



B.R.B.S. & Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASHA "HOPE"

OPINION

We have audited the accompanying financial statements of **M/ ASHA "HOPE"** which comprise 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.

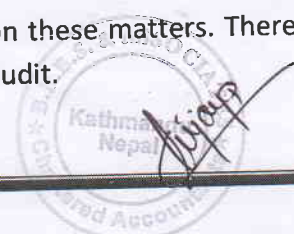
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 32nd Ashadh 2079 and of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standard (NAS).

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: 220912CA00767GehkO

Date: 2079.05.15

ASHA
Jamal , Kathmandu Nepal
Balance Sheet
As on Ashad 32, 2079 (July 16, 2022)

Particulars	Sch.	Current Year NPR	Previous Year NPR
SOURCES OF FUNDS:			
Reserve & Fund			
Capital Reserve		51,624,183.00	51,624,183.00
Deferred Income Liability		93,064,123.51	32,279,467.10
Donor's Payable		28,539,462.29	50,687,409.70
Total		173,227,768.80	134,591,059.80
APPLICATION OF FUNDS :			
Non Depreciable Assets acquired from grant			
Land and Land Development	1	51,624,183.00	51,624,183.00
Depreciable Assets acquired from grant			
Gross Property ,Plants & Equipments	2	69,852,255.18	-
Less Accumulated Depreciation		1,164,204.00	-
Net Property ,Plants & Equipments		68,688,051.18	-
Capital work in progress (Building)	3	24,376,072.33	32,279,467.10
Current Assets, Loans & Advances			
Cash & Bank Balance	4	5,139,740.99	48,153,620.06
Fixed Deposit with Bank		20,000,000.00	-
Loan and advance	5	2,859,788.33	3,648,666.50
		27,999,529.32	51,802,286.56
Less: Current Liabilities & Payables	6	957,821.02	1,180,065.21
Less: Provision for Income Tax		-	-
Net Current Assets		27,041,708.30	50,622,221.35
Accumulated Deficit	7	(1,497,753.99)	(65,188.35)
Total		173,227,768.80	134,591,059.80

Significant Accounting Policies & Notes to Accounts

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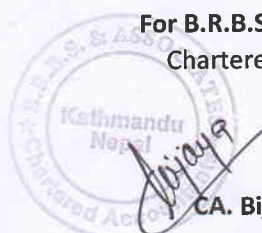
As per our attached report of even date

For and on Behalf of Board


Member


Treasurer


President


CA. Bijaya Sukupayo
Partner

Date: 2079/05/15
Place: Kathmandu



ASHA
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:			
Donation Received	8	3,007,138.00	973,553.67
Bank Interest Income		2,141,372.40	1,190,753.42
Tender Form Sales Income		-	75,000.00
Other Income		6,357.78	-
Total Incomes (A)		5,154,868.18	2,239,307.09
Less :Expenditure:			
General, Administrative and Operational Expenses	9	5,423,229.82	2,082,309.64
Depreciation on building accrued from grant	1	1,164,204.00	-
Total Expenditures (B)		6,587,433.82	2,082,309.64
Surplus / (Deficit) for the year (C) = (A)-(B)		(1,432,565.64)	156,997.45
Provision for Income Tax (D)		-	-
Net Surplus / (Deficit) after Tax (C) + (D)		(1,432,565.64)	156,997.45

Significant Accounting Policies & Notes to Accounts

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As per our attached report of even date

For and on Behalf of Board


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


Member


Treasurer


President




CA. Bijaya Sukupayo
Partner



Date: 2079/05/15
Place: Kathmandu

ASHA
Jamal , Kathmandu Nepal
Cash Flow Statement
For the year ended Ashad 32, 2079 (July 16, 2022)

