660,930</u>	<u>19,940,802</u>
		463,869,204	407,846,070
Gross surplus from teaching activities			
		123,262,972	107,386,717
General expenditure			
Student support activities	24	<u>7,342,642</u>	<u>6,510,871</u>
Administrative cost	25	<u>75,434,948</u>	<u>69,706,603</u>
Rent of campus building		<u>33,329,391</u>	<u>31,442,822</u>
Depreciation and amortization - general	23	<u>8,384,138</u>	<u>8,958,914</u>
Donation to Shahid Javed Bukhari IPP	26	<u>1,457,500</u>	<u>2,186,250</u>
Auxiliary facilities - net	27	<u>8,893,933</u>	<u>6,138,110</u>
Financial cost	28	<u>373,950</u>	<u>280,867</u>
		135,216,502	125,224,437
OPERATING DEFICIT FOR THE YEAR			
		(11,953,530)	(17,837,720)
OTHER INCOME			
	29	44,029,042	27,800,945
NET SURPLUS FOR THE YEAR			
		<u>32,075,512</u>	<u>9,963,225</u>
Accumulated deficit brought forward		(441,561,524)	(451,524,749)
Accumulated deficit carried forward		<u>(409,486,012)</u>	<u>(441,561,524)</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.


 Chairperson


 Member Board of Governors