

Asian University for Women
Auditor's report and financial statements
As at and for the year ended 30 June 2020

Independent auditor's report

To the board of trustees of Asian University for Women

Opinion

We have audited the financial statements of Asian University for Women ("the University") which comprise the statement of financial position as at 30 June 2020 and the statement of income and expenditure, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the University as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Implementation of IFRS 16-Leases	
See note 5 and 27 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The university has recognized right-of-use assets (ROUA) of BDT 160,150,778 as on 01 July 2019 and lease liabilities, arising from the lease rental agreements for its campus building, accommodation floors and the lease liabilities stood BDT 107,757,128 at the end of the 30 June 2020. The recognition is made for the first time in current year's financial statements. The university elected modified retrospective approach. The lease liability is measured at the present value of the lease payments that are not paid at that date. For calculation of the lease liability, the management applies its judgement in determination of lease term, where certainty of exercising the option to extend or the option not to terminate the lease is considered.</p> <p>The incremental borrowing rate is used as discounting rate in calculation of lease liability.</p> <p>We considered the implementation of IFRS 16 Leases as a key audit matter, since the balances recorded are material, management had to apply several judgments and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summarize the lease data for input into their lease calculation model.</p>	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none"> - We obtained an understanding of the management's process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. - We obtained, read and evaluated the contracts for lease rental arrangements, especially the terms and conditions related to payments, lease incentives, any indirect costs, dismantling and restoration, option to extend the lease or not to terminate the lease. - We tested and evaluated management's judgment and estimates used in adopting the new standard. - We tested the lease amortization schedule and depreciation schedule for each of the leases. - We tested management's assumptions, in determining the certainty of exercising option to extend or terminate lease and the discounting rate applied to calculate lease liability. - We assessed whether the disclosures within the financial statements are as prescribed by the relevant IFRS standards.



Rahman Rahman Huq
Chartered Accountants

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines 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, management is 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 operations, 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 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, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, 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 on the effectiveness of the University's 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.

Chattogram,

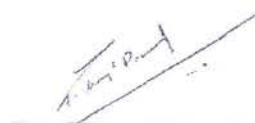
18 OCT 2020


Asian University for Women
Statement of financial position

<i>In taka</i>	<i>Note</i>	30 June 2020	30 June 2019
Assets			
Non-current assets			
Property and equipment	6	186,666,067	90,371,114
Capital work-in-progress	7	201,517,798	201,517,798
Total non-current assets		388,183,865	291,888,912
Current assets			
Short term investment	8	25,000,000	33,538,060
Advances, deposits and receivables	9	14,570,324	15,848,828
Cash and cash equivalents	10	16,499,986	11,154,852
Total current assets		56,070,310	60,541,740
Total assets		444,254,175	352,430,652
Funds and liabilities			
Funds			
General fund	11	215,011,588	244,578,182
Restricted fund for construction		5,083,832	5,083,832
Restricted fund for projects	12	4,242,075	1,229,973
Campus construction fund		10,000,000	-
Total funds		234,337,495	250,891,987
Non-current liabilities			
Deferred income (GOB Grant)	13	60,571,558	60,571,558
Provision for deferred compensation	14	16,845,822	12,619,523
Lease liabilities	27	63,645,063	-
Total non-current liabilities		141,062,443	73,191,081
Current liabilities			
Liabilities for expenses	15	10,984,692	6,556,100
Other liabilities	16	13,431,012	21,791,484
Lease liabilities	27	44,438,533	-
Total current liabilities		68,854,237	28,347,584
Total liabilities		209,916,680	101,538,665
Total funds and liabilities		444,254,175	352,430,652

The University applied IFRS 16 using the modified retrospective approach, under which there are no cumulative effect of initial application in general fund at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported. See Note 5.

The notes on pages 7 to 23 are an integral part of these financial statements.


Chief Financial Officer


Vice Chancellor

As per our report of same date.

Chattogram, 18 OCT 2020



Auditor

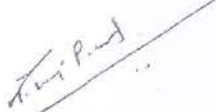
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh

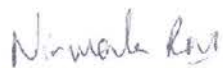
Asian University for Women
Statement of income and expenditure
For the year ended 30 June 2020

<i>In taka</i>	<i>Note</i>	2020	2019
Income			
Tuition fee and admission fee		129,812,344	99,253,490
Grant from AUWSF	17	241,690,951	308,883,734
Interest income	19	1,347,325	2,967,453
Other income	20	138,104	54,495
Other donation	18	18,281,154	-
Project income		8,392,515	4,832,587
Total income		399,662,393	415,991,759
Expenditure			
Staff costs and benefits	21	241,742,088	227,580,390
Occupancy cost	22	24,578,885	76,365,345
Office running cost	23	13,469,275	13,473,974
Communication cost	24	3,896,211	3,438,780
Travel	25	1,822,459	4,441,183
Student affairs	26	44,518,028	41,109,412
Events, seminars and meetings		745,828	2,284,207
Outreach costs		728,361	2,872,838
Campus maintenance expenses		7,173,464	4,126,896
Bank charges and fees		1,235,105	1,311,298
World bank project cost		16,650	7,876,384
Gain on foreign currency translations		(7,984)	(18,267)
Interest on lease liability		12,228,570	-
Community service learning		893,152	-
Project expense		8,392,515	4,832,587
Total expenditure excluding depreciation		361,432,607	389,695,027
Excess of income over expenditure/(expenditure over income) before charging depreciation		38,229,786	26,296,732
Depreciation on property and equipment	6	(12,488,293)	(9,356,728)
Depreciation charged on right-of-use of assets for the year	6	(57,497,527)	-
Concession in rent	27	2,189,440	-
Excess of income over expenditure/(expenditure over income) after charging depreciation		(29,566,594)	16,940,004

The University applied IFRS 16 using the modified retrospective approach, under which there are no cumulative effect of initial application in general fund at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported. See Note 5.

