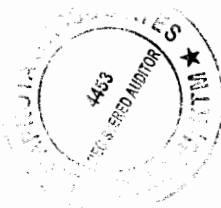


D.Sapkota & Associates
Registered Auditors
PAN No:301512585
Regd. No: 4453



ICAN Membership No:543
COP No:2082“B”

Independent Auditor's Report

To the Members,
Visionary Shree Kanta Adhikari Academy
Tokha Municipality-07 Kathmandu Nepal

Dear members,

We have audited the accompanying financial statements of **Visionary Shree Kanta Adhikari Academy**, which comprise the statement of financial position (Balance Sheet) as at 32nd Ashadh 2082 (corresponding to 16th July 2025) together with Statement of Income and Expenditure Account, Statement of Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

Opinion

Except the financial impact cause by significant accounting policies point number 5, the accompanying financial statements read together with notes of accounts forming part of the accounts give a true and fair view of the financial position of the **Visionary Shree Kanta Adhikari Academy**, as at 32nd Ashadh 2082 (corresponding to 16th July 2025) and of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards For Non-Profit Organization (NAS for NPOs).

Basis for Opinion

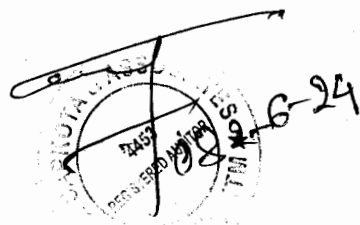
We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in jurisdiction, 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. In case of local government funded Community Based Rehabilitation (CBR) program, tax deducted at source on taxable amount, not made by the entity because of TDS already deducted by Local government while paying agreed amount as per agreement.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Accounting Standards and Generally Accepted Accounting Principles. This responsibility includes designing, implementing and maintaining internal control relevant to 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 organization'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 organization 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 NSAs 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 NSAs, 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 organization'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 organization'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 organization 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.

Report on Other Legal and Regulatory Requirements

We further report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion the Academy has not kept proper books of account as required by law so far, so company should be maintain books of accounts. .
- a) Except otherwise mentioned in basis of opinion paragraph, in our opinion and to the best of our information and according to the explanation given to us, the financial statement the said Balance Sheet, Income Statement and Cash Flow Statement, read together with the notes forming part of the accounts give a true and fair view:
 - i) In the case of Balance Sheet, of the state of affairs of the Entity as at 32nd Ashadh 2082 (corresponding to 16th July 2025); and
 - ii) In the case of Income Statement, of the results of operations of the Entity for the year ended on 32nd Ashadh 2082 (corresponding to 16th July 2025); and

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iii) In the case of the Cash Flow Statement, of Cash inflow and outflow of Entity for the year ended on that date.

- b) Neither we have come across any of the information about the misappropriation of fund by the executive member or any of the representative or entity's staffs during the course of our audit nor have we received any such information from the management.
- c) No accounting fraud has been observed during the course of our audit.
- d) We suggest to imply Rules and regulations of Income Tax Act 2058.

.....
D.Sapkota & Associates

Registered Auditor

Place: Kathmandu

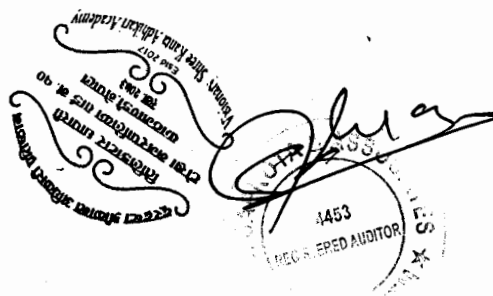
Date: 2082.06.24

UDIN:- 251010RA005438WWy8

About Organization

Information of Visionary Shree Kanta Adhikari Academy

- Name : Visionary Shree Kanta Adhikari Academy
- Address : Tokha Muunicipality -7, Kathmandu
- Reg. No : 628/073/074
- Registration Date : 2073.11.093
- Registered Office : District Administration Office Kathmandu
- PAN : 605866122
- Name of Chairperson : Mrs. Gayatri Adhikari
- Mobile No. : 984114732
- Bank : Lumbini Bikas Bank Ltd., Global IME Bank Ltd.
- Relatable Act : Institute Registration Act 2034



