



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"** having registered address at **Maharajgunj, Kathmandu, Nepal** which comprise the Balance Sheet as at 31st 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.

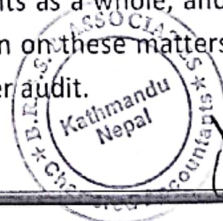
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31st Ashadh 2080 and of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standard (NAS).

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: 231002CA00767Dz5h5

Date: 2080.05.29

ASHA
Maharajgunj, Kathmandu Nepal
Balance Sheet
As on Ashad 31, 2080 (July 16, 2023)

Particulars	Sch.	Current Year NPR	Previous Year NPR
<u>SOURCES OF FUNDS:</u>			
<u>Reserve & Fund</u>			
Capital Reserve		51,624,183.00	51,624,183.00
Deferred Income Liability		136,230,177.98	93,064,123.51
Donor's Payable		8,179,468.37	28,539,462.29
Total		196,033,829.35	173,227,768.80
<u>APPLICATION OF FUNDS :</u>			
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	86,004,333.37	69,852,255.18
Less Accumulated Depreciation		5,090,962.00	1,164,204.00
Net Property ,Plants & Equipments		80,913,371.37	68,688,051.18
Capital work in progress (Building)	3	55,316,806.61	24,376,072.33
Current Assets, Loans & Advances			
Cash & Bank Balance	4	8,150,618.70	5,139,740.99
Fixed Deposit with Bank		-	20,000,000.00
Loan and advance	5	577,411.62	2,859,788.33
		8,728,030.32	27,999,529.32
Less: Current Liabilities & Payables	6	4,229,198.54	957,821.02
Less: Provision for Income Tax		-	-
Net Current Assets		4,498,831.78	27,041,708.30
Accumulated Deficit	7	3,680,636.59	1,497,753.99
Total		196,033,829.35	173,227,768.80

Significant Accounting Policies & Notes to Accounts

10

For and on Behalf of Board



[Signature]
Member

[Signature]
Treasurer

[Signature]
President

As per our attached report of even date



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

[Signature]

CA. Bijaya Sukupayo
Partner
Date : 2080.05.29
Place: Kathmandu

ASHA
Maharajgunj, Kathmandu Nepal
Income and Expenditure Statement
For the year ended Ashad 31, 2080 (July 16, 2023)

Particulars	Sch.	Current Year NPR	Previous Year NPR
Income:			
Donation Received	8	4,066,525.97	3,007,138.00
Bank Interest Income		383,956.15	2,141,372.40
Tender Form Sales Income		127,000.00	-
Membership renewal		8,500.00	-
Other Income		-	6,357.78
Total Incomes (A)		4,585,982.12	5,154,868.18
Less :Expenditure:			
General, Administrative and Operational Expenses	9	2,842,106.72	5,423,229.82
Depreciation on building accrued from grant	1	3,926,758.00	1,164,204.00
Total Expenditures (B)		6,768,864.72	6,587,433.82
Surplus / (Deficit) for the year (C) = (A)-(B)	-	2,182,882.60 -	1,432,565.64
Provision for Income Tax (D)		-	-
Net Surplus / (Deficit) after Tax (C) + (D)	-	2,182,882.60 -	1,432,565.64

Significant Accounting Policies & Notes to Accounts

10

For and on Behalf of Board



[Signature]
Member

[Signature]
Treasurer

[Signature]
President

As per our attached report of even date



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

[Signature]
CA. Bijaya Sukupayo
Partner

Date : 2080.05.29

Place: Kathmandu

ASHA
Maharajgunj, 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	- 2,182,882.60 -	1,432,565.64
Operating Profit before changes in Working Capital	- 2,182,882.60 -	1,432,565.64
Changes in Working Capital:		
(Increase)/Decrease in Current Assets Except Cash Bank	2,282,376.71	788,878.17
Increase/(Decrease) in Current Liabilities and Payable	3,271,377.52 -	222,244.19
Net Cash Flow From Operating Activities [A]	3,370,871.63 -	865,931.66
Cash Flow from Investing Activities		
(Increase)/Decrease in Fixed Assets	- 16,152,078.19 -	68,688,051.18
(Increase)/Decrease in CWIP	- 30,940,734.28	7,903,394.77
Net Cash Flow From Investing Activities [B]	- 47,092,812.47 -	60,784,656.41
Cash Flow from Financing Activities		
Change in Deferred Income/Donor Payable	26,732,818.55	38,636,709.00
Net Cash Flow From Financing Activities [C]	26,732,818.55	38,636,709.00
Total Cash Flow From All Activities [D]=[A] + [B] + [C]	- 16,989,122.29 -	23,013,879.07
Opening Cash & Bank Balances [E]	25,139,740.99	48,153,620.06
Closing Cash & Bank Balances [D] + [E]	8,150,618.70	25,139,740.99

