

INDEPENDENT AUDITOR'S REPORT

To the Shareholders

AASHA KIRAN KENDRA,

Birgunj, Parsa.

Report on Financial Statements:

We have audited the accompanying financial statements of M/s Aasha Kiran Kendra ,Birgunj, Parsa which comprise the Balance Sheet as at Ashadh 31, 2081 (July 15, 2024), and the related Income statement, Cash Flow statement and the Changes in Equity with significant Accounting Policies & Notes to Accounts for the year then ended.

Management Responsibilities on Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards. This responsibility includes designing, implementing, and maintaining internal control system relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable at the circumstances.

Auditor's Responsibilities:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosure in the financial statements. The procedures selected depend on our professional judgment, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered internal control system relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts have been kept by the company so far as appears from the examination of those books.
3. The Balance Sheet, Profit & Loss Account, and Cash Flow Statement dealt with by this report are prepared in compliance with the Nepal Accounting Standards.
4. In our opinion and to the best of our information and according to the explanation given to us and as shown by the books of the company, the accounts have been correctly drawn-up to reflect the financial position of the company:
 - a. In case of the Balance Sheet of the state of affairs of the company as at 31.3.2081.
 - b. In case of the Profit & Loss Account of the Net Profit for the year ended 31.3.2081.
 - c. In case of Cash Flow Statement of the cash flow for the year ended 31.3.2081.
5. In our opinion and to the best of our information and according to the explanation given to us, the Board of Directors, the representative, or any employee of the company has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the company deliberately.



CA Guru Prasad Pokhrel
Guru & Associates


UDIN: 241009 CA 02238aKAbZ
Place: Kathmandu
Date: -2081/06/23

AASHA KIRAN KENDRA
BIRGUNJ,PARSA
Statement of Financial Position
As on 31st Asadh, 2081

Amount in NPR

Particulars	Notes	Current Year	Previous Year
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	4.1	1,001,301.50	417,402.00
Long term investments	4.3	-	-
Other Non Current Assets		-	-
Total Non - Current Assets		1,001,301.50	417,402.00
Current Assets			
Cash and Cash Equivalents	4.6	1,140,191.79	2,179,812.07
Total Current Assets		1,140,191.79	2,179,812.07
Total Assets		2,141,493.29	2,597,214.07
LIABILITIES & RESERVES			
Accumulated Reserves			
Accumulated surplus	4.7	195,134.74	672,716.85
Reserve & Surplus	4.9	1,595,770.00	1,595,770.00
Profit & Loss A/C	4.11	-	-
Total Accumulated Reserves		1,790,904.74	2,268,486.85
Non - Current Liabilities			
Deferred Revenue	4.12	-	-
Total Non - Current Liabilities		-	-
Current Liabilities			
Accounts Payable	4.13	350,588.55	328,727.22
Provisions	4.14	-	-
Total Current Liabilities		350,588.55	328,727.22
Total Liabilities		350,588.55	328,727.22
Total Liabilities and Reserves		2,141,493.29	2,597,214.07

The notes on accounts form an integral part of the financial statement.


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Treasurer




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Chairperson


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Auditor
CA Guru Prasad pokhrel
For
Guru & Associates


Place :Kathmandu
Date:2081/06/23

AASHA KIRAN KENDRA
BIRGUNJ,PARSA
Statement of Income & Expenditure
For the year end 2081 Asadh,2081

Amount in NPR

Particulars	Notes	Current Year	Previous Year
INCOME			
Incoming Resources	4.15	935,500.00	2,492,369.07
Financial Income	4.16	80,001.72	-
Other Income	4.17	5,280.00	-
Total Income		1,020,781.72	2,492,369.07
EXPENDITURE			
Staff Cost	4.18	-	-
Programme Expenses	4.19	211,559.00	520,484.22
General Administrative Expenditure	4.20	938,328.00	1,102,500.00
Repair & Maintenance Expenses	4.21	66,376.33	65,000.00
Depreciation	4.21	282,100.50	124,751.75
Other Expenditure			
Total expenditure		1,498,363.83	1,812,735.97
Net surplus/(deficit) before Taxation		(477,582.11)	679,633.10
Income Tax Expenses		-	500.00
SURPLUS/(DEFICIT) FOR THE YEAR		(477,582.11)	679,133.10
Previous year profit and Loss			(6,416.25)
Available for Appropriation		(477,582.11)	672,716.85
APPROPRIATION OF SURPLUS FOR THE YEAR			
Allocation to Reserves		(477,582.11)	672,716.85
Allocation to Endowment Fund		-	-

The notes on accounts form an integral part of the financial statement.