The notes on pages 7 to 23 are an integral part of these financial statements.


Chief Financial Officer


Vice Chancellor

As per our report of same date.



Chattogram, 18 OCT 2020

Auditor
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh

Asian University for Women
Statement of changes in funds
For the year ended 30 June 2020

<i>In taka</i>	General fund	Restricted fund for construction	Restricted fund for projects	Campus construction fund	Total
Balance at 1 July 2018	227,638,178	5,083,832	903,629	-	233,625,639
Excess of income over expenditure	16,940,004	-	-	-	16,940,004
Funds received	-	-	5,158,931	-	5,158,931
Payments made from the funds	-	-	(4,832,587)	-	(4,832,587)
Balance at 30 June 2019	244,578,182	5,083,832	1,229,973	-	250,891,988
Balance at 1 July 2019	244,578,182	5,083,832	1,229,973	-	250,891,987
Excess of expenditure over income	(29,566,594)	-	-	-	(29,566,594)
Funds received	-	-	11,404,617	10,000,000	21,404,617
Payments made from the funds	-	-	(8,392,515)	-	(8,392,515)
Balance at 30 June 2020	215,011,588	5,083,832	4,242,075	10,000,000	234,337,495

The University applied IFRS 16 using the modified retrospective approach, under which there are no cumulative effect of initial application in general fund at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported. See Note 5.

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Asian University for Women
Statement of cash flows
For the year ended 30 June 2020

<i>In taka</i>	<i>Note</i>	2020	2019
Cash flow from operating activities			
Excess of (expenditure over income)/income over expenditure after charging depreciation		(29,566,594)	16,940,004
Adjustments for:			
- Gain on disposal of non-current assets		(2,200)	-
- Depreciation on property and equipment	6	12,488,293	9,355,782
- Depreciation charged on right-of-use of assets	6	57,497,527	-
- Provision for deferred compensation	14	6,557,005	5,498,672
- Interest on lease liability	27	12,228,570	-
- Concession on lease payments	27	(2,189,440)	-
- Forfeiture of deferred compensation	14	(3,333)	(1,561,937)
		57,009,828	30,232,521
Changes in:			
(Increase)/decrease in advances, deposits and receivables		1,278,504	(5,709,964)
Increase/(decrease) in liabilities for expenses		4,428,592	4,760,885
Increase/(decrease) in other liabilities		(8,360,472)	4,100,530
Cash generated from operating activities		54,356,452	33,383,972
Payment of deferred compensation	14	(2,327,373)	(6,008,358)
Interest paid on lease liability	27	(12,228,570)	-
Net cash from operating activities		39,800,509	27,375,614
Cash flow from investing activities			
Acquisition of non-current assets	6	(7,068,497)	(19,236,502)
(Increase)/decrease in short term investments		8,538,060	(2,351,450)
Sale of non current assets		4,950	-
Net cash from investing activities		1,474,513	(21,587,952)
Cash flow from financing activities			
Increase/(decrease) in restricted fund for projects		3,012,102	326,344
Increase/(decrease) in campus construction fund		10,000,000	-
Payment of lease liability	27	(48,941,990)	-
Net cash from financing activities		(35,929,888)	326,344
Net increase in cash and cash equivalents		5,345,134	6,114,006
Cash and cash equivalents at 1 July		11,154,852	5,040,846
Cash and cash equivalents at 30 June		16,499,986	11,154,852

The University applied IFRS 16 using the modified retrospective approach, under which there are no cumulative effect of initial application in general fund at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported. See Note 5.

The notes on pages 7 to 23 are an integral part of these financial statements.



1. University information

A Corporate history and legal status

I. Background of Asian University for Women (AUW)

The establishment of the Asian University for Women (AUW) ("the University") commenced after an MOU was signed on 13 April 2006 between the Government of the People's Republic of Bangladesh and the Asian University for Women Support Foundation (AUWSF).

II. Legal form of AUW

Asian University for Women (AUW) was established under the Charter of the Asian University for Women which was ratified by the Asian University for Women Act, 2006 (Act 40 of 2006) on 8 October, 2006. AUW is a not-for-profit body corporate having perpetual succession and common seal. AUW is an autonomous institution governed by the Board of Trustees under the Charter of the Asian University for Women.

III. Address

The University is currently located at 20/A M.M Ali Road, Chattogram, Bangladesh.

B. Mission & vision of AUW

The Asian University for Women seeks to graduate women who will be skilled and innovative professionals, service-oriented leaders in the businesses and communities in which they will work and live, and promoters of intercultural understanding and sustainable human and economic development in Asia and throughout the world.

AUW seeks:

To educate women to become highly motivated and effective professionals, leaders, and service-oriented citizens;

To provide a vibrant and diverse residential learning community where highly talented women and those with uncommon potential from many cultural and religious backgrounds can grow both intellectually and personally;

To create a student-focused learning environment where the arts, humanities, and natural and social sciences establish a broad base of inquiry, where disciplinary and independent studies provide learning depth, and where applied studies in both the general studies and major curriculum require students to link theoretical understanding with contemporary issues and challenges facing Asia and the world; and to focus student learning on the acquisition of intellectual abilities, reflective personal growth, leadership abilities, and a service-oriented outlook.

C. Campus

Main campus building construction is planned on 106.68 acres of land situated at North Pahartali, P.S:Khulshi, Chattogram, Bangladesh under Mouza: North Pahartali and Jalalabad. The land was granted by the government of the People's Republic of Bangladesh through deed of transfer of land under Long Term Lease.