Significant Accounting Policies & Notes to Accounts

10

For and on Behalf of Board



[Signature]
Member

[Signature]
Treasurer

[Signature]
President



As per our attached report of even date

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

[Signature]
CA. Bijaya Sukupayo
Partner

Date : 2080.05.29
Place: Kathmandu

ASHA
Maharajgunj, Kathmandu Nepal
Schedules Forming Part of the Financial Statements
For 2079.80

Land and Land Development

Schedule 1

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

Capital work in progress (Building)

Schedule 3

Particulars	Current Year NPR	Previous Year NPR
CWIP Hostel Building	55,316,806.61	24,376,072.33
Total	55,316,806.61	24,376,072.33

Cash & Bank Balance

Schedule 4

Particulars	Current Year NPR	Previous Year NPR
Nepal SBI Bank A/c No 20425240200135	-	21,700.73
Nepal Investment Bank	8,150,573.48	5,105,704.04
Cash in hand	45.22	12,336.22
Total	8,150,618.70	5,139,740.99

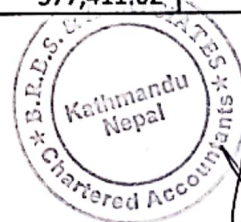
Loans and Advances

Schedule 5

Particulars	Current Year NPR	Previous Year NPR
Construction Advance-Ram Janaki Nirman Sewa	-	2,352,109.63
TDS Receivable on Interest Income	557,412.12	499,818.70
Advance to YA Engineering Pvt. Ltd.	-	7,860.00
Advance to Tez Technical Enterprises	19,999.50	-
Total	577,411.62	2,859,788.33



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ASHA
Maharajgunj, Kathmandu Nepal
Schedules Forming Part of the Financial Statements
For 2079.80

Current Liabilities & Other Payables

Schedule 6

Particulars	Current Year NPR	Previous Year NPR
Audit Fee Payable	39,469.00	39,469.03
House Rent Payable	24,000.00	-
Loan from Member	201,950.00	201,950.00
Payable to Purna Chandra Nirman Sewa	2,053,259.40	-
Payable to Ram Janaki Nirman Sewa	1,368,238.92	-
TDS Payable	423,531.46	695,611.23
Mukund Prasad Bhattarai Lawyer Fee	45,000.00	-
Accounting Consultancy Fee Payable	33,450.00	-
Salary Payable	2,126.00	10,625.00
Loan from Asha foundation	28,008.00	-
Other Payable	10,165.76	10,165.76
Total	4,229,198.54	957,821.02

Accumulated Loss

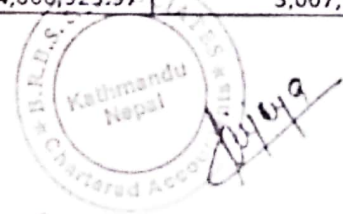
Schedule 7

Particulars	Current Year NPR	Previous Year NPR
Opening Balance	- 1,497,753.99	- 65,188.35
Add: Deficit during the Year	- 2,182,882.60	- 1,432,565.64
Closing Reserve Balance	- 3,680,636.59	- 1,497,753.99

Donation Income

Schedule 8

Particulars	Current Year NPR	Previous Year NPR
General donations	139,767.97	1,842,934.00
Donation booked as per NAS 20 on Fixed Assets	3,926,758.00	1,164,204.00
Total	4,066,525.97	3,007,138.00



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ASHA
Maharajgunj, Kathmandu Nepal
Schedules Forming Part of the Financial Statements
For 2079.80