 Treasurer




 Chairperson



 Auditor
 CA Guru Prasad Pokhrel
 Guru & Associates

Place: Kathmandu
Date: 2081/06/23

AASHA KIRAN KENDRA
BIRGUNJ,PARSA
Statement of Cash Flows
As on 31st Asadh, 2081

Particulars	Amount in NPR	
	Current Year	Previous Year
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Surplus/ (deficit) for the year (Before Tax)	(477,582)	679,633
Adjustments to reconcile surplus/(deficit) to net cash flows:		
Non-cash items:		
Depreciation and impairment of property, plant and equipment	282,101	124,752
Amortization and impairment of intangible assets	-	-
Provision and losses on inventories	-	-
Movement in provisions, receivables and specific risks	-	-
Deferred Revenue	-	-
Gains from disposal of fixed assets	-	-
Working capital adjustments:		
Decrease/(Increase) in Current Assets	-	-
(Decrease)/Increase in Current Liabilities	-	56,740
Accounts Payable	21,861	-
Short term borrowing	-	-
Tax Paid	-	(500)
Provisions	-	-
Restricted Funds	-	-
Less: Interest paid	-	-
Net cash from/(used in) operating activities	(173,620)	860,625
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Property Plant and Equipment	(866,000)	(152,000)
Purchase of intangible assets	-	-
Proceeds from sale of equipment	-	-
Purchase of investment property	-	-
Long term investment	-	-
Interest received	-	-
Net cash from/(used in) investing activities	(866,000)	(152,000)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Borrowing of government loans	-	-
Repayments of government loans	-	-
Net cash from/(used in) financing activities	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,039,620)	708,625
At Beginning of the Year	2,179,812	1,471,187
At End of the Year	1,140,192	2,179,812

The notes on accounts form an integral part of the financial statement.


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Treasurer


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Chairperson
AASHA KIRAN KENDRA
BIRGUNJ-14, PARSA, NEPAL

Place: Kathmandu
Date: 2081/06/23


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Auditor
CA Guru Prasad Pokharel
Guru & Associates

**AASHA KIRAN KENDRA
BIRGUNJ,PARSA**

4 Notes to the Financial Statement

**4.1 Property, Plant and Equipments
Gross Value**

Particulars	Openings	Additions			Sales	Depreciable Base	Dep. Rate	Depreciation	Closing Balance
		Poush	Chaitra	Asadh					
Furniture	205,215.00	60,000.00	-	-	-	265,215.00	25%	66,303.75	198,911.25
Playing grounds	12,000.00	-	-	-	-	12,000.00	25%	3,000.00	9,000.00
Electronics Goods	172,587.00	-	-	-	-	172,587.00	25%	43,146.75	129,440.25
Kitchen Goods	27,600.00	-	-	-	-	27,600.00	25%	6,900.00	20,700.00
Projector Purchase	-	31,000.00	-	-	-	31,000.00	25%	7,750.00	23,250.00
VAN	-	775,000.00	-	-	-	775,000.00	20%	155,000.00	620,000.00
Total	417,402.00	866,000.00	-	-	-	1,283,402.00	145%	282,100.50	1,001,301.50

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Treasurer



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Chairperson

AASHA KIRAN KENDRA
BIRGUNJ-44, PARSVA, NEPAL

Place: Kathmandu
Date: 2081/06/23

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Auditor
CA Guru Prasad Pokharel
Guru & Associates

4.3 Long Term Investment

Particulars	Current Year	Previous Year
Long term fixed deposits	-	-
Total	-	-

4.4 Inventories

Particulars	Current Year	Previous Year
Raw Materials and Consumables	-	-
Finished Goods and Goods for sale/use	-	-
Work in progress	-	-
Total	-	-

