**Annex 3.6.1 Audit Report 2079**

**REPORT**

***CONFIDENTIAL***

**AUDIT REPORT AND AUDITED FINANCIAL STATEMENTS**

**OF**

**KOTESHWOR MULTIPLE CAMPUS**

**Jadibuti, Koteshwor – 32, Kathmandu**

(FOR THE FISCAL YEAR 2079/80

*Performed By:*
*T. N. Acharya & Co., Chartered Accountants*
*Kathmandu, Nepal*

**REPORT**

***CONFIDENTIAL***

# AUDIT REPORT AND AUDITED FINANCIAL STATEMENTS

## OF

## KOTESHWOR MULTIPLE CAMPUS

**Jadibuti, Koteshwor – 32, Kathmandu**

(FOR THE FISCAL YEAR 2079/80

*Performed By:*
*T. N. Acharya & Co., Chartered Accountants*
*Kathmandu, Nepal*

**T. N. ACHARYA & CO.**
**Chartered Accountants**

**Firm Regd. No: 174**
**PAN : 604958035**

## INDEPENDENT AUDITOR'S REPORT

To the Members,
Koteshwor Multiple Campus
Jadibuti, Koteshwor - 32, Kathmandu

### Report on the financial statements

### Qualified Opinion

We have audited the financial statement of the **Koteshwor Multiple Campus,** which comprise the statement of financial position as at Ashadh 31, 2080 (corresponding to 16 July, 2023), the statement of Profit or Loss, Statement of Cash Flow, Statement of Changes in Equity for the year ended on Ashadh 31, 2080 (16 July, 2023) and significant accounting policies and notes to accounts.

In our opinion, the accompanying financial statements present fairly, in all material respect, the financial position of **Koteshwor Multiple Campus** as at Ashadh 31, 2080 (16 July, 2023) and its financial performance for the year then ended in accordance with accounting policies as adopted and disclosures made in schedule 17 to the financial statements, except for the possible effect of the matter described in the basis for qualified opinion section of our report.

### Basis for Qualified 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 Financial Statements' section of our report. We are independent of the Organization in accordance with The Institute of Chartered Accountants of Nepal's Handbook of Code of Ethics for Professional Accountants (ICAN Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion. Followings are the basis of the qualified opinion:

This financial statements cover the financial transactions with respect to the bachelor & master degree programs run by the Koteshwor Multiple Campus and have not consolidated the financial transactions of other programs though having same withholder PAN. The closing balance of payables and receivables are subject to direct confirmation from the concern parties. The organization has booked income as per cash basis against the Generally Accepted Accounting Principles (GAAP). Further, provisions related to medical and accidental insurance, deposition of gratuity and provident fund of staffs are not complied as per the Labour Act, 2074.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statement of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming out opinion thereon, and we do not provide a separate opinion on these matters.

T.N. ACHARYA & CO. ★ Chartered Accountants ★ Kathmandu

Phone : +977-01-5245128, E-mail.: tnacharyaandco@gmail.com
New Baneshwor, Kathmandu, Nepal

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Capital Work in Progress (WIP)- Building** The Capital WIP – Building amounts to NRs. 10,100,127 (being 11.73 % of the total of total assets) has been incurred during this financial year. | For the Capital WIP-Building of Koteshwor Multiple Campus, our key audit procedure included verification of the supporting documents to ensure the sufficiency and appropriateness of supporting documents, verification of the approved technical report and decision of board of director and verification of whether applicable taxes have been withheld. |
| **Settlement of Payable to Koteshwor Multiple Campus (School)** The payable to Kotewshwor Multiple Campus (School) of Rs. 11,839,874 has been written back and booked as income during the current fiscal year. | For the settlement of Payable to Koteshwor Multiple Campus (School), our key audit procedure included verification of the decision of Board of Directors dated 11th Mangsir, 2080. |

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of is responsible for the preparation and fair presentation of the Financial Statements in accordance with the accounting policies adopted as disclosed in Schedule 17 to the financial statements and other accounting principles generally accepted and for such internal control as management determines, is necessary to enable preparation of the financial statements that are free from material misstatements, 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 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. Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, 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 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 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 entity's internal control.

T.N. ACHARYA & CO. Chartered Accountants Kathmandu

- 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 disclosure in the financial statement 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 as a going concern.
- Evaluate the overall presentation of the Financial Statements including disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation,
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the Financial Statements.

We communicate with the management 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.

Pawan Khanal, FCA
Partner
T. N. Acharya & Co.,
Chartered Accountants

T.N. ACHARYA & CO. ★ Kathmandu ★ Chartered Accountants

Date: 11th Mangsir, 2080 (27th November, 2023)
Place: Kathmandu, Nepal
UDIN: 231129CA00821CGL84

**Koteshwor Multiple Campus**
**Jadibuti, Koteshwor - 32, Kathmandu**

**Statement of Financial Position (Balance Sheet)**
**As of 31st Ashadh, 2080 (Corresponding to 16th July, 2023)**

| | Particulars | Schedule | Current Year | Previous Year |
|---|---|---|---|---|
| I | **SOURCES OF FUNDS :** | | | |
| | **Institutional Fund** | | | |
| | Capital Fund | 1 | 72,503,393 | 67,296,885 |
| | Surplus Fund | 2 | 3,822,412 | (5,172,688) |
| | **Loan Fund** | | | |
| | Loan From Bank | | - | - |
| | **TOTAL SOURCES OF FUNDS** | | **76,325,804** | **62,124,198** |
| II | **APPLICATION OF FUNDS** | | | |
| | Fixed Assets | 3 | 66,808,148 | 69,446,967 |
| | Capital WIP- Building | | 10,100,127 | - |
| | Investment | 4 | 950,010 | 650,000 |
| | **A. Current Assets, Loans and Advances** | | | |
| | Cash and Bank Balance | 5 | 5,921,099 | 4,814,593 |
| | Loans & Advances | 6 | 2,356,674 | 2,385,013 |
| | **TOTAL 'A'** | | **8,277,773** | **7,199,606** |
| | **B. Current Liabilities & Provisions** | | | |
| | Sundry Payables | 7 | 8,930,405 | 14,048,696 |
| | TDS Payable | 8 | 285,804 | 487,558 |
| | Student Suspense Fee | 16 | 594,045 | 636,120 |
| | **TOTAL 'B'** | | **9,810,254** | **15,172,375** |
| | **Net Current Assets (A - B)** | | **(1,532,481)** | **(7,972,769)** |
| | **TOTAL APPLICATION OF FUNDS** | | **76,325,804** | **62,124,198** |
| | **Contingent Liabilities** | | | |

Significant Accounting Policies & Notes on Accounts 17

*As per our Report of even date,*

Hari Keshab Adhikari
Account Officer

Pradumna Kumar Pokharel
Treasurer

Pawan Khanal, FCA
Partner
T. N. Acharya & Co.
Chartered Accountants

Govinda Bahadur Karki
Campus Chief

Ram Babu Nepal
Chairperson

KOTESHWOR MULTIPLE CAMPUS

**Koteshwor Multiple Campus**

**Jadibuti, Koteshwor - 32, Kathmandu**

**Statement of Profit or Loss**

**For the Period from 1st Shrawan, 2079 to 31st Asdadh, 2080**

| Particulars | Schedule | Current Year | Previous Year |
|---|---|---|---|
| **A) INCOME** | | | |
| Student Income | 9 | 35,464,592 | 41,148,174 |
| Other Income | 10 | 4,508,499 | 3,080,396 |
| Donation & External Source Income | 11 | 2,375,000 | 2,137,000 |
| Miscelleneous Income | 12 | 12,520,085 | 295,204 |
| Amortization of Capital Fund | 3.1 | 3,523,165 | - |
| **TOTAL** | | **58,391,341** | **46,660,774** |
| **B) EXPENDITURE** | | | |
| Students Related Expenses | 13 | 10,652,022 | 10,478,687 |
| Administration Expenses | 14 | 33,482,863 | 28,671,966 |
| Other Charges | 15 | 1,607 | 15,330 |
| Depreciation | 3 | 5,259,750 | 5,548,383 |
| **TOTAL** | | **49,396,242** | **44,714,366** |
| **C) Surplus (A-B)** | | **8,995,099** | **1,946,409** |
| **D) Previous Year adjustments ( Student Suspense Fee)** | | - | **(1,091,840)** |
| **Net Surplus for the Year (C-D)** | | **8,995,099** | **854,569** |

*The schedules referred to above form an integral part of the financial statements.*

.............................
Hari Keshab Adhikari
Account Officer

.............................
Pradumna Kumar Pokharel
Treasurer

.............................
Pawan Khanal, FCA
Partner
T. N. Acharya & Co.
Chartered Accountants

.............................
Govinda Bahadur Karki
Campus Chief

.............................
Ram Babu Nepal
Chairperson

**Koteshwor Multiple Campus**
**Jadibuti, Koteshwor - 32, Kathmandu**

**Statement of Cash Flow**
**For the Period from 1st Shrawan, 2079 to 31st Asdadh, 2080**

| | Particulars | Current Year | Previous Year |
|---|---|---|---|
| A | **Cash flow from Operating Activities:** | | |
| | Net Profit Before taxes | 8,995,099 | 1,946,409 |
| | Add: Depreciation | 5,259,750 | 5,548,383 |
| | Less: Amortization | (3,523,165) | |
| | Interest and Finance charges | - | - |
| | Less: Previous Year Adjustment (If any) | - | (1,091,840) |
| | ***Operating Profit before working capital changes*** | **10,731,685** | **6,402,952** |
| | **Adjustments of Changes in Working Capital** | | |
| | (Increase) or Decrease in Loans & Advances | 28,340 | (1,006,756) |
| | Increase or (Decrease) in Sundry Payables | (5,118,295) | (194,327) |
| | Increase or (Decrease) in Deposits Liability | - | - |
| | Increase or (Decrease) in TDS Payable | (201,754) | 267,061 |
| | Increase or (Decrease) in Student Suspense Fee | (42,075) | 636,120 |
| | ***Cash generated from operations*** | **(5,333,784)** | **(297,902)** |
| | Income tax Paid | - | - |
| | **Net cash used in operating activities** | **5,397,901** | **6,105,050** |
| B. | **Cash flow from investing activities** | | |
| | (Increase) of fixed assets | (2,620,931) | (13,961,938) |
| | (Increase) or Decrease in Investement | (300,010) | 300,010 |
| | (Increase) of Capital WIP (Building) | (10,100,127) | - |
| | **Net cash used in investing activities** | **(13,021,068)** | **(13,661,928)** |
| C. | **Cash from financing activities** | | |
| | Increase/(Decrease) in Capital | - | - |
| | Reserve & Surplus received from School | - | - |
| | Increase/(Decrease) in Restricted fund | 8,729,673 | 10,287,692 |
| | Proceeds from Loan | - | - |
| | **Net cash From financing activities** | **8,729,673** | **10,287,692** |
| | **Net increase in cash & cash equivalents (A+B+C)** | **1,106,506** | **2,730,813** |
| | **Cash & cash equivalent (Opening balance)** | **4,814,593** | **2,083,781** |
| | **Cash & cash equivalent (Closing balance)** | **5,921,099** | **4,814,593** |

Hari Keshab Adhikari
Account Officer

Pradumna Kumar Pokharel
Treasurer

Pawan Khanal, FCA
Partner
T. N. Acharya & Co.
Chartered Accountants

Govinda Bahadur Karki
Campus Chief

Ram Babu Nepal
Chairperson

**Koteshwor Multiple Campus**
**Jadibuti, Koteshwor - 32, Kathmandu**

**Statement Showing Changes in Equity**
**For the Period from 1st Shrawan, 2079 to 31st Asdadh, 2080**

| Particulars | Surplus Fund | Net Surplus This Year | Restricted Fund | Adjustments | Total (Rs) |
|---|---|---|---|---|---|
| Opening Balance | (4,615,566) | (557,122) | 67,296,885 | - | **62,124,197** |
| Surplus for the year | - | 8,995,099 | 5,206,508 | - | **14,201,607** |
| **Closing Balance** | **(4,615,566)** | **8,437,977** | **72,503,393** | - | **76,325,804** |

Hari Keshab Adhikari
Account Officer

Pradumna Kumar Pokharel
Treasurer

Pawan Khanal, FCA
Partner
T. N. Acharya & Co.
Chartered Accountants

Govinda Bahadur Karki
Campus Chief

Ram Babu Nepal
Chairperson

**Koteshwor Multiple Campus**
**Jadibuti, Koteshwor - 32, Kathmandu**
**Schedules Annexed to and forming part of the Balance Sheet as at 31st Ashadh, 2080**

| | | |
|---|---|---|
| Mamata International Designing Center | - | 75,417 |
| Om Aditi Enterprises Pvt Ltd | 77,161 | 77,161 |
| Ramesh Kr. Thapa | 15,000 | 15,000 |
| Tulsi Prasasd Luitel | 2,900 | 2,900 |
| **B. Personnel Loan/Advance** | - | |
| Ganga Prasad Shiwakoti | - | 155,052 |
| Govinda Bahadur Karki | 507 | 68,923 |
| Hari Keshab Adhikari | 59 | 4,059 |
| Keshab Raj Panthi | 3,125 | 2,525 |
| Netra Bahadur Subedi | 600 | - |
| Neelam Dangol | 50,500 | 50,500 |
| Madan Gautam A/C | 3,849 | - |
| Suman Pokharel A/C | 5,063 | - |
| Tej Prasad Dahal A/C | 3,161 | - |
| Sabitra Basnet | - | 52 |
| Sarala paneru | 49,500 | 47,338 |
| Agni Adhikari | - | 102,557 |
| Bijay Prakash Adhikari | - | 30,000 |
| Binod Adhikari | - | 7,850 |
| Chandra Badana Rai | 5,395 | 6,738 |
| Govinda Bahadur Katuwal | - | 10,000 |
| Khima Nanda Koirala | 9,235 | 868 |
| Krishna Prasad Bhattarai | 77,582 | 26,616 |
| Nandi Keshar Nepal | 2,404 | 25,051 |
| Narendra Mishra | - | 3,168 |
| Resham Prasad Paudel | - | 25,060 |
| Samjhana Shrestha | 46,767 | 26,076 |
| Tulasi Kumar Kandangwa | - | 4,158 |
| Bharat Kumar Ghimire A/C | 25,145 | - |
| Binod Ghimire A/C | 4,100 | - |
| Binod Lingdel A/C | 2,100 | - |
| Pixel Computer Nepal A/C | 44,000 | - |
| Ram Karki A/C | 1,000 | - |
| Rudra Prasad Bhattrai | 352 | - |
| Prakash Pokhrel | 1,765 | - |
| Madan Gautam | 1,442 | - |
| Tej Prasad Dahal | 3,129 | - |
| Binod karki | 5,802 | - |
| **Total** | **2,356,674** | **2,385,013** |