General, Administrative and Operational Expenses

Schedule 9

Particulars	Current Year NPR	Previous Year NPR
Accounting Consultancy Fee	203,400.00	203,400.00
Audit Fee	40,000.00	40,000.00
Bank charge	454.26	824.00
Boring Water Survey Expense	-	73,450.00
Cleaning Expenses	-	2,281.00
Dashain Bonus	23,876.00	10,858.00
Donation Expenses	544,442.22	298,416.24
Electricity & Water Expenses	-	72,583.00
Fooding Expenses	-	72,897.00
Furniture and Fixture Expenses	-	50,007.00
Guest Refreshment Expenses	27,272.00	81,420.44
House Rent Expenses	106,666.68	197,777.79
Inauguration Party Expense	-	876,129.76
Interest on Tax Expenses	55.56	12,654.77
Internet & communication Expenses	14,022.00	16,395.00
Legal Consultancy Fee	194,118.00	50,000.00
Office Expenses	55,720.00	106,710.00
Printing and Stationery Expenses	22,212.00	45,882.60
Registration and renewal expenses	12,680.00	27,560.00
Repair & Maintenance Expenses	383,638.00	18,697.52
Staff Salary Expenses	279,924.00	1,443,087.94
School Management Fee	-	1,130,000.00
Student Stationery & Education Material Expenses	-	59,103.00
SWC Allowance	12,000.00	9,412.00
SWC Expenses	270,000.00	270,000.00
Student schooling Fee Expense	-	65,835.00
Advertisement Fee	-	7,910.00
Tender Expenses	129,701.00	-
Translation Expenses	11,500.00	29,411.76
Local Transportation/ Taxi Fare Expenses	510,425.00	83,856.00
Web Design Expenses	-	66,670.00
Total	2,842,106.72	5,423,229.82


ASHA
 'Equality in Education for Children'

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ASHA

Maharajgunj, Kathmandu Nepal

Schedule : Details of Fixed Assets as on Ashad 31,2080

Schedule 2

Block	Particulars	Rate of Dep ⁿ	Gross Block					Opening Depreciation	Depreciation during the Year	Total depreciation	Net block as on 2080/03/31	Net Block as on 2079/03/32
			Opening Balance	Upto Poush	Magh to Chaitra	Balshak to Ashad	Sales & Disposal					
A	Bulding	5%	69,852,255.18	4,424,071.69	1,048,522.71	-	-	1,164,204.00	3,748,767.00	4,912,971.00	70,411,878.58	68,688,051.18
	Main School Buidling		-	-	-	10,679,483.79	-	-	177,991.00	177,991.00	10,501,492.79	-
	Compound Wall		69,852,255.18	4,424,071.69	1,048,522.71	10,679,483.79	-	1,164,204.00	3,926,758.00	5,090,962.00	80,913,371.37	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	4,424,071.69	1,048,522.71	10,679,483.79	-	1,164,204.00	3,926,758.00	5,090,962.00	80,913,371.37	68,688,051.18



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M/s ASHA
Maharajung, Kathmandu, Nepal
F.Y. 2079-080
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, Maharajung, Kathmandu. The organization has received tax exemption for the year 2079.080. 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 grant 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-20 by creating deferred income. Fixed Assets purchased from own fund of the organization 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.



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C. Notes to the Accounts:

1. Income Tax

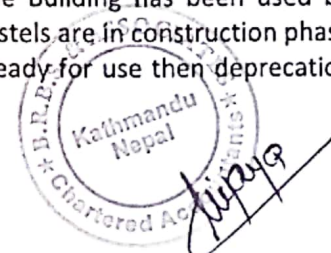
The Organization has received Tax Exemption Certificate from Income Tax Office for FY 2079/080. Thus, no tax liability is calculated.

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 provide educational facilities to unprivileged 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 20,11,24,791.35 since FY 2075.76 till Ashad End 2080 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 19,94,967.00 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 8,60,04,333.37 on construction of school building and compound retention wall which was ready for use from this financial year and has shown as depreciable assets accrued from donation in financial statement as per NAS 20. During the year Rs.39,26,758 depreciation charged on assets of 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. Furthermore Rs 5,53,16,806.70 has spent for 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 81,79,468.37 has been transferred to Donor's Fund, the balance amount which not been utilized till FY 2079/080 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. The NGO has terminated its old contractor M/s Ram Janaki Nirman Sewa Pvt Ltd due to non completion of construction of hostel building within due time frame and not constructed building as per agreed BOQ. The NGO has appointed new contractor M/s Purna Chandra Nirman Sewa in place of Ram Janaki for completion of hostel building. The finalization of account is pending of Ram Janaki Nirman Sewa.
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 20. 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.



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6. Disclosures of Grant

- Grants received are recognized on cash basis.
- It is transferred to capital reserve and when assets are purchased cost of purchase is deducted from capital reserve.
- Grants are received for the purpose of construction of School building and hostel which includes purchase of lands.

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

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


9. All amounts are stated in the Nepalese Rupees


For & On Behalf of the Board Quality In Education for Children

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




Member


Treasurer


President


CA. Bijaya Sukupayo
Partner
Date: 2080.05.29
Place: Kathmandu