Visionary Shree Kanta Adhikari Academy
Tokha Municipality 07, Kathmandu Nepal

Statement of Financial Position
As at 32 Aashad 2082 (16 July, 2025)

Particulars	Notes	Amount in NPR	
		Current Year	Previous Year
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	4.1	118,687.50	158,250.00
Intangible Assets		-	-
Investment Property		-	-
Long term investments		-	-
Other Non Current Assets (Endowment Funds)		3,201,101.00	3,201,101.00
Total Non - Current Assets		3,319,788.50	3,359,351.00
Current Assets			
Prepaid TDS	4.3	197,286.48	127,398.60
Accounts Receivable(Retantion Money)	4.5	20,000.00	20,000.00
Cash and Cash Equivalents	4.6	874,957.57	890,762.42
Total Current Assets		1,092,244.05	1,038,161.02
Total Assets		4,412,032.55	4,397,512.02
LIABILITIES & RESERVES			
Accumulated Reserves			
Unrestricted Funds/ accumulated surplus	4.7	932,834.37	918,313.84
Designated Funds	4.8	-	-
Restricted Funds	4.9	-	-
Endowment Fund	4.10	3,201,101.00	3,201,101.00
Other Capital reserves	4.11	-	-
Total Accumulated Reserves		4,133,935.37	4,119,414.84
Non - Current Liabilities			
Employee benefit liabilities		-	-
Deferred Revenue	4.12	-	-
Total Non - Current Liabilities		-	-
Current Liabilities			
Accounts Payable	4.13	278,097.18	278,097.18
Short Term Borrowing		-	-
Provisions	4.14	-	-
Bank overdrafts		-	-
Total Current Liabilities		278,097.18	278,097.18
Total Liabilities		278,097.18	278,097.18
Total Liabilities and Reserves		4,412,032.55	4,397,512.02

The notes on accounts form an integral part of the financial statement.

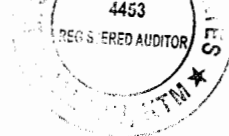
As per our report of even date

Desh bandhu Adhikari
Secretary

Gayatri Adhikari
Chairperson

Dasharath Sapkota
Proprietor
D. Sapkota & Associates
4453

Rabi Kanta Adhikari
Treasurer



Visionary Shree Kanta Adhikari Academy
Tokha Municipality 07, Kathmandu Nepal

Statement of Income & Expenditure
For the Year ended 32 Aashad 2082 (16 July, 2025)

Particulars	Notes	Amount in NPR	
		Current Year	Previous Year
INCOME			
Incoming Resources	4.15	83,250.00	105,735.00
Financial Income	4.16	465,819.86	446,668.70
Other Income	4.17	61,400.00	276,266.67
Total Income		610,469.86	828,670.37
EXPENDITURE			
Staff Cost	4.18	-	
Programme Expenses	4.19	187,597.00	380,608.00
General Administrative Expenditure	4.20	365,159.70	155,165.89
Depreciation	4.21	39,562.50	30,750.00
Other Expenditure			
Total expenditure		592,319.20	566,523.89
Net surplus/(deficit) before Taxation		18,150.66	262,146.48
Income Tax Expenses		3,630.13	52,429.30
SURPLUS/(DEFICIT) FOR THE YEAR		14,520.53	209,717.18
APPROPRIATION OF SURPLUS FOR THE YEAR			
Allocation to Reserves		14,520.53	209,717.18
Allocation to Endowment Fund		-	-

The notes on accounts form an integral part of the financial statement.

As per our report of even date

Desh bandhu Adhikari
Secretary

[Signature]

Rabi Kanta Adhikari
Treasurer

[Signature]

Gayatri Adhikari
Chairperson



[Signature]

Dasharath Sapkota
Proprietor
D. Sapkota & Associates
REG. S. ERD AUDITOR

Visionary Shree Kanta Adhikari Academy

Tokha Municipality 07, Kathmandu Nepal

Statement of Changes in Reserves

For the Year ended 32 Aashad 2082 (16 July, 2025)

Description	Amount in NPF					
	Restricted Reserves	Designated Fund	Unrestricted Reserves	Endowment Funds	Capital Reserves	Result for the Year
Balance as at	-	-	918,313.84	3,201,101.00		
Result for the Year						
Allocation of results to Restricted Reserves	-	-				-
Allocation of results to Designated Fund						-
Allocation of results to Unrestricted Fund						-
Allocation of results to Endowment Fund						-
Allocation of results to Capital Fund						-
Balance as at	-	-	918,313.84	3,201,101.00	-	-
Result for the Year			14,520.53			
Allocation of results to Restricted Reserves	-					-
Allocation of results to Designated Fund						-
Allocation of results to Unrestricted Fund						-
Allocation of results to Endowment Fund						-
Allocation of results to Capital Fund						-
Foreign exchange Gain/ Loss						-
Balance as at	-	-	932,834.37	3,201,101.00	-	-

The notes on accounts form an integral part of the financial statement.

Desh bandhu Adhikari
Secretary

Rabi Kanta Adhikari
Treasurer

Gayatri Adhikari
Chairperson



As per our report of even date

Dasharath Sapkota
Proprietor
D. Sapkota & Associates
REGISTERED AUDITOR

Visionary Shree Kanta Adhikari Academy
Tokha Municipality 07, Kathmandu Nepal

Statement of Cash Flows
For the Year ended 32 Aashad 2082 (16 July, 2025)

Amount in NPR		
Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/ (deficit) for the year (Before Tax)	18,151	262,146
Adjustments to reconcile surplus/(deficit) to net cash flows:		
Non-cash items:		
Depreciation and impairment of property, plant and equipment	39,563	30,750
Amortization and impairment of intangible assets	-	-
Provision and losses on inventories	-	-
Movement in provisions, receivables and specific risks	-	-
Deferred Revenue	-	-
Gains from disposal of fixed assets	-	-
Working capital adjustments:		
Accounts receivable	(69,888)	(56,201)
Inventories	(3,630)	125,817
Accounts Payable	-	-
Short term borrowing	-	-
Provisions	-	-
Restricted Funds	-	-
Less: Interest paid	-	-
Net cash from/(used in) operating activities	(15,805)	362,512
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment	-	(99,000)
Purchase of intangible assets	-	-
Proceeds from sale of equipment	-	-
Purchase of investment property	-	-
Long term investment	-	-
Interest received	-	-
Net cash from/(used in) investing activities	-	(99,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Endowment Fund	-	(1,001,101)
Repayments of government loans	-	-
Net cash from/(used in) financing activities	-	(1,001,101)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(15,805)	(737,589)
CASH AND CASH EQUIVALENTS AT	890,762	
CASH AND CASH EQUIVALENTS AT	874,957	(737,589)

The notes on accounts form an integral part of the financial statement.

Desh bandhu Adhikari
Secretary

[Signature]
Rabi Kanta Adhikari
Treasurer

2114217
Gayatri Adhikari
Chairperson

[Signature]
सिद्धेश्वर शर्मा
सिद्धेश्वर धावारी
टोखा नगरपालिका वार्ड नं. १०
काठमाडौं-२०७३
Visionary Shree Kanta Adhikari Academy

As per our report of even date

2114217
Dashaarath Sapkota
Proprietor
D. Sapkota & Associates

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4 Notes to the Financial Statement

4.1 Property, Plant and Equipments

Particulars	Gross Block	Addition this year	Total Depreciable Value	Rate	Depreciation		Total Depreciation	Net Value	
					Upto last Year	This Year		2081.03.31	2082.03.32
Land	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	90,000.00	-	90,000.00	25%	22,500.00	16,875.00	39,375.00	67,500.00	50,825.00
Computer	-	-	-	25%	-	-	-	-	-
Television	-	-	-	25%	-	-	-	-	-
Office Equipment	99,000.00	-	99,000.00	25%	8,250.00	22,687.50	30,937.50	90,750.00	68,062.50
Vehicle	-	-	-	20%	-	-	-	-	-
GPS System	-	-	-	15%	-	-	-	-	-
Building	-	-	-	5%	-	-	-	-	-
Total	189,000.00	-	189,000.00		30,750.00	39,562.50	70,312.50	158,250.00	118,687.50

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 तिलिङ्गटार हावरी
 दोहा नगरपालिका मार्ग नं. १०
 काठमाडौं, नेपाल
 एम २०१७
 Visionary Shree Kanta Acharya Academy

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 REG. S. ERED AUDITOR
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4.3 Advance Income

Particulars	Current Year	Previous Year
Prepaid TDS	68,669.01	127,399
Total	68,669.01	127,399

4.4 Inventories

Particulars	Current Year	Previous Year
Raw Materials and Consumables	-	-
Finished Goods and Goods for sale/use	-	-
Work in progress	-	-
Stationary and printings	-	-
Projects materials	-	-
General inventory	-	-
Total	-	-

4.5 Accounts Receivable

Particulars	Current Year	Previous Year
Accounts Receivable(Retantion Money)	20,000.00	20,000
Advance Wages and Salaries	-	-
Withholding taxes	-	-
Other accounts receivable	-	-
Less: Allowance for accounts receivable	-	-
Total	20,000.00	20,000

4.6 Cash and cash equivalents

Particulars	Current Year	Previous Year
Cash in Hand	-	-
Cash at bank (ILumbini Bank)	226,176.21	394,970
Cash in Bank (Global Bank)	648,781.36	495,793
Total	874,957.57	890,762

4.7 Unrestricted Funds

Particulars	Current Year	Previous Year
Balance at beginning of the year	918,313.84	
Unrestricted surplus/deficit in operating Activities	14,520.53	
Balance at end of the year	932,834.37	918,313.84

4.8 Designated Funds

Particulars	Current Year	Previous Year
Balance as at beginning of year	-	-
Additional Funds received during the year	-	-
Balance as at year end	-	-

Particulars	Current Year	Previous Year
Total	-	-

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 विदितपुर धारा
 पोखरा नगरपालिका गाउँ नं. १०
 काठमाडौं, नेपाल
 २०१३
 Visionary Shree Kanta Adhikari Academy
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REGISTERED AUDITOR

4.9 Restricted Funds

Particulars	Current Year	Previous Year
Balance as at beginning of year		-
Additional Funds received during the year		-
Transfer to Unrestricted Funds (Transferred to Statement of Income & Expenditure)	-	-
Total	-	-

4.10 Endowment Funds

Particulars	Current Year	Previous Year
Balance at beginning of the year	3,201,101.00	3,201,101
Surplus / deficit for the year		-
Balance at end of the year	3,201,101.00	3,201,101

4.11 Other Capital Reserves

Particulars	Current Year	Previous Year
Balance at beginning of the year		-
Additions during the year		-
Depreciation/Amortization for the year		-
Disposal during the year		-
Balance at end of the year	-	-

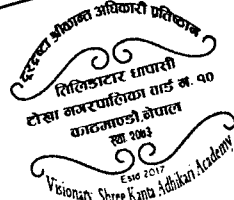
4.12 Deferred Revenue

Particulars	Current Year	Previous Year
Deferred Revenue		-
Total	-	-

4.13 Accounts Payable

Particulars	Current Year	Previous Year
Program Payables- Creditor	268,097.18	268,097.18
SST Payable	-	-
TDS Payable- Audit Fee	150.00	150.00
Audit Fee Payable	9,850.00	9,850
Aai Singh Tamang		-
Withholding Taxes	-	-
Total	278,097.18	278,097.18

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4.14 Provisions

Particulars	Current Year	Previous Year
Balance as at the beginning of the period	-	-
Allocations during the year	-	-
Use of provisions during the year	-	-
Release of provisions during the year	-	-
Total	-	-

4.15 Incoming Resources

Particulars	Current Year	Previous Year
Grant From	-	-
Tokha Municipality	-	105,735
Community Contribution	-	-
Corporate Fundraising	63,250.00	-
Gifts in kind(SEE Prize support)	20,000.00	-
Other fund raising activity	-	-
Profit from trading or other activities [refer (a)]	-	-
Deferred Income	-	-
Total Incoming Resources	83,250.00	105,735.00

(a) Profit from trading activities

Particulars	Current Year	Previous Year
Sale Proceeds	-	-
Cost/Fair Value of Items	-	-
Profit earned	-	-

4.16 Financial Income

Particulars	Current Year	Previous Year
Interest Income	465,819.86	446,669
Total	465,819.86	446,669

4.17 Other Income

Particulars	Current Year	Previous Year
Membership Contribution	61,400.00	276,266.67
Total	61,400.00	276,266.67

4.18 Staff Cost

Particulars	Current Year	Previous Year
Wages and salaries	-	-
Allowances and benefits	-	-
Provident Fund	-	-
Gratuity	-	-
Total	-	-

4.19 Program Expenses

Particulars	Current Year	Previous Year
Programme Expenses	187,597.00	380,608.00
programme Staff Cost	-	-
Total	187,597.00	380,608.00

4.20 General Administrative Overhead

Particulars	Current Year	Previous Year
Book printing(Chetana ko Muhan)	200,000.00	-
AGM Expenses	52,000.00	19,996.43
Website (Office Support)	-	98,860.00
Audit fee	10,000.00	10,000.00
NGO Renewal	12,000.00	11,700.00
Printing & Stationery	8,000.00	3,750.00
Bank Commision	-	35
Repair & Maintenance	17,650.00	-
Donation (Panini Gurukul Asharam Duradanda)	51,108.00	-
Meeting & Co-ordination Expenses	-	-
miscellaneous Expenses	14,401.70	10,824
Total	365,159.70	155,165.89

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चरमनाथ शेरनाथ अश्विनी प्रतिष्ठान
 दिग्विजयदत्त धामराई
 टोखा नगरपालिका वार्ड नं. १०
 वाराणसी, नेपाल
 एम. २०६३

2017
 Vajirana Shree Kanto Ashram Academy

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 P.C.S. ERD AUDITOR

4.21 Depreciation & Amortization

Particulars	Current Year	Previous Year
Depreciation	39,562.50	30,750
Amortization	-	-
Total	39,562.50	30,750

4.22 Income Tax Expense

The organization has got tax exempted status and accordingly no provision for tax has been made.

4.23 Capital Commitments

The organization has not entered into any capital commitments as of the date of this report.

4.24 Contingent Liabilities

The organization holds no contingent liabilities as of the reporting period.

4.25 Related Party Transactions

Following transactions were carried out with related parties:

Particulars	Current Year	Previous Year
Total remuneration paid to Board of Directors and Key Executives	-	-
Meeting Allowances to Board Members	-	-
Salary and other benefits to Executive Director	-	-
Total	-	-

Signature
विषयक अधिकारी प्रमाणित
वित्तिकातर एमएचसी
दोस नगरपालिका नं. १०
काठमाडौं, नेपाल
२०७३
Euo 2017
Visionary Shree Kanta Ashikan Academy

Signature 82-6-24
4453
REG. S. ERD AUDITOR
S.T.M. ★

Visionary Shree Kanta Adhikari Academy
Tokha Municipality - 7 Kathmandu, Nepal
Income & Expenditure Statement 2081/082

S. N.	Expenditure	Amount	Income	Amount
1	Book Publication (Chetnako Muhan)	200000.00	Global IME Bank Ltd Last Year Balance	495,792.77
2	Printing & Stationery	8,000.00	Lumbini Bikas Bank Ltd Last Year Balance	394,969.65
3	AGM Expenses	52,000.00	Previous Year endowment Balance	3,201,101.00
4	Audit Fee	10,000.00	SEE Prize sponsor from Ajita Aatreya	20,000.00
5	Renewal Expenses	12,000.00	Interest Received from Lumbini Bikas Bank Ltd	439,603.98
6	Programme Expenses	187,597.00	Interest Received from Global IME Bank Ltd	26,215.88
7	Recognition Award for SEE Student	20,000.00	Life Membership Fee	60,000.00
8	Donation (Panini Gurukul Ashram, Duradanda)	51,108.00	Membership renew Fee	1,400.00
9	Repair and Maintenance	17,650.00	Donation From members	15,151.00
10	Miscellaneous Expenses	14,401.70	Support From advertisement	63,250.00
11	Liabilities Paid	25,000.00	Accounts payables	25,000.00
12	Endowment Balance	3,201,101.00		
13	Bank TDS	68,669.01		
14	Bank Balance (Global Bank Ltd)	648,781.36		
15	Bank Balance (Lumbini Bikas Bank Ltd)	226,176.21		
	Total	4,742,484.28	Total	4,742,484.28

Desh bandhu Adhikari
Secretary

Gyatri Adhikari
Chairperson

As per our report of even date
21/11/24
Rajul Kanta Adhikari
Chairman
Visionary Shree Kanta Adhikari Academy
2081/082

Proprietor
D. S. Eranda & Associates
2081/082

Visionary Shree Kanta Adhikari Academy

Statement of Accounting Policies and Notes to Financial statement
For the year ended 32 Ashadh 2082 (16 July 2025)

1. General Information

Visionary Shree Kanta Adhikari Academy is a non-government not for profit organization established under Social Organization Act 2034. It is established on _____ and affiliated with District Administration Office Kathmandu. Its registered office is in District Administration Office Kathmandu.

Except for certain activities that will conclude on the realization of their relevant activities in accordance with the relevant terms of reference, the financial statements have been prepared on going concern basis.

2. Basis of Preparation

2.1. Statement of Compliance

The Statement of Financial Position, Statement of Income & Expenditure, Statement of Changes in Reserves, Statement of Cash Flows together with the Accounting Policies and Notes to the financial statement as at 31 Ashadh 2082 and for the year then ended comply with Generally Accepted Accounting Principles to the extent applicable and the Nepal Accounting standards for the NPOs (NAS for NPOs) issued by Accounting Standard Board of Nepal.

2.2. Transitional provisions

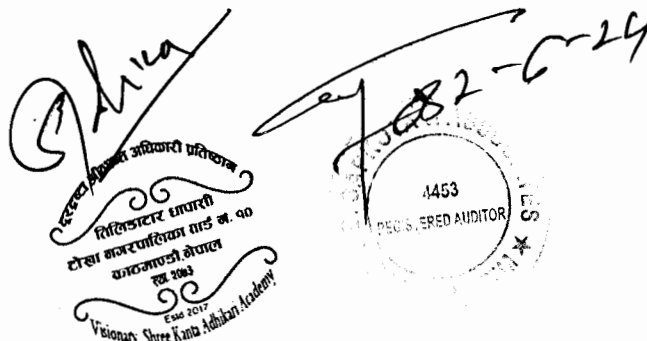
The financial statements have been prepared in accordance with applicable Nepal Accounting Standards for Not for Profit Organizations (NAS for NPOs) as issued by the Institute of Chartered Accountants of Nepal (ICAN) with effect from 1st Shrawan, 2081. These financial statements for the year ended 31st Ashadh, 2082 are the first financial statements, the company has prepared under NAS for NPOs. For all periods up to and including the year ended 31st Ashadh 2081, the NPO prepared its financial statements in accordance with earlier issued Nepal Accounting Standards (hereinafter referred to as 'Previous GAAP'). This standard has been applied from 2080.04.01 onwards as it is impracticable to undertake the retrospective application of the full requirements of this standard.

2.3. Date of Authorization

The Financial Statements were Authorized for the issue as per decision of the Board or Executive Committee dated 2082.04.10

2.4. Basis of measurement

The financial Statements have been prepared using the historical cost convention at Fair Value wherever specifically disclosed.



2.5. Functional and presentation currency

The financial statements are presented in Nepal Rupees(NRs.),which is the organization's functional and presentation currency.All financial information presented in Rupees has been rounded to the nearest rupees/thousands/million,except when otherwise indicated.

2.6. Changes in Accounting Policies and Disclosures

Due to change in applicable accounting standard from existing NAS (Local GAAP)to NAS for NPOs certain accounting policies has been changed and applied prospectively as it was not practicable to apply retrospectively.

2.7. Significant Accounting Judgements,Estimates and Assumptions

The preparation of the financial statements requires the use of certain critical accounting estimates and judgments.It also requires management to exercise judgement in the process of applying the accounting policies.Estimates and judgements are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.In the future,actual results may differ from these estimates and assumptions.

3. Summary of Significant accounting policies

a. Other Property Plant and Equipment

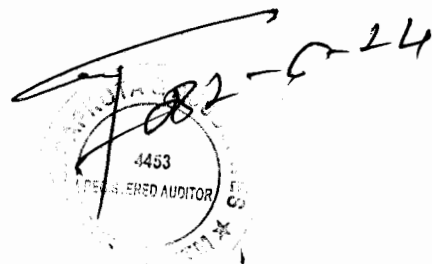
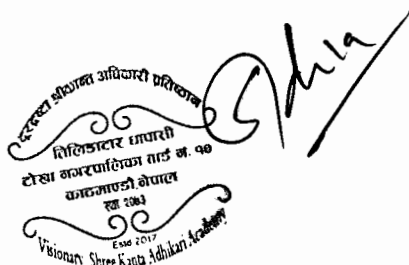
- i. Property, plant and equipment that is received directly as donations or endowments is recognized as property, plant and equipment at fair value and a corresponding amount should be recognized as deferred income account. Such items should thereafter be depreciated while a corresponding amount could be transferred from the deferred income to the Statement of Income & Expenditure.
- ii. Where property plant and equipment is purchased as a part of a project through restricted funds which initially written off as project cost with corresponding income, if on conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the asset is valued at fair value on the conclusion of the project and brought into the financial statements under property plant and equipment with corresponding credit to a deferred income. Depreciation provided on such assets will be charged against such deferred income. For the purpose of depreciation, the date of valuation for inclusion in the financial statements is considered the date of purchase.

b. Cost and Valuation

N/A

3.1. Cash and cash equivalents

NPO Nepal considers and classifies cash in hand,amounts due from banks and short-term deposits with an original maturity of three months or less under the category of "Cash and cash equipment's".Bank borrowings that are repayable on demand and form an integral part of the NPO Nepal's cash management are included as acomponent of cash and cash equipments for the purpose of the Statement of Cash Flows.



3.2. Accounting for the receipt and utilization of Funds/Reserves

Reserves

Reserves are classified as either restricted or unrestricted reserves.

a. Unrestricted Reserves/Funds/accumulated surplus

Unrestricted funds are those that are available for use by NPO Nepal and which are not designated for any specific purpose.

Surplus funds are transferred from restricted funds to unrestricted funds in terms of the relevant Donor Agreements or with the prior approval of the Donor.

Contributions received from the general public are recognized in the Statement of Income & expenditure on a cash basis.

b. Designated Reserves Funds

N/A

3.3. Grants and Subsidies

Grants and subsidies are recognized in the financial statements at their fair value. When the grant or subsidy relates to an expenses it is recognized as deferred income necessary to match it with the costs over the accounting years, which is intended to compensate for on a systematic basis.

Grants and subsidies in the form of PPE(Fixed assets) are generally shown as deferred income in the statement of Financial Position and credited to the Statement of income & expenditure over the useful life of the assets by the amount of depreciation with corresponding debit to deferred income over more than on accounting period.

In the case grants received to fund an entire project or activity, which includes the purchase of an asset, and the cost of such asset is charged with the projects costs to the statement of Financial Performance, the grant value is recognized as income in the period as the cost of the asset is charged to the Statement of Income & Expenditure. At the end of the project, when there is certain fair value remains of such assets charged to Statement of income & Expenditure, same will be recognized as capital reserves at fair value with corresponding value of PPE. Each year and over its useful life, the depreciation will be charged to capital reserve with corresponding credit to related PPE.

Defined contribution plan

NPO does not recognize the related plan assets and accrued severance benefits. But the NPO pay the contributions for the relevant accounting period which is the cost of the relevant accounting period.

Defined benefit plan

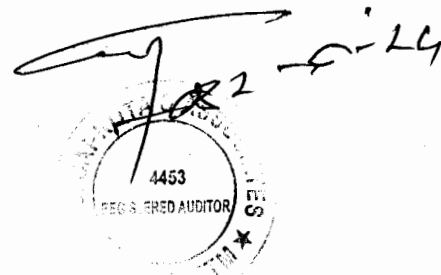
NPO recognize the related plan assets and accrued severance benefits (plan liabilities) and make necessary provision as per actuarial valuation to meet the liability of defined benefit plan as at the end of the relevant accounting period.

3.4. Provisions

A provision is recognized in the statement of financial position when NPO Nepal has a legal or constructive obligation as a result of a past event, it is probable that an outflow of



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assets will be required to settle the obligation, and the obligation can be measured reliably.

3.5 Income recognition

a. Contributions/Incoming sources

Income realized from restricted funds is recognized in the Statement of Income & Expenditure only when there is certainty that all of the conditions for receipt of the funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the Statement of Income & Expenditure. Unutilized funds are carried forward as such in the Statement of Financial Position.

Revenue that arises from general unrestricted resources has characteristics similar to revenue in business entities and has been treated accordingly. It is only recognised when the amount of revenue can be measured reliably, or when it is probable that the economic benefits associated with the transaction will flow to the NPO.

Gifts and donations received in kind are recognized at fair value at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purpose of NPO Nepal at the point of such sale. Items not sold or distributed are inventoried but not recognized in the financial statements.

All other income is recognized when NPO Nepal is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through fund raising activities and donations.

b. Financial Income

Interest earned is recognized on an accrual basis when there is certainty of receipt.

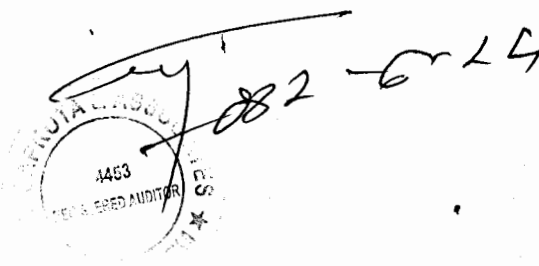
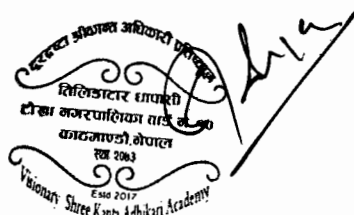
Dividend received is recognized when the right to receive dividend is established.

Revenues earned on services rendered are recognized in the accounting period in which the services were rendered and accepted by the clients.

Net gains and losses on the disposal of property, plant and equipment and other non-current assets, including investments, are recognized in the Statement of Income & Expenditure after deducting from the proceeds on disposal, the carrying value of the item disposed of and any related selling expenses.

3.6. Expenditure recognition

Expenses in carrying out the projects and other activities of NPO Nepal are recognized in the Statement of Income & expenditure during the period in which they are incurred. Other expenses incurred in administering and running NPO Nepal and in restoring and maintaining the property plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the Statement of Income & Expenditure.





नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्था
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
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Type of Audit Opinion: Qualified Opinion	
Client PAN: 605866122	

Financial figures

S.N.	Heading	Value
1	Total Assets/Liabilities	NRs. 4,412,032.55
2	Gross Revenue / Turnover	NRs. 610,469.86
3	Gross Expenses	NRs. 592,319.20
4	Net Profit or Loss	NRs. 18,150.66

Status: Active Document

Document Description:

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