



# B.R.B.S. & Associates

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASHA FOR CHILDREN FOUNDATION

### OPINION

We have audited the accompanying financial statements of M/ Asha for Children Foundation. having registered address at Kamlachi, Kathmandu, Nepal which comprises the Balance Sheet as at 31<sup>st</sup> Ashadh 2080 and the related Statement of Income, Statement of Cash Flow, and Summary of Significant Accounting Policies and Notes for the year then ended.

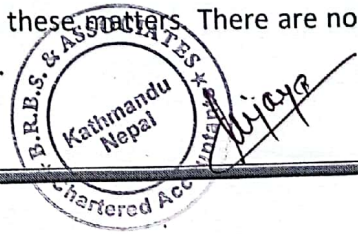
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31<sup>st</sup> Ashadh 2080 and of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standard (NAS).

### BASIS FOR OPINION

We conducted our audit in accordance with Nepal Standard 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 Company in accordance with the International Ethics Standard Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those audit matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters that need to be reported for the year under audit.



Address: Shantinagar, New Baneshwor-31, Kathmandu, Nepal  
Tel. No. : 01-4107788

Email Id: bijaya.brbsca@gmail.com; bishal.brbsca@gmail.com  
bijaya@brbsassociates.com.np, bishal@brbsassociates.com.np, info@brbsassociates.com.np

---

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with NASs, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

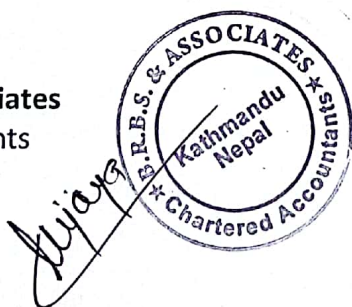
## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the 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. Misstatement 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

There were no any issues that need to be reported under the Legal and regulatory requirements.

For **B.R.B.S. & Associates**  
Chartered Accountants



CA Bijaya Sukupayo  
(Partner)

Address: Kathmandu, Nepal

UDIN: 231002CA00767cafR3

Date: 2080.05.30

---

**ASHA for Children Foundation**  
Kamlachi, Kathmandu, Nepal  
Balance Sheet  
As on Ashad 31, 2080 (July 16, 2023)

Particulars	Sch.	Current Year NPR	Previous Year NPR
<b><u>SOURCES OF FUND:</u></b>			
<b><u>Share Fund</u></b>			
Share Capital		-	-
Reserve & Surplus	5	-	78,408.75
<b><u>Deferred Liability</u></b>			
Deferred Income Liability		8,846,878.36	10,169,407.39
Donor's Fund Payable		9,401,401.55	-
<b>Total</b>		<b>18,248,279.91</b>	<b>10,247,816.14</b>
<b><u>APPLICATION OF FUND :</u></b>			
<b><u>Depreciable Assets</u></b>			
Gross Property, Plant & Equipment	1	12,144,064.48	11,357,393.28
Less Accumulated Depreciation		3,297,186.12	1,187,985.89
		<b>8,846,878.36</b>	<b>10,169,407.39</b>
<b><u>Current Assets, Loans &amp; Advances</u></b>			
Cash & Bank Balance	2	4,763,895.67	272,970.78
Loan and advance	3	4,792,015.57	326,766.57
		<b>9,555,911.24</b>	<b>599,737.35</b>
Less: Current Liabilities & Payables	4	1,340,980.25	521,328.59
Less: Provision for Income Tax		-	-
<b>Net Current Assets</b>		<b>8,214,930.99</b>	<b>78,408.76</b>
<b>Accumulated Deficit</b>	5	<b>1,186,470.56</b>	-
<b>Total</b>		<b>18,248,279.91</b>	<b>10,247,816.14</b>

Significant Accounting Policies & Notes to Accounts 11



For and on Behalf of Board

  
Member

Bindu dal

  
Treasurer

  
Asha for Children  
FOUNDATION  
PRESIDENT, 2017-18  
  
President

As per our attached report of even date  
For B.R.B.S. & Associates  
Chartered Accountants  
  