**Koteshwor Multiple Campus**

**Jadibuti, Koteshwor - 32, Kathmandu**

**Schedules Annexed to and forming part of the Balance Sheet as at 31st Ashadh, 2080**

**CAPITAL FUND** **Schedule -1**

| Particulars | Current Year | Previous Year |
|---|---|---|
| Building Construction Fund (Capital Fund) | 52,060,418 | 54,800,440 |
| Community Campus Facilitation Fund | 1,371,356 | 1,828,475 |
| Scholarship Fund | 377,163 | 397,491 |
| Canteen Building Fund | 6,194,455 | 6,520,479 |
| UGC Grant for Building | 12,500,000 | 3,750,000 |
| **Total** | **72,503,393** | **67,296,885** |

**SURPLUS FUND** **Schedule -2**

| Particulars | Current Year | Previous Year |
|---|---|---|
| **Opening Surplus** | **(5,172,687.59)** | **(6,027,255)** |
| Add: Current Year's Surplus | 8,995,099 | 854,568 |
| Less: Reserve & Surplus received from School | - | - |
| **Total** | **3,822,412** | **(5,172,688)** |

**INVESTMENT** **Schedule -4**

| Particulars | Current Year | Previous Year |
|---|---|---|
| Kumari Bank, Koteshwor-Fixed Deposit | 300,010 | - |
| Nepal Bank ltd Kupondol-Fixed Deposit | 650,000 | 650,000 |
| **Total** | **950,010** | **650,000** |

**CASH AND BANK BALANCE** **Schedule -5**

| Particulars | Current Year | Previous Year |
|---|---|---|
| Agricultural development Bank Ltd., Koteshwor, | 5,118 | 5,118 |
| Cash in Hand A/c | 848 | 848 |
| Kumari Bank Ltd. (current/call account) | 350,479 | 828,916 |
| Nepal Bank Ltd, (Kupondel) | 178,675 | 131,018 |
| Prabhu Bank Ltd. (Current) | 5,000 | 5,000 |
| Rastriya Banijaya Bank Ltd. | 5,133,300 | 3,843,693 |
| Nepal Bank Ltd., Koteshwor | 247,680 | |
| **Total** | **5,921,099** | **4,814,593** |

**LOANS & ADVANCES** **Schedule -6**

| Particulars | Current Year | Previous Year |
|---|---|---|
| **A . Party Loan/Advance** | | |
| Alberta Engineering & Technology Consultancy Pvt Ltd. | - | 664 |
| Apex Copy Udyog | - | 100,000 |
| Dharti Aakash Nirman Sewa | 228,030 | 128,030 |
| Erasoft Solution Pvt. Ltd. | - | 500 |
| Telephone Deposit | - | 750 |
| Gita Canteen | - | 1,000 |
| Gorakshya Shree Nirman & Suppliers | 1,687,000 | 1,387,000 |

कोटेश्वर बहुमुखी क्याम्पस
KOTESHWOR MULTIPLE CAMPUS

**Koteshwor Multiple Campus**
**Jadibuti, Koteshwor - 32, Kathmandu**

**Schedules Annexed to and forming part of the Balance Sheet as at 31st Ashadh, 2080**

**SUNDRY PAYABLE** **Schedule -7**

| Particulars | Current Year | Previous Year |
|---|---|---|
| **A Party Payble** | | |
| Audit Fee Payable | 33,450 | 33,450 |
| Construction association | 5,003 | 5,003 |
| Contingency | 40,000 | 16,000 |
| Welfare Fund | 612,294 | 609,527 |
| D.N.L. Concern | - | 18,229 |
| Himali Furniture Udhyog | - | 257,150 |
| IDeal Business | 158,934 | 377,162 |
| Quality All Cleaner Surface | - | 23,062 |
| Info Hub | 161,351 | 8,920 |
| Mango Software Solution | - | 37,460 |
| Worldlink Communication | - | 120,954 |
| Koshi Printing Press | - | 173,102 |
| Sumeran Furniture & Suppliers | 148,513 | 447,318 |
| Aastha Advertising Agency PVT. Ltd. | 19,668 | - |
| AbasarSmartDecoration Pvt. Ltd. | 70,914 | - |
| Absar Trading | 687,917 | - |
| Ananda Catrin & Tent House | 2,720 | - |
| Bimali Trade concern | 66,677 | - |
| D.N.L. Concern | 67,568 | - |
| Jaslaya Tech Pvt. Ltd. | 38,411 | - |
| New Ace Traders | 169,663 | - |
| P.S.S. Nepal | 69,738 | - |
| Prashamsa Cyber & Electronics Center | 196,407 | - |
| Royal Jadibuti Banquet | 47,945 | - |
| S.R. Builders & engenieering | 1,272,423 | - |
| S.J. Info Hub | 432,084 | - |
| Shambhu Magar | 4,950 | - |
| Studio Aarya | 51,000 | - |
| Worldlink Communication | 147,588 | - |
| Yatra Tech Service | 5,910 | - |
| Alberta Engineering & Technology Consultancy Pvt Ltd. | 150 | - |
| Erasoft Solution Pvt. Ltd. | 500 | - |
| Bijay Prakash Adhikari | 15,349 | - |
| Govinda Bahadur Katuwal | 1,000 | - |
| Narendra Mishra | 1,036 | - |
| Resham Prasad Paudel | 5,636 | - |
| **B Other Payable** | | |
| Board exam expenses payable | 288,821 | - |
| Citizen Investment Trust (CIT) | 180,760 | 112,892 |
| FSU Payable | 381,052 | 492,800 |
| Internal exam Payable | 109,183 | 156,874 |
| Provident Fund contribution Payable | 1,430,294 | 304,037 |
| Advance from Kotewshor School | - | 10,810,685 |
| Manoj Adhikari | - | 5,098 |
| Library Expenses Payable | - | 6,160 |

**Koteshwor Multiple Campus**
**Jadibuti, Koteshwor - 32, Kathmandu**
**Schedules Annexed to and forming part of the Balance Sheet as at 31st Ashadh, 2080**

| | | |
|---|---|---|
| Salary Payable | 1,455,882 | - |
| Leave Payable | 169,569 | - |
| VAT Payable | 5,850 | - |
| Education Tour & Practical Payable A/C | 11,550 | - |
| Remedial Class Payable | 4,250 | - |
| Rental Tax | 14,334 | - |
| Tender Retention 5% (SR Builders & eng.) A/C | 343,998 | - |
| **C Payable to Staffs (Salary)** | | |
| Devraj Upadhaya | - | 378 |
| Gokul Pokhrel | - | 650 |
| Madan Gautam | - | 7,837 |
| Nuchhe Lal Maharjan | - | 866 |
| Sudip Gartaula | - | 1,020 |
| Suman Pokhrel | 63 | 19,261 |
| Tej Prasad Dahal | - | 2,802 |
| **Total** | **8,930,405** | **14,048,696** |

**TDS PAYABLE** **Schedule -8**

| Particulars | Current Year | Previous Year |
|---|---|---|
| Employee Tax Payable | 500 | - |
| Party Tax | 22,826 | 204 |
| TDS / Audit fee Tax | 450 | 450 |
| TDS / salary Tax (Including SST) | 64,185 | 203,109 |
| TDS payable others | 197,844 | 283,795 |
| **Total** | **285,804** | **487,558** |

**Koteshwor Multiple Campus**
**Jadibuti, Koteshwor - 32, Kathmandu**

**Schedules Annexed to and forming part of the Balance Sheet as at 31st Ashadh, 2080**

**STUDENT INCOME** **Schedule - 9**

| Particulars | Current Year | Previous Year |
|---|---|---|
| Annual fees | 4,491,850 | 4,620,885 |
| Admission fees | 3,039,150 | 3,108,700 |
| Monthly tution fees | 20,062,050 | 21,772,570 |
| TU Exam/Registration Income | 2,276,042 | 5,028,319 |
| Application form fees | 333,950 | 349,550 |
| Internal examination fees | 2,667,000 | 3,007,350 |
| Practicle examination fees | 2,374,050 | 3,029,950 |
| MBS Thesis | 145,000 | 126,000 |
| Old Dues | 2,500 | 4,350 |
| C MAT Income | 73,000 | 100,500 |
| **Total** | **35,464,592** | **41,148,174** |

**OTHER INCOME** **Schedule -10**

| Particulars | Current Year | Previous Year |
|---|---|---|
| Fine (Library/exams/late) | 2,236,139 | 1,238,654 |
| Other Income (T-shirt income) | 154,550 | 128,600 |
| ID Card/Tie/T-shirt/Fine/Character Certifcate | 233,300 | 159,385 |
| Other Exam Fee (Back Exam / CMAT) | 1,554,510 | 1,097,957 |
| Campus Building Contribution Teacher & Staff A/C | - | 128,150 |
| Orientation | 330,000 | 327,650 |
| **Total** | **4,508,499** | **3,080,396** |

**DONATION & EXTERNAL SOURCE INCOME** **Schedule -11**

| | Current Year | Previous Year |
|---|---|---|
| UGC Regular Grant | 1,875,000 | 1,625,000 |
| UGC Grant (RMC / Covid-Online Class) | 500,000 | 500,000 |
| UGC Grant schlorship | - | 12,000 |
| **Total** | **2,375,000** | **2,137,000** |

T.N. Acharya & Co. Chartered Accountants Kathmandu

कोटेश्वर बहुमुखी क्याम्पस KOTESHWOR MULTIPLE CAMPUS काठमाडौं, नेपाल KATHMANDU, NEPAL २०४७ वि.सं. 1990 A.D.

**Koteshwor Multiple Campus**
**Jadibuti, Koteshwor - 32, Kathmandu**

**Schedules Annexed to and forming part of the Balance Sheet as at 31st Ashadh, 2080**

**MISCELLENEOUS INCOME** — **Schedule -12**

| Particulars | Current Year | Previous Year |
|---|---|---|
| Tailor Donation/Other Donation | 90,000 | - |
| Recommendation Letter A/C | 71,500 | 31,300 |
| Party Listing Registration Account A/C | 34,000 | - |
| Tender Form A/C | 198,000 | 40,500 |
| Vacancy fulfillment form | - | 37,000 |
| Bank Interest Income | 96,961 | 83,899 |
| Donation | 75,000 | 30,005 |
| Other Income (Miscellenous) | 11,842,125 | 5,000 |
| Canteen Contribution | 112,500 | 67,500 |
| **Total** | **12,520,085** | **295,204** |

**STUDENTS RELATED EXPENSES** — **Schedule -13**

| Particulars | Current Year | Previous Year |
|---|---|---|
| TU Registration fees/ service fees | 651,000 | 965,985 |
| TU Exam Exp. A/C | 2,724,749 | 3,643,765 |
| Expenses for Internal examination | 551,891 | 813,112 |
| Sport/ ECA expenses | 205,862 | 223,400 |
| Tour/practical Expenses | 1,186,896 | 1,015,812 |
| Stationery expenses | 598,484 | 455,559 |
| Programme expenses | 616,748 | 31,625 |
| Scholarship | 2,529,150 | 1,886,350 |
| CMAT Expenses | - | 100,500 |
| QAA Expenses | 326,741 | 118,235 |
| Student Fee Return | 26,800 | 110,100 |
| Research Expenses | 1,147,460 | 1,008,849 |
| Student Admission Exp. | - | 35,900 |
| Software Renewal Exp. | 86,241 | 69,495 |
| **Total** | **10,652,022** | **10,478,687** |

T.N. ACHARYA & CO.
Chartered Accountants
Kathmandu

KOTESHWOR MULTIPLE CAMPUS

Koteshwor Multiple Campus
Jadibuti, Koteshwor - 32, Kathmandu

**Schedules Annexed to and forming part of the Balance Sheet as at 31st Ashadh, 2080**

**ADMINISTRATION EXPENSES** **Schedule -14**

| Particulars | Current Year | Previous Year |
|---|---|---|
| Salary expenses | 27,733,064 | 21,259,528 |
| Salary expenses(Contract basis) | 264,000 | 420,000 |
| Security Guard | 452,000 | 748,887 |
| Admission expenses(day) | - | 55,000 |
| Leave Expenses | 658,012 | 30,821 |
| Allowance | 24,587 | 73,176 |
| Providend Fund Contribution | - | 978,738 |
| Repairing & maintenance expenses | 1,581,819 | 2,034,317 |
| Telephone, Electricity & Utilities | 213,860 | 322,974 |
| Transportation & Fuel | 102,570 | 109,550 |
| Audit fees & expenses | 51,645 | 33,900 |
| Orientation Expenses | 206,986 | 206,800 |
| Refreshments | 20,505 | 80,755 |
| Printing(Deepshikha, Bill, calender, application form) | 364,915 | 274,997 |
| Advertisements & Banner Expenses | 376,854 | 488,526 |
| First Aid Medicine & Acessories Exp. | 2,295 | 50,246 |
| Miscellaneous expenses | 30,028 | 23,205 |
| Building Networking Expenses | 244,673 | 432,909 |
| Cleaning and Sanitation | 14,700 | 58,307 |
| E-Library & Library Expenses | 56,000 | 12,170 |
| Membership Fee Expenses | 47,500 | 27,500 |
| Office Expenses | 125,995 | 202,958 |
| TU Faculty and public campus Renewal Expenses | 69,000 | 6,500 |
| Campus Placemennt Expenses | - | 165,000 |
| Other Expenses (T-Shirt & Tie) | 85,510 | 313,785 |
| Engineering Consulting Fee Expenses | - | 50,000 |
| Internet Expenses | 328,566 | 211,417 |
| Board & Staff Metting Exp. | 15,825 | - |
| Gratuity | 170,000 | - |
| Newspaper Exp. | 3,000 | - |
| Office Furnishing exp. | 9,393 | - |
| Plantation Exp. | 10,000 | - |
| Remedial Class Exp. | 50,000 | - |
| FSU Election Exp. | 115,624 | - |
| EMIS Training | 1,187 | - |
| T U service Charge | 52,750 | - |
| **Total** | **33,482,863** | **28,671,966** |