Currently the University is running its academic and administrative operations at rented buildings situated at 20/A M.M Ali Road, Chattogram, Bangladesh.

2. Basis of accounting

A. Compliances

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017. As per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The title and format of these financial statements follow the requirements of IFRSs.

The University also complied with the requirements of following laws and regulations from various Government bodies:

- a) Asian University for Women Act, 2006
- b) The Income Tax Ordinance, 1984
- c) The Income Tax Rules, 1984
- d) The Value Added Tax and Supplementary Act 2012 (effective from 01 July 2019), etc.

This is the first set of the University's annual financial statements in which IFRS 16 Leases has been applied. Changes to significant accounting policies are described in Note 5.



Notes to the financial statements (continued)

B. Basis of measurement

The financial statements of the University have been prepared on a going concern basis following accrual basis of accounting, except otherwise stated, following the historical cost convention.

C. Reporting period

The financial period of the University covers one year from 01 July to 30 June and is followed consistently. These financial statements cover one year from 01 July 2019 to 30 June 2020.

D. Comparative information

Comparative information has been disclosed in respect of the year 2019 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year 2019 have been rearranged, wherever necessary, to ensure comparability with the current year.

E. Going concern

The University has adequate resources and intention to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. Management has carefully evaluated the current situation and challenges arisen due to COVID 19 pandemic. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the University's ability to continue as a going concern.

Details of the University's accounting policies including changes during the year are included in note 32.

3. Functional and presentation currency

The financial statements have been prepared and presented in Bangladeshi taka (Taka/Tk./BDT) which is the University's functional currency.

4. Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are stated in the following notes:

Note 06 - Depreciation on property and equipment

Note 09 - Advances, deposits and receivables

Note 30 - Contingent liabilities

5. Changes in significant accounting policies

The University initially applied IFRS 16: Leases from 1 July 2019.

The University applied IFRS 16 using the modified retrospective approach, under which there are no cumulative effect of initial application in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.



Notes to the financial statements (continued)

A. Definition of a lease

Previously, the University determined at contract inception whether an arrangement was or contained a lease under IFRIC 4: Determining whether an Arrangement contains a Lease. The University now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 32 (P).

On transition to IFRS 16, the University elected to apply the practical expedient assessment of which transactions are leases. The University did not reassess the contracts that were not identified as leases under IAS 17 and IFRIC 4 for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 July 2019.

B. As a lessee

As a lessee, the University leases a few assets including office spaces and motor vehicles. The University previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the University. Under IFRS 16, the University recognizes right-of-use assets and lease liabilities for all of these leases – i.e. these leases are on-balance sheet. At commencement or on modification of a contract that contains a lease component, the University allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

Leases classified as operating leases under IAS 17

Previously, the University classified leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the University's incremental borrowing rate as at 1 July 2019 (see Note 5(c)).

Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the University's incremental borrowing rate at the date of initial application: the University applied this approach to all of the leases.

The University has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The University used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the University:

- did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognize right-of-use assets and liabilities for leases of low value assets; and
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

C. Impact on financial statements

Impact on transition

On transition to IFRS 16, the University recognized additional right-of-use assets and additional lease liabilities, recognizing no difference in retained earnings. The impact on transition is summarized below.

<i>In taka</i>	<i>Note</i>	2020
Right-of-use assets	6	159,215,026
Lease liabilities	27	159,215,026

When measuring lease liabilities for leases that were classified as operating leases, the University discounted lease payments using its incremental borrowing rate @ 9% per year at 1 July 2019.



Notes to the financial statements (continued)

6.00 Property and equipment

See accounting policy in Note 32 (A).

<i>In taka</i>	Land & Land Development	Motor Vehicles	Furniture & Fixtures	Office Equipment	IT Equipment	Recreational Equipment	Property development	Laboratory Equipment	Right of use assets	Total
Cost										
Balance at 1 July 2018	60,571,558	18,730,635	47,293,987	3,667,580	35,860,349	4,006,184	8,248,325	7,494,676	-	185,873,294
Addition	-	-	1,399,821	1,966,334	13,979,666	-	1,795,500	120,381	-	19,261,702
Disposal	-	-	(25,200)	-	-	-	-	-	-	(25,200)
Balance at 30 June 2019	60,571,558	18,730,635	48,668,608	5,633,914	49,840,015	4,006,184	10,043,825	7,615,057	-	205,109,796
Balance at 1 July 2019	60,571,558	18,730,635	48,668,608	5,633,914	49,840,015	4,006,184	10,043,825	7,615,057	-	205,109,796
Addition	-	-	2,870,723	1,060,175	2,414,724	112,875	-	610,000	-	7,068,497
Recognition of right-of-use of assets on initial application of IFRS 16	-	-	-	-	-	-	-	-	159,215,026	159,215,026
Disposal	-	-	-	(12,000)	(288,651)	-	-	-	-	(300,651)
Balance at 30 June 2020	60,571,558	18,730,635	51,539,331	6,682,089	51,966,088	4,119,059	10,043,825	8,225,057	159,215,026	371,092,668
Accumulated depreciation										
Balance at 1 July 2018	-	18,730,635	42,208,828	2,679,916	29,889,994	3,552,358	826,493	7,494,676	-	105,382,900
Depreciation for the year	-	-	2,366,685	411,343	4,501,846	134,570	1,938,940	3,344	-	9,356,728
Adjustment for disposal	-	-	(946)	-	-	-	-	-	-	(946)
Balance at 30 June 2019	-	18,730,635	44,574,567	3,091,259	34,391,840	3,686,928	2,765,433	7,498,020	-	114,738,682
Balance at 1 July 2019	-	18,730,635	44,574,567	3,091,259	34,391,840	3,686,928	2,765,433	7,498,020	-	114,738,682
Depreciation for the year	-	-	1,464,711	981,864	7,667,669	155,734	2,008,765	209,550	-	12,488,293
Depreciation charged on right-of- use of assets for the year	-	-	-	-	-	-	-	-	57,497,527	57,497,527
Adjustment for disposal	-	-	-	(9,250)	(288,651)	-	-	-	-	(297,901)
Balance at 30 June 2020	-	18,730,635	46,039,278	4,063,873	41,770,858	3,842,662	4,774,198	7,707,570	57,497,527	184,426,601
Carrying amount										
At 1 July 2018	60,571,558	-	5,085,159	987,664	5,970,355	453,826	7,421,832	-	-	80,490,394
At 30 June 2019	60,571,558	-	4,094,041	2,542,655	15,448,175	319,256	7,278,392	117,037	-	90,371,114
At 30 June 2020	-	-	5,500,053	2,618,216	10,195,230	276,397	5,269,627	517,487	101,717,499	186,666,067