  
CA. Bijaya Sukupayo  
Partner

Date: 2080.05.30  
Place: Kathmandu

**ASHA for Children Foundation**  
Kamlachi, Kathmandu, Nepal  
Income and Expenditure Statement  
For the year ended Ashad 31, 2080 (July 16, 2023)

Particulars	Sch.	Current Year NPR	Previous Year NPR
<b>Income:</b>			
Fee Income	6	1,509,490.00	329,200.00
Member Fee Income		24,000.00	2,000.00
Donation Income	7	9,641,738.59	7,283,254.15
Indirect income	8	45,474.20	102,085.35
<b>Total Incomes (A)</b>		<b>11,220,702.79</b>	<b>7,716,539.50</b>
<b>Expenditure:</b>			
Direct Expenses	9	4,786,347.98	2,755,164.69
General, Administrative and Operational Expenses	10	5,500,283.89	3,529,115.16
Depreciation Expenses	1	2,109,200.23	1,187,985.89
Expenses made for ASHA Shiksha Sadan		89,750.00	-
<b>Total Expenditures (B)</b>		<b>12,485,582.10</b>	<b>7,472,265.74</b>
<b>Surplus / (Deficit) for the year (C) = (A)-(B)</b>		<b>- 1,264,879.31</b>	<b>244,273.76</b>
Provision for Income Tax (D)		-	-
<b>Net Surplus / (Deficit) after Tax (C) + (D)</b>		<b>- 1,264,879.31</b>	<b>244,273.76</b>

11 Significant Accounting Policies & Notes to Accounts



Asha for Children  
FOUNDATION  
KATHMANDU, NEPAL

For and on Behalf of Board

*[Signature]*  
Member

*[Signature]*  
President



As per our attached report of even date  
For B.R.B.S. & Associates  
Chartered Accountants

CA. Bijaya Sukupayo  
Partner

Date: 2080.05.30  
Place: Kathmandu

# ASHA for Children Foundation

Kamlachi, Kathmandu, Nepal

Cash Flow Statement

For the year ended Ashad 31, 2080 (July 16, 2023)

Particulars	Current Year NPR	Previous Year NPR
Surplus/(Deficit) during the year	-	-
Add: Depreciation	1,264,879.31	244,273.76
Less:- Income tax paid	2,109,200.23	1,187,985.89
<b>Operating Profit before changes in Working Capital</b>	<b>844,320.92</b>	<b>1,432,259.65</b>
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Current Assets Except Cash Bank	-	-
Increase/(Decrease) in Current Liabilities and Payable	4,465,249.00	323,766.57
<b>Net Cash Flow From Operating Activities [A]</b>	<b>819,651.66</b>	<b>321,878.59</b>
<b>Cash Flow from Investing Activities</b>		
(Purchase) / Sale of Fixed Assets	786,671.20	11,357,393.28
<b>Net Cash Flow From Investing Activities [B]</b>	<b>786,671.20</b>	<b>11,357,393.28</b>
<b>Cash Flow from Financing Activities</b>		
Change in Deferred Income/Donor Payable	8,078,872.52	10,169,407.39
Loan from Member	-	-
<b>Net Cash Flow From Financing Activities [C]</b>	<b>8,078,872.52</b>	<b>10,169,407.39</b>
<b>Total Cash Flow From All Activities [D]=[A] + [B] + [C]</b>	<b>4,490,924.89</b>	<b>242,385.78</b>
Opening Cash & Bank Balances [E]	272,970.78	30,585.00
<b>Closing Cash &amp; Bank Balances [D] + [E]</b>	<b>4,763,895.67</b>	<b>272,970.78</b>