4.5 Accounts Receivable

Particulars	Current Year	Previous Year
Deposits and Advances	-	-
Total	-	-

4.6 Cash and cash equivalents

Particulars	Current Year	Previous Year
Cash in hand and bank	140,192	2,179,812
Fixed Deposit	1,000,000	-
Total	1,140,192	2,179,812

4.7 Accumulated surplus

Particulars	Current Year	Previous Year
Balance at beginning of the year	672,717	-
surplus/deficit in operating Activities	(477,582)	672,717
Balance at end of the year	195,135	672,717

4.8 Designated Funds

Particulars	Current Year	Previous Year
Balance as at beginning of year	-	-
Additional Funds received during the year	-	-
Balance as at year end	-	-

Designated for

Particulars	Current Year	Previous Year
Total	-	-



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4.9 Proprieter Funds

Particulars	Current Year	Previous Year
Balance as at beginning of year	1,595,770	-
Additional Funds received during the year	-	1,595,770
Transfer to Unrestricted Funds (Transferred to Statement of Income & Expenditure)	-	-
Total	1,595,770	1,595,770

4.10 Endowment Funds

Particulars	Current Year	Previous Year
Balance at beginning of the year	-	-
Surplus / deficit for the year	-	-
Balance at end of the year	-	-

4.11 Profit & Loss A/C

Particulars	Current Year	Previous Year
Balance at beginning of the year	-	-
Additions during the year	-	-
Balance at end of the year	-	-

4.12 Deferred Revenue

Particulars	Current Year	Previous Year
Deferred Revenue	-	-
Total	-	-

4.13 Accounts Payable

Particulars	Current Year	Previous Year
TDS on Audit Fee	300	75
Audit Fee Payable	20,350	5,575
SST Payable	17,586	10,725
Payable income tax	500	500
Directors Fund payable	311,852	311,852
Other Payables	-	-
Total	350,589	328,727

4.14 Provisions

Particulars	Current Year	Previous Year
Balance as at the beginning of the period	-	-
Allocations during the year	-	-
Total	-	-



4.15 Incoming Resources

Particulars	Current Year	Previous Year
Donation by Birgunj Municipality	-	1,200,000
Donation by other	-	952,627
Donation by Birgunj Municipality about land Filling	-	214,742
Rahmi Das	-	25,000
ganesh Prasad lath	-	25,000
Anin Agrawal	-	25,000
Afsana Khatun	-	25,000
Renu Agrawal	-	25,000
Donation by Quest Pharmaceuticals Pvt. Ltd	314,000	-
Donation by Gorkhali Family	25,000	-
Donation by Sidhhartha school as lunch allowance	10,400	-
Sanjay Khetan	50,000	-
Rajan Kumaroi Shrivastava	50,000	-
Anil Gupta	50,000	-
Madhu rana	50,000	-
Sunil Gupta	50,000	-
Prithvi Raj Bhandari	50,000	-
Ashok Das	50,000	-
Ramesh Agrawal	50,000	-
sandip Mohata	50,000	-
Sindhu Santoliya	9,600	-
Ritesh Chapariya	8,000	-
Naresh Pradhan	15,000	-
Board meeting excess Bill deposit	3,500	-
Membership fees	100,000	-
Total Incoming Resources	935,500	2,492,369

(a) Profit from trading activities

Particulars	Current Year	Previous Year
Sale Proceeds	-	-
Cost/Fair Value of Items	-	-
Profit earned	-	-

4.16 Financial Income

Particulars	Current Year	Previous Year
Interest Income	80,002	-
Total	80,002	-

4.17 Other Income

Particulars	Current Year	Previous Year
Refund Vehicle Tax	5,280	-
Total	5,280	-



AASHA KIRAN KENDRA
BIRGUNJ-14, PARSA, NEPAL




Gauri & Associates
Reg No. 1318
Chartered Accountant

4.18 Staff Cost

Particulars	Current Year	Previous Year
Wages and salaries	-	-
Allowances and benefits	-	-
Total	-	-

4.19 Program Expenses

Particulars	Current Year	Previous Year
Health Education Program Expenses	-	214,742
Children Fun & Entertainment	-	35,000
Awareness program	-	40,000
Parents Meeting	-	16,000
Land Filling Work	-	214,742
Earth Quake food donation	25,000	-
CAMP programme	186,559	-
Total	211,559	520,484

