

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 2022** and statement of income and expenditure, statement of cash flows and statement of changes in fund balance for the year then ended and a summary of significant accounting policies (hereinafter referred to as 'financial statements').

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Beaconhouse National University as at 30 June 2022, 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: Muhammad Ahsan Shahzad
Lahore: 15 December 2022
UDIN: AR202210079qF6Xg9YA2

BEACONHOUSE NATIONAL UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	157,208,943	135,987,137
Capital work in progress	6	-	16,218,000
Right-of-use assets	7	162,689,863	185,931,272
Intangible assets	8	995,308	1,422,539
Long-term receivable	10.1	5,217,290	-
		326,111,404	339,558,948
CURRENT ASSETS			
Student fee receivable	9	9,853,695	32,015,517
Advances, deposits, prepayments and other receivables	10	7,763,330	18,854,394
Investment	11	458,128,281	50,000,000
Advance income tax		24,384,487	17,649,569
Receivable from related party - net	12	294,704,376	262,865,262
Cash and cash equivalents	13	63,225,195	355,045,548
		858,059,364	736,430,290
TOTAL ASSETS		1,184,170,768	1,075,989,238
FUND BALANCE AND LIABILITIES			
ACCUMULATED FUND			
Capital fund		1,058,982,945	1,058,982,945
Endowment fund	14	50,000,000	50,000,000
Accumulated deficit		(174,827,544)	(266,833,714)
		934,155,401	842,149,231
NON CURRENT LIABILITIES			
Student security deposits	15	39,701,000	39,007,000
Provision for accumulated compensated absences	16	61,382,885	51,546,543
		101,083,885	90,553,543
CURRENT LIABILITIES			
Current portion of student security deposits	15	43,132,620	38,787,620
Current portion of compensated absences payable		7,157,728	5,896,292
Creditors, accrued and other liabilities	17	34,412,366	39,312,172
Payable to BNU student fund	18	12,776,838	11,832,722
Contract liabilities	19	51,451,930	47,457,658
		148,931,482	143,286,464
TOTAL LIABILITIES		250,015,367	233,840,007
TOTAL FUND BALANCE AND LIABILITIES		1,184,170,768	1,075,989,238
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes from 1 to 30 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 2022**

	Note	2022 Rupees	2021 Rupees
Operating Income			
Student Fee		836,648,600	750,493,168
UMISAA receipts		30,393,963	31,230,000
Research projects revenue		19,925,787	5,266,480
Short courses / workshops fee		32,626,650	30,420,800
	21	919,595,000	817,410,448
Teaching and other operating cost			
Teaching costs		(665,897,314)	(558,272,539)
Short courses / workshops expenses		(10,131,229)	(11,519,278)
UMISAA expenses		(34,718,694)	(31,417,044)
	22	(710,747,237)	(601,208,861)
Gross surplus		208,847,763	216,201,587
Administrative cost	23	(146,021,405)	(127,003,813)
Hostel expenses		(11,913,504)	(8,052,099)
Research project expenses		(19,925,787)	(5,266,480)
Finance cost - Interest on lease		(31,269,761)	(32,212,950)
		(209,130,457)	(172,535,342)
		(282,694)	43,666,245
Other income	24	92,288,864	44,118,018
SURPLUS FOR THE YEAR		92,006,170	87,784,263

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


Chairperson


Member Board of Governors