Notes to the financial statements (continued)

7.00 Capital work-in-progress

See accounting policy in Note 32 (C).

<i>In taka</i>	2020	2019
Capital work-in-progress	201,517,798	201,517,798
	201,517,798	201,517,798

There was no construction work at campus site during the period from 01 July 2013 to 30 June 2020 resulting in no movement in CWIP balance.

8.00 Short term investment

<i>In taka</i>	2020	2019
Investment in FDR	25,000,000	33,538,060
	25,000,000	33,538,060

9.00 Advances, deposits and receivables

See accounting policy in Note 32 (E).

<i>In taka</i>	Note	2020	2019
Advances	(A)	10,253,840	11,605,978
Security deposits		597,476	376,476
Receivables	(B)	3,719,008	3,866,374
		14,570,324	15,848,828

A. Advances

<i>In taka</i>	2020	2019
Advances to land lords	4,909,873	7,576,158
Advances to students	53,568	262,388
Advances to employees	252,000	204,532
Loan to employees	103,337	210,500
Advances to suppliers and contractors	2,509,452	3,352,400
Loan to students	2,425,610	-
	10,253,840	11,605,978

B. Receivables

<i>In taka</i>	2020	2019
Receivable from students against tuition fees	3,348,624	527,350
Receivable against Antivirus	95,146	14,426
Receivable from AUWSF and others	275,238	3,324,598
	3,719,008	3,866,374

10.00 Cash and cash equivalents

See accounting policy in Note 32 (F).

<i>In taka</i>	Note	2020	2019
Cash in hand	(A)	960,942	422,564
Cash at bank	(B)	15,539,044	10,732,288
		16,499,986	11,154,852

A. Cash in hand

<i>In taka</i>	2020	2019
Petty cash (Finance)	923,202	378,318
Petty cash (Dhaka Office)	37,740	44,246
	960,942	422,564

B. Cash at bank

Name of the banks	Branch	Account Type	2020	2019
Trust Bank Limited	CDA Avenue	Savings A/c	9,544,825	4,073,639
Trust Bank Limited		Current A/c	28	3,931,196
Standard Chartered Bank	Agrabad, Ctg	Current A/c	5,994,191	2,727,453
			15,539,044	10,732,288



Notes to the financial statements (continued)

11.00 General fund

In taka

	2020	2019
Balance at 1 July	244,578,182	227,638,178
Excess of (expenditure over income)/income over expenditure	(29,566,594)	16,940,004
Balance at 30 June	215,011,588	244,578,182

12.00 Restricted fund for projects

See accounting policy in Note 32 (L).

In taka

Project Name	Balance at 1 July 2019	Received during the year	Payment during the year	Balance at 30 June 2020
Chemistry without Borders	6,357	-	-	6,357
Spark of Hope (SFH) project	35,403	1,408,567	1,334,700	109,270
Hope for Wash Project	-	2,306,148	1,400,231	905,917
Connecther Global Education Fund	36,309	1,292,932	1,329,232	9
Prothom Alo	156,000	400,000	466,000	90,000
Daughters for life	17,817	-	-	17,817
United Board Christian Higher Education	117,280	-	56,391	60,889
Humanitarian Open Street Map Team	24,880	-	-	24,880
Morrison and Foerster Foundation	278,663	-	69,000	209,663
Charities Aid Foundation (CAF)	319,664	-	-	319,664
Ellizabeth Mulligan	237,600	-	48,000	189,600
Erasmus project	-	5,906,885	3,644,755	2,262,130
United Board Christian Higher Education - WASH	-	90,085	44,206	45,879
	1,229,973	11,404,617	8,392,515	4,242,075

13.00 Deferred income (GOB Grant)

See accounting policy in Note 32 (I)

The amount represents the deed value of land and related transfer fees which was granted by the Government of the People's Republic of Bangladesh. The land was mutated in the name of AUW.