4.20 General Administrative Overhead

Particulars	Current Year	Previous Year
Salary Expenses	686,133	1,072,500
Printing Expenses	13,650	25,000
Audit fee Expenses	15,000	5,000
Bank Charge Expenses	10	-
Vehicle Tax and insurance Expenses	52,230	-
Fuel Expenses	83,179	-
Banner Print Expenses	560	-
Misc expenses	67,316	-
School Maintenance Expenses	15,000	-
CDO renewal	5,250	-
Total	938,328	1,102,500

4.21 Repair & Maintenance Expenses

Particulars	Current Year	Previous Year
Repair & Maintenance Expenses	66,376	65,000
Total	66,376	65,000

4.21 Depreciation & Amortization

Particulars	Current Year	Previous Year
Depreciation	282,101	124,752
Amortization	-	-
Total	282,101	124,752




4.22 Income Tax Expense

The organization has got tax exempted status and accordingly no provision for tax has been

4.23 Capital Commitments

The organization has not entered into any capital commitments as of the date of this report.

4.24 Contingent Liabilities

The organization holds no contingent liabilities as of the reporting period.

4.25 Related Party Transactions

Following transactions were carried out with related parties;

Particulars	Current Year	Previous Year
Total remuneration paid to Board of Directors and Key Executives	-	-
Meeting Allowances to Board Members	-	-
Salary and other benefits to Executive Director	-	-
Total	-	-



**AASHA KIRAN KENDRA
BIRGUNJ, PARSA**

Statement of Accounting Policies and Notes to Financial Statements

1 General Information

AASHA KIRAN KENDRA is a non-governmental not for profit organization registered in PARS A District. Its registered office is in Birgunj, Nepal as a principle place of activities.

Except for certain activities that will conclude on the realization of their relevant activities in accordance with the relevant terms of reference, the financial statements have been prepared on going concern basis.

2 Basis of Preparation

2.1 Statement of Compliances

The Statement of Financial Position, Statement of Income & Expenditure, Statement of Changes in Reserves, Statement of Cash Flows together with the Accounting Policies and Notes to the financial statements as at 31st Asadh, 2081

2.2 Basis of measurement

The financial statements have been prepared using the historical cost convention or at Fair value wherever specifically disclosed.

2.3 Functional and presentation currency

The financial statements are presented in Nepali Rupees (NRs.), which is the organization's functional and presentation currency. All financial information presented in Rupees has been rounded to the nearest rupees/thousands/million, except when otherwise indicated.

2.4 Changes in Accounting Policies and Disclosures

The Accounting policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years.

2.5 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the accounting policies.

The management makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual result may differ from these estimates and assumptions. (The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are to be disclosed).

3 Summary of significant accounting policies

3.1 Property Plant and Equipment

A. Cost and Valuation

All items of property, plant and equipment are initially recorded at cost. Subsequent to the initial recognition of an asset, property plant and equipment are carried at cost less any subsequent depreciation. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment.

All other expenditure is recognized in the Statement of Income & Expenditure as an expense as incurred. Buildings owned are used for purposes of organization only and not for income generating purpose and therefore do not fall under the definition of Investment Property.

B. Depreciation



Depreciation is provided for on all Property Plant and Equipment on the straight-line basis and is calculated on the cost of all property, plant and equipment other than land, in order to write off such amounts less any terminal value over the estimated useful lives of such assets. The annual rates of depreciation currently being used by organization based on useful life less residual/terminal value are:

Donated Assets

Where property plant and equipment is purchased as a part of a project through restricted funds which initially written off as project cost with corresponding income, if on conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the asset is valued on the conclusion of the project with the approval from funding agencies and brought into the financial statements under property plant and equipment with corresponding credit to a Capital Reserve.

Depreciation provided on such assets will be charged against such capital Reserve. For purpose of depreciation the date of valuation for inclusion in the financial statements is considered the date of purchase.

3.2 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost minus any accumulated amortization, except for assets with indefinite useful lives. Internally generated intangible assets are not capitalized; expenditure is therefore reflected in the Statement of Income & Expenditure in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite useful lives are amortized over their useful economic life. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Accordingly, straight line amortization over the useful life is carried out.