T.N. Acharya & Co. Chartered Accountants Kathmandu

कोटेश्वर बहुमुखी क्याम्पस KOTESHWOR MULTIPLE CAMPUS

**Koteshwor Multiple Campus**
**Jadibuti, Koteshwor - 32, Kathmandu**

**Schedules Annexed to and forming part of the Balance Sheet as at 31st Ashadh, 2080**

**Other Charges** **Schedule -15**

| Particulars | Current Year | Previous Year |
|---|---|---|
| Interest Cost/ Bank Charges | 1,607 | 290 |
| Website Designing and Online Appplication Exp A/C | - | 15,040 |
| **Total** | **1,607** | **15,330** |

**STUDENTS SUSPENSE FEE** **Schedule -16**

| Particulars | Current Year | Previous Year |
|---|---|---|
| **Student Suspense Fee** | | |
| Student Suspense Fee (RBB) A/C | 196,920 | 460,190 |
| Student Suspense Fee (KBL) A/C | 439,200 | 631,650 |
| **Sub Total ( A )** | **636,120** | **1,091,840** |
| **Add:** | | |
| Student Suspense Fee (RBB) A/C | - | 10,000 |
| Student Suspense Fee (KBL) A/C | 81,725 | 233,450 |
| **Sub Total ( B )** | **81,725** | **243,450** |
| **Less: Identified suspenses student fee** | | |
| Student Suspense Fee (RBB) A/C | (5,850) | (273,270) |
| Student Suspense Fee (KBL) A/C | (117,950) | (425,900) |
| **Sub Total ( C )** | **(123,800)** | **(699,170)** |
| **Closing Students Suspense Fee (A+B+C)** | **594,045** | **636,120** |

## Koteshwor Multiple Campus
## Jadibuti, Koteshwor - 32, Kathmandu

### Fixed Assets
### For the FY 2079/080

Schedule -3

| Particulars | Rate of Dep. | Gross Block | | | | Depreciation | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Op. Balance | During this year Addition | During this year Deletion | Total | Up to last year | For this year | Total | Current Year | Previous Year |
| **Pool - A** | | | | | | | | | | |
| Campus Buildings | 5% | 55,066,684 | 1,081,116 | - | 56,147,800 | 2,753,334 | 2,669,723 | 5,423,057 | 50,724,743 | 52,313,350 |
| Shades Construction | 5% | 3,663,545 | - | - | 3,663,545 | 287,372 | 168,809 | 456,181 | 3,207,365 | 3,376,173 |
| Canteen Building | 5% | 6,520,479 | - | - | 6,520,479 | 326,024 | 309,723 | 635,747 | 5,884,733 | 6,194,455 |
| **Sub Total** | | **65,250,708** | **1,081,116** | **-** | **66,331,824** | **3,366,730** | **3,148,255** | **6,514,985** | **59,816,841** | **61,883,978** |
| **Pool - B** | | | | | | | | | | |
| Computers , F & F and Office Equipt. | 25% | 9,302,539 | 1,369,247 | - | 10,671,786 | 3,027,381 | 1,911,101 | 4,938,483 | 5,733,303 | 6,275,158 |
| **Sub Total** | | **9,302,539** | **1,369,247** | **-** | **10,671,786** | **3,027,381** | **1,911,101** | **4,938,483** | **5,733,303** | **6,275,158** |
| **Pool - C** | | | | | | | | | | |
| Vehicle | 20% | - | - | - | - | - | - | - | - | - |
| **Sub Total** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Pool - D** | | | | | | | | | | |
| Books | 15% | 1,124,263 | 132,318 | - | 1,256,581 | 259,504 | 149,562 | 409,066 | 847,515 | 864,759 |
| **Sub Total** | | **1,124,263** | **132,318** | **-** | **1,256,581** | **259,504** | **149,562** | **409,066** | **847,515** | **864,759** |
| **Pool - E** | | | | | | | | | | |
| Leasehold Assets | | - | - | - | - | - | - | - | - | - |
| Account & Library Software | 1/10 | 470,080 | 38,250 | - | 508,330 | 47,008 | 50,833 | 97,841 | 410,489 | 423,072 |
| **Sub Total** | | **470,080** | **38,250** | **-** | **508,330** | **47,008** | **50,833** | **97,841** | **410,489** | **423,072** |
| **Grand Total** | | **76,147,590** | **2,620,931** | **-** | **78,768,521** | **6,700,624** | **5,259,750** | **11,960,374** | **66,808,148** | **69,446,967** |

**Koteshwor Multiple Campus**
**Jadibuti, Koteshwor - 32, Kathmandu**
**Amortization of Capital Fund**
**For the FY 2079/080**

**Schedule -3.1**

| Particulars | Rate of Amorization | Gross Block | | | | Amortization of Capital Fund | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Op. Balance | During this year | | Total | Up to last year | For this year | Total | Current Year | Previous Year |
| | | | Addition | Deletion | | | | | | |
| Building Construction Fund (Capital Fund) | 5% | 54,800,440 | - | - | 54,800,440 | - | 2,740,022 | 2,740,022 | 52,060,418 | 54,800,440 |
| Community Campus Facilitation Fund | 25% | 1,828,475 | | - | 1,828,475 | - | 457,119 | 457,119 | 1,371,356 | 1,828,475 |
| Canteen Building Fund | 5% | 6,520,479 | | - | 6,520,479 | - | 326,024 | 326,024 | 6,194,455 | 6,520,479 |
| **Sub Total** | | **63,149,394** | **-** | **-** | **63,149,394** | **-** | **3,523,165** | **3,523,165** | **59,626,230** | **63,149,394** |

**Koteshwor Multiple Campus**
Koteshwor -32, Kathmandu, Nepal

**Financial Year – 2079/080**

***Significant Accounting Policies & Notes to Accounts*** ***Schedule - 17***

## 1. GENERAL INFORMATION

Koteshwor Multiple Campus (KMC) (PAN number 201254330) is a non-governmental, community based, non-profit making college. Established in 2047, Koteshwor Multiple Campus (KMC) is located in Koteshwor, Mahadevsthan, currently it is shifted in its own building situated at Jadibuti, Kathmandu Metropolitan City, Ward number 32, Kathmandu. KMC works with an institutional aim of becoming the center of academic excellence in the country. KMC not only believes in imparting quality education but also focuses on preparing competent citizens ready to face the challenges of the future. Hence, KMC has been an ideal abode for hundreds of education enthusiasts from all over the country. KMC is one of the very few leading public colleges in the nation imparting quality education through time-tested, student-oriented, and globally -required strategies. Our pedagogy rely on case studies, presentations, group discussions, seminars, workshops, field visits, guest lectures, surveys, and other to enable the students in materializing national and international opportunities. The attached financial statements represent this year's financial position and performance of the financial year.

## 2. ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 2.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements have been prepared under Going Concern Assumption. The principles of accounting policies applied in the preparation of these financial statements have been stated below. Unless otherwise stated, these policies have been consistently applied for all the years that have been presented.

### 2.2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Nepal Accounting Standards (NAS) except otherwise stated.

### 2.3. METHOD OF ACCOUNTING

The accounts have been prepared on accrual basis, in accordance with Nepal Accounting Standards (NAS), to the extent applicable and other relevant practices.

The Financial Statements are prepared on the historical cost convention. The preparation of Financial Statements in conformity with NAS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in process of applying the campus accounting policies and accounting estimates.

### 2.4. FIXED ASSETS AND DEPRECIATION

Fixed assets have been valued at cost of construction/acquisition inclusive of incidental expenses related to construction/acquisition. They are measured at Cost Model after their initial recognition.

Further, depreciation has been charged on the canteen building (Included in Fixed Assets) constructed under campus premises though it has not been handover to the KMC Management committee yet. Similarly, the canteen building has been built on received of monetary grand from the Kathmandu Metropolitan City and Ministry of Urban Development.

The campus has constructed buildings on land acquired from the Government of Nepal under a right-to-use agreement and hence, land is not reflected in the financial statement.

Depreciation on Fixed Assets has been accounted on the written down value (WDV) method and rates of depreciation have been estimated as prescribed in the Income Tax Act, 2058 for the period ended on the balance sheet date.

## 2.5. CAPITAL WIP (BUILDING)

Capital WIP (Building) arising from construction of building has been stated at cost price.

## 2.6. FIXED ASSETS CAPITAL FUND

Grant amount received for fixed assets is presented under Fixed Asset Capital Fund account. The fund is amortized from this financial year onwards using the depreciation rate applicable to the corresponding fixed assets for which the grant is received.

The Capital Fund amortized during year and balance of capital fund is presented as follows: -

| Particulars | Amount Amortized during the F. Y. year | Closing Balance Fund |
|---|---|---|
| Building Construction Fund (Capital Fund) | 2,740,022 | 52,060,418 |
| Community Campus Facilitation Fund | 457,119 | 1,371,356 |
| Canteen Building Fund | 326,024 | 6,194,455 |
| **Total** | **3,523,165** | **59,626,230** |

Grant of Rs. 12,500,000 obtained for Building under Construction has not been amortized during the financial year.

## 2.7. INCOME AND EXPENSES

All income has been reported on a cash basis, while expenses have been presented on an accrual basis. Further, as per decision of Board of Directors of campus date 11th Mangsir, 2080, the payable to Kotewshwor Multiple Campus (School) of Rs. 11,839,874 has been written back and booked as income for the current fiscal year.

## 2.8. CASH & CASH EQUIVALENTS

Cash and Cash equivalents are defined as cash on hand, demand deposits, and short-term highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. In our statement cash and cash equivalents consists of cash in hand and deposits in banks.

## 2.9. PROVISION FOR INCOME TAX

KMC is a non-profit educational institution; hence has not provided any amount as tax, as per the provisions of the applicable Income Tax, 2058.

## 2.10. SUNDRY DEBTORS AND LOANS & ADVANCES

Amount recoverable from sundry debtors and loans and advances are stated at book value less provision for doubtful debt.

## 2.11. STUDENT SUSPENSE FEE

Fees from students that could not be identified in the present financial year are processed through the student suspense fee account. Fees identified from the suspense account are then recognized as revenue in the current financial year. Details have mentioned below:

| **Particulars** | **Current Year (2079/080)** | **Previous Year (2078/079)** |
|---|---|---|
| **Student Suspense Fee** | | |
| Student Suspense Fee (RBB) A/C | 196,920 | 460,190 |
| Student Suspense Fee (KBL) A/C | 439,200 | 631,650 |
| **Sub Total ( A )** | **636,120** | **1,091,840** |
| **Add:** | | |
| Student Suspense Fee (RBB) A/C | - | 10,000 |
| Student Suspense Fee (KBL) A/C | 81,725 | 233,450 |
| **Sub Total ( B )** | **81,725** | **243,450** |
| **Less: Identified suspense student fee** | | |
| Student Suspense Fee (RBB) A/C | (5,850) | (273,270) |
| Student Suspense Fee (KBL) A/C | (117,950) | (425,900) |
| **Sub Total ( C )** | **(123,800)** | **(699,170)** |
| **Closing Students Suspense Fee (A+B+C)** | **594,045** | **636,120** |

**2.12.** The reserve and surplus received from the school has been accumulated with the current year surplus fund of the campus and the remaining balance is shown in to the financial statement.

**2.13.** The previous year's figures are re-grouped or re-arranged wherever necessary.

**Annex 3.6.2 Audit Report 2080/81**

**Koteshwor Multiple Campus (KMC)**

**TU Program**

**Jadibuti-32, Kathmandu**

**Statutory Audit Report**

**For the F.Y 2080/81**

**T. N. Acharya & Co.,**

**Chartered Accountants**

**New Baneshwor, Kathmandu**

**INDEPENDENT AUDITOR'S REPORT**

To the Members,
Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu

**Report on the financial statements**

**Opinion**

We have audited the financial statement of the Koteshwor Multiple Campus (TU Program) for its Bachelor's and Master's degree programs with affiliation of Tribhuvan University, which comprise the statement of financial position as at Ashadh 31, 2081, the statement of Profit or Loss, Statement of Cash Flow, Statement of Changes in Equity for the year then ended, and notes to the financial statement. including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly give, in all material respect, a true and fair view of the financial position of Koteshwor Multiple Campus (TU Program), with affiliation of Tribhuvan University for its Bachelor's and Master's degree programs, as at Ashadh 31, 2081 and its financial performance and cash flows for the year then ended in accordance with accounting policies as adopted.

**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 Financial Statements' section of our report. We are independent of the Organization in accordance with The Institute of Chartered Accountants of Nepal's Handbook of Code of Ethics for Professional Accountants (ICAN Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

**Emphasis of Matters**

We draw attention to the account receivables (refer Schedule 8 to the financial statements) and account payables (refer Schedule 3 to the financial statements) where the closing balance are subject to direct confirmation from the concern parties. Further, the closing balance of banks i.e. Agricultural development Bank Ltd., Nepal Bank Ltd., Prabhu Bank Ltd. (refer Schedule 7 of the financial statement) are subject to confirmation from banks. Similarly, the organization has booked income as per Cash Basis against Generally Accepted Accounting Principles (GAAP).

**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statement of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming out opinion thereon, and we do not provide a separate opinion on these matters.

T.N. ACHARYA & CO. Chartered Accountants Kathmandu

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Capital Work in Progress (WIP)-Building**<br>The Capital WIP – Building amounts to NRs. 19,646,898 (being 21.05 % of the total of total assets) has been incurred during this financial year. | For the Capital WIP-Building of Koteshwor Multiple Campus (TU Program), our key audit procedure included verification of the supporting documents to ensure the sufficiency and appropriateness of supporting documents such as approval from Kathmandu Metropolitan City, decision of board of director and verification of whether applicable taxes have been withheld. |

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management of is responsible for the preparation and fair presentation of the Financial Statements in accordance with the accounting policies adopted and other accounting principles generally accepted and for such internal control as management determines, is necessary to enable preparation of the financial statements that are free from material misstatements, 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 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. Those charged with governance are responsible for overseeing the Organization's financial reporting process.

**Auditors' Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, 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 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 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 entity'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

T.R. ACHARYA & CO. Chartered Accountants Kathmandu auditor's report to the related disclosure in the financial statement 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 as a going concern.

- Evaluate the overall presentation of the Financial Statements including disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation,
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the Financial Statements.

We communicate with the management 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**

- Koteshwor Multiple Campus (TU Program) has not complied the provisions of employees' related benefit such as provision for staffs' gratuity (Section 53 Subsection 1), contribution towards provident fund (Section 52 Subsection 1) and medical and accidental insurance (Section 54 and Section 55) as per the requirement of Labor Act, 2074.
- Koteshwor Multiple Campus (TU Program) has obtained the withholder PAN from Inland Revenue Department to deposit withholding tax only. The organization has not filed income tax return as per section 96 of Income Tax Act, 2058 and fulfill the tax obligations.

