



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**, which comprises the Balance Sheet as at 32nd Ashadh 2079 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 32nd Ashadh 2079 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.



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: 220914CA00767kB0L9

Date: 2079.05.16



ASHA for Children Foundation

Jamal, Kathmandu, Nepal

Balance Sheet

As on Ashad 32, 2079 (July 16, 2022)

Particulars	Sch.	Current Year NPR	Previous Year NPR
SOURCES OF FUND:			
Share Fund			
Share Capital		-	-
Reserve & Surplus	5	78,408.75	-
Deferred Liability			
Deferred Income Liability		10,169,407.39	-
Total		10,247,816.14	-
APPLICATION OF FUND :			
Depreciable Assets			
Gross Property, Plant & Equipment	1	11,357,393.28	-
Less Accumulated Depreciation		1,187,985.89	-
		10,169,407.39	-
Current Assets, Loans & Advances			
Cash & Bank Balance	2	272,970.78	30,585.00
Loan and advance	3	326,766.57	3,000.00
		599,737.35	33,585.00
Less: Current Liabilities & Payables	4	521,328.59	199,450.00
Less: Provision for Income Tax		-	-
Net Current Assets		78,408.76	(165,865.00)
Accumulated Deficit	5	-	165,865.00
Total		10,247,816.14	-

Significant Accounting Policies & Notes to Accounts

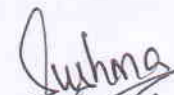
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As per our attached report of even date

For and on Behalf of Board



Member


Treasurer


President

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




CA. Bijaya Sukupayo
Partner



Date: 2079/05/16

Place: Kathmandu

ASHA for Children Foundation
Jamal, Kathmandu, Nepal
Income and Expenditure Statement
For the year ended Ashad 32, 2079 (July 16, 2022)

Particulars	Sch.	Current Year NPR	Previous Year NPR
Income:			
Fee Income	6	329,200.00	-
Donation Income	7	7,285,254.15	-
Interest Income	9	102,085.35	-
Member Fee Income	6	-	5,000.00
Total Incomes (A)		7,716,539.50	5,000.00
Expenditure:			
Direct Expenses	8	2,755,164.69	-
General, Administrative and Operational Expenses	10	3,529,115.16	170,865.00
Depreciation Expenses	1	1,187,985.89	-
Total Expenditures (B)		7,472,265.75	170,865.00
Surplus / (Deficit) for the year (C) = (A)-(B)		244,273.75	(165,865.00)
Provision for Income Tax (D)		-	-
Net Surplus / (Deficit) after Tax (C) + (D)		244,273.75	(165,865.00)

Significant Accounting Policies & Notes to Accounts

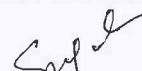
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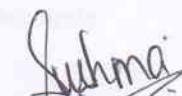
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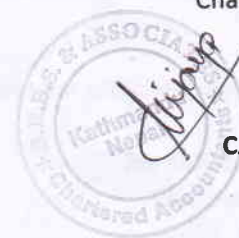
For and on Behalf of Board

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


Member


Treasurer


President



CA. Bijaya Sukupayo
Partner

Date: 2079/05/16
Place: Kathmandu

ASHA for Children Foundation

Jamal, Kathmandu, Nepal

Cash Flow Statement

For the year ended Ashad 32, 2079 (July 16, 2022)

Particulars	Current Year NPR	Previous Year NPR
Surplus/(Deficit) during the year	244,273.75	(165,865.00)
Add: Depreciation	1,187,985.89	-
Less:- Income tax paid	-	-
Operating Profit before changes in Working Capital	1,432,259.65	(165,865.00)
Changes in Working Capital:		
(Increase)/Decrease in Current Assets Except Cash Bank	(323,766.57)	(3,000.00)
Increase/(Decrease) in Current Liabilities and Payable	321,878.59	199,450.00
Net Cash Flow From Operating Activities [A]	1,430,371.67	30,585.00
Cash Flow from Investing Activities		
(Purchase) / Sale of Fixed Assets	(11,357,393.28)	-
Net Cash Flow From Investing Activities [B]	(11,357,393.28)	-
Cash Flow from Financing Activities		
Change in Deferred Income	10,169,407.39	-
Loan from Member	-	-
Net Cash Flow From Financing Activities [C]	10,169,407.39	-
Total Cash Flow From All Activities [D]=[A] + [B] + [C]	242,385.78	30,585.00
Opening Cash & Bank Balances [E]	30,585.00	-
Closing Cash & Bank Balances [D] + [E]	272,970.78	30,585.00

