

## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF GOVERNORS OF BEACONHOUSE NATIONAL UNIVERSITY

#### Opinion

We have audited the financial statements of **Beaconhouse National University** ("the University") which comprise of statement of financial position as at **30 June 2020** and statement of profit or loss, statement of cash flows and statement of changes in fund balance for the year then ended and a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **Beaconhouse National University** as at **30 June 2020**, 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 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

The Board of Governors are responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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.

5.

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 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 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Sajjad Hussain Gill.



**Chartered Accountants**  
Lahore: 24 November 2020



**BEACONHOUSE NATIONAL UNIVERSITY  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

<b>ASSETS</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>
			<b>Restated</b>
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	128,889,878	95,490,753
Right of Use Asset	6	209,172,681	-
Intangible assets	7	1,277,969	1,163,417
Long term deposits	8	-	25,044
		<b>339,340,528</b>	<b>96,679,214</b>
<b>CURRENT ASSETS</b>			
Student fee receivable		28,910,884	8,219,672
Advances, deposits, prepayments and other receivables	9	10,408,822	7,290,205
Investment	10	50,000,000	50,000,000
Advance income tax		13,316,265	8,629,037
Receivable from related party	11	492,527,535	382,055,280
Cash and cash equivalents	12	219,772,242	196,292,239
		<b>814,935,748</b>	<b>652,486,433</b>
<b>TOTAL ASSETS</b>		<b>1,154,276,276</b>	<b>749,165,647</b>
<b>ACCUMULATED FUND</b>			
Capital fund	13	1,058,982,945	1,008,982,945
Endowment fund	14	50,000,000	50,000,000
Accumulated deficit		(354,617,977)	(449,211,498)
		<b>754,364,968</b>	<b>609,771,447</b>
<b>NON CURRENT LIABILITIES</b>			
Student security deposits	15	42,509,000	35,969,000
Provision for accumulated compensated absences	16	44,430,869	39,725,486
Lease liability	17	224,595,461	-
		<b>311,535,330</b>	<b>75,694,486</b>
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities	18	14,577,080	10,741,051
Current portion of lease liability	17	5,235,954	-
Current portion of student security deposits		27,841,612	25,368,620
Payable to BNU Student Fund		11,159,505	-
Contract liabilities	19	29,561,827	27,590,043
		<b>88,375,978</b>	<b>63,699,714</b>
<b>TOTAL LIABILITIES</b>		<b>399,911,308</b>	<b>139,394,200</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	21	-	-
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<b>1,154,276,276</b>	<b>749,165,647</b>

The annexed notes from 1 to 37 form an integral part of these financial statements.

F

  
Chairperson

  
Member Board of Governors

BEACONHOUSE NATIONAL UNIVERSITY  
STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees Restated
<b>OPERATING INCOME</b>			
Gross Student fee	22	742,144,807	612,214,496
Less: Scholarships	23	(87,216,791)	(68,991,440)
		<u>654,928,016</u>	<u>543,223,056</u>
Other receipts from students - net	24	13,548,442	16,014,120
Donations from UMISSA	25	33,300,000	27,895,000
		<u>701,776,458</u>	<u>587,132,176</u>
<b>Teaching expenditure</b>			
Teaching cost	26	461,060,619	433,812,489
Depreciation and amortization - School Specific	27	25,443,938	18,660,930
Depreciation and amortization - Building		23,241,409	-
		<u>509,745,966</u>	<u>452,473,419</u>
<b>Gross surplus from teaching activities</b>		<u>192,030,492</u>	<u>134,658,757</u>
<b>General expenditure</b>			
Student support activities	28	4,971,667	4,342,642
Administrative cost	29	113,773,815	95,478,573
Rent of new campus building		-	33,329,391
Depreciation and amortization - general	27	11,430,974	8,384,138
Donation to Shahid Javed Bukhari IPP	30	-	1,457,500
Auxiliary facilities - net	31	(14,468,579)	8,893,933
Finance cost	32	32,746,477	-
		<u>148,454,354</u>	<u>151,886,177</u>
<b>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>43,576,138</u>	<u>(17,227,420)</u>
<b>OTHER INCOME</b>	33	51,017,383	44,029,042
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<u>94,593,521</u>	<u>26,801,622</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

5

  
Chairperson

  
Member Board of Governors