Mouza: North Pahartali, Deed number: 2522 dated 02 September 2008

Particulars	Area (Acres)	Taka	BS Dag no.
Salami Value		38,555,390	194, 195, 201,
Local government tax & source tax	104.40	1,735,120	202, 203, 204,
		1,926,569	205, 206, 207,
Stamp & registration			301, 302, 304,
			305, 312
Sub Total	104.40	42,217,079	

Mouza: North Pahartali and Jalalabad, Deed number: 1538/12 dated 26 June 2012

Particulars	Area (Acres)	Taka	BS Dag no.
Salami value		16,839,152	807 (Part) &
Stamp cost		504,875	303 (Part)
Source tax	2.28	336,784	
Registration fee		336,884	
Local government tax		336,784	
Sub Total	2.28	18,354,479	
Total	106.68	60,571,558	

14.00 Provision for deferred compensation

In taka

	2020	2019
Balance at 1 July	12,619,523	14,691,146
Provided during the year	6,557,005	5,498,672
	19,176,528	20,189,818
Paid during the year	(2,327,373)	(6,008,358)
Forfeited during the year	(3,333)	(1,561,937)
Balance at 30 June	16,845,822	12,619,523

Notes to the financial statements (continued)

15.00 Liabilities for expenses

<i>In taka</i>	2020	2019
Salaries	2,145,837	539,950
Utilities	50,470	144,030
Audit and professional fee	7,847,280	5,385,000
Student services	150,333	400,120
Telephone	24,982	22,000
Internet	330,000	-
Building maintenance	157,746	-
Others	278,044	65,000
	10,984,692	6,556,100

16.00 Other liabilities

<i>In taka</i>	2020	2019
Payable to vendors	1,883,352	6,050,510
Payable to students	177,163	165,612
Payable to employees against reimbursement	33,947	94,551
Students' Club fund	12,068	33,068
Advance tuition fee received	8,298,664	10,722,630
ICNST fund	240,316	243,450
Security deposits from students	2,748,272	684,492
Salary advance to employee	37,230	-
Payable to pathway students	-	58,672
AUW current account	-	3,738,499
	13,431,012	21,791,484

17.00 Grant from AUWSF

See accounting policy in Note 32 (J).

<i>In taka</i>	2020	2019
Expenses of AUW paid directly by AUWSF, USA	102,631,630	105,147,239
Fund remitted by AUWSF, USA	83,731,821	155,577,052
Fund remitted by AUWSF, Hong Kong	55,327,500	42,571,536
Fund remitted by UK foundation	-	5,587,907
	241,690,951	308,883,734

18.00 Other donation

See accounting policy in Note 32 (J).

<i>In taka</i>	2020	2019
Sponsorship fund- Kadoorie Charitable Foundation	15,111,970	-
Sponsor fund-Harvard University Club of Singapore, SG Foundation	2,769,184	-
Donation in cash from landlord- un restricted	400,000	-
	18,281,154	-

19.00 Interest income

See accounting policy in Note 32 (J).

<i>In taka</i>	2020	2019
Interest from FDR	1,170,563	2,923,591
Interest from SND	176,762	43,862
	1,347,325	2,967,453

20.00 Other income

See accounting policy in Note 32 (J).

<i>In taka</i>	2020	2019
Scrap sales and miscellaneous	135,904	54,495
Gain on disposal of non current assets	2,200	-
	138,104	54,495



Notes to the financial statements (continued)

21.00 Staff costs and benefits

<i>In taka</i>	2020	2019
Staff cost	218,158,368	193,408,155
Deferred compensation	6,590,698	3,936,735
Health insurance	3,733,959	3,059,607
Staff home travel	3,242,262	2,191,631
Staff accommodation	6,967,456	17,288,500
Shipment cost	271,916	452,984
Research	189,510	20,750
Uniform and leverage	184,059	263,592
Work permit and visa fee	951,812	929,264
Recruitment cost	1,428,443	5,756,294
Staff development and training	23,605	272,878
	241,742,088	227,580,390

22.00 Occupancy cost

<i>In taka</i>	2020	2019
Rent	706,312	50,291,760
Utilities	11,345,584	11,201,269
Fuel for generator	634,470	465,850
Building maintenance	1,593,372	3,845,822
Housekeeping service	4,299,141	4,963,823
Security service	6,000,006	5,596,821
	24,578,885	76,365,345

23.00 Office running cost

<i>In taka</i>	2020	2019
Furnitures, fixtures and equipment maintenance	1,786,376	981,950
Car rent	799,539	1,008,527
Vehicle fuel	664,751	769,814
Government fee and insurance	519,291	448,382
Vehicle repairs and maintenance	191,760	329,117
Office supplies	1,803,961	2,127,546
Photocopy	199,585	128,361
Subscriptions	935,529	1,208,073
Legal and professional fee	3,186,224	4,923,092
Audit fee	431,250	431,250
Software and license renewal	1,689,338	591,166
Hospitality	242,074	223,511
General insurance of assets	201,173	108,815
Housekeeping supplies	818,424	194,370
	13,469,275	13,473,974

24.00 Communication cost

<i>In taka</i>	2020	2019
Telephone	480,680	498,130
Internet	3,140,877	2,788,300
Courier, postage & fax	274,654	152,350
	3,896,211	3,438,780

25.00 Travel

<i>In taka</i>	2020	2019
International	1,138,681	3,205,216
Local	683,778	1,235,967
	1,822,459	4,441,183



Notes to the financial statements (continued)

26.00 Student affairs

<i>In taka</i>	2020	2019
Work study	1,927,830	2,048,952
Students projects	2,191,412	2,001,044
Student events	945,190	1,200,901
Books and educational aid	6,216,548	4,819,201
Medical expenses	1,529,713	851,993
Food services	25,072,712	20,843,108
Laundry	315,232	484,167
House keeping supplies	607,346	1,342,164
Student visa cost	1,101,061	1,355,947
Student travel (International & local)	4,170,484	5,731,435
Students allowances	440,500	430,500
	44,518,028	41,109,412

27.00 Lease liability

See accounting policy in Note 32 (P).