Significant Accounting Policies & Notes to Accounts



Asha for Children  
FOUNDATION  
ESTABLISHED 2011

For and on Behalf of Board

*[Signature]*  
Member

*[Signature]*  
Treasurer

*[Signature]*  
President

11

As per our attached report of even date

*[Signature]*  
For B.R.B.S. & Associates  
Chartered Accountants

CA. Bijaya Sukupayo  
Partner

Date: 2080.05.30

Place: Kathmandu

**ASHA for Children Foundation**  
Kamlachi, Kathmandu, Nepal  
Schedules Forming Part of the Financial Statements  
For the FY 2079.080

**Cash & Bank Balance**

Schedule 2

Particulars	Current Year NPR	Previous Year NPR
Cash in Hand	12,605.85	65,548.22
Kumari Bank	305,898.00	30,452.52
Nepal Investment Mega Bank Ltd.	4,445,391.82	176,970.04
<b>Total</b>	<b>4,763,895.67</b>	<b>272,970.78</b>

**Loan, Advance, Deposit and Other Receivable**

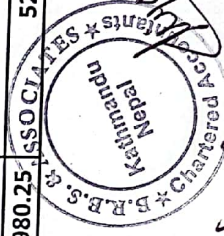
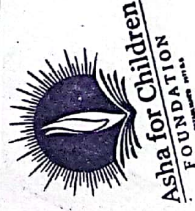
Schedule 3

Particulars	Current Year NPR	Previous Year NPR
Advance to Subharambha Building Construction Pvt Ltd	200,000.00	200,000.00
Advance to Asha NGO	28,008.00	-
Fees receivable from Students	281,035.00	71,700.00
New Maheswori Fuel Station Security Deposit	40,000.00	40,000.00
Laxmi Tayari Posak Advance for Dress	5,450.00	-
Steel Wood Pvt Ltd Advance for furniture	4,222,456.00	-
TDS Receivable on Interest Income	15,066.57	15,066.57
<b>Total</b>	<b>4,792,015.57</b>	<b>326,766.57</b>

**Current Liabilities & Other Payables**

Schedule 4

Particulars	Current Year NPR	Previous Year NPR
TDS payable	177,274.48	142,942.22
Salary payable	456,768.19	8,786.59
Security Deposit From Students	61,000.00	5,000.00
Loan from Member	167,725.00	167,725.00
Audit Fee Payable	39,469.00	39,469.03
Other Payable	-	5,472.00
Sundry Payable/Creditor	438,743.58	151,933.75
<b>Total</b>	<b>1,340,980.25</b>	<b>521,328.59</b>



*Shikha*

*Shikha*

*Shikha*

**ASHA for Children Foundation**  
Kamlachi, Kathmandu, Nepal  
Schedules Forming Part of the Financial Statements  
For the FY 2079.080

**Accumulated Reserves**

Schedule 5

Particulars	Current Year NPR	Previous Year NPR
Opening Balance	78,408.75	-
Add: Deficit during the Year	1,264,879.31	244,273.75
<b>Closing Reserve Balance</b>	<b>1,186,470.56</b>	<b>78,408.75</b>

**Fee Income**

Schedule 6

Particulars	Current Year NPR	Previous Year NPR
Admission Fee	99,750.00	151,000.00
Annual Fee	76,500.00	5,000.00
Bus Fare	386,600.00	58,500.00
Identity Card	6,340.00	-
Lunch Fee	148,550.00	-
Stationery	50,100.00	-
Tuition Fee	623,540.00	114,700.00
Uniform Fee	118,110.00	-
<b>Total</b>	<b>1,509,490.00</b>	<b>329,200.00</b>

**Donation and member fee income**

Schedule 7

Particulars	Current Year NPR	Previous Year NPR
General Donation Income	7,532,538.36	6,095,268.26
Donation booked as per NAS 20 on Fixed Assets	2,109,200.23	1,187,985.89
<b>Total</b>	<b>9,641,738.59</b>	<b>7,283,254.15</b>



**Asha for Children**  
FOUNDATION  
KATHMANDU, NEPAL



*[Handwritten Signature]*

**ASHA for Children Foundation**  
Kamlachi, Kathmandu, Nepal  
Schedules Forming Part of the Financial Statements  
For the FY 2079.080

**Indirect Income**

Schedule 8

Particulars	Current Year NPR	Previous Year NPR
Discount received	564.20	100,443.84
Interest Income	-	1,641.51
Misc Income	580.00	-
Staff Lunch	44,330.00	-
<b>Total</b>	<b>45,474.20</b>	<b>102,085.35</b>

**Direct Expenses**

Schedule 9

Particulars	Current Year NPR	Previous Year NPR
Data Collection Expenses	-	6,000.00
Fooding Expenses	1,218,557.00	450,696.55
Kitchen Expenses	88,970.00	-
Salary Academic	2,602,963.85	1,234,258.48
Schooling Fees	-	65,000.00
Student Accessories	159,598.50	695,832.66
Student Uniform	240,263.00	163,850.00
Van Fuel Expenses	407,845.33	139,527.00
Van Insurance	68,150.30	-
<b>Total</b>	<b>4,786,347.98</b>	<b>2,755,164.69</b>



*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

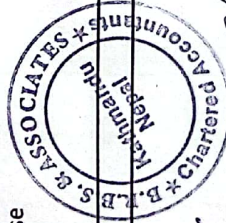


**ASHA for Children Foundation**  
Kamlachi, Kathmandu, Nepal  
Schedules Forming Part of the Financial Statements  
For the FY 2079.080

**General, Administrative and Operational Expenses**

Schedule 10

Particulars	Current Year NPR	Previous Year NPR
Accounting Consultancy Fee	135,600.00	-
Advertisement Published Expenses	11,074.00	42,714.00
AGM Meeting expenses	9,880.00	-
Allowance Expenses	67,500.00	80,000.00
Allowance to board member	436,530.00	-
Audit Fee	40,000.00	40,000.00
Bank Charge	513.83	205.00
Children Medical Expense	-	13,087.00
Cleaning Expenses	109,781.00	47,620.70
Designing and Publication	211,764.72	60,000.00
Documentation Charges	-	48,240.00
Donation Expenses	-	125,000.00
Electricity Expenses	99,063.11	44,468.00
Festival Expenses	33,007.60	-
Gardening expenses	1,350.00	-
Guest Refreshment Expenses	70,623.00	96,501.48
House Rent	63,999.35	76,666.37
Inauguration Expense	-	204,251.47
Interior Design Expenses	190,970.00	-
Legal Consultancy Expenses	-	349,500.00
Medical expenses	500.00	12,865.00
Meeting Allowance	10,588.00	-
Mis Expense	12,960.00	8,871.78
Office Expenses	16,297.00	288,917.70
Parents Meeting Expenses	-	6,780.00
Printing & Stationary	108,480.05	121,025.00
Registration and Renewal Expenses	311,450.00	9,940.00
Repair and Maintenance	243,897.14	9,700.00
Salary Expenses Admin Staff	2,323,036.87	1,047,517.73
Security Guard Expense	623,760.00	248,609.70
Staff Dress Expenses	22,850.00	109,210.00
Staff Lunch Expenses	3,400.00	2,030.00
Telephone, Communication and Internet Expenses	79,647.22	60,405.23
Training Expenses	77,000.00	90,295.00
Transportation Expenses	156,981.00	144,989.00
Water Expense	21,000.00	139,705.00
Web Hosting	6,780.00	-
<b>Total</b>	<b>9,511,883.89</b>	<b>3,529,115.16</b>



*Prakash*  
*Prakash*



ASHA for Children  
FOUNDATION

*Prakash*

ASHA for Children Foundation  
Kamlachi, Kathmandu, Nepal  
Schedule 1 : Details of Fixed Assets as on Ashad 31, 2080

Block	Particulars	Rate of Dep <sup>n</sup>	Opening Balance	Addition			Sales & Disposal	Total	Opening depreciation	Depreciation during the Year	Total depreciation	Net Block as on 2080/03/31
				Upto Poush	Magh to Chaitra	Baishak to Ashad						
A	Land & Building	5%	-	-	-	-	-	-	-	-	-	-
B	Office Equipment, Computers & Furnitures	25%	1,470,875.34	40,014.20	42,714.00	-	1,553,603.54	255,545.47	384,841.39	640,386.86	913,216.68	
C	Vehicle	20%	4,050,000.00	-	-	-	4,050,000.00	540,000.00	810,000.00	1,350,000.00	2,700,000.00	
D	Other Asset	15%	5,795,837.94	-	33,000.00	670,943.00	6,499,780.94	384,304.42	906,222.84	1,290,527.26	5,209,253.68	
E	Intangible Assets and Other Assets	SLM	40,680.00	-	-	-	40,680.00	8,136.00	8,136.00	16,272.00	24,408.00	
	<b>Total</b>		<b>11,357,393.28</b>	<b>40,014.20</b>	<b>75,714.00</b>	<b>670,943.00</b>	<b>12,144,064.48</b>	<b>1,187,985.89</b>	<b>2,109,200.23</b>	<b>3,297,186.12</b>	<b>8,846,878.36</b>	



*Signature*

*Signature*

*Signature*

ASHA for Children FOUNDATION



*Signature*

## M/s Asha for Children Foundation

Kamlachi, Kathmandu-27, Nepal

F.Y. 2079-080

### Schedules forming part of the Financial Statements

#### Schedule –11 : Significant Accounting Policies & Notes to the Accounts

##### A. About the Company:

Asha for Children Foundation (Herein after referred as Foundation) is a nonprofit organization registered with the office of Company Registrar with registration number 2508663/077/078 on 2077.09.08 and has been registered with IRD Thamel having PAN 609885677 on 2077.09.08. The Foundation has also been registered with Social Welfare Council with registration number 52178 on 2077.10.09. The Foundation has received tax exemption for the year 2079.080.

The Foundation is controlled by ASHA (HOPE) which is nonprofit organization (NGO) by way of control over the Board of Directors decided through the MOA/AOA of ASHA (the parent Organization). ASHA (HOPE) has been registered with Social Welfare Council (SWC) with registration number 863 dated 2071.02.21.

The main objective of the Foundation is to provide education to deprived and unprivileged children in Nepal.

For achieving the objectives of providing educational facilities and to run educational institution, the Foundation has leased Educational License from M/s Asha Shiksha Sadan Bhaktapur Pvt. Ltd.. (A private limited company registered pursuant to Companies Act 2063 of Nepal). The license shall be used by the Foundation free of cost for first 2 years, thereafter royalty of Rs 4 Lakhs per annum shall be charged by M/S Asha Shiksha Sadan Bhaktapur Pvt. Ltd. . The educational institution operation license of Asha Shiksha Sadan Bhaktapur Pvt. Ltd. has been leased by Foundation since; government has stopped granting license to new applicants. Furthermore, the foundation has leased school building from its Parent Company ASHA (HOPE) free of cost due to legal constraint of operating educational institution by the Parent Company ASHA (HOPE). The Foundation has been granted approval from Suryabinayak Municipality to operate educational institution by using Building of ASHA (HOPE) and license of Asha Shiksha Sadan Bhaktapur Pvt. Ltd. . The government and local taxes applicable to Asha Shiksha Sadan Bhaktapur Pvt. Ltd. arising from operating of educational institution shall be borne by the foundation.

##### B. Significant Accounting Policies:

###### 1. Accounting Conventions:

The financial statements are prepared in accordance with Generally Accepted Accounting Principles.

###### 2. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known/materialized.



*[Handwritten signature]*

*[Handwritten signature]*



**3. Going Concern:**

The financial statements are prepared on Going Concern Basis.

**4. Revenue Recognition:**

Grant income is recognized as revenue when there is reasonable assurance that the organization will comply with the conditions attached to the grant and the grant will be received. Conditional grant is recognized to the extent of expenditure incurred for implementation of the project since; the grant amount unspent during the prescribed period or as per the conditions attached in the grant agreement has to be refunded to the Donor. The unspent grant amount has been shown as Donor's payable as liability. The grant income received unconditionally is fully recognized as income as and when received. Fee Income received from students are recognized when bill of fee is issued to the students.

**5. Fixed Assets & Depreciation:**

Conditional Grant Income received for purchase of fixed assets are treated as per NAS-20 by creating deferred income. Fixed Assets purchased from own fund of the Foundation are booked as per NAS-16.

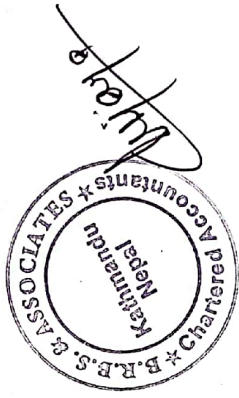
Depreciation on fixed assets is charged as per rates of depreciation prescribed by Income tax Act 2058 of Nepal.



Asha for Children  
FOUNDATION  
ESTD. 1992

*[Handwritten signature]*

*[Handwritten signature]*



**C. Notes to the Accounts:**

1. **Share Capital.** As per Section 167 of companies' act 2063, Share capital is not required to incorporate a company not distributing profits, hence the company has been registered without share capital.
2. **Income Tax**  
The Organization has received Tax Exemption Certificate for 2079.080 from Income Tax Office. Thus, no tax liability is calculated.
3. **Related Party Disclosures:**  
The **Foundation** has entered into agreement with **Asha Shiksha Sadan Bhaktapur Pvt. Ltd.** for use of license to operate school at Suryabinayak-10, Bhaktapur with validity of 10 years starting from 01.10.2078. As per the agreement, no royalty shall be charged to foundation for first 2 years and from the 3<sup>rd</sup> year, Foundation shall be charged royalty amounting to Rs. 400,000 per year which will be increased by 10% after every 2 years.  
As per agreement, the foundation has borne expenses of Asha Shiksha Sadan Bhaktapur Pvt. Ltd. of Rs 89,750.00 which has been incurred for the F/Y 2079.080. The expenses incurred of Asha Shiksha Sadan Bhaktapur Pvt. Ltd. for F/Y 2079.80 has shown in profit and loss account in the books of account of the foundation.
4. The Foundation has received specific donation of Rs 2,15,45,466.03 since FY 2078.79 till Ashad End 2080 from donor for the purchase of required fixed assets and for purchase of school license. Out of total donation received from donor the foundation has procured fixed assets of Rs 1,21,44,064.48 and has shown as depreciable assets in financial statement as per NAS 20. Depreciation charged on assets accrued from specific donation and corresponding amount has treated as donation income for the year and balance amount on depreciable assets treated as deferred income as per NAS 20.  
Balance amount after procurement of fixed assets of Rs 94,01,401.55 has been transferred to Donor's fund payable account which not been utilized till FY 2079/080 since the amount has to be refunded to the Donor if the purpose is not met or may use as according to direction given by the donor.
5. The Foundation has entered agreement with M/s Steel Wood Pvt. Ltd. for purchase required furniture for Hostel and has given advance of Rs 42,22,456.00 which is 40% of Contract Amount. The suppliers has furnished bank guarantee of the advance amount.
6. Schedules are the integral part of the financial statements.
7. All amounts are stated in the Nepalese Rupees.
8. Previous year figures have been regrouped/rearranged wherever considered necessary to make them comparable with the current year figures.



**For & On Behalf of the Board**  
Asha for Children  
FOUNDATION

*[Signature]*  
Member

*[Signature]*  
Treasurer

*[Signature]*  
President



**For B.R.S. & Associates**

Chartered Accountants

CA. Bijaya Sukupayo  
Partner

Date: 2080/05/30  
Place: Kathmandu