Significant Accounting Policies & Notes to Accounts

11

As per our attached report of even date

For and on Behalf of Board


Member


Treasurer


President

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


CA. Bijaya Sukupayo
Partner

Date: 2079/05/16

Place: Kathmandu



ASHA for Children Foundation
Jamal, Kathmandu, Nepal
Schedules Forming Part of the Financial Statements
For the FY 2078.079

Cash & Bank Balance

Schedule 2

Particulars	Current Year NPR	Previous Year NPR
Nepal investment bank	176,970.04	30,000.00
Kumari Bank	30,452.52	-
Cash in Hand	65,548.22	585.00
Total	272,970.78	30,585.00

Loan, Advance, Deposit and Other Receivable

Schedule 3

Particulars	Current Year NPR	Previous Year NPR
Advance House Rent	-	3,000.00
New Maheshwori Fuel Station	40,000.00	-
TDS Receivable on Interest Income	15,066.57	-
Fees receivable from Students	71,700.00	-
Advance to Subharambha Building Construction Pvt Ltd	200,000.00	-
Total	326,766.57	3,000.00

Current Liabilities & Other Payables

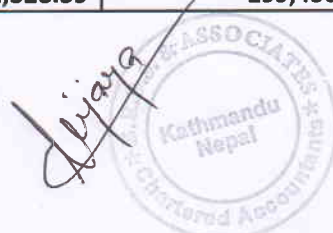
Schedule 4

Particulars	Current Year NPR	Previous Year NPR
TDS payable	142,942.22	7,725.00
Audit fee Payable	39,469.03	16,725.00
Loan from Member	167,725.00	175,000.00
Karmath Security Services Pvt Ltd	52,117.25	-
Manali Kitchen	10,984.00	-
Palpasa Printers	1,050.00	-
Pathivara Mobile Accessories	3,250.00	-
Shah Readymade	5,375.00	-
The Designers Nepal Pvt Ltd	79,157.50	-
Non Academic Staff	8,786.59	-
Security Deposit From Students	5,000.00	-
Other Payable	5,472.00	-
Total	521,328.59	199,450.00

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ASHA for Children Foundation

Jamal, Kathmandu, Nepal

Schedules Forming Part of the Financial Statements For the FY 2078.079

Accumulated Reserves

Schedule 5

Particulars	Current Year NPR	Previous Year NPR
Opening Balance	(165,865.00)	-
Add: Deficit during the Year	244,273.75	(165,865.00)
Closing Reserve Balance	78,408.75	(165,865.00)

Fee Income

Schedule 6

Particulars	Current Year NPR	Previous Year NPR
Admission Fee	151,000.00	-
Annual Fee	5,000.00	-
Bus Fare	58,500.00	-
Tuition Fee	114,700.00	-
Total	329,200.00	-

Donation Income

Schedule 7

Particulars	Current Year NPR	Previous Year NPR
Donation Income	7,283,254.15	-
Member Fee Income	2,000.00	5,000.00
Total	7,285,254.15	5,000.00

Subma Singh *07/12/24*



ASHA for Children Foundation

Jamal, Kathmandu, Nepal

Schedules Forming Part of the Financial Statements

For the FY 2078.079

Direct Expenses

Schedule 8

Particulars	Current Year NPR	Previous Year NPR
Data Collection Expenses	6,000.00	-
Dress Expenses	163,850.00	-
Fooding Expenses	450,696.55	-
Salary Expenses Academic	1,234,258.48	-
Schooling Fees	65,000.00	-
Student Accessories & Consumable Expenses	48,955.00	-
Children Associates	180,233.41	-
Student Stationery Expenses	466,644.25	-
Fuel Expenses	139,527.00	-
Total	2,755,164.69	-

Indirect Income

Schedule 9

Particulars	Current Year NPR	Previous Year NPR
Interest Income	100,443.84	-
Misc Income	1,641.51	-
Total	102,085.35	-

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ASHA for Children Foundation
Jamal, Kathmandu, Nepal
Schedules Forming Part of the Financial Statements
For the FY 2078.079

General, Administrative and Operational Expenses

Schedule 10

Particulars	Current Year NPR	Previous Year NPR
Administrative Expenses		
Advertisement Published Expenses	42,714.00	-
Allowance Expenses	80,000.00	-
Audit Fee	40,000.00	16,950.00
Bank Charge	205.00	-
Bike Petrol Expenses	3,100.00	-
Children Medical Expense	13,087.00	-
Cleaning Expenses	47,620.70	-
Consultancy Expenses	349,500.00	-
Designing and Publication	60,000.00	-
Documentation Charges	48,240.00	-
Donation Expenses	125,000.00	-
Electricity Expenses	44,468.00	-
Guest Refreshment Expenses	96,501.48	-
House Rent	76,666.37	45,000.00
Inauguration Expense	204,251.47	-
Telephone, Communication and Internet Expenses	60,405.23	-
Legal Expenses	-	50,000.00
Medicine Expense	12,865.00	-
Mis Expense	8,871.78	-
Office Expenses	288,917.70	20,000.00
Parents Meeting Expenses	6,780.00	-
Printing & Stationary	121,025.00	13,100.00
Registration and Renewal Expenses	9,940.00	25,815.00
Repair and Maintenance	9,700.00	-
Salary Expenses Admin	1,047,517.73	-
Security Guard Expense	248,609.70	-
Staff Dress Expenses	109,210.00	-
Staff Lunch Expenses	2,030.00	-
Training Expenses	90,295.00	-
Transportation Expenses	141,889.00	-
Water Expense	139,705.00	-
Total	3,529,115.16	170,865.00

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ASHA for Children Foundation
Jamaal, Kathmandu, Nepal

Schedule 1 : Details of Fixed Assets as on Ashad 32, 2079

Particulars	Rate of Dep ⁿ	Gross Block					Depreciation during the Year	Net Block as on 2079/03/32
		Opening Balance	Upto Poush	Addition		Sales and Disposal		
				Magh to Chaitra	Baishak to Ashad		Total	
Land & Building	5%	-	-	-	-	-	-	-
Office Equipment, Computers & Furnitures	25%	-	395,450.00	804,770.34	270,655.00	-	1,470,875.34	1,215,329.87
Vehicle	20%	-	-	4,050,000.00	-	-	4,050,000.00	3,510,000.00
Other Asset	15%	-	577,125.00	736,000.44	4,482,712.50	-	5,795,837.94	5,411,533.52
Intangible Assets and Other Assets	SLM	-	-	-	40,680.00	-	40,680.00	32,544.00
Total		-	972,575.00	5,590,770.78	4,794,047.50	-	11,357,393.28	10,169,407.39



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M/s Asha for Children Foundation

Kamlachi, Kathmandu-27, Nepal

F.Y. 2078-079

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 250863/077/078 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 2078.079.

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 privileged 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 Sikshya Sadan (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 Sikshya Sadan. The Educational institution operation license of Asha Sikshya Sadan 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 Sikshya Sadan. The government and local taxes applicable to Asha Sikshya sadan 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.

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Foundation
Kathmandu
Nepal
Chartered Accountant

3. Going Concern:

The financial statements are prepared on Going concern Basis.

4. Revenue Recognition:

Donation Income received by organization is recognized on cash basis as and when received by the organization. Fee Income received from students are recognized when bill of fee is issued to the students.

5. Fixed Assets

Conditional Grant Income received for purchase of fixed assets are treated as per NAS-10 by creating deferred income. Fixed Assets purchased from Own fund of the Foundation are booked as per NAS-16.

6. Depreciation:

Depreciation on Fixed Assets are charged as per rates of depreciation prescribed by Income tax Act 2058 of Nepal.

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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 2078.079 from Income Tax Office. Thus, no tax liability is calculated.

3. **Related Party Disclosures:**

The Foundation has entered into agreement with **Asha Shiksha Sadan** 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 3rd year, Foundation shall be charged royalty amounting to Rs. 400,000 per year which will be increased by 10% after every 2 years.

4. The Foundation has received grant of Rs 1,40,00,000.00 from its Donor Mr. Doner Heribert Wirth (a German Citizen) through its parent Company ASHA (Hope) and Rs 28,23,504.35 directly from its Donor Doner Heribert Wirth (a German Citizen) for procurement of Fixed Assets required for Operation of the educational institution and Operating Expenses.

Out of total donation received from donor the foundation has procured fixed assets of Rs 1,13,57,393.28 and balance amount of Rs 54,66,111.07 has charged as donation income for the year.

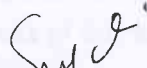
Fixed assets procured from donation and depreciation charged on those fixed assets has treated as per NAS 10.

5. Schedules are the integral part of the financial statements.
6. All amounts are stated in the Nepalese Rupees.
7. Previous year figures have been regrouped/rearranged wherever considered necessary to make them comparable with the current year figures.

As per our attached report of even date

For & On Behalf of the Board


Member

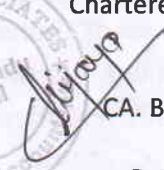

Treasurer


President



For B.R.B.S. & Associates

Chartered Accountants


CA. Bijaya Sukupayo
Partner

Date: 2079/05/16
Place: Kathmandu