

***Independent Auditors' Report and
Audited Financial Statements
Of***

Asian University for Women

20/A M. M. Ali Road, Chattogram 4000

For the year ended June 30, 2021

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF TRUSTEES OF ASIAN UNIVERSITY FOR WOMEN

Qualified Opinion

We have audited the financial statements of "Asian University for Women" which comprises the statement of financial position as at June 30, 2021 and statement of profit or loss and other comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view, in all material respects, of the financial position as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

Asian University for Women (AUW) has incurred expenses equivalent to Tk. 86,034,383 (Note-18 of the financial statements) which have directly been paid to the respective payees by Asian University of Women Support Foundation (AUWSF), Boston, USA. This includes expensed salary of Tk. 79,336,527 paid in favour of expatriate employees of AUW. Grant for the mentioned amount has neither been received in the bank accounts of AUW in Bangladesh nor the salaries been paid in any account in Bangladesh as stipulated in the work permits issued by Bangladesh Investment Development Authority (BIDA). The alternative documents provided by AUW shows that these income and expenses have originally been generated by a different legal entity in a different legal jurisdiction (i.e., AUWSF in USA). These transactions were carried out in such a way that the related cashflows would never be reflected in AUW's financial records. This has significantly reduced the verifiability of these transactions. Hence, we were not able to obtain sufficient appropriate evidence regarding the expatriate salaries and the corresponding grant income.

Moreover, there may be legal consequences for this as well. It is a non-compliance with the condition of the work permits issued by BIDA which states that the remuneration of the expatriates would be borne out of foreign exchange remittance received in Bangladesh from abroad. Consequently, BIDA reserves the right to terminate the work permits and impose financial and/or non-financial penalty. The National Board of Revenue (NBR) may charge additional tax as per section 16B of the Income Tax Ordinance (ITO), 1984 (i.e., higher of 50% of tax payable or BDT 500,000) if the work permits are cancelled by BIDA. NBR may also charge additional tax by way of disallowed expenses as per section 30(i) read with 30B of the ITO, 1984 (i.e., @15% on the amount of such expenses) as the salary payments were not made via banking channel in Bangladesh. In addition, Bangladesh Bank may impose penalty (higher of twice of the value of the property or taka twenty lacs) under section 4 of the Money Laundering Prevention Act 2012 as these transactions may be defined as "money laundering" under section 2(v) read with section 2(a) and section 3 of the Act. Management has assessed the possible legal consequences to be of remote possibility and has neither recognized any provisions nor disclosed any contingent liability according to IAS-37. However, we did not observe sufficient appropriate documents to conclude that management's assessment of the possible legal consequences is in compliance with IAS-37.

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 organisation in

accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 entity'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 close the entity or to cease operations, or has no realistic alternative but to do so.

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 scepticism 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 Entity'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 Auditee'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 auditee 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with management 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.

Other Matters

We did not observe submission of the Income Tax Return and the Withholding Tax Return by AUW under section 75 & 75A of the ITO, 1984. While AUW has been exempted from the charges of taxes as per the AUW Charter, we did not observe any exemption certificate or statutory regulatory order (SRO) from NBR that specifies the relief from compliances with the ITO, 1984. As AUW bears the risk of non-compliance with ITO, 1984, we suggest that AUW Management should consult with NBR on the compliance requirements and obtain a written clarification or SRO from NBR to this effect.

Masih Muhith Haque & Co.
Chartered Accountants
RJSC Registration No. P-36255



Masih Malik Chowdhury FCA
Enrolment No. 337

DVC: 2201230337 AS 442751

Place: Dhaka
Dated: January 19, 2022

Asian University for Women
Statement of financial position

<i>In taka</i>	<i>Note</i>	30 June 2021	30 June 2020	1 July 2019
Assets				
Non-current assets				
Property and equipment	6	781,874,714	189,077,438	90,371,114
Capital work-in-progress	7	201,517,798	201,517,798	201,517,798
Total non-current assets		983,392,512	390,595,236	291,888,912
Current assets				
Short term investment	8	49,498,256	25,000,000	33,538,060
Advances, deposits and receivables	9	13,441,413	9,737,326	15,848,828
Cash and cash equivalents	10	34,105,277	16,499,986	11,154,852
Total current assets		97,044,946	51,237,312	60,541,740
Total assets		1,080,437,458	441,832,548	352,430,652
Funds and liabilities				
Funds				
General fund	11	264,440,784	218,685,012	244,578,182
Restricted fund for construction		5,083,832	5,083,832	5,083,832
Restricted fund for projects	12	2,444,707	4,242,075	1,229,973
Campus construction fund		10,000,000	10,000,000	-
Total funds		281,969,323	238,010,919	250,891,987
Non-current liabilities				
Deferred income (GOB Grant)	13	681,567,069	60,571,558	60,571,558
Provision for deferred compensation	14	19,824,853	16,845,822	12,619,523
Lease liabilities	28	26,356,986	59,437,237	-
Total non-current liabilities		727,748,908	136,854,617	73,191,081
Current liabilities				
Liabilities for expenses	15	2,986,684	9,097,467	6,556,100
Other liabilities	16	10,551,333	13,431,012	21,791,484
Lease liabilities	28	57,181,210	44,438,533	-
Total current liabilities		70,719,227	66,967,012	28,347,584
Total liabilities		798,468,135	203,821,629	101,538,665
Total funds and liabilities		1,080,437,458	441,832,548	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 The comparative figure has been restated for year 2020 detail is given in Note 31.

The notes on pages 8 to 24 are an integral part of these financial statements.



Director of Finance



Chair of Audit Committee

Masih Muhith Haque & Co.
Chartered Accountants
RSM in Bangladesh

As per our report of same date.



Masih Malik Chowdhury FCA
Engagement Partner

DVC: 2201230337AS442751

Dhaka
Date: January 19, 2022

Asian University for Women
Statement of income and expenditure
For the year ended 30 June 2021

<i>In taka</i>	<i>Note</i>	2021	2020
Income			
Tuition fee and admission fee	17	145,682,357	129,812,344
Grant from AUWSF	18	180,983,291	245,877,024
Other donation	19	1,697,084	18,281,154
Interest income	20	2,868,230	1,347,325
Other income	21	118,321	138,104
Project income		3,652,925	8,392,515
Total income		335,002,208	403,848,466
Expenditure			
Staff costs and benefits	22	173,026,753	241,742,088
Occupancy cost	23	8,522,248	24,579,005
Office running cost	24	6,007,935	11,582,050
Communication cost	25	1,397,436	3,896,211
Travel	26	46,918	1,822,459
Student affairs	27	9,248,474	44,518,028
Events, seminars and meetings		8,760	745,828
Outreach costs		442,155	728,361
Campus maintenance expenses		3,697,975	7,173,464
Bank charges and fees		1,069,992	1,235,105
Google Donated Services		4,592,846	4,186,073
World bank project cost		-	16,650
Gain on foreign currency translations		703	(7,984)
Interest on lease liability		10,002,933	11,432,010
Community service learning		-	893,152
Project expense		3,652,925	8,392,515
Total expenditure excluding depreciation		221,718,054	362,935,015
Excess of income over expenditure/(expenditure over income) before charging depreciation		113,284,155	40,913,451
Depreciation on property and equipment	6	(12,445,070)	(12,488,293)
Depreciation charged on right-of-use of assets for the year	6	(57,168,553)	(56,507,768)
Concession in rent	28	2,085,240	2,189,440
Excess of income over expenditure/(expenditure over income) after charging depreciation		45,755,772	(25,893,170)

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 The comparative figure has been re-stated for year 2020 detail is given in Note 31.

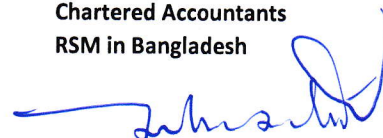
The notes on pages 8 to 24 are an integral part of these financial statements.


Director of Finance


Chair of Audit Committee

As per our report of same date.

Masih Muhith Haque & Co.
Chartered Accountants
RSM in Bangladesh



Dhaka
Date: January 19, 2022

Masih Malik Chowdhury FCA
Engagement Partner
DVC: 2201230337AS442751

Asian University for Women
Statement of changes in funds
For the year ended 30 June 2021

<i>In taka</i>	General fund	Restricted fund for construction	Restricted fund for projects	Campus construction fund	Total
Balance at 1 July 2019	244,578,182	5,083,832	1,229,973	-	250,891,987
Excess of income over expenditure	(25,893,170)	-	-	-	(25,893,170)
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	218,685,012	5,083,832	4,242,075	10,000,000	238,010,919
Balance at 1 July 2020	218,685,012	5,083,832	4,242,075	10,000,000	238,010,919
Excess of expenditure over income	45,755,772	-	-	-	45,755,772
Funds received	-	-	1,855,557	-	1,855,557
Payments made from the funds	-	-	(3,652,925)	-	(3,652,925)
Balance at 30 June 2021	264,440,784	5,083,832	2,444,707	10,000,000	281,969,323

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 The comparative figure has been re-stated for year 2020 detail is given in Note 31.

The notes on pages 8 to 24 are an integral part of these financial statements.



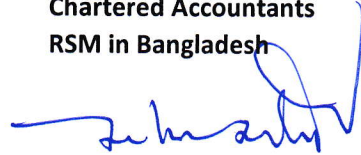
Director of Finance

As per our report of same date.



Chair of Audit Committee

Masih Muhith Haque & Co.
Chartered Accountants
RSM in Bangladesh



Masih Malik Chowdhury FCA
Engagement Partner

DVC: 2201230337AS442751

Dhaka

Date: January 19, 2022

Asian University for Women

Statement of cash flows

For the year ended 30 June 2021

<i>In taka</i>	<i>Note</i>	2021	2020
Cash flow from operating activities			
Excess of (expenditure over income)/income over expenditure after charging depreciation		45,755,772	(25,893,170)
Adjustments for:			
- Gain/Loss on disposal of non-current assets		6,129	(2,200)
- Depreciation on property and equipment	6	12,445,070	12,488,293
- Depreciation charged on right-of-use of assets	6	57,168,553	56,507,768
- Provision for deferred compensation	14	5,876,919	6,557,005
- Interest on lease liability	28	10,002,933	11,432,010
- Concession on lease payments	28	(2,085,240)	(2,189,440)
- Forfeiture of deferred compensation	14	(517,649)	(3,333)
		128,652,487	58,896,933
Changes in:			
(Increase)/decrease in advances, deposits and receivables		(3,704,087)	6,111,502
Increase/(decrease) in liabilities for expenses		(6,110,783)	2,541,367
Increase/(decrease) in other liabilities		(2,879,679)	(8,360,472)
Cash generated from operating activities		115,957,938	59,189,330
Payment of deferred compensation	14	(2,380,239)	(2,327,373)
Interest paid on lease liability	28	(10,002,933)	(11,432,010)
Net cash from operating activities		103,574,766	45,429,947
Cash flow from investing activities			
Acquisition of non-current assets	6	(9,314,065)	(7,068,497)
(Increase)/decrease in short term investments		(24,498,256)	8,538,060
Sale of non current assets		550	4,950
Net cash from investing activities		(33,811,771)	1,474,513
Cash flow from financing activities			
Increase/(decrease) in restricted fund for projects		(1,797,368)	3,012,102
Increase/(decrease) in campus construction fund		-	10,000,000
Payment of lease liability	28	(50,360,336)	(54,571,428)
Net cash from financing activities		(52,157,704)	(41,559,326)
Net increase in cash and cash equivalents		17,605,291	5,345,134
Cash and cash equivalents at 1 July		16,499,986	11,154,852
Cash and cash equivalents at 30 June		34,105,277	16,499,986

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 The comparative figure has been re-stated for year 2020 detail is given in Note 31.

The notes on pages 8 to 24 are an integral part of these financial statements.



Director of Finance

As per our report of same date.



Chair of Audit Committee

Masih Muhith Haque & Co.
Chartered Accountants
RSM in Bangladesh

Masih Malik Chowdhury FCA

Engagement Partner

DVC: 2201230337AS 442751

Dhaka

Date: January 19, 2022

Notes to the 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 135.76 acres (further quantum of 26.97+2.11=29.08 acrs have been granted to the university by the Government, as represented by the Ministry of Education for which the registration and mutation in favour of the University has been completed during the year and recognized in the Financial Statements accordingly in addition to the earlier 106.66 acrs) 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.

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 2020 to 30 June 2021.

D. Comparative information

Comparative information has been disclosed in respect of the year 2020 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 2020 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 32 - 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. The details of the changes in accounting policies are disclosed below.

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 34 (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. 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	160,636,638
Lease liabilities	28	160,636,638

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)

Property and equipment

See accounting policy in Note 32 (A).