<i>In taka</i>	2020	2019
Present value of remaining lease liabilities at 1 July 2019	159,215,026	-
Interest charged during the year	12,228,570	-
	171,443,596	-
Payments of interest expense	(12,228,570)	-
Payments of lease liability	(48,941,990)	-
Concession in rent	(2,189,440)	-
Balance at 30 June	108,083,596	-

Lease liability current and non-current portion

<i>In taka</i>	2020	2019
Due within one (1) year	44,438,533	-
Due after more than one (1) year	63,645,063	-
	108,083,596	-

A. The company has been contracted for the following leases:

Long term and high value leases:

Name of Lessor	Address	Terms of payment (Per month)	Discount rate	Commencement of lease	Lease expiry
Mr. Didarul Alam Chowdhury	20/A, M M Ali Road, Chattogram	Tk. 1,300,000	9%	01 February 2018	31 January, 2023
Mr. Syed Mohammad Mohiuddin	20/B, M M Ali Road, Chattogram	Tk. 450,000 for first three years and Tk. 517,000 for rest of the period		7 April 2018	6 April 2023
Mrs. Lulu Kausar	20/C, M M Ali Road, Chattogram	Tk. 450,000 for first three years and Tk. 517,000 for rest of the period		1 April 2018	31 March 2023
Md. Shamsul Alam	20/F, M M Ali Road, Chattogram	Tk. 900,000		01 June 2018	31 May 2022
Al- Haj Md. Sirajuddin	20/E, M M Ali Road, Chattogram	Tk. 760,000		1 July 2016	30 June 2020
Mrs. Nasreen Alam Chowdhury	20/D, M M Ali Road, Chattogram	Tk. 452,000 and Tk. 519,800 for last two years		1 July 2017	30 June 2022
Mrs. Majeda Begum	2/17 O.R Nizam Road, Panchlaish R/A, Chattogram	Tk. 800,000 (1 Oct 2019 - 30 Apr 2020) and Tk. 608,000 (1 May 2020 - 30 Apr 2022)		1 October 2019	30 April 2022
Al-Haj Md. Jamalullah	Plot # 3904 of BS Khatian. 1204, South	Tk. 400,000		1 September 2018	31 August 2020



Notes to the financial statements (continued)

Lease liability(continued)

Low value leases:

Name of Lessor	Address	Terms of payment (Per month)	Commencement of lease	Lease expiry
M. A Bashar	Plot No-66G, Block-C-Road-1, South Khulshi, Chattogram	4 flats Tk. 28,000 each	1 July 2018	30 June 2020
M. A Bashar	Plot # 66G, Block - C, Road - 1, South khulshi, Chittagong	3 flats @ tk 26,500 each	1 September 2019	31 July 2021
M. A Bashar	Plot # 66G, Block - C, Road - 1, South khulshi, Chittagong	1 flat @ Tk 16,500	1 August 2018	31 July 2020
S M Ashraful Alam	ANZ Blue Shore, House -55/C/2, Lane	2 flats Tk. 22,105 each	1 January 2020	30 December 2022
S M Ashraful Alam	ANZ Blue Shore, House -55/C/2, Lane	1 flats Tk. 27,368	1 August 2019	31 July 2021
Capt. Sayeed Ahmed	ANZ Blue Shore, House no- 55/C/2	Tk. 26,000	1 August 2019	31 July 2021
Mr. Shah Alam Chowdhury	785/1 M. M Ali Road, Mehdibaag , Chattogram	Tk. 26,000	1 November 2019	31 October 2021
Md. Anwarul Azim	B-4 Ideal Melody II, MM ali Road, Chattogram	Tk. 36,850	1 January 2020	31 December 2021
Ms. Zebunnessa Reshma	31 DOHS (old), Banani, Dhaka	Tk. 44,210	1 March 2020	28 February 2022
Mr. Mohammad Yonus Ali	D-6 of IDEAI MELODY -1 Building located at mouza uttar pahartali khulshi	Tk. 25,000	1 December 2019	30 November 2020
Mr. Mohammad Mamun Uddin	C-6 Ideal Melody II, MM Ali Road, Chattogram	Tk. 22,000	1 January 2017	31 December 2022
Mr. Mohammad Mamun Uddin	A-1 Ideal Melody II, MM Ali Roadi, Chattogram	Tk. 25,000	1 June 2019	31 May 2023

I. Right-of-use assets

In taka

	2020	2019
Present value of Right-of-use assets at 1 July 2019	159,215,026	-
Depreciation during the year	(57,497,527)	-
Balance at 30 June	101,717,499	-

II. Amount recognized in statement of income and expenditure

In taka

	2020
2020-Under IFRS 16	
Interest on lease liability	12,228,570
Depreciation on Right-of-use assets	57,497,527
Expense against short term and low value leases	7,673,768
Concession in rent	(2,189,440)
	75,210,425

In taka

	2019
2019-Under IAS 17	
Expense against short term and low value leases	67,580,260
	67,580,260

III. Amount recognized in the statement of cash flow

In taka

	2020
Total cash outflow for leases	(68,844,328)



28.00 Financial risk management

International Financial Reporting Standard (IFRS) 7- Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Entity's policies for controlling risks and exposures.

The University management has overall responsibility for the establishment and oversight of the University's risk management framework. The University's management policies are established to identify and analyze the risks faced by the University to set appropriate risk limits and controls and to monitor risks and adherence to limit. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the University's activities. The University has exposure to the following risks from its use of financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

A. Credit risk

Credit risk is the risk of a financial loss to the entity if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the entity's receivables and investments.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<i>In taka</i>	<i>Note</i>	2020	2019
Investments in FDRs	8	25,000,000	33,538,060
Advances, deposits and receivables	9	14,570,324	15,848,828
Cash at bank	10 (B)	15,539,044	10,732,288
		55,109,368	60,119,176

B. Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation.