Pawan Khanal, FCA
Partner
T. N. Acharya & Co.,
Chartered Accountants

T.N. ACHARYA & CO.
Chartered Accountants
Kathmandu

Date: 4th Kartik, 2081 (20th October, 2024)
Place: Kathmandu, Nepal
UDIN: 241020CA00821NHfNQ

**Koteshwor Multiple Campus (TU Program)**
**Jadibuti, Koteshwor - 32, Kathmandu**

**Statement of Financial Position**
**As of 31st Ashadh, 2081 (Corresponding to 15th July, 2024)**

| | Particulars | Schedule | As on 31st Asadh 2081 | As on 31st Asadh 2080 |
|---|---|---|---|---|
| I | **SOURCES OF FUNDS :** | | | |
| | **Institutional Fund** | | | |
| | Capital Fund | 1 | 76,926,274 | 72,503,393 |
| | Surplus Fund | 2 | 2,731,746 | 3,822,412 |
| | **Loan Fund** | | | |
| | Loan From Bank | | - | - |
| | **Current Liabilities & Provisions** | | | |
| | Sundry Payables | 3 | 12,575,780 | 8,930,405 |
| | TDS Payable | 4 | 589,188 | 285,804 |
| | Student Suspense Fee | 16 | 514,220 | 594,045 |
| | **TOTAL SOURCES OF FUNDS** | | **93,337,208** | **86,136,058** |
| II | **APPLICATION OF FUNDS** | | | |
| | Fixed Assets | 5 | 65,119,241 | 66,808,148 |
| | Capital WIP- Building | | 19,646,898 | 10,100,127 |
| | Investment | 6 | 1,250,015 | 950,010 |
| | **Current Assets** | | | |
| | Cash and Bank Balance | 7 | 6,025,203 | 5,921,099 |
| | Loans & Advances | 8 | 1,295,851 | 2,356,674 |
| | **TOTAL APPLICATION OF FUNDS** | | **93,337,208** | **86,136,058** |

Significant Accounting Policies & Notes on Accounts 17

*As per our Report of even date,*

Hari Keshab Adhikari
Account Officer

Pradumna Kumar Pokharel
Treasurer

Pawan Khanal, FCA
Partner
T. N. Acharya & Co.
Chartered Accountants

T.N. ACHARYA & CO. Chartered Accountants Kathmandu

Govinda Bahadur Karki
Campus Chief

Mahendra Bahdur Pandey
Chairperson

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu
Statement of Profit or Loss
For the Period from 1st Shrawan, 2080 to 31st Asdadh, 2081

| Particulars | Schedule | F.Y 2080/81 | F.Y 2079/80 |
|---|---|---|---|
| A) INCOME | | | |
| Student Income | 9 | 37,846,581 | 35,464,592 |
| Other Income | 10 | 3,599,004 | 4,508,499 |
| Donation & External Source Income | 11 | 5,890,900 | 2,375,000 |
| Miscelleneous Income | 12 | 589,485 | 12,520,085 |
| Amortization of Capital Fund | 5.1 | 3,255,583 | 3,523,165 |
| **TOTAL** | | **51,181,553** | **58,391,341** |
| **B) EXPENDITURE** | | | |
| Students Related Expenses | 13 | 10,924,778 | 10,565,781 |
| Administration Expenses | 14 | 36,321,019 | 33,569,104 |
| Other Charges | 15 | 855 | 1,607 |
| Depreciation | 5 | 5,025,566 | 5,259,750 |
| **TOTAL** | | **52,272,218** | **49,396,242** |
| **C) Surplus (A-B)** | | **(1,090,665)** | **8,995,099** |
| **D) Previous Year adjustments ( Student Suspense Fee)** | | - | - |
| **Net Surplus for the Year (C-D)** | | **(1,090,665)** | **8,995,099** |

*The schedules referred to above form an integral part of the financial statements.*

Hari Keshab Adhikari
Account Officer

Pradumna Kumar Pokharel
Treasurer

Pawan Khanal, FCA
Partner
T. N. Acharya & Co.
Chartered Accountants

T.N. Acharya & Co. Chartered Accountants Kathmandu

Govinda Bahadur Karki
Campus Chief

Mahendra Bahdur Pandey
Chairperson

**Koteshwor Multiple Campus (TU Program)**
**Jadibuti, Koteshwor - 32, Kathmandu**

**Statement Showing Changes in Equity**
**For the Period from 1st Shrawan, 2080 to 31st Asdadh, 2081**

| Particulars | Surplus Fund | Restricted Fund | Adjustments | Total (Rs) |
|---|---|---|---|---|
| Opening Balance as at 01 Shrawan,2079 | (5,172,688) | 67,296,885 | - | **62,124,197** |
| Surplus for the year 2079/80 | 8,995,099 | 5,206,508 | - | **14,201,607** |
| **Closing Balance (2080.03.31)** | **3,822,411.60** | **72,503,393** | - | **76,325,805** |
| Opening Balance as at 01 Shrawan,2080 | 3,822,412 | 72,503,393 | - | **76,325,805** |
| Surplus for the year 2080/81 | (1,090,665) | 4,422,881 | - | **3,332,216** |
| **Closing Balance (2081.03.31)** | **2,731,747** | **76,926,274** | - | **79,658,021** |

..................
Hari Keshab Adhikari
Account Officer

..................
Pradumna Kumar Pokharel
Treasurer

..................
Pawan Khanal, FCA
Partner
T. N. Acharya & Co.
Chartered Accountants

T. N. ACHARYA & CO.
Chartered Accountants
Kathmandu

..................
Govinda Bahadur Karki
Campus Chief

..................
Mahendra Bahdur Pandey
Chairperson

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu

**Statement of Cash Flow**
**For the Period from 1st Shrawan, 2080 to 31st Asdadh, 2081**

| | Particulars | F.Y 2080/81 | F.Y 2079/80 |
|---|---|---|---|
| A | **Cash flow from Operating Activities:** | | |
| | Net Profit Before taxes | (1,090,665) | 8,995,099 |
| | Add: Depreciation | 5,025,566 | 5,259,750 |
| | Less: Amortization | (3,255,583) | (3,523,165) |
| | Interest and Finance charges | - | - |
| | Less: Previous Year Adjustment (If any) | - | - |
| | ***Operating Profit before working capital changes*** | **679,318** | **10,731,685** |
| | **Adjustments of Changes in Working Capital** | | |
| | (Increase) or Decrease in Loans & Advances | 1,060,823 | 28,340 |
| | Increase or (Decrease) in Sundry Payables | 3,645,376 | (5,118,295) |
| | Increase or (Decrease) in Deposits Liability | - | - |
| | Increase or (Decrease) in TDS Payable | 303,384 | (201,754) |
| | Increase or (Decrease) in Student Suspense Fee | (79,825) | (42,075) |
| | ***Cash generated from operations*** | **4,929,757** | **(5,333,784)** |
| | Income tax Paid | - | - |
| | **Net cash flow form operating activities** | **5,609,075** | **5,397,901** |
| B. | **Cash flow from investing activities** | | |
| | (Increase) of fixed assets | (3,336,657) | (2,620,931) |
| | (Increase) or Decrease in Investement | (300,005) | (300,010) |
| | (Increase) of Capital WIP (Building) | (9,546,772) | (10,100,127) |
| | **Net cash flow from investing activities** | **(13,183,433)** | **(13,021,068)** |
| C. | **Cash from financing activities** | | |
| | Increase/(Decrease) in Capital | - | - |
| | Reserve & Surplus received from School | - | - |
| | Increase/(Decrease) in Capital fund | 7,678,464 | 8,729,673 |
| | Proceeds from Loan | - | - |
| | **Net cash flow from financing activities** | **7,678,464** | **8,729,673** |
| | **Net increase in cash & cash equivalents (A+B+C)** | **104,104** | **1,106,506** |
| | **Cash & cash equivalent (Opening balance)** | **5,921,099** | **4,814,593** |
| | **Cash & cash equivalent (Closing balance)** | **6,025,203** | **5,921,099** |

Hari Keshab Adhikari
Account Officer

Pradumna Kumar Pokharel
Treasurer

Pawan Khanal, FCA
Partner
T. N. Acharya & Co.
Chartered Accountants

Govinda Bahadur Karki
Campus Chief

Mahendra Bahdur Pandey
Chairperson

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu

Schedules Annexed to and forming part of the Financial Statement as at 31st Ashadh, 2081

**CAPITAL FUND** Schedule -1

| Particulars | As on 31st Asadh 2081 | As on 31st Asadh 2080 |
|---|---|---|
| Building Construction Fund (Capital Fund) | 49,457,397 | 52,060,418 |
| Community Campus Facilitation Fund | 1,028,517 | 1,371,356 |
| Scholarship Fund | 668,168 | 377,163 |
| Canteen Building Fund | 5,884,733 | 6,194,455 |
| UGC Grant for Building | 19,887,459 | 12,500,000 |
| **Total** | **76,926,274** | **72,503,393** |

**SURPLUS FUND** Schedule -2

| Particulars | As on 31st Asadh 2081 | As on 31st Asadh 2080 |
|---|---|---|
| **Opening Surplus** | **3,822,412** | **(5,172,688)** |
| Add: Current Year's Surplus | (1,090,665) | 8,995,099 |
| Less: Reserve & Surplus received from School | - | - |
| **Total** | **2,731,746** | **3,822,412** |

**SUNDRY PAYABLE** Schedule -3

| Particulars | As on 31st Asadh 2081 | As on 31st Asadh 2080 |
|---|---|---|
| **A) Party Payble** | | |
| Audit Fee Payable | 34,535 | 33,450 |
| Construction association | - | 5,003 |
| Contingency | - | 40,000 |
| Welfare Fund | - | 612,294 |
| Kamalikanta Bhetwal A/C | 4,546 | - |
| Ideal Business | 9,477 | 158,934 |
| M T Books & Stationery A/C | 146,010 | |
| Info Hub | 161,351 | 161,351 |
| Apex Copy Udyog | 165,498 | |
| Sumeran Furniture & Suppliers | 2 | 148,513 |
| Aastha Advertising Agency PVT. Ltd. | 5,683 | 19,668 |
| AbasarSmartDecoration Pvt. Ltd. | 353,455 | 70,914 |
| Absar Trading | - | 687,917 |
| Ananda Catrin & Tent House | - | 2,720 |
| Bimali Trade concern | - | 66,677 |
| D.N.L. Concern | - | 67,568 |
| Jaslaya Tech Pvt. Ltd. | - | 38,411 |
| New Ace Traders | - | 169,663 |
| P.S.S. Nepal | 136,836 | 69,738 |
| Prashamsa Cyber & Electronics Center | - | 196,407 |
| Royal Jadibuti Banquet | - | 47,945 |
| S.R. Builders & engenieering | - | 1,272,423 |
| S.J. Info Hub | 265,759 | 432,084 |
| Purna Bahadur Thapa A/C | 128,732 | |
| Bharat Kumar Ghimire A/C | 415 | |

ACHARYA & CO. Chartered Accountants Kathmandu

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu

Schedules Annexed to and forming part of the Financial Statement as at 31st Ashadh, 2081

| | | |
|---|---|---|
| Krishna Prasad Bhattarai A/C | 13,912 | |
| Shambhu Magar | 4,950 | 4,950 |
| Studio Aarya | 72,250 | 51,000 |
| Worldlink Communication | - | 147,588 |
| Yatra Tech Service | - | 5,910 |
| Alberta Engineering & Technology Consultancy Pvt Ltd. | - | 150 |
| Erasoft Solution Pvt. Ltd. | 500 | 500 |
| Parbati Thapamagar A/C | 39,348 | |
| Bijay Prakash Adhikari | - | 15,349 |
| Govinda Bahadur Katuwal | - | 1,000 |
| Narendra Mishra | - | 1,036 |
| Resham Prasad Paudel | - | 5,636 |
| **B) Other Payable** | | |
| Board exam expenses payable | 592,631 | 288,821 |
| Citizen Investment Trust (CIT) | 334,830 | 180,760 |
| FSU Payable | 137,205 | 381,052 |
| Internal exam Payable | 14,969 | 109,183 |
| Provident Fund contribution Payable | 1,680,180 | 1,430,294 |
| Payable to KMC School | 3,770,847 | - |
| Salary Payable | 3,290,559 | 1,455,882 |
| Leave Payable | 0 | 169,569 |
| Other Payble | 564 | |
| VAT Payable | 23,400 | 5,850 |
| Education Tour & Practical Payable A/C | 445,485 | 11,550 |
| Remedial Class Payable | - | 4,250 |
| Rental Tax | - | 14,334 |
| Tender Retention 5% (SR Builders & eng.) A/C | 741,851 | 343,998 |
| **C) Payable to Staffs (Salary)** | | |
| Suman Pokhrel | - | 63 |
| **Total** | **12,575,780** | **8,930,405** |

**TDS PAYABLE**

**Schedule -4**

| Particulars | As on 31st Asadh 2081 | As on 31st Asadh 2080 |
|---|---|---|
| Employee Tax Payable | - | 500 |
| Party Tax | 33,062 | 22,826 |
| TDS / Audit fee Tax | - | 450 |
| TDS / salary Tax (Including SST) | 223,154 | 64,185 |
| TDS payable others | 332,972 | 197,844 |
| **Total** | **589,188** | **285,804** |

**INVESTMENT**

**Schedule -6**

| Particulars | As on 31st Asadh 2081 | As on 31st Asadh 2080 |
|---|---|---|
| Kumari Bank Ltd.- Fixed Deposit (Bidhaya Nath Nepal) | 100,005 | - |
| Kumari Bank Ltd.- Fixed Deposit (Dewakar Rimal) | 200,005 | |
| Kumari Bank Ltd., Koteshwor-Fixed Deposit | - | 300,010 |
| Nepal Bank Ltd Kupondol-Fixed Deposit | 650,000 | 650,000 |
| Kumari Bank Ltd. Fixed Deposit (Ram Babu Nepal) | 300,005 | |
| **Total** | **1,250,015** | **950,010** |

Chartered Accountants

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu
Schedules Annexed to and forming part of the Financial Statement as at 31st Ashadh, 2081

**CASH AND BANK BALANCE** Schedule -7

| Particulars | As on 31st Asadh 2081 | As on 31st Asadh 2080 |
|---|---|---|
| Agricultural development Bank Ltd., Koteshwor | 5,118 | 5,118 |
| Cash in Hand A/c | 53 | 848 |
| Kumari Bank Ltd. (current/call account) | 1,009,676 | 350,479 |
| Nepal Bank Ltd, (Kupondel) | 224,259 | 178,675 |
| Prabhu Bank Ltd. (Current) | 5,000 | 5,000 |
| Rastriya Banijaya Bank Ltd. | 4,776,556 | 5,133,300 |
| Nepal Bank Ltd., Koteshwor | 4,542 | 247,680 |
| **Total** | **6,025,203** | **5,921,099** |

**LOANS & ADVANCES** Schedule -8

| Particulars | As on 31st Asadh 2081 | As on 31st Asadh 2080 |
|---|---|---|
| **A . Party Loan/Advance** | | |
| Alberta Engineering & Technology Consultancy Pvt Ltd. | 99,850 | - |
| D.N.L. Concern | 87,432 | |
| Dharti Akash Nirmal Sewa | 104,828 | |
| Dharti Aakash Nirman Sewa | - | 228,030 |
| Gorakshya Shree Nirman & Suppliers | 8,149 | 1,687,000 |
| Om Aditi Enterprises Pvt Ltd | - | 77,161 |
| Ramesh Kr. Thapa | 15,000 | 15,000 |
| K.B. Sons Construction & Suppliers Pvt. ltd. A/C | 100,000 | |
| SKS Readymade Store Wear A/C | 200,000 | |
| Prakash Bohora A/C | 4,020 | |
| Tulsi Prasasd Luitel | 2,900 | 2,900 |
| Prashamsa Cyber & Electronics Center | 96,407 | |
| **B. Personnel Loan/Advance** | - | |
| Ganga Prasad Shiwakoti | 32,582 | - |
| Govinda Bahadur Karki | 50,268 | 507 |
| Hari Keshab Adhikari | - | 59 |
| Keshab Raj Panthi | - | 3,125 |
| Nhuchhe Lal Maharjan(Dangol) A/C | 30,140 | |
| Manoj Adhikari A/C | 3,200 | |
| Nitesh Thapa A/C | - | |
| Netra Bahadur Subedi | 600 | 600 |
| Neelam Dangol | 50,500 | 50,500 |
| Nuchhe Maharjan | - | 1 |
| Madan Gautam | 6,487 | 3,849 |
| Suman Pokharel | 43,323 | 5,063 |
| Tej Prasad Dahal | 2,963 | 3,161 |
| Shailesh Chandra Baral A/C | 19,200 | |
| Sedu Nath Dhakal A/C | 75 | |
| Sarala paneru | 52,600 | 49,500 |
| Bijay Prakash Adhikari | 48,844 | - |
| Binod Kumar Karki | 12,233 | |
| Chandra Badana Rai | 5,395 | 5,395 |

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu

Schedules Annexed to and forming part of the Financial Statement as at 31st Ashadh, 2081

| | | |
|---|---|---|
| Devi Prasad Dotel | 324 | |
| Devikawati Neupane | 2,100 | |
| Devraj Upadhyaya | 20,133 | |
| Dhiraj Budhathoki | 10,000 | |
| Gokul Pokhrel | 3,360 | |
| Khima Nanda Koirala | 10,675 | 9,235 |
| Krishna Prasad Bhattarai | - | 77,582 |
| Nandi Keshar Nepal | 7,455 | 2,404 |
| Samjhana Shrestha | 37,657 | 46,767 |
| Tulasi Kumar Kandangwa | 7,230 | - |
| Bharat Kumar Ghimire A/C | - | 25,145 |
| Binod Ghimire A/C | - | 4,100 |
| Binod Lingdel A/C | 2,100 | 2,100 |
| Pixel Computer Nepal A/C | - | 44,000 |
| Ram Karki A/C | - | 1,000 |
| Rudra Prasad Bhattrai | 9,754 | 352 |
| Prakash Pokhrel | 10,000 | 1,765 |
| Madan Gautam | - | 1,442 |
| Sabitri Dhakal A/C | 28,067 | |
| Sanjay Budhathoki A/C | 50,000 | |
| Tej Prasad Dahal | - | 3,129 |
| Tikaram Gautam A/C | 20,000 | |
| Binod karki | - | 5,802 |
| **Total** | **1,295,851** | **2,356,674** |

T.N. ACHARYA & CO. Chartered Accountants Kathmandu

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu

Schedules Annexed to and forming part of the Financial Statement as at 31st Ashadh, 2081

**STUDENT INCOME** Schedule - 9

| Particulars | Current Year | Previous Year |
|---|---|---|
| Annual fees | 4,770,800 | 4,491,850 |
| Admission fees | 3,211,350 | 3,039,150 |
| Monthly tution fees | 21,511,151 | 20,062,050 |
| TU Exam/Registration Income | 2,249,530 | 2,276,042 |
| Application form fees | 300,100 | 333,950 |
| Internal examination fees | 2,925,300 | 2,667,000 |
| Practicle examination fees | 2,682,050 | 2,374,050 |
| MBS Thesis | 97,300 | 145,000 |
| Old Dues | 18,000 | 2,500 |
| C MAT Income | 81,000 | 73,000 |
| **Total** | **37,846,581** | **35,464,592** |

**OTHER INCOME** Schedule -10

| Particulars | Current Year | Previous Year |
|---|---|---|
| Fine (Library/exams/late) | 1,841,164 | 2,236,139 |
| Other Income (T-shirt income) | 199,050 | 154,550 |
| ID Card/Tie/T-shirt/Fine/Character Certifcate | 207,100 | 233,300 |
| Other Exam Fee (Back Exam / CMAT) | 1,074,940 | 1,554,510 |
| Campus Building Contribution Teacher & Staff A/C | - | - |
| Orientation | 276,750 | 330,000 |
| **Total** | **3,599,004** | **4,508,499** |

**DONATION & EXTERNAL SOURCE INCOME** Schedule -11

| Particulars | Current Year | Previous Year |
|---|---|---|
| UGC Grant Regular | 2,300,900 | |
| UGC Grant for QAA | 3,465,000 | |
| UGC Regular Grant | - | 1,875,000 |
| UGC Grant (RMC / Covid-Online Class) | 125,000 | 500,000 |
| **Total** | **5,890,900** | **2,375,000** |

**MISCELLENEOUS INCOME** Schedule -12

| Particulars | Current Year | Previous Year |
|---|---|---|
| Tailor Donation/Other Donation | 130,000 | 90,000 |
| Recommendation Letter A/C | 77,100 | 71,500 |
| Party Listing Registration Account A/C | - | 34,000 |
| Tender Form A/C | 240,000 | 198,000 |
| Bank Interest Income | 92,672 | 96,961 |
| Donation | - | 75,000 |
| Other Income (Miscellenous) | 7,013 | 11,842,125 |
| Scrap Items Sold A/C | 2,700 | |
| Canteen Contribution | - | 112,500 |
| Research Contingency Income A/C | 40,000 | |
| **Total** | **589,485** | **12,520,085** |

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu

Schedules Annexed to and forming part of the Financial Statement as at 31st Ashadh, 2081

**STUDENTS RELATED EXPENSES** — Schedule -13

| Particulars | Current Year | Previous Year |
|---|---|---|
| TU Registration fees/ service fees | 504,000 | 651,000 |
| TU Exam Exp. A/C | 2,824,820 | 2,724,749 |
| Expenses for Internal examination | 423,476 | 551,891 |
| Sport/ ECA expenses | 201,148 | 205,862 |
| Tour/practical Expenses | 1,960,843 | 1,186,896 |
| Stationery expenses | 367,199 | 598,484 |
| Programme expenses | 934,972 | 616,748 |
| Scholarship and Related Expenses | 3,183,550 | 2,529,150 |
| QAA Expenses | 159,927 | 326,741 |
| Student Fee Return | 56,700 | 26,800 |
| Research Expenses | 308,143 | 1,147,460 |
| **Total** | **10,924,778** | **10,565,781** |

**ADMINISTRATION EXPENSES** — Schedule -14

| Particulars | Current Year | Previous Year |
|---|---|---|
| Salary expenses | 32,105,026 | 27,733,064 |
| Salary expenses(Contract basis) | - | 264,000 |
| Security Guard | 565,000 | 452,000 |
| Leave Expenses | 131,730 | 658,012 |
| Allowance | 171,482 | 24,587 |
| Repairing & maintenance expenses | 751,634 | 1,581,819 |
| Telephone, Electricity & Utilities | 105,725 | 213,860 |
| Transportation & Fuel | 94,145 | 102,570 |
| Audit fees & expenses | 73,922 | 51,645 |
| Orientation Expenses | 153,720 | 206,986 |
| Refreshments | 101,546 | 20,505 |
| Printing(Deepshikha, Bill, calender, application form) | 690,449 | 364,915 |
| Advertisements & Banner Expenses | 479,452 | 376,854 |
| First Aid Medicine & Acessories Exp. | 650 | 2,295 |
| Miscellaneous expenses | 26,746 | 30,028 |
| Building Networking Expenses | 18,645 | 244,673 |
| Cleaning and Sanitation | 82,240 | 14,700 |
| E-Library & Library Expenses | 28,500 | 56,000 |
| Membership Fee Expenses | - | 47,500 |
| Office Expenses | 47,035 | 125,995 |
| TU Faculty and public campus Renewal Expenses | 3,000 | 69,000 |
| Other Expenses (T-Shirt & Tie) | - | 85,510 |
| Internet Expenses | 270,865 | 328,566 |
| Board & Staff Metting Exp. | 12,515 | 15,825 |
| Gratuity | - | 170,000 |
| Newspaper Exp. | - | 3,000 |
| Office Furnishing exp. | - | 9,393 |
| Plantation Exp. | - | 10,000 |
| Remedial Class Exp. | 24,000 | 50,000 |
| FSU Election Exp. | - | 115,624 |
| Faculty Renewal | 7,000 | - |
| Guest Exp. | 37,120 | - |
| Professional Training Expenses A/C | 75,000 | - |
| Students Annual Activities A/C | 15,000 | |

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu

Schedules Annexed to and forming part of the Financial Statement as at 31st Ashadh, 2081

| | | |
|---|---|---|
| Soft Skill Training A/C | 18,000 | - |
| EMIS Training | - | 1,187 |
| T U service Charge | 25,550 | 52,750 |
| Software Renewal Exp. | 205,322 | 86,241 |
| **Total** | **36,321,019** | **33,569,104** |

**Other Charges** Schedule -15

| Particulars | Current Year | Previous Year |
|---|---|---|
| Interest Cost/ Bank Charges | 855 | 1,607 |
| **Total** | **855** | **1,607** |

**STUDENTS SUSPENSE FEE** Schedule -16

| Particulars | Current Year | Previous Year |
|---|---|---|
| **Opening Student Suspense Fee** | | |
| Student Suspense Fee (RBB) A/C | 191,070 | 196,920 |
| Student Suspense Fee (KBL) A/C | 402,975 | 439,200 |
| **Sub Total ( A )** | **594,045** | **636,120** |
| **Add: Unidentified fee deposited by student during the financial year** | | |
| Student Suspense Fee (KBL) A/C | - | 81,725 |
| **Sub Total ( B )** | - | **81,725** |
| **Less: Identified Student Suspense fee and transferred to revenue during the financial year** | | |
| Student Suspense Fee (RBB) A/C | (375) | (5,850) |
| Student Suspense Fee (KBL) A/C | (79,450) | (117,950) |
| **Sub Total ( C )** | **(79,825)** | **(123,800)** |
| **Closing Students Suspense Fee (A+B+C)** | **514,220** | **594,045** |

T.R. ACHARYA & CO. Chartered Accountants Kathmandu

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor - 32, Kathmandu

**Fixed Assets**
**For the FY 2080/081**

Schedule -5

| Particulars | Rate of Dep. | Gross Block | | | | Depreciation | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Op. Balance | During this year | | Total | Up to last year | For this year | Total | Current Year | Previous Year |
| | | | Addition | Deletion | | | | | | |
| **Pool - A** | | | | | | | | | | |
| Campus Buildings | 5% | 56,147,800 | 1,701,437 | - | 57,849,237 | 5,423,057 | 2,621,309 | 8,044,366 | 49,804,871 | 50,724,743 |
| Shades Construction | 5% | 3,663,545 | - | - | 3,663,545 | 456,181 | 160,368 | 616,549 | 3,046,996 | 3,207,365 |
| Canteen Building | 5% | 6,520,479 | - | - | 6,520,479 | 635,747 | 294,237 | 929,983 | 5,590,496 | 5,884,733 |
| **Sub Total** | | **66,331,824** | **1,701,437** | - | **68,033,261** | **6,514,985** | **3,075,914** | **9,590,899** | **58,442,363** | **59,816,841** |
| **Pool - B** | | | | | | | | | | |
| Computers , F & F and Office Equipt. | 25% | 10,671,786 | 930,831 | - | 11,602,617 | 4,938,483 | 1,666,033 | 6,604,516 | 4,998,100 | 5,733,303 |
| **Sub Total** | | **10,671,786** | **930,831** | - | **11,602,617** | **4,938,483** | **1,666,033** | **6,604,516** | **4,998,100** | **5,733,303** |
| **Pool - C** | | | | | | | | | | |
| Vehicle | 20% | - | - | - | - | - | - | - | - | - |
| **Sub Total** | | - | - | - | - | - | - | - | - | - |
| **Pool - D** | | | | | | | | | | |
| Books | 15% | 1,256,581 | 704,389 | - | 1,960,970 | 409,066 | 232,786 | 641,851 | 1,319,119 | 847,515 |
| **Sub Total** | | **1,256,581** | **704,389** | - | **1,960,970** | **409,066** | **232,786** | **641,851** | **1,319,119** | **847,515** |
| **Pool - E** | | | | | | | | | | |
| Leasehold Assets | | - | - | - | - | - | - | - | - | - |
| Account & Library Software | 1/10 | 508,330 | - | - | 508,330 | 97,841 | 50,833 | 148,674 | 359,656 | 410,489 |
| **Sub Total** | | **508,330** | - | - | **508,330** | **97,841** | **50,833** | **148,674** | **359,656** | **410,489** |
| **Grand Total** | | **78,768,521** | **3,336,657** | - | **82,105,178** | **11,960,374** | **5,025,566** | **16,985,940** | **65,119,241** | **66,808,148** |

T.N. ACHARYA & CO. Chartered Accountants Kathmandu

Koteshwor Multiple Campus (TU Program)
Jadibuti, Koteshwor -32, Kathmandu
Amortization of Capital Fund
For the FY 2080/081

Schedule -5.1

| Particulars | Rate of Amorization | Gross Block | | | | Amortization of Capital Fund | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Op. Balance | During this year | | Total | Up to last year | For this year | Total | Current Year | Previous Year |
| | | | Addition | Deletion | | | | | | |
| Building Construction Fund (Capital Fund) | 5% | 54,800,440 | - | - | 54,800,440 | 2.740,022 | 2,603,021 | 5,343,043 | 49,457,397 | 52,060,418 |
| Community Campus Facilitation Fund | 25% | 1,828,475 | | - | 1,828,475 | 457,119 | 342,839 | 799,958 | 1,028,517 | 1,371,356 |
| Canteen Building Fund | 5% | 6,520,479 | | - | 6,520,479 | 326,024 | 309,723 | 635,747 | 5,884,733 | 6,194,455 |
| **Sub Total** | | **63,149,394** | - | - | **63,149,394** | **3,523,165** | **3,255,583** | **6,778,747** | **56,370,647** | **59,626,230** |

T.N. ACHARYA & CO. Chartered Accountants Kathmandu

## 1. GENERAL INFORMATION

Koteshwor Multiple Campus (TU Program) (Withholder PAN 201254330) is a non-governmental, community based, non-profit making campus. Established in 2047, Koteshwor Multiple Campus (KMC) (TU Program) is situated at Jadibuti, Kathmandu Metropolitan City, Ward number 32, Kathmandu. KMC offers Bachelor's and Master's degree programs with affiliation of Tribhuvan University (TU) and operates with the institutional goal of becoming a center of academic excellence in Nepal. Campus not only believes in imparting quality education but also focuses on preparing competent citizens ready to face the challenges of the future. Hence, Campus has been an ideal abode for hundreds of education enthusiasts from all over the country. Campus is one of the very few leading public campuss in the nation imparting quality education through time-tested, student-oriented, and globally-required strategies. Our pedagogy rely on case studies, presentations, group discussions, seminars, workshops, field visits, guest lectures, surveys, and other to enable the students in materializing national and international opportunities. The attached financial statements represent this year's financial position and performance of the financial year.

This financial statement cover the financial transactions with respect to the bachelor & master degree programs run by the Koteshwor Multiple Campus under the affiliation Tribhuvan University.

## 2. ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 2.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements have been prepared under Going Concern Assumption. The principles of accounting policies applied in the preparation of these financial statements have been stated below. Unless otherwise stated, these policies have been consistently applied for all the years that have been presented.

### 2.2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Nepal Accounting Standards (NAS) except otherwise stated.

### 2.3. METHOD OF ACCOUNTING

The accounts have been prepared on accrual basis, in accordance with Nepal Accounting Standards (NAS), to the extent applicable and other relevant practices. However, Income has been booked as per Cash Basis.

The Financial Statements are prepared on the historical cost convention. The preparation of Financial Statements in conformity with NAS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in process of applying the campus accounting policies and accounting estimates.

T.N. ACHARYA & Chartered Accountants Kathmandu

### 2.4. FIXED ASSETS AND DEPRECIATION

Fixed assets have been valued at cost of construction/acquisition inclusive of incidental expenses related to construction/acquisition. They are measured at Cost Model after their initial recognition.

Further, depreciation has been charged on the canteen building (Included in Fixed Assets) constructed under campus premises though it has not been handover to the KMC Management committee yet. The canteen building has been built on received of monetary grant from the Kathmandu Metropolitan City and Ministry of Urban Development.

The campus has constructed buildings on land acquired from the Government of Nepal under a right-to-use agreement and hence, land is not reflected in the financial statement.

Depreciation on Fixed Assets has been accounted on the written down value (WDV) method and rates of depreciation have been estimated as prescribed in the Income Tax Act, 2058 for the period ended on the balance sheet date.

### 2.5. CAPITAL WIP (BUILDING)

Capital WIP (Building) arising from construction of building has been stated at cost price.

### 2.6. FIXED ASSETS CAPITAL FUND

Grant amount received for fixed assets is presented under Fixed Asset Capital Fund account. The fund is amortized from this financial year onwards using the depreciation rate applicable to the corresponding fixed assets for which the grant is received.

The Capital Fund amortized during year and balance of capital fund is presented as follows: -

| Particulars | Opening Balance Fund | Amount Amortized during the F. Y. year | Closing Balance Fund |
|---|---|---|---|
| Building Construction Fund (Capital Fund) | 52,060,418 | 2,603,021 | 49,457,397 |
| Community Campus Facilitation Fund | 1,371,356 | 342,839 | 1,028,517 |
| Canteen Building Fund | 6,194,455 | 309,723 | 5,884,733 |
| **Total** | **59,626,230** | **3,255,583** | **56,370,647** |

Grant amounting Rs. 7,387,459, received from UGC during year for construction of Building has not been amortized during the financial year as the Building is still under construction.

### 2.7. INVENTORY

There is no inventory at the end of the year, as the campus considers all stationery purchased as expenses at the time of acquisition.

### 2.8. INCOME AND EXPENSES

All income has been reported on a cash basis, while expenses have been presented on an accrual basis.

**2.9. CASH & CASH EQUIVALENTS**

Cash and Cash equivalents are defined as cash on hand, demand deposits, and short-term highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. In our statement cash and cash equivalents consists of cash in hand and deposits in banks.

**2.10. PROVISION FOR INCOME TAX**

KMC is a non-profit educational institution; hence has not provided any amount as tax, as per the provisions of the applicable Income Tax Act, 2058.

**2.11. SUNDRY DEBTORS AND LOANS & ADVANCES**

Amount recoverable from sundry debtors and loans and advances are stated at book value less provision for doubtful debt.

**2.12. STUDENT SUSPENSE FEE**

Fees from students that could not be identified in the present financial year are processed through the student suspense fee account. Fees identified from the suspense account are then recognized as revenue in the current financial year. Details are mentioned below:

| Particulars | Current Year 2080/81 | Previous Year 2079/80 |
|---|---|---|
| **Opening Student Suspense Fee** | | |
| Student Suspense Fee (RBB) A/C | 191,070 | 196,920 |
| Student Suspense Fee (KBL) A/C | 402,975 | 439,200 |
| **Sub Total (A)** | **594,045** | **636,120** |
| **Add: Unidentified fee deposited by student during the financial year** | | |
| Student Suspense Fee (RBB) A/C | - | - |
| Student Suspense Fee (KBL) A/C | 5,000 | 81,725 |
| **Sub Total (B)** | **5,000** | **81,725** |
| **Less: Identified Student Suspense fee and transferred to revenue during the financial year** | | - |
| Student Suspense Fee (RBB) A/C | (375) | (5,850) |
| Student Suspense Fee (KBL) A/C | (79,450) | (117,950) |
| **Sub Total (C)** | **(79,825)** | **(123,800)** |
| **Closing Students Suspense Fee (A+B+C)** | **514,220** | **594,045** |

**2.13.** The previous year's figures are re-grouped or re-arranged wherever necessary.

**2.14.** The financial figures are presented in nearest rounded figure.

**2.15.** There is no any contingent liabilities as of the financial year.

T.N. ACHARYA & Co. Chartered Accountants Kathmandu

**Annex 3.6.3 corrections according to suggestion from the Auditor**

# HOTEL HEAVEN HILL

Regd-44168/1108 Shankarapur -2 Ktm Vat- 602864651

Ref- Date-

To,

Koteswor Multiple campus

pan: 201254330

Sub- Confirmation of transactions

Dear sir/madam,

We, here by confirm that details of transactions held with you during the fiscal year 2080-081. Please confirm this and handover a copy to us duly signed by you.

| S.N | Particulars | Amount | ending balance |
|---|---|---|---|
| 1 | Non taxable sale | | |
| 2 | Taxable sale | 112890 | |
| 3 | Vat | 14675.7 | |
| | Total | 127565.7 | |
| | | | |

Please provide us the transaction certificate from your side as soon as possible.

..................

Hotel Heaven Hill

Received and confirm by

(Seal and Sign)

Reg No.: 209402/075/076
PAN: 606704009

# Alberta Engineerimg And Builders Pvt. Ltd

**Madhayapur Thimi-3, Bhaktapur, Nepal**

26th Kartik 2081

Name of Customer: **KOTESHWOR MULTIPLE CAMPUS**
VAT/PAN No.: **201254330**
Address: **Koteshwor-32, Kathmandu,Nepal**

Dear Sir/Ma'am,

Please find the details of transactions for FY 2080-81 and closing payable/ receivable as on 31st Ashadh 2081 as per our books of account as mentioned below and we request you to provide your confirmation.

*Amount in NPR*

| Particulars | Taxable Amount | Non-Taxable Amount | VAT | Total Amount | Closing Balance As on 31st Ashadh 2081 |
|---|---|---|---|---|---|
| Sales | 450,000 | - | 58,500 | 508,500 | Nil |

Please provide your confirmation by signing and mentioning the details below.

Please note that in case we do not receive any response from your side within 10 days, we shall consider the amount as accurate and final.

Thank You

Sincerely,

...............................
**Mr. Sunil kumar jaiswal**
**Managing Director**
**Alberta Engineerimg And Builders Pvt. Ltd.**

## Confirmation From Customer

For : KOTESHWOR MULTIPLE CAMPUS
We confirm the above-mentioned transactions for FY 2080-81 and closing payable/ receivable as on 31st Ashadh 2081.

Sign and Stamp:
Name: Hari Keshab Adhikari
Designation: Account
Date: 2081/08/12

Regd. No.: 81463/067/68

VAT No.: 304959071

**APEX** एपेक्स प्रिन्टिङ्ग प्रेस प्रा. लि.
Printing Press Pvt. Ltd.

Date: 2081/06/06

**To,**

**Koteshwor Multiple Campus**
Jadibuti, Kathmandu, Nepal
Pan/Vat No.: 614371778

**Subject : Confirmation of Transaction & Closing Balance Fiscal Year 2080/081**

Dear Sir/Madam,

As per Our Company Following Transaction has been made in Fiscal Year 2080/081 Details as follows:

| Particulars | Transaction Amount Rs. |
|---|---|
| Opening Balance | **00.00** |
| Non Taxable Sales | 00.00 |
| Taxable Sales | 2,67,500.00 |
| Value Added Tax | 34,775.00 |
| Total Sales | 3,02,275.00 |
| Closing Balance at the end of Ashad 2081 | **00.00** |

Kindly send one copy of this letter duly signed & stamped within 7 days otherwise we shall assume this balance as your acceptance.

Thanking you,

Recipient Signature & Stamp

For: Apex Printing Press Pvt. Ltd.

Subidhanagar, Tinkune, Kathmandu, Nepal
Tel. No.: 01 4111811, Email : apexpress100@gmail.com

HOTEL COUNTRY VILLA

Nagarkot, Nepal. Tel : 6213053, 6680127. Fax : 6680128

2081/05/15

**Request for Account Verification**

**Koteshwor Multiple College**
**Pan No.: 201254330**

Dear Sir/Madam

In connection with an examination of our Financial statements by Certified Auditor, we will appreciate it if you will indicate the correctness of the following information.

Our records indicate that, at the close of business on **31st of Ashad 2081**, the amount transaction on your account for the Fiscal Year **2080/81** was as follow:

| Particular | Taxable Amount | Vat | Total Transaction |
|---|---|---|---|
| Sales | Rs. 1,24,158.79 | Rs. 16,140.64 | Rs. 1,40,299.43 |
| Opening Balance | | | Rs. Nil |
| Closing Balance | | | Rs. Nil |

Please sign the confirmation form in the space provided below if this amount agrees with your records. If it does not agree, do not sign below but explain and sign on the reverse side. Please return this form directly to our accountants or email in below email id within 7 days.

Please note that if no reply is received from you within 7 days, it will be assumed that you have accepted the balance shown above.

Truly yours,

Surendra Hora
Account Department
Hotel Country Villa Pvt. Ltd.
Mob: 9841134151 (Pramod)
Email: account@hotelcountryvilla.com
Web :www.hotelcountryvilla.com

HOTEL
COUNTRY VILLA (P) LTD.
NAGARKOT, KATHMANDU, NEPAL

Confirmation - Information is accurate:

For : **Koteshwor Multiple College**

**Annex 3.6.4 Decision regarding settlement of irregularities.**

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Institution

Koteshwor Multiple Campus (KMC) (Withholder PAN 201254330) is a non-governmental, community based, non-profit making college. Established in 2047, Koteshwor Multiple Campus (KMC) is located in situated at Jadibuti, Kathmandu Metropolitan City, Ward number 32, Kathmandu. KMC offers Bachelor's and Master's degree programs under Tribhuvan University, and operates with the institutional goal of becoming a center of academic excellence in Nepal. KMC not only believes in imparting quality education but also focuses on preparing competent citizens ready to face the challenges of the future. Hence, KMC has been an ideal abode for hundreds of education enthusiasts from all over the country. KMC is one of the very few leading public colleges in the nation imparting quality education through time-tested, student-oriented, and globally -required strategies. Our pedagogy rely on case studies, presentations, group discussions, seminars, workshops, field visits, guest lectures, surveys, and other to enable the students in materializing national and international opportunities. The attached financial statements represent this year's financial position and performance of the financial year.

This financial statements cover the financial transactions with respect to the bachelor & master degree under Tribhuvan University.

### 1.2 Objectives of Audit

The objective of an audit of financial statements is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework and objective of our audit was to obtain reasonable assurance on whether the financial statements of the organization present fairly, in all material respects:

- In the case of statement of financial position, the state of affairs of the organization as at 31st Ashadh 2081 (July 15, 2024),
- In the case of statement of income and expenditure, the surplus/(deficit) for the period from 1st Shrawan, 2080 to 31st Ashadh 2081 (July 15, 2024),
- In the case of fund accountability statement, closing fund status of the organization for the year ended on 31st Ashadh 2081 (July 15, 2024),

- Notes, comprising a summary of significant accounting policies and other explanatory notes, on the basis of which Financial Statements were prepared.

Also, to ensure that adequacy of organization's accounting and internal control systems to provide reasonable assurance that the transactions are properly recorded and the assets of the organization are adequately safeguarded against unauthorized use or disposition and to ensure compliance with the prevailing laws including its own policies.

### *1.3 Scope of Audit*

The preparation and fair presentation of the financial statements are the responsibility of the management, and our responsibility is to express an opinion on the financial statements based on our audit. Our audit does not in any way diminish or reduce responsibilities of the management. The management is responsible for properly recording transactions in the accounting records, for establishing and maintaining internal control including safeguarding of assets and selection and application of accounting policies sufficient to permit the preparation of financial statements and information in conformity with the generally accepted accounting principles applicable to the organization.

### *1.4 Limitation of Audit*

As described in NSA 200, "Objective and General Principles Governing an Audit of Financial Statements" the objective of an audit of financial statements is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements will not be detected, even though the audit is properly planned and performed in accordance with NSAs.

An auditor conducting an audit in accordance with NSAs obtains reasonable assurance that the financial statements taken as a whole are free from material misstatement. An auditor cannot obtain absolute assurance that there are no material misstatements in the financial statements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### *1.5 Audit Results*

The audit observations mentioned in this report deals with the various aspects of the organization's assets, liabilities, operational results and internal controls. Our audit opinion on the financial statements of the organization will be dependent on the management's response/actions on those observations. Detailed observations are contained in this report and the financial analysis carried out in this report is based on the financial statements prepared at the time of issuing this preliminary audit report and is subject to change, as may be considered necessary by the management, based on this report.

### 1.6 Reporting Period

The audit report covers period from 1st Shrawan 2080 to 31st Ashadh 2081.

### 1.7 Koteshwor Multiple Campus Board Composition

The composition of Koteshwor Multiple Campus Board of Directors is as mentioned follows:

| S. No. | Particulars | Designation |
|---|---|---|
| 1. | Ram Babu Nepal | Chairman |
| 2. | Dr. Sabitri Shrestha | Vice- Chairman |
| 3. | Pradhumnna Kumar Pokhrel | Treasurer |
| 4. | Nawaraj Parajuli | Member |
| 5. | Biswombhar Krishna Parajuli | Member |
| 6. | Janardan Adhikari | Member |
| 7. | Lekhnath Ghimire | Member |
| 8. | Ratna Kumar Shrestha | Member |
| 9. | Suwarna Karmacharya | Member |
| 10. | Prof. Dr. Jiwan Kumar Bhattarai | Member |
| 11. | Arjun Parajuli | Member |
| 12. | Shree Suresh Kumar Pokhrel | Member |
| 13. | Er. Ram Bharati | Member |
| 14. | Govinda Bahadur Karki | Member-Secretary |

### 1.8 Audit Team and Schedule

Members of audit team were

| S. N. | Name of the Staff | Position |
|---|---|---|
| 1. | CA. Pawan Khanal | Engagement Partner |
| 2. | CA. Upendra Sapkota | Review Partner |
| 3. | Mr. Santosh Bhusal | Team Leader |
| 4. | Mr. Lokesh Dhungana | Team Member |
| 5. | Mr. Kiran Bhatta | Team Member |
| 6. | Ms. Pabitra Rai | Team Member |

### 1.9 Acknowledgement

We express our sincere gratitude to the Koteshwor Multiple Campus Team for the cooperation extended with us during the course of our audit.

# CHAPTER TWO

## *DETAILS OF FINDINGS*

### *2.1 Non-Compliance with Education Rules, 2059*

As per the Rule 157 of the Education Rules, 2059, school/campus can't compel the student for buying the uniform from the school/campus.

**Audit Observations:**

During the course of audit, it was observed that the campus has entered into the contract with VIP Tailors for purchasing the uniform to students and the clause 9 of the contract mention about the commission to be provided to campus Rs. 130,000 for sending student to VIP tailors for uniform. Further, the campus has sold the t-shirt to the students with certain margin.

**Related Risk:**

Non- compliance with related rules and regulations might result in fines, penalties or even disciplinary actions from regulatory body.

**Recommendation:**

It is recommended to follow rules and regulation.

**Management Response:**

*We will comply with this provision from the next financial year.*

### *2.2 Non-compliance with Public Procurement Rules, 2064*

As per the Rule 19(2) of the Public Procurement Rules, 2064, public entity shall procure the goods worth more than Rs. 20,000 from the VAT Registered parties only.

**Audit Observations**

During the course of audit, in some instances, it was observed that the entity has purchased the goods from the unregistered parties as below:

| S.N. | Particular | Amount | Remarks |
|---|---|---|---|
| 1 | SKS Readymade Store | 200,000 | Advance provided for purchase of T-shirt |
| 2 | Saraswati Laxmi Art | 285,658 | Bannering Expenses |

**Related Risk:**

The entity being a public entity, is obliged to follow public procurement rule. Non-compliance with related rules and regulations might result in fines, penalties or even disciplinary actions from regulatory body.

**Recommendation:**

It is recommended to comply with provisions of Public Procurement Act and related rules.

**Management Response:**

*We will comply with this provision from the next financial year.*

### 2.3 Non-Compliance with the Income Tax Act, 2058

**Audit Observation:**

**Basis of accounting**

- As per Income Tax Act, 2058, sec 22(3), a company must follow accrual basis of accounting while computing assessable income from business or investment. All company registering with Inland Revenue Department must abide by the provisions of Income Tax Act, 2058. During the course of an audit, it was observed that the campus prepares financial statements under historical cost convention and cash basis of accounting for revenue incomes and accrual basis for the other items of expenditure such as salary, withholding tax and employee's retirement contribution.

- As per the Section 88(1) of the Income Tax act, when making payment by a resident person for interest, natural resource, rent, royalty, service charge, commission, sales bonus, retirement payment and other any consideration having source in Nepal, and in making payment of amount of any retirement payment, the person shall withhold tax at the rate of fifteen percent of the total amount of payment. During audit it was observed that the campus has deducted TDS at the rate of 1.5% rather than 15% while making payment for the service received from the non-VAT registered party.

- A remuneration tax of Rs. 42,973, as per Income Tax Act, 2058, has been under booked compared to the required amount.

Few instances of such non-compliance are annexed in the ***Annexure 3.***

**Related Risk:**

Company failing to abide by the provisions of Income Tax Act, 2058 are subject to fines and penalties by Inland Revenue Department.

**Recommendation:**

Every provision of Income Tax Act, 2058 must be strictly followed.

**Management Response:**

We will comply with this provision form next financial year.

## 2.4 *Non-Compliance with the Labour Act, 2074*

**Audit Observation:**

- As per section 52 (1), The employer shall deduct ten percent of the basic remuneration of each labour, add cent percent to that amount and deposit the total amount for the purpose of provident fund. However, campus hasn't contributed to the provident fund of all employees.
- As per section 53 (1), The employer shall deduct an amount equivalent to eight point three and three (8.33) percent of the basic remuneration of each labour each month and deposit it for the purpose of gratuity. (Effective date of Labour Act, 2074 is from 2074/5/9). However, campus hasn't deducted any amount for the gratuity.
- As per Section 54, The employer shall procure an annual medical insurance of at least one hundred thousand rupees for each labour. Also, the premium required for the medical insurance shall be borne by both the employer and the labour on pro-rata basis. Further, as per Section 55, The employer shall procure accidental insurance of at least seven hundred thousand rupees covering all kinds of accidents for each labour. The whole premium required for the accidental insurance shall be borne by the employer. However, no any insurance policies for the staffs is procured by the campus.

**Related Risk:**

Company failing to abide by the provisions of Labour Act, 2074 are subject to fines and penalties.

**Recommendation:**

Every provision of Labour Act, 2074 must be strictly followed.

**Management Response:**

*Since our organization has also part-time employees, it is not practically difficult to comply with the above provisions*.

## 2.5 *Manual and Policies*

**Audit Observation:**

During the course of audit, management did not provide the approved policies namely *Koteshwor Bahumukhi Campus ko Sikshak Tatha Karmachari Sewa Sambandi Niyam-2077 and Shaishik Tatha Atirikta Kriyakalap Bewasthit Garna Banaiyeko Niyam-2079.* As a result, the authenticity of these policies could not be verified.

**Related Risk:**

The legality of policies can be questionable, and it will weaken the internal control system.

**Recommendation:**

It is recommended to provide approved policies for review.

**Management Response:**

*Policy has been approved on …………………. we will provide you with signed copy.*

### 2.6 Minutes related observations

During the course of audit, it was observed that some of the meeting minutes of board and executive committee lacks the chronological order i.e. the number and the date of the meeting are not in same order.

**Related Risk:**

Not numbering meeting minutes in chronological order can undermine the authenticity of decision, legal issues, leading to confusion and accountability problem.

**Recommendation:**

It is recommended to minute the meeting in chronological order.

**Management Response:**

*Serial numbers of the meeting minutes will be allocated and keep them in chronological order, as per the recommendation.*

### 2.7 Fund related observations

As per Rule 2 (Ka) of *Aarthik Prasasan Sambandhi Niyam-2077*, there shall be separate funds under the name of the campus:

(1) Administrative Working Capital Fund (Capital Account)

(2) Administrative Working Fund (Operating Account)

(3) Construction and Development Fund

(4) *Akshaya Kosh*

(5) Library Development Fund and Practical Examination Fund

(6) Depreciation Fund, Scholarship Fund, Gratuity Fund, Drug Treatment Fund.

Also, as per Rule 2 (Ka) and (Ga) of the *Aarthik Prasasan Sambandhi Niyam-2077*, the amounts received under the above heading for the campus shall be deposited in a fund of the same name. This fund is to be managed within a distinct account established at any commercial bank. Funds held in these designated bank accounts may solely be utilized for expenditures related to the fund.

**Audit Observation:**

During the course of audit, it was observed that the campus hasn’t maintained separate accounts for such separate fund.

**Related Risk:**

Not maintaining separate funds for separate purpose may lead to inaccurate financial planning, financial mismanagement and sometimes may even results misallocation of funds.

**Recommendation:**

Separate funds shall be managed for the separate purpose as per the rules.

**Management Response:**

*We will maintain separate fund as per rule.*

### A. Administrative Working Fund (Operating Account)

As per Rule 3(2) of *Aarthik Prasasan Sambandhi Niyam-2077*, to maintain budgetary compliance and considering the status of the capital account, an amount adequate to cover one month's expenses should be transferred to the operating accounts. These expenditures necessitate approval from the Board of Directors.

**Audit Observation:**

During the course of audit, it was observed that the campus hasn't been transferring such amounts for the operational purpose to the separate fund.

**Related Risk:**

Financial Mismanagement can be possible because of non-compliance of the above rule.

**Recommendation:**

It is recommended to transfer the amount to the operating account as per the policy.

**Management Response:**

*We will maintain separate fund as per rule.*

### B. Construction and Development Fund:

As per Rule 4(1)(7) of *Aarthik Prasasan Sambandhi Niyam-2077*, the amount in the Construction & Development Fund should be used for purchase of land, construction of hostels and buildings, purchase of furniture, repairing and maintenance of building, management & repair of library, sports ground and garden, and for any other propose considered necessary by the board.

**Audit Observation:**

Expenses associated with the aforementioned purpose are observed to have been incurred from the primary operational account of the campus.

**Related Risk:**

Financial Mismanagement can be possible because of non-compliance of the above rule.

**Recommendation:**

It is recommended to utilize the specific purpose fund to the specified purpose only.

**Management Response:**

*We will maintain separate fund as per rule.*

### 2.8 Petty Cash

As per Rule 7 of *Aarthik Prasasan Sambandhi Niyam-2077*, maximum of Rs. 10,000 can be allocated as petty cash fund as per the recommendation of head of finance and administration department.

**Audit Observation:**

No petty cash account has maintained by campus for petty expenses.

**Related Risk:**

It may create hindrance in smooth operation of day-to-day activities that require quick access to cash for minor purchases or emergencies.

**Recommendation:**

It is recommended to maintain the petty cash account for small expenses and reimbursement.

**Management Response:**

*We will maintain petty cash from now on.*

### 2.9 Deposit of Income

As per Rule 9 of *Aarthik Prasasan Sambandhi Niyam-2077,* it has been mentioned that the cash shall be deposited into respective bank account on the same day of collection or the following day in case of any contingencies.

**Audit Observation:**

During the course of audit, in some instances, it was observed that the campus hasn't deposited cash as prescribed by the above rule. Summary of such findings has been summarised in ***Annexure-1***.

Also, it was observed that, some of the deposit vouchers were not stamped by the bank during the deposit. Such observations are summarized in the ***Annexure-2.***

**Related Risk:**

Non-compliance with the above rule can result in misappropriation and manipulation in cash balance.

Deposit vouchers not having the stamp of the bank raises the question on whether the amount is actually deposited.

**Recommendation:**

It is recommended to deposit the cash collection on the same day of receipt, or the following day as prescribed in policy.

It is recommended to accept the voucher only after affixing the official stamp of the bank

**Management Response:**

*We have followed the rules in most cases. However, due to practical issues such as load shedding and bank holidays, we sometimes couldn't make deposits.*

### 2.10 Distribution of Advance

According to Rule 21(1) of *Aarthik Prasasan Sambandhi Niyam-2077*, when requesting an advance for activities related to the university, it is required to provide a detailed breakdown of the expense areas.

**Audit Observation**:

During the audit, it was noted that the campus lacks a formal system for providing advances. When requesting advances for activities, only an application was submitted without any accompanying statement explaining the distribution of expenses.

**Related Risk**:

Advance taken and settlement date must be mentioned such that there is proper control over advance.

**Recommendation**:

The management is recommended to implement strict system of presenting a detailed distribution of the amount taken as advance.

**Management Response:**

*We will establish advance management system as per rules.*

### 2.11 Presentation of Income- Expenditure Report

As per Chapter 7, Rule 27 of *Aarthik Prasasan Sambandhi Niyam-2077*, the campus chief shall generally submit quarterly income expenditure report to board.

**Audit Observation:**

During the course of audit, it was observed that there is no practice of submitting an income expenditure report to the Board of Directors.

**Related Risk:**

The risk associated with the failure to present the report to the board signifies lack of transparency and accountability in financial management.

**Recommendations**:

It is recommended to present report to board by campus chief.

**Management Response:**

*We will comply with provision from next fiscal year.*

### 2.12 *Fixed Assets*

**Audit Observation:**

It was observed that

- There was no physical verification report furnished by Koteshwor Multiple Campus.
- There was no insurance done for the fixed assets.
- Fixed asset register was not maintained.
- Fixed asset coding was not done for all the fixed assets.

**Related Risk:**

- Loss, damage and theft of fixed assets remain unnoticed when physical verification report is not created and reviewed.
- Not ensuring fixed assets exposes an entity to financial loss, operational disruption, increased liability, and potential credit issues.

**Recommendation:**

- It is recommended to conduct physical verification of fixed assets.
- Separate fixed assets register should be maintained.
- Policy regarding identification for scrap equipment and disposal should be updated.
- It is recommended to conduct physical verification of assets
- Also, it is recommended to take the insurance policy for all fixed assets.

**Management Response:**

*We are planning to establish Fixed Assets Management System.*

### 2.13 *Inventory*

**Audit Observation:**

During the course of audit, it was observed that

- No physical verification of the inventory was conducted during the fiscal year.
- No inventory register was maintained by the entity.
- Value of inventory held couldn't be displayed in the financial statement as management practices of treating it as an expense rather than current asset.

**Related Risk:**

- Without physical verification report and proper stock register, there remains a probability of raising question regarding existence, valuation and ownership of inventory held during the financial year.
- Financial statements without the value of inventory don't reflect the true and fair financial status of the entity.

**Recommendation:**

- It is recommended to conduct physical verification of inventory on timely basis and maintain stock register duly.
- It is recommended to include the value of the inventory in the financial statements.

**Management Response:**

*We are planning to establish Inventory Management System.*

## 2.14 Bank

**Audit Observations:**

- During the audit it was observed that the campus hasn't accounted the interest of fixed deposit from Nepal Bank Limited, Kupondol.
- During the audit, management didn't provide us with the balance confirmation of the following bank accounts:

| S.N. | Particulars | Balance |
|---|---|---|
| 1 | Agricultural development Bank Ltd., Koteshwor | 5,118 |
| 2 | Nepal Bank Ltd, (Kupondel) | 178,675 |
| 3 | Prabhu Bank Ltd. (Current) | 5,000 |
| | Total | 188,793 |

**Related Risks:**

- Interest income couldn't be reflected in the true figure without accounting the accrued interest.
- Bank Balance couldn't be ensured without the bank confirmations.

**Recommendation**

- It is recommended to account the interest income.
- It is recommended to provide the balance confirmation of all bank accounts.

**Management Response:**

*As these accounts are dormant, we are planning to reopen them.*

## 2.15 Receivables & Payables

**Audit Observations:**

During the audit management didn't provide us with the balance confirmations of the following parties payable and receivable:

| S.N. | Name of the Parties | Receivable | Payable |
|---|---|---|---|
| 1 | Alberta Engineering & Technology Consultancy Pvt Ltd. | 99,850 | |
| 2 | D.N.L. Concern | 87,432 | |
| 3 | Dharti Akash Nirmal Sewa | 104,828 | |
| 4 | Gorakshya Shree Nirman & Suppliers | 8,149 | |
| 5 | K.B. Sons Construction & Suppliers Pvt. ltd. A/C | 100,000 | |
| 6 | SKS Readymade Store Wear A/C | 200,000 | |
| 7 | Prashamsa Cyber & Electronics Center | 96,407 | |
| 8 | Construction association | | 5,003 |
| 9 | Kamalikanta Bhetwal A/C | | 4,546 |
| 10 | Ideal Business | | 9,477 |
| 11 | M T Books & Stationery A/C | | 146,010 |
| 12 | Info Hub | | 161,351 |
| 13 | Apex Copy Udyog | | 165,498 |
| 14 | Aastha Advertising Agency PVT. Ltd. | | 5,683 |
| 15 | Abasar Smart Decoration Pvt. Ltd. | | 353,455 |
| 16 | P.S.S. Nepal | | 136,836 |
| 17 | S.J. Info Hub | | 265,759 |
| 18 | Studio Aarya | | 72,250 |
| 19 | Erasoft Solution Pvt. Ltd. | | 500 |

**Related Risks:**

Not having party confirmations increases the risk of discrepancies between recorded and actual balances, leading to potential financial inaccuracies.

**Recommendations:**

It is recommended to obtain the party confirmations to ensure the correctness of the balance.

**Management Response:**

*We are in the process of obtaining confirmation from parties.*

## 2.16 Book-keeping

**Audit Observations:**

During the course of audit, we observed that some vouchers were system generated (printed), while others were hand-written. Also, the vouchers were not entered chronologically.

**Related Risks:**

There remains possibility of manipulation during the recording process due to dual way of generating voucher. The recording process is the initial stage of preparing the financial statement, and it could result in misstatements during the subsequent steps in preparing financial statement.

**Recommendations:**

The vouchers need to be generated through system. This approach will enhance consistency and mitigate the risk of errors or manipulation in the recording process.

**Management Response:**

*Most vouchers are generated by the system. In some cases, they were prepared by hand. We will correct this practice.*

### 2.17 *Inadequate/ No Supporting Documents*

**Audit Observation:**

During the course of audit, we have come across instances where the management hasn't attached proper and adequate supporting document in the voucher. A summary of such instances has been summarised in **Annexure-3**.

**Related Risk:**

Inadequate/ Unreliable supporting document doesn't authenticate the transaction and support the event & creates suspicion over the transaction.

**Recommendation:**

Every transaction must have proper and adequate supporting documents to authenticate the transaction and support the event. Hence, it is recommended to attach proper and adequate supporting document along with the voucher.

**Management Response:**

### 2.18 *Management Information System (MIS)*

**Audit Observation:**

During the course of audit, following observations were obtained:

- System could not generate day-book.
- Individual receivables and payables are not displayed in trial balance individually.
- Financial Statements are not prepared using the system generated trial balance.

**Related Risks:**

- The risk of manipulation of system and data remains significant.

**Recommendations:**

It is recommended:

- The vouchers should either be system generated or manually prepared to maintain consistency.
- System should be updated to generate Day Book and display receivables and payables in Trial Balance.
- Financial Statements should be prepared through Trial generated by system.
- It is recommended to conduct the system audit to mitigate the above-mentioned risk.

**Management Response:**

*We will address them by upgrading the system to generate a day-book, displaying individual receivables and payables in the trial balance, and preparing financial statements using the system-generated trial balance by the next financial period.*

### *2.19 Budget*

As per Chapter 3 of *Aarthik Prasashan Sambandhi Niyam*, Budget system, Budget formulation, presentation and approval, Rule no.11(Ka), the budget for the next financial year shall be prepared by the Executive Committee and submitted to the treasurer of the board of directors. If the treasurer needs to revise, he will prepare the budget before the beginning of the financial year and submit to the board.

**Audit Observations:**

During the course of the audit, it was observed that the budget of the financial year 2080/081 is approved by the Board only on 17$^{th}$ Ashoj 2080.

**Related Risk:**

Non formulation of budget before the beginning of the financial year symbolizes the lack of financial discipline and may lead to ineffective resource allocation & unplanned expenditures.

**Recommendation:**

It is recommended to formulate the budget on time as per prescribed policy.

**Management Response:**

*We are planning to prepare budget before the beginning of the financial year and submit to the board.*

### 2.20 *Inadequate Policy*

**Audit Observation:**

During the course of audit, both requisition and approval of advance is done by campus chief himself as no proper policy to approve the advance provided to the campus chief was found to be formulated.

**Related Risks:**

No clear policy to approve the Advance of higher management indicate the lack of check and balance.

**Recommendations:**

It is recommended to formulate the clear policy to approve and authorise the advance of the campus chief.

**Management Response:**

*We will revise the policy and revise the advance related to campus chief.*

**Annexure 1: Delay in Deposit**

| S.N. | Vch No. | Date | Amount | Date of collection | Date of deposit | Delayed days |
|---|---|---|---|---|---|---|
| 1 | 14 | 7/23/2023 | 4200 | 7/23/2023 | 7/25/2023 | 2 |
| 2 | 25 | 8/1/2023 | 19750 | 8/1/2023 | 8/3/2023 | 2 |
| 3 | 30 | 8/3/2023 | 60600 | 8/3/2023 | 8/6/2023 | 3 |
| 4 | 56 | 8/10/2023 | 56960 | 8/10/2023 | 8/13/2023 | 3 |
| 5 | 301 | 12/27/2023 | 145000 | 12/24/2023 | 12/27/2023 | 3 |
| 6 | 303 | 12/28/2023 | 105000 | 12/27/2023 | 12/29/2023 | 2 |
| 7 | 306 | 1/1/2024 | 210000 | 12/29/2023 | 1/1/2024 | 3 |
| 8 | 358 | 1/24/2024 | 41700 | 1/19/2024 | 1/21/2024 | 2 |

**Annexure 2: Bank Stamp not found on deposit slip**

| S.N. | Vch No. | Date | Particulars | Amount | Remarks |
|---|---|---|---|---|---|
| 1 | 3 | 7/18/2024 | Kumari Bank | 16,750 | Bank Stamp is not affixed on deposit slip |
| 2 | 5 | 7/20/2023 | Kumari Bank | 15,950 | Bank Stamp is not affixed on deposit slip |
| 3 | 33 | 4/15/2080 | Kumari Bank | 10,000 | Bank Stamp is not affixed on deposit slip |
| 4 | 125 | 9/8/2023 | Kumari Bank | 55,000 | Bank Stamp is not affixed on deposit slip |
| 5 | 258 | 12/8/2023 | Kumari Bank | 173,350 | Bank Stamp is not affixed on deposit slip |
| 6 | 259 | 12/10/2023 | Kumari Bank | 177,150 | Bank Stamp is not affixed on deposit slip |
| 7 | 260 | 12/27/2023 | Kumari Bank | 148,470 | Bank Stamp is not affixed on deposit slip |
| 8 | 269 | 12/14/2023 | Kumari Bank | 101,400 | Bank Stamp is not affixed on deposit slip |
| 9 | 271 | 12/17/2023 | Kumari Bank | 27,600 | Bank Stamp is not affixed on deposit slip |
| 10 | 272 | 12/18/2023 | Kumari Bank | 17,000 | Bank Stamp is not affixed on deposit slip |
| 11 | 276 | 12/22/2023 | Kumari Bank | 24,600 | Bank Stamp is not affixed on deposit slip |
| 12 | 280 | 12/24/2023 | Kumari Bank | 55,000 | Bank Stamp is not affixed on deposit slip |
| 13 | 376 | 1/31/2024 | Kumari Bank | 150,000 | Bank Stamp is not affixed on deposit slip |
| 14 | 378 | 2/1/2024 | Kumari Bank | 51,765 | Bank Stamp is not affixed on deposit slip |
| 15 | 379 | 2/2/2024 | Kumari Bank | 176,510 | Bank Stamp is not affixed on deposit slip |
| 16 | 386 | 2/4/2024 | Kumari Bank | 56,000 | Bank Stamp is not affixed on deposit slip |
| 17 | 390 | 2/5/2024 | Kumari Bank | 5,545 | Bank Stamp is not affixed on deposit slip |
| 18 | 391 | 2/6/2024 | Kumari Bank | 180,750 | Bank Stamp is not affixed on deposit slip |
| 19 | 398 | 2/8/2024 | Kumari Bank | 22,000 | Bank Stamp is not affixed on deposit slip |
| 20 | 402 | 2/12/2024 | Kumari Bank | 142,700 | Bank Stamp is not affixed on deposit slip |
| 21 | 406 | 2/16/2024 | Kumari Bank | 34,700 | Bank Stamp is not affixed on deposit slip |
| 22 | 407 | 2/18/2024 | Kumari Bank | 82,710 | Bank Stamp is not affixed on deposit slip |
| 23 | 411 | 2/22/2024 | Kumari Bank | 78,820 | Bank Stamp is not affixed on deposit slip |
| 24 | 412 | 2/23/2024 | Kumari Bank | 144,750 | Bank Stamp is not affixed on deposit slip |
| 25 | 413 | 2/25/2024 | Kumari Bank | 61,000 | Bank Stamp is not affixed on deposit slip |
| 26 | 414 | 2/26/2024 | Kumari Bank | 133,700 | Bank Stamp is not affixed on deposit slip |
| 27 | 415 | 2/27/2024 | Kumari Bank | 433,700 | Bank Stamp is not affixed on deposit slip |
| 28 | 571 | 5/9/2024 | Kumari Bank | 149,000 | Bank Stamp is not affixed on deposit slip |
| 29 | 305 | 12/29/2023 | Kumari Bank | 112,600 | Bank Stamp is not affixed on deposit slip |
| 30 | 308 | 1/3/2024 | Kumari Bank | 105,700 | Bank Stamp is not affixed on deposit slip |
| 31 | 309 | 1/4/2024 | Kumari Bank | 53,400 | Bank Stamp is not affixed on deposit slip |
| 32 | 311 | 1/5/2024 | Kumari Bank | 25,650 | Bank Stamp is not affixed on deposit slip |
| 33 | 313 | 1/8/2024 | Kumari Bank | 36,000 | Bank Stamp is not affixed on deposit slip |
| 34 | 317 | 1/9/2024 | Kumari Bank | 101,100 | Bank Stamp is not affixed on deposit slip |
| 35 | 318 | 1/11/2024 | Kumari Bank | 44,100 | Bank Stamp is not affixed on deposit slip |
| 36 | 321 | 1/14/2024 | Kumari Bank | 99,750 | Bank Stamp is not affixed on deposit slip |

## Annexure 3: Other Observations

| S.N. | Vch No. | Date | Particulars | Amount | Remarks |
|---|---|---|---|---|---|
| 1 | 10 | 21/7/2023 | Transportation and fuel | 2,000 | TDS is not deducted in the transportation allowance provided. |
| 2 | 421 | 1/8/2024 | Sports week | 4,700 | Purchase requisition is not attached. |
| 3 | 628 | 2/7/2081 | Salary Advance a/c | 50,000 | Advance is provided to the staff without settling off the previous advance. |
| 5 | 656 | 2/16/2081 | Advertisement exp | 12,000 | TDS is to be deducted at the rate of 15% as the party is VAT unregistered, but TDS at the rate of 1.5% is only deducted. |
| 6 | 687 | 6/20/2024 | Education Tour and Practical | 28,000 | TDS is to be deducted at the rate of 15% as the party is VAT unregistered, but TDS at the rate of 1.5% is only deducted. |
| 7 | 694 | 6/25/2024 | Repairing and maintenance exp | 16,300 | **Wrong Accounting Head-** ID card expense should have been shown under separate expense head instead of repair and maintenance expense. |
| 8 | 700 | 6/27/2024 | Programme expense | 22,765 | TDS is to be deducted at the rate of 15% as the party is VAT unregistered, but TDS at the rate of 1.5% is only deducted. |
| 9 | 190 | 6/23/2080 | Building Under construction | 1,108,385 | Legality of the construction contract is questionable as it is not affixed with signature. |