In taka	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 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	-	-	-	-	-	-	-	-	160,636,638	160,636,638
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	160,636,638	372,514,280
Balance at 1 July 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	160,636,638	372,514,280
Addition	620,995,511	-	468,135	1,254,716	7,256,814	-	-	334,400	32,108,002	662,417,578
Disposal	-	-	(22,050)	-	-	-	-	-	-	(22,050)
Balance at 30 June 2021	681,567,069	18,730,635	51,985,416	7,936,805	59,222,902	4,119,059	10,043,825	8,559,457	192,744,640	1,034,909,808
Accumulated Depreciation/Amortization										
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
Amortization on right-of-use of assets for the year	-	-	-	-	-	-	-	-	56,507,768	56,507,768
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	56,507,768	183,436,842
Balance at 1 July 2020	-	18,730,635	46,039,278	4,063,873	41,770,858	3,842,662	4,774,198	7,707,570	56,507,768	183,436,842
Depreciation for the year	-	-	1,474,947	1,099,928	7,394,420	149,270	2,008,765	317,740	-	12,445,070
Amortization on right-of-use of assets for the year	-	-	-	-	-	-	-	-	57,168,553	57,168,553
Adjustment for disposal	-	-	(15,371)	-	-	-	-	-	-	(15,371)
Balance at 30 June 2021	-	18,730,635	47,498,854	5,163,801	49,165,278	3,991,932	6,782,963	8,025,310	113,676,321	253,035,094
Carrying amount										
At 1 July 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	60,571,558	-	5,500,053	2,618,216	10,195,230	276,397	5,269,627	517,487	104,128,870	189,077,438
At 30 June 2021	681,567,069	-	4,486,562	2,773,004	10,057,624	127,127	3,260,862	534,147	79,068,319	781,874,714

Notes to the financial statements (continued)

7.00 Capital work-in-progress

See accounting policy in Note 34 (C).

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Capital work-in-progress	201,517,798	201,517,798	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 2021 resulting in no movement in CWIP balance.

8.00 Short term investment

Investment in FDR

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Opening Balance	25,000,000	33,538,060	33,538,060
Invested during the year	22,000,000	32,000,000	-
Interest earned during the year	2,841,396	1,320,069	-
Excise Duty	(59,000)	(17,500)	-
TDS on interest	(284,140)	(132,006)	-
Encashed during the year	-	(41,708,623)	-
	49,498,256	25,000,000	33,538,060

9.00 Advances, deposits and receivables

See accounting policy in Note 34 (E).

<i>In taka</i>	Note	30 June 2021	30 June 2020	1 July 2019
Advances	(A)	2,222,650	5,420,842	11,605,978
Security deposits		449,476	597,476	376,476
Receivables	(B)	10,769,287	3,719,008	3,866,374
		13,441,413	9,737,326	15,848,828

A. Advances

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Advances to land lords	87,500	76,875	7,576,158
Advances to students	8,643	53,568	262,388
Advances to employees	48,750	252,000	204,532
Loan to employees	-	103,337	210,500
Advances to suppliers and contractors	514,670	2,509,452	3,352,400
Loan to students	1,563,087	2,425,610	-
	2,222,650	5,420,842	11,605,978

B. Receivables

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Receivable from students against tuition fees	10,685,973	3,348,624	527,350
Receivable against Antivirus	69,547	95,145	14,426
Receivable from AUWSF and others	13,767	275,239	3,324,598
	10,769,287	3,719,008	3,866,374

10.00 Cash and cash equivalents

See accounting policy in Note 34 (F).

<i>In taka</i>	Note	30 June 2021	30 June 2020	1 July 2019
Cash in hand	(A)	113,426	960,942	422,564
Cash at bank	(B)	33,991,851	15,539,044	10,732,288
		34,105,277	16,499,986	11,154,852

A. Cash in hand

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Petty cash (Finance)	105,979	923,202	378,318
Petty cash (Dhaka Office)	7,447	37,740	44,246
	113,426	960,942	422,564

B. Cash at bank

Name of the banks	Branch	Account Type	30 June 2021	30 June 2020	1 July 2019
Trust Bank Limited	CDA Avenue	Savings A/c	18,585,037	9,544,825	4,073,639
Trust Bank Limited		Current A/c	2,617,694	28	3,931,196
Standard Chartered Bank	Agrabad, Ctg	Current A/c	12,789,120	5,994,191	2,727,453
			33,991,851	15,539,044	10,732,288

Notes to the financial statements (continued)

11.00 General fund

In taka

	30 June 2021	30 June 2020	1 July 2019
Balance at 1 July	218,685,012	244,578,182	227,638,178
Excess of (expenditure over income)/income over expenditure	45,755,772	(25,893,170)	16,940,004
Balance at 30 June	264,440,784	218,685,012	244,578,182

12.00 Restricted fund for projects

See accounting policy in Note 34 (L).

In taka

Project Name	Balance at 1 July 2020	Received during the year	Payment during the year	Balance at 30 June 2021	Balance at 30 June 2020
Chemistry without Borders	6,357			6,357	6,357
Spark of Hope (SFH) project	109,270	509,528	367,360	251,438	109,270
Hope for Wash Project	905,917		267,967	637,950	905,917
Connecther Global Education Fund	9			9	9
Prothom Alo	90,000	1,240,000	1,130,000	200,000	90,000
Daughters for life	17,817			17,817	17,817
United Board Christian Higher Education (UBCH)	60,889	106,029		166,918	60,889
Humanitarian Open Street Map Team	24,880			24,880	24,880
Morrison and Foerster Foundation	209,663			209,663	209,663
Charities Aid Foundation (CAF)	319,664		42,075	277,589	319,664
Elizabeth Mulligan	189,600			189,600	189,600
Erasmus project	2,262,130		1,845,523	416,607	2,262,130
United Board Christian Higher Education - WASH	45,879			45,879	45,879
	4,242,075	1,855,557	3,652,925	2,444,707	4,242,075

13.00 Deferred income (GOB Grant)

See accounting policy in Note 34 (I)

The amount represents the deed value of land and related transfer fees for 135.76 acrs of land, which was granted by the Government of the People's Republic of Bangladesh. The land was mutated in the name of AUW. Further quantum of $(26.97+2.11) = 29.08$ acrs have been granted to the university by the Government, as represented by the Ministry of Education for which the registration and mutation in favour of the University has been completed during the year and recognized in the Financial Statements accordingly in addition to the earlier $(104.4+2.28) = 106.66$ acrs.

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, 202,
Local government tax & source tax	104.40	1,735,120	203, 204, 205,
Stamp & registration		1,926,569	206, 207, 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) & 303 (Part)
Stamp cost		504,875	
Source tax	2.28	336,784	
Registration fee		336,884	
Local government tax		336,784	
Sub Total	2.28	18,354,479	

Mouza: North Pahartali PS- Doublemooring (old) Khulsi (new), Deed number: 2023 dated 16 September 2020

Particulars	Area (Acres)	Taka	BS Dag no.
Deed value		562,789,884	200
Stamp cost	17.02	16,883,697	202
Registration fee	9.95	11,255,798	
Local government tax		11,255,798	
VAT		16,883,697	
Sub Total	26.97	619,068,872	

Notes to the financial statements (continued)

Mouza: Jalalabad, PS-Panchlaish, Deed number: 7762, dated 20 September 2020

Particulars	Area (Acres)	Taka	BS Dag no.
Deed value		1,751,034	799
Stamp cost	1.56	52,531	808
Registration fee	0.55	35,521	
Local government tax		35,021	
VAT		52,532	
Sub Total	2.11	1,926,639	
Total	135.76	681,567,069	

14.00 Provision for deferred compensation

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Balance at 1 July	16,845,822	12,619,523	14,691,146
Provided during the year	5,876,919	6,557,005	5,498,672
	22,722,741	19,176,528	20,189,818
Paid during the year	(2,380,239)	(2,327,373)	(6,008,358)
Forfeited during the year	(517,649)	(3,333)	(1,561,937)
Balance at 30 June	19,824,853	16,845,822	12,619,523

15.00 Liabilities for expenses

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Salaries	680,370	2,145,837	539,950
Utilities	51,885	50,470	144,030
Audit and professional fee	1,881,250	5,960,055	5,385,000
Printing and Publication	147,263	-	-
Student services	70,808	150,333	400,120
Telephone	7,910	24,982	22,000
Internet	-	330,000	-
Building and FF & Emaintenance	101,516	157,746	-
Others	45,682	278,044	65,000
	2,986,684	9,097,467	6,556,100

16.00 Other liabilities

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Payable to vendors	2,435,135	1,883,352	6,050,510
Payable to students	84,350	177,163	165,612
Payable to employees against reimbursement	109,775	33,947	94,551
Students' Club fund	12,068	12,068	33,068
Advance tuition fee received	3,419,322	8,298,664	10,722,630
ICNST fund	240,316	240,316	243,450
Security deposits from students	4,159,336	2,748,272	684,492
Salary advance to employee	37,730	37,230	-
Payable to pathway students	53,301	-	58,672
AUW Current Account	-	-	3,738,499
	10,551,333	13,431,012	21,791,484

Notes to the financial statements (continued)

17.00 Tuition fee and admission fee

<i>In taka</i>	30 June 2021	30 June 2020
Admission Fees	4,891,210	6,055,841
Tuition Fees	137,434,826	122,727,233
Tuition fees received from donor collected locally	3,356,321	-
Summer school fees	-	1,029,270
	145,682,357	129,812,344

18.00 Grant from AUWSF

See accounting policy in Note 34 (J).

<i>In taka</i>	30 June 2021	30 June 2020
Expenses of AUW paid directly by AUWSF, USA	86,034,383	102,631,630
In Kind donations received from Google	4,592,846	4,186,073
Fund remitted by AUWSF, USA	77,733,562	83,731,821
Fund remitted by AUWSF, Hong Kong	12,622,500	55,327,500
	180,983,291	245,877,024

Asian University for Women (AUW) has incurred expenses equivalent to Tk. 86,034,383 which have directly been paid to the respective payees by Asian University of Women Support Foundation (AUWSF), Boston, USA. This includes the salary of Tk. 79,336,527 paid in favor of expatriate employees of AUW. Whilst we acknowledge that our practice in this connection has not been in full compliance with work permit conditions, it must also be acknowledged that BIDA has neither imposed any penalty on us, nor has it invalidated the work permits, even though we have made full disclosure to BIDA. Additionally, to our knowledge, there are no statutory provisions for "substantial penalty" that can be imposed by BIDA in these circumstances.

As BIDA is fully aware of the situation, has not taken any action against AUW and that AUW is working with BIDA to rectify the situation, there is currently no evidence to indicate that the work permits will be invalidated, hence penalty under Income Tax Ordinance is speculative.

On the basis of above, no amount in the financial statements have been misstated.

As per Article 10 of the Charter- Immunities and Privileges of the University: All property, assets, and funds of the University are exempt from any restrictions, regulations, controls, and moratoria of any nature to the extent it is necessary to carry out the objectives and functions of the University effectively. Hence for the operational efficiency, paying the expatriate directly from AUWSF does not illustrate Money Laundering.

19.00 Other donation

See accounting policy in Note 34 (J).

<i>In taka</i>	30 June 2021	30 June 2020
Sponsorship fund- Kadoorie Charitable Foundation	1,537,084	15,111,970
Sponsor fund-Harvard University Club of Singapore, SG Foundation	-	2,769,184
Donation from: Adeeb Khan partner of KPMG & AUW trustee	100,000	-
Donation in cash from landlord- un restricted	60,000	400,000
	1,697,084	18,281,154

20.00 Interest income

See accounting policy in Note 34 (J).

<i>In taka</i>	30 June 2021	30 June 2020
Interest from FDR	2,498,256	1,170,563
Interest from SND	369,974	176,762
	2,868,230	1,347,325

21.00 Other income

See accounting policy in Note 34 (J).

<i>In taka</i>	30 June 2021	30 June 2020
Scrap sales and miscellaneous	124,450	135,904
Gain/(loss) on disposal of non current assets	(6,129)	2,200
	118,321	138,104

Notes to the financial statements (continued)

22.00 Staff costs and benefits		
<i>In taka</i>	30 June 2021	30 June 2020
Staff cost	160,687,802	218,158,368
Deferred compensation	5,359,270	6,590,698
Health insurance	3,388,788	3,733,959
Staff home travel	654,265	3,242,262
Staff accommodation	2,515,146	6,967,456
Shipment cost	83,902	271,916
Research	-	189,510
Uniform and leverage	55,821	184,059
Work permit and visa fee	237,584	951,812
Recruitment cost	14,175	1,428,443
Staff development and training	30,000	23,605
	173,026,753	241,742,088
23.00 Occupancy cost		
<i>In taka</i>	30 June 2021	30 June 2020
Rent	442,196	706,432
Utilities	4,194,970	11,345,584
Fuel for generator	234,000	634,470
Building maintenance	681,440	1,593,372
Housekeeping service	577,274	4,299,141
Security service	2,392,368	6,000,006
	8,522,248	24,579,005
24.00 Office running cost		
<i>In taka</i>	30 June 2021	30 June 2020
Furniture, fixtures and equipment maintenance	951,429	1,786,376
Car rent	26,695	799,539
Vehicle fuel	213,170	664,751
Government fee and insurance	627,400	519,291
Vehicle repairs and maintenance	144,680	191,760
Office supplies	240,792	1,803,961
Photocopy	44,763	199,585
Subscriptions	1,461,519	935,529
Legal and professional fee	213,175	1,298,999
Audit fee	456,481	431,250
Software and license renewal	1,403,254	1,689,338
Hospitality	-	242,074
General insurance of assets	199,949	201,173
Housekeeping supplies	24,628	818,424
	6,007,935	11,582,050
25.00 Communication cost		
<i>In taka</i>	30 June 2021	30 June 2020
Telephone	230,127	480,680
Internet	984,718	3,140,877
Courier, postage & fax	182,591	274,654
	1,397,436	3,896,211
26.00 Travel		
<i>In taka</i>	30 June 2021	30 June 2020
International	-	1,138,681
Local	46,918	683,778
	46,918	1,822,459
27.00 Student affairs		
<i>In taka</i>	30 June 2021	30 June 2020
Work study	-	1,927,830
Students projects	217,159	2,191,412
Student events	47,106	945,190
Books and educational aid	2,416,377	6,216,548
Medical expenses	181,245	1,529,713
Food services	3,384,423	25,072,712
Laundry	71,168	315,232
House keeping supplies	25,851	607,346
Student visa cost	184,772	1,101,061
Student travel (International & local)	2,061,661	4,170,484
Students allowances	658,712	440,500
	9,248,474	44,518,028

Notes to the financial statements (continued)

28.00 Lease liability

See accounting policy in Note 34 (P).

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Present value of lease liabilities at 1 July	103,875,770	160,636,638	-
(+) Lease Extended during the year	32,108,002	-	-
	135,983,772	160,636,638	-
(+) Interest charged during the year	10,002,933	11,432,010	-
	145,986,705	172,068,648	-
Payments of interest expense	(10,002,933)	(11,432,010)	-
Payments of lease liability	(50,360,336)	(54,571,428)	-
Concession in rent	(2,085,240)	(2,189,440)	-
Balance at 30 June	83,538,196	103,875,770	-

Lease liability current and non-current portion

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Due within one (1) year	57,181,210	44,438,533	-
Due after more than one (1) year	26,356,986	59,437,237	-
	83,538,196	103,875,770	-

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. Sirajuddowla	20/E, M M Ali Road, Chattogram	Tk. 760,000		1 July 2016	Lease expired on '30 June 2020. Formal renewal is under discussion with the landlord. Lease for next 3 years till June 2023 has been considered for lease calculation.
Mrs. Nasreen Alam Chowdhury	20/D, M M Ali Road, Chattogram	Tk. 452,000 for first three years 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 Khulshi, Chattogram	Tk. 375,000		1 September 2018	31 August 2022

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. Lease released on November 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. Lease released on November 2020.
M. A Bashar	Plot # 66G, Block - C, Road - 1, South khulshi, Chittagong	1 flat @ Tk 16,500	1 August 2018	31 July 2020. Lease released on November 2020.
S M Ashrafal Alam	ANZ Blue Shore, House -55/C/2, Lane	2 flats Tk. 22,105 each	1 January 2020	30 December 2022. Lease released on July 2020.
S M Ashrafal Alam	ANZ Blue Shore, House -55/C/2, Lane	1 flats Tk. 27,368	1 August 2019	31 July 2021. Lease released on July 2020.
Capt. Sayeed Ahmed	ANZ Blue Shore, House no- 55/C/2	Tk. 26,000	1 August 2019	31 July 2021. Lease released on July 2020.
Mr. Shah Alam Chowdhury	785/1 M. M Ali Road, Mehdibaag , Chattogram	Tk. 26,000	1 November 2019	31 October 2021. Lease released on November 2020.
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 Yonous Ali	D-6 of IDEAI MELODY -1 Building located at mouza uttar pahartali khulshi	Tk. 25,000	1 December 2019	30 November 2021
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

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Present value of Right-of-use assets at 1 July	104,128,870	160,636,638	-
(+) Added/Extended during the year	32,108,002	-	-
(-) Depreciation during the year	(57,168,553)	(56,507,768)	-
Balance at 30 June	79,068,319	104,128,870	-

II. Amount recognized in statement of income and expenditure

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
2020-Under IFRS 16			
Interest on lease liability	10,002,933	11,432,010	-
Depreciation on Right-of-use assets	57,168,553	56,507,768	-
Expense against short term and low value leases	2,957,342	7,673,888	-
Concession in rent	- 2,085,240 -	2,189,440	-

III. Amount recognized in the statement of cash flow

<i>In taka</i>	30 June 2021	30 June 2020	1 July 2019
Total cash outflow for leases	(63,320,611)	(73,677,326)	-

Notes to the financial statements (continued)

29.00 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>	2021	2020
Investments in FDRs	8	49,498,256	25,000,000
Advances, deposits and receivables	9	13,441,413	9,737,326
Cash at bank	10 (B)	33,991,851	15,539,044
		96,931,520	50,276,370

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>		2021				
Non-derivative financial liabilities	Note	Carrying amount	Contractual cash flows			Total
			Within 12 months	1 to 5 years	More than 5 years	
Provision for deferred compensation	14	19,824,853	-	19,824,853	-	19,824,853
Liabilities for expenses	15	2,986,684	2,986,684	-	-	2,986,684
Other liabilities	16	10,551,333	10,551,333	-	-	10,551,333
		33,362,870	13,538,017	19,824,853		33,362,870
<i>In taka</i>		2020				
Non-derivative financial liabilities	Note	Carrying amount	Contractual cash flows			Total
			Within 12 months	1 to 5 years	More than 5 years	
Provision for deferred compensation	14	16,845,822	-	16,845,822	-	16,845,822
Liabilities for expenses	15	9,097,467	9,097,467	-	-	9,097,467
Other liabilities	16	13,431,012	13,431,012	-	-	13,431,012
		39,374,301	22,528,479	16,845,822		39,374,301

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)

31.00 Adjustment to comparative figures

Particulars	As previously reported as on 30.06.2020	Adjusted Balance as on 30.06.2020	Adjustment in Balance as on 30.06.2020	Related Head of Accounts
Property Plant and Equipment	186,666,067	189,077,438	- 2,411,371	Right of use asset
Advances, deposits and receivables	14,570,324	9,737,326	4,832,998	Advance to landlords
General fund	215,011,588	218,685,012	- 3,673,424	Depreciation expense on right of use asset & finance cost on lease liability
Lease liabilities	108,083,596	103,875,770	4,207,826	N/A

Discovery of an error in lease liability calculation which was implemented for the first time at AUW in FY 19-20: Advance paid against finance lease was not adjusted as cash outflow during calculating the lease liability. As a result the closing balance as at June 2020 has been re-stated as per IAS 08 and details has been given in Note 31. The corresponding effects have been given in profit and loss account.

32.00 Contingent liabilities

The University had no contingent liabilities at the reporting date.

33.00 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.

34.00 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	21-22
B.	Intangible assets	22
C.	Capital work-in-progress	22
D.	Foreign currency translation	22
E.	Advances, deposits & receivables	22
F.	Cash & cash equivalents	22
G.	Statement of cash flows	22
H.	VAT and tax	22
I.	Government grant	22
J.	Revenue	23
K.	Provisions, contingent liabilities and contingent assets	23
L.	Restricted fund for projects	23
M.	Restricted fund for construction	23
N.	Deferred compensation (retirement benefit)	23
O.	Books and educational aid	23
P.	Leases	24
Q.	New standards and interpretations not yet adopted	24

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.

Notes to the financial statements (continued)

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 135.76 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 (26.97+2.11 acres) of land have been granted to the University by the Government in addition to the earlier 106.68 acres, as represented by the Ministry of Education for which the registration and mutation in favor of the University has been completed during the year and recognised in the Financial statements accordingly.

The Deferred Income (Govt Grant) will be amortized as per IAS-20 para-18 once the construction of the university building completed.

Notes to the financial statements (continued)

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 Chemistry without Borders (CWB) Project and Spark of Hope (SFH) Project, UBCH, CAF, ERASMUS, WASH 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.

Notes to the financial statements (continued)

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.