Exposure to liquidity risk

The followings are the contractual maturities of financial liabilities:

<i>In taka</i>		2020				
		Contractual cash flows				
Non-derivative financial liabilities	Note	Carrying amount	Within 12 months	1 to 5 years	More than 5 years	Total
Provision for deferred compensation	14	16,845,822	-	16,845,822	-	16,845,822
Liabilities for expenses	15	10,984,692	10,984,692	-	-	10,984,692
Other liabilities	16	13,431,012	13,431,012	-	-	13,431,012
		41,261,526	24,415,704	16,845,822		41,261,526
<i>In taka</i>		2019				
		Contractual cash flows				
Non-derivative financial liabilities	Note	Carrying amount	Within 12 months	1 to 5 years	More than 5 years	Total
Provision for deferred compensation	14	12,619,523	-	12,619,523	-	12,619,523
Liabilities for expenses	15	6,556,100	6,556,100	-	-	6,556,100
Other liabilities	16	21,791,484	21,791,484	-	-	21,791,484
		40,967,107	28,347,584	12,619,523		40,967,107

C. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the University's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.



Notes to the financial statements (continued)

29.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

Carrying amount										Fair Value			
In taka	Note	Fair value through profit or loss	Financial assets at amortized cost	Debt investments at investments at fair value through			Equity		Total	Level 1	Level 2	Level 3	Total
				comprehensive income	other comprehensive income	other comprehensive income	Other financial liabilities						
30 June 2020													
Financial assets not measured at fair value:													
Receivables	9 (B)	-	3,719,008	-	-	-	-	-	3,719,008	-	-	-	-
Investments in FDRs	8	-	25,000,000	-	-	-	-	-	25,000,000	-	-	-	-
Cash at bank	10 (B)	-	15,539,044	-	-	-	-	-	15,539,044	-	-	-	-
		-	44,258,052	-	-	-	-	-	44,258,052	-	-	-	-
Financial liabilities not measured at fair value:													
Other liabilities	16	-	-	-	-	-	-	13,431,012	13,431,012	-	-	-	-
		-	-	-	-	-	-	13,431,012	13,431,012	-	-	-	-
Carrying amount													
Fair Value													
In taka	Note	Fair value through profit or loss	Financial assets at amortized cost	Debt investments at investments at fair value through			Equity		Total	Level 1	Level 2	Level 3	Total
				comprehensive income	other comprehensive income	other comprehensive income	Other financial liabilities						
30 June 2019													
Financial assets not measured at fair value:													
Receivables	9 (B)	-	3,866,374	-	-	-	-	-	3,866,374	-	-	-	-
Investments in FDRs	8	-	33,538,060	-	-	-	-	-	33,538,060	-	-	-	-
Cash at bank	10 (B)	-	10,732,288	-	-	-	-	-	10,732,288	-	-	-	-
		-	48,136,722	-	-	-	-	-	48,136,722	-	-	-	-
Financial liabilities not measured at fair value:													
Other liabilities	16	-	-	-	-	-	-	21,791,484	21,791,484	-	-	-	-
		-	-	-	-	-	-	21,791,484	21,791,484	-	-	-	-



30.00 Contingent liabilities

The university had no contingent liabilities at the reporting date.

31.00 Events after the reporting period

No material events have occurred from the reporting date to the date of issue of these financial statements which could affect the values stated therein.

32.00 Significant accounting policies

The University has consistently applied the following accounting policies to all periods presented in these financial statements except otherwise stated.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

A. Property and equipment	19-20
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C. Capital work-in-progress	20
D. Foreign currency translation	20
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A. Property and equipment

I. Recognition and measurement

Property and equipment are stated at cost less accumulated depreciation except land & land development. Land and Land development are recognized at deed value and related transfer fees and other costs in respect of registration and development of land.

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of self-constructed / installed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

II. Subsequent costs

The cost of replacing part of an item of Property and equipment is recognized in the carrying amount of the item, if it is probable that the future benefit embodied within the part will flow to the university and its cost can be measured reliably. The costs of the day to day servicing of Property and equipment are recognized in income and expenditure statement as incurred.

III. Depreciation

Land is held on a renewable long term leasehold basis and is not depreciated/amortized considering the usage. In respect of all other property and equipment, depreciation is recognized in statement of income and expenditure on straight line method over the estimated useful lives of property and equipment.

The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The depreciation charge for each period is recognized as an expense unless it is included in the carrying amount of another asset.

The principal annual rates are as follows:

<u>Classes of assets</u>	<u>Rate of depreciation</u>
Land & land Development	Nil
Motor vehicles	20%
Furniture & fixtures	15%
Office equipment	25%
IT equipment	33.33%
Recreational equipment	25%
Laboratory equipment	33.33%
Leasehold property	20%

B. Intangible assets

Intangible assets are carried at cost less any accumulated amortization and impairment losses, if any, under IAS 38- "Intangible Assets". The cost of intangible asset is amortized over their estimated useful lives, using the straight line method. Amortization has been charged at the rate of 33.33%.

C. Capital work-in-progress

Property under construction for the University is accounted for as capital work-in-progress until construction is completed and measured at cost.

D. Foreign currency translation

Foreign currency transactions are recorded at the applicable rates of exchange prevailing at the transaction date in accordance with IAS 21 – "The Effects of Changes in Foreign Exchange Rates". Foreign currency monetary assets and liabilities at the reporting date are translated at the rates prevailing on that date. Exchange differences at the reporting date are charged/ credited to the statement of income and expenditure.

E. Advances, deposits & receivables

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Receivables are initially measured at cost. After initial recognition receivables are carried at cost less deductions or adjustments, if any.

F. Cash & cash equivalents

Cash and cash equivalents include cash in hand, in transit and balances with banks on current and deposit accounts which are held and available for use by the University without any significant restriction.

G. Statement of cash flows

Statement of Cash Flows is prepared in accordance with IAS 7 – "Statement of Cash Flows" under indirect method.

H. VAT and tax

As per Article-7(a) of the Charter, the University shall not be liable to pay any Tax, Rate and Duty other than those paid by any other person.

All faculty members, administrators, officers, experts, technicians, visiting personnel employed by the University who are not nationals of Bangladesh shall not be subject to Income Tax as per the SRO 17 -Law/2009, dated 02 February 2009 on their salary and allowances.

The University complies with applicable provisions of Income Tax Ordinance, 1984, Income Tax Rules, 1984, and Value Added Tax and Supplementary Act 2012 (effective from 01 July 2019).



I. Government grant

Government Grant is recognized when the conditions attaching to it will be complied and the grant will be recorded as per provision of IAS 20-“Accounting for Government Grants and Disclosure of Government Assistance”. The government of the People's Republic of Bangladesh represented by the Ministry of Education has given 106.68 acres of land as grant for 99 years and renewable for further 99 years with the condition mentioned in the Charter of the Asian University for Women Act, 2006. The land shall be solely used by the University for the Objectives mentioned in the Charter. The land cannot be used for any other purpose unless a prior written consent is obtained from the Government.

Further quantum of 29.08 acres of land have been granted to the University by the Government, as represented by the Ministry of Education for which the registration and mutation in favor of the University is under progress.

J. Revenue

Revenue is recognized in accordance with IFRS 15 Revenue from contract with customers. Major components of revenue are as follows:

Tuition fee

Tuition fee represents semester fees and admission fees and is recognized on accrual basis.

Grant from AUWSF

Asian University for Women Support Foundation (AUWSF), incorporated as a not-for-profit organization based in the United States of America mobilizes financial resources across the world to help running the University. The Foundation is responsible for raising and maintaining the endowment for the University and providing funds throughout the year. Grant from AUWSF is recognized as and when the grant is received.

Other donation

Other donations are received by the University directly from local and international sources other than AUWSF and recognized as and when the donation is received.

Interest income

Interest income on Bank Deposits is recognized on cash basis net off taxes deducted by the respective banks.

Other income

Other income is recognized when AUW's right to receive such income is established.

K. Provisions, contingent liabilities and contingent assets

The preparation of the financial statements in conformity with the IAS 37- “Provisions, Contingent Liabilities and Contingent Assets” require management to make estimates and assumptions that affect the reported amounts of income and expenses, assets and liabilities and the disclosure requirements for contingent assets and liabilities at the date of the financial statements.

A provision is recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized.

AUWSF current account

Asian University for Women Support Foundation (AUWSF) is the main donor of fund for AUW. AUWSF has been established to support AUW and all funds received from AUWSF are initially booked in AUWSF Current Account and subsequently transferred to Grant from AUWSF.

L. Restricted fund for projects

This represents unspent balance of the funds received from Ford Foundation, SRHR Seminar Project, Aptis research project, Chemistry without Borders (CWB) Project and Spark of Hope (SFH) Project and Connecther Global Education Fund for seminar and research purposes.

M. Restricted fund for construction

AUW received BDT 32.59 million from KAPE (Kuwait Awqaf Public Foundation) through KJRC (Kuwait Joint Relief Committee) in 2011 as partial contribution towards building Library and Auditorium out of which BDT 27.50 million were spent. Unspent amount of BDT 5.08 million has been kept as restricted fund for construction.



N. Deferred compensation (retirement benefit)

AUW maintains unrecognized deferred compensation fund for its faculty and foreign employees who are employed on contractual basis. Deferred compensation is administered under the rules set by Board of Trustees and is funded by contribution from AUW as per employment contract. AUW recognizes provision for Deferred Compensation in conformity with the IAS 37- "Provisions, Contingent Liabilities and Contingent Assets". When employees retire or leave their service from AUW then benefit is paid from this provision.

O. Books and educational aid

University usually buy books for the semester as Text Book which are not used in next semester. Teachers or students may use those books as reference book in the subsequent year. As such Cost of Books are not capitalized rather charged to the income and expenditure statement.

P. Leases

At inception of a contract, the University assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset.

The policy is applied with effect from 01 July 2019 in accordance with IFRS 16.

I. As a Lessee

The University recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the University by the end of the lease term or the cost of the right-of-use asset reflects that the University will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the University's incremental borrowing rate. Generally, the University uses its incremental borrowing rate as the discount rate.

The University determines its incremental borrowing rate by obtaining interest rates from various external financing sources and making adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability usually comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the University is reasonably certain to exercise, lease payments in an optional renewal period if the University is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the University is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the University's estimate of the amount expected to be payable under a residual value guarantee, if the University changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases and leases of low-value assets

The University has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short term leases, including IT equipment. The University recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



II. As a Lessor

At inception or on modification of a contract that contains a lease component, the University allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the University acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the University makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the University considers certain indicators such as whether the lease is for the major part of the economic life of an asset.

Q. New standards and interpretations not yet adopted

All reporting standards effective till to date are consistently applied by the University to the extent relevant for the University. A number of new standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, the University has not early adopted the new or amended standards in preparing the financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the financial statements.

- IFRS 17 Insurance Contracts.
- Definition of Material (Amendment to IAS 1 and IAS 8).
- Definition of a Business (Amendment to IFRS 3).
- Amendments to References to Conceptual Framework in IFRS Standards.