Particulars	Current Year NPR	Previous Year NPR
Surplus/(Dificit) during the year	(1,432,565.64)	156,997.45
Add: Capital Reserve/ Doner Fund	38,636,709.00	44,758,138.65
Operating Profit before changes in Working Capital	37,204,143.36	44,915,136.10
Changes in Working Capital:		
(Increase)/Decrease in Current Assets Except Cash Bank	788,878.17	19,546,333.50
Increase/(Decrease) in Current Liabilites and Payable	(222,244.19)	266,984.21
Net Cash Flow From Operating Activities [A]	37,770,777.34	64,728,453.81
Cash Flow from Investing Activities		
(Increase)/Decrease in Fixed Assets	(68,688,051.18)	(31,113,136.20)
(Increase)/Decrease in CWIP	7,903,394.77	-
Net Cash Flow From Investing Activities [B]	(60,784,656.41)	(31,113,136.20)
Cash Flow from Financing Activities		
Repayment of Loan	-	-
Net Cash Flow From Financing Activities [C]	-	-
Total Cash Flow From All Activities [D]=[A] + [B] + [C]	(23,013,879.07)	33,615,317.61
Opening Cash & Bank Balances [E]	48,153,620.06	14,538,302.45
Closing Cash & Bank Balances [D] + [E]	25,139,740.99	48,153,620.06

Significant Accounting Policies & Notes to Accounts

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As per our attached report of even date

For and on Behalf of Board

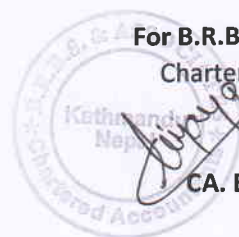
[Signature]
Member

[Signature]
Treasurer

[Signature]
President



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



[Signature]
CA. Bijaya Sukupayo
Partner

Date: 2079/05/15
Place: Kathmandu

ASHA

Jamal, Kathmandu Nepal

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

Schedule 2

Block	Particulars	Rate of Dep ⁿ	Gross Block					Depreciation during the Year	Net Block as on 2079/03/32
			Opening Balance	Upto Poush	Addition Magh to Chaitra	Baishak to Ashad	Sales and Disposal	Total	
A	Building	5%							-
	Main School Building		-	-	-	69,852,255.18	-	69,852,255.18	1,164,204.00
	Total		-	-	-	69,852,255.18	-	69,852,255.18	68,688,051.18
B	Office Equipment, Computers & Furnitures	25%							
	Office Table		-	-	-	-	-	-	-
	Total		-	-	-	-	-	-	-
C	Vehicle	20%							
			-	-	-	-	-	-	-
D	Other Asset	15%							
			-	-	-	-	-	-	-
E	Intangible Assets and Other Assets	SLM							
			-	-	-	-	-	-	-
	Grand Total		-	-	-	69,852,255.18	-	69,852,255.18	68,688,051.18



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ASHA
Jamal , Kathmandu Nepal
Schedules Forming Part of the Financial Statements
For 2078.079

Land and Land Development

Schedule 1

Particulars	Current Year NPR	Previous Year NPR
Land	49,629,216.00	49,629,216.00
Land Development-Boundary Wall	1,994,967.00	1,994,967.00
Total	51,624,183.00	51,624,183.00

CWIP Building

Schedule 3

Particulars	Current Year NPR	Previous Year NPR
CWIP Main Building	-	32,279,467.10
CWIP Hostel Building	24,376,072.33	-
Total	24,376,072.33	32,279,467.10

Cash & Bank Balance

Schedule 4

Particulars	Current Year NPR	Previous Year NPR
Nepal SBI Bank A/c No 20425240200135	21,700.73	95,360.73
Nepal Investment Bank	5,105,704.04	48,057,478.11
Cash in hand	12,336.22	781.22
Total	5,139,740.99	48,153,620.06

Loans and Advances

Schedule 5

Particulars	Current Year NPR	Previous Year NPR
Construction Advance-Ram Janaki Nirman Sewa	2,352,109.63	3,470,053.49
TDS Receivable on Interest Income	499,818.70	178,613.01
Advance to YA Engineering Pvt. Ltd.	7,860.00	-
Total	2,859,788.33	3,648,666.50

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ASHA
"Equality in Education for Children"



ASHA
Jamal , Kathmandu Nepal
Schedules Forming Part of the Financial Statements
For 2078.079

Current Liabilities & Other Payables

Schedule 6

Particulars	Current Year NPR	Previous Year NPR
Audit fee Payable	39,469.03	39,025.00
Consultancy Fee Payable	-	38,520.00
House Rent Payable	-	3,222.22
Loan from Member	201,950.00	194,675.00
Payable to YA Engineering Pvt. Ltd.	-	326,640.00
TDS Payable	695,611.23	516,817.23
Salary Payable	10,625.00	51,000.00
Other Payable	10,165.76	10,165.76
Total	957,821.02	1,180,065.21

Accumulated Loss

Schedule 7

Particulars	Current Year NPR	Previous Year NPR
Opening Balance	(65,188.35)	(222,185.80)
Add: Dificit during the Year	(1,432,565.64)	156,997.45
Closing Reserve Balance	(1,497,753.99)	(65,188.35)

Donation Income

Schedule 8

Particulars	Current Year NPR	Previous Year NPR
General donations	1,842,934.00	651,207.00
Donation booked as per NAS 10 on Fixed Assets	1,164,204.00	-
Donation booked from P/Y	-	322,346.67
Total	3,007,138.00	973,553.67

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ASHA
Jamal , Kathmandu Nepal
Schedules Forming Part of the Financial Statements
For 2078.079

General, Administrative and Operational Expenses

Schedule 9

Particulars	Current Year NPR	Previous Year NPR
Accounting Consultancy Fee	203,400.00	162,720.00
Student schooling Fee Expense	65,835.00	-
Advertisement Fee	7,910.00	76,702.14
Audit Fee	40,000.00	39,550.00
Bank charge	824.00	865.00
Boring Water Survey Expense	73,450.00	-
Cleaning Expenses	2,281.00	-
Dashain Bonus	10,858.00	-
Donation Expenses	298,416.24	-
Electricity & Water Expenses	72,583.00	1,700.00
Fooding Expenses	72,897.00	75,602.65
Furniture and Fixture Expenses	50,007.00	-
Guest Refreshment Expenses	81,420.44	-
House Rent Expenses	197,777.79	219,600.00
Inauguration Party Expense	876,129.76	-
Interest on Tax Expenses	12,654.77	-
Internet & communication Expenses	16,395.00	20,340.01
Legal Consultancy Fee	50,000.00	162,500.00
Office Expenses	106,710.00	13,366.54
Printing and Stationery Expenses	45,882.60	76,391.10
Registration Fee	-	11,750.00
Renewal Rate & Taxes Expenses	27,560.00	3,120.00
Repair & Maintenance	18,697.52	2,720.00
Staff Salary Expenses	1,443,087.94	613,530.00
School Management Fee	1,130,000.00	-
Student Stationery & Education Material Expenses	59,103.00	88,302.00
SWC Allowance	9,412.00	-
SWC Expenses	270,000.00	16,000.00
Translation Expenses	29,411.76	-
Local Travelling Expenses	83,856.00	5,978.83
Web Design Expenses	66,670.00	-
Tax Expenses	-	28,641.00
Policy Development Expenses	-	409,498.73
Power Bank	-	10,600.00
Tender Expenses	-	42,831.64
Total	5,423,229.82	2,082,309.64

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M/s ASHA

Maharajgung, Kathmandu, Nepal

F.Y. 2078-079

Schedules forming part of the Financial Statements

Schedule –10: Significant Accounting Policies & Notes to the Accounts

A. About NGO:

1. ASHA (HOPE) is Non-Governmental, Non-profit Organization registered with IRD having PAN No. 602222282 on Ashad 27, 2071 having its registered office at ward no. 4, Maharajgung, Kathmandu. The organization has received tax exemption for the year 2078.079. It was established with the objective to provide education to the deprived children and orphans.

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 affects 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.

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 grand income received unconditionally is fully recognized as income as and when received.


5. Fixed Assets & Depreciation:

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 Organization are booked as per NAS-16.

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

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 **ASHA**



C. Notes to the Accounts:

1. Income Tax

The Organization has received Tax Exemption Certificate from Income Tax Office for FY 2078/079. Thus, no tax liability is calculated.

2. Related Party Disclosures:

- a. The NGO has leased its land and building situated at Ward No. 10-Suryabinayak Municipality, Bhaktapur, Nepal free of cost to Asha For Children Foundation (Sister concern) with approval of donor and Social Welfare Council (SWC). The lease has been entered into with option to renew at the discretion of the NGO after the expiry of contract. Asha For Children Foundation (Sister concern) has been registered with SWC with registration No. 52178 on 17.07.2021 to provided educational facilities to privileged children.
 - b. As per the contract, the "ASHA for Children foundation" i.e Sister Concern organization has right to upgrade and modify the structure of buildings as per the requirements with the prior approval of parent company i.e "ASHA". Similarly, the parent company has retained the right to reimbursement of expenses of repair and maintenance, painting etc if such activities are done on behalf of the foundation.
 - c. The ASHA for Children Foundation has to submit annual progress report along with audit report to ASHA NGO.
 - d. The contract contains the term of exchanging of human and other resources of parent and subsidiary company with each other as per the requirements.
3. The NGO has received specific donation of Rs 17,32,23,601.30 since FY 2075.76 till Ashad End 2079 from donor for the purchase of Land and construction of building. Out of Total donation received, Rs 49,629,216.00 has been spent for purchase of land during FY 2075/76 and Rs 19,89,000.00 has been spent under Land Development during the FY 2076-77 which has been treated as non depreciable assets and corresponding total amount spent for land and land development has shown under capital reserve. Further the organization has spent Rs 6,98,52,255.18 on construction of school building which was ready for use from this financial year and has shown as depreciable assets accrued from donation in financial statement as per NAS 10. Deprecation 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 10. Furthermore Rs 2,43,76,072.33 has spent from construction of 2 Hostel building which has shown under capital work in progress as construction work is not completed till date. The Amount which has been spent for construction of hostel building has treated as deferred income and balance of Rs 2,85,39,462.29 has been transferred to Donor's fund, the balance amount which not been utilized till FY 2078/079 for construction of building has been booked under Donor's payable, 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.
4. Out of Total Fund received of Rs. 53,800,913 during the FY 2078/79 in Bank Account of "ASHA" from Donor Mr. Heribert Wirth (a German Citizen), the Donor has approved to transferred NPR of Rs 1,40,00,000.00 to "Asha For Children Foundation" Sister concern organization of ASHA for procurement of Fixed Assets required for Operation of the educational institution and Operating Expenses. "ASHA" has transferred amount to "ASHA for Children foundation" on various date in the fiscal year 2078.079.
5. The construction of main building and cafeteria has been completed and its ready for use. Depreciation has been charged on it as per Income tax act in according to NAS 10. The Building has been used by the Foundation as per the contract. Other two building i.e boys' and girls' hostels are in construction phase and depreciation has not charged, once the construction is completed and ready for use then depreciation will charge on it.
6. Out of total donation received from donor the NGO has made Fixed Deposit amounting Rs. 20 millions (2 crores) as on 16/07/2022 (32nd of Ashad, 2079) with prior approval of Donor. The FD amount will use in construction of Hostel Building at the time of necessary to pay to Contractor.



ASHA

Kathmandu
Nepal

7. Disclosures of Grant

a. Grants received are recognized on cash basis.

b. It is transferred to capital reserve and when assets are purchased cost of purchase is deducted from capital reserve.

c. Grants are received for the purpose of construction of School building and hostel which includes purchase of lands.

8. Previous year figures have been regrouped or rearranged wherever considered necessary to make them comparable with the current year figures. Previous year Capital Reverse was bifurcate into Capital reserve and Deferred Income Liability in this year.

9. Schedules are the integral part of the financial statements.

10. All amounts are stated in the Nepalese Rupees.

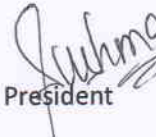
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For & On Behalf of the Board

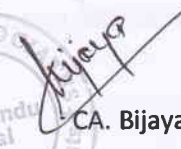
For B.R.B.S. & Associates
Chartered Accountants


Member


Treasurer


President




CA. Bijaya Sukupayo
Partner
Date: 2079.05.15
Place: Kathmandu

