

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

Opinion

We have audited the accompanying financial statements of **Beaconhouse National University** ("the University") which comprise of statement of financial position as at **30 June 2021** 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 2021**, 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.



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.



EY Ford Rhodes
Chartered Accountants
Audit Engagement Partner: Farooq Hameed
Lahore: 26 October 2021

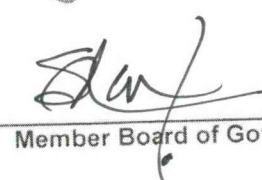
BEACONHOUSE NATIONAL UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	135,987,137	128,889,878
Capital work in progress	6	16,218,000	-
Right of use asset	7	185,931,272	209,172,681
Intangible assets	8	1,422,539	1,277,969
		339,558,948	339,340,528
CURRENT ASSETS			
Student fee receivable	9	32,015,517	28,910,884
Advances, deposits, prepayments and other receivables	10	18,854,394	10,408,822
Investment	10	50,000,000	50,000,000
Advance income tax	11	17,649,569	13,316,265
Receivable from related party	11	487,460,723	492,527,535
Cash and cash equivalents	12	355,045,548	219,772,242
		961,025,751	814,935,748
TOTAL ASSETS		1,300,584,699	1,154,276,276
ACCUMULATED FUND			
Capital fund	13	1,058,982,945	1,058,982,945
Endowment fund	14	50,000,000	50,000,000
Accumulated deficit		(266,833,714)	(354,617,977)
		842,149,231	754,364,968
NON CURRENT LIABILITIES			
Student security deposits	15	47,137,120	42,509,000
Provision for accumulated compensated absences	16	51,546,543	44,430,869
Lease liability	17	216,169,384	224,595,461
		314,853,047	311,535,330
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	18	51,940,755	14,577,080
Current portion of student security deposits	15	30,657,500	27,841,612
Current portion of lease liability	17	8,426,077	5,235,954
Payable to BNU Student Fund	19	11,832,722	11,159,505
Contract liabilities	20	40,725,367	29,561,827
		143,582,421	88,375,978
TOTAL LIABILITIES		458,435,468	399,911,308
TOTAL FUND BALANCE AND LIABILITIES		1,300,584,699	1,154,276,276
CONTINGENCIES AND COMMITMENTS			

21

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chairperson


Member Board of Governors

BEACONHOUSE NATIONAL UNIVERSITY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
OPERATING INCOME			
Gross Student fee	22	852,257,962	742,144,807
Less: Scholarships	23	<u>(112,009,127)</u>	<u>(87,216,791)</u>
		740,248,835	654,928,016
Other receipts from students - net	24	18,901,522	13,548,442
Donations from UMISAA	25	<u>31,230,000</u>	<u>33,300,000</u>
		790,380,357	701,776,458
Teaching expenditure			
Teaching cost	26	536,975,169	461,060,619
Depreciation and amortization - School Specific	27	29,473,004	25,443,938
Depreciation and amortization - Building	27	<u>23,241,409</u>	<u>23,241,409</u>
		589,689,582	509,745,966
Gross surplus from teaching activities			
		200,690,775	192,030,492
General expenditure			
Student support activities	28	4,756,588	4,971,667
Administrative cost	29	107,704,102	113,773,815
Depreciation and amortization - general	27	10,710,067	11,430,974
Auxiliary facilities - net	30	4,685,155	(14,468,579)
Finance cost	31	<u>32,212,950</u>	<u>32,746,477</u>
		160,068,862	148,454,354
OPERATING SURPLUS FOR THE YEAR			
		40,621,913	43,576,138
OTHER INCOME			
	32	47,162,350	51,017,383
EXCESS OF INCOME OVER EXPENDITURE			
		<u>87,784,263</u>	<u>94,593,521</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chairperson


Member Board of Governors