Intangible assets with indefinite useful lives are tested for impairment annually. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

3.3 Foreign-currency transactions

Transactions in currencies other than Nepal Rupees are converted into Nepal Rupees at rates which approximate the actual rates at the transaction date. At the reporting date, monetary assets (including securities) and liabilities denominated in foreign currency are converted into Nepal Rupees at the rate of exchange at that date. Realized and unrealized exchange differences are reported in the Statement of Income & Expenditure.

3.4 Cash and cash equivalents

The organization considers and classifies cash in hand, amounts due from banks and short-term deposits with an original maturity of three months or less under the category of "Cash and cash equivalents". Bank borrowings that are repayable on demand and form an integral part of the organization's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash flows.

3.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the price at which inventories can be reasonably expected to be sold in the market place, less any estimated cost necessary to make the sale. The cost is determined on first-in first-out (FIFO) method and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Items donated for distribution or resale are not included in the financial statements until such time they are distributed or resold.

3.6 Provisions

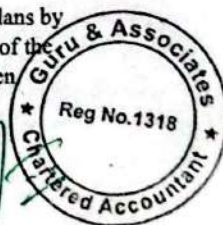
A provision is recognized in the statement of financial position when the organization has a legal or constructive obligation as a result of a past event, it is probable that an outflow of assets will be required to settle the obligation, and the obligation can be measured reliably.

3.7 Employee Benefits Liabilities

The organization's obligation in respect of the defined future benefit plans is calculated separately for each benefit plans by estimating the amount of future benefit that employees have earned in the current and prior periods. The calculation of the defined benefit obligations is performed annually. Gratuity, medical facilities & accumulated leave provision has been provided as per Bye Laws, assuming that all the staffs will be retired at the reporting date.



AASHA KIRAN KENDRA
BIRGUNJ-14, PARSA, NEPAL



3.8 Loans and Borrowings and Account Payables

Loans and Borrowings and Accounts payable are stated at their cost.

3.9 Accounting for the receipt and utilization of Funds/Reserves

Reserves

Reserves are classified as either restricted or unrestricted reserves.

a. Unrestricted Reserves/Funds/accumulated surplus

Unrestricted funds are those that are available for use by the organization at the discretion of the Board, in furtherance of the general objectives of the organization and which are not designated for any specific purpose.

Surplus funds are transferred from restricted funds to unrestricted funds in terms of the relevant Donor Agreements or with the prior approval of the Donor.

Contributions received from the general public are recognized in the Statement of Income & Expenditures on a cash basis.

b. Designated Reserves/Funds

Unrestricted funds designated by the Board to a specific purpose are identified as designated funds. The activities for which these funds may be used are identified in the financial statements. Where grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the Statement of Income & Expenditure to match with expenses incurred in respect of that identified project.

Unutilized funds are held in their respective Fund accounts and included under accumulated fund in the Statement of Financial Position until such time as they are required.

Funds collected through a fund raising activity for any specific or defined purpose are also included under this category. Where approved grant expenditure exceeds the income received and there is certainty that the balance will be received such amount is recognized through Debtors in the Statement of Financial position.

c. Restricted Fund

The activities for which these restricted funds may and are being used are identified in the notes to the financial statements Restricted Reserves/Funds. Such restricted fund may include conditions for refund should there be balance of fund at the end of the project.

d. Investment Income

Investment Income and other gains realized from funds available under each of the above categories are allocated to the appropriate funds, unless the relevant agreement or minute provides otherwise. Where such income can be used for general purpose, same shall be treated as income in the Statement of Income & expenditure.

3.10 Grants and Subsidies

Grants and subsidies are recognized in the financial statements at their fair value. When the grant or subsidy relates to an expense it is recognized as deferred income necessary to match it with the costs over the accounting years, which is intended to compensate for on a systematic basis.

Grants and subsidies in the form of PPE (Fixed assets) are generally shown as deferred income in the Statement of Financial Position and credited to the Statement of Income & Expenditure over the useful life of the asset by the amount of depreciation with corresponding debit to deferred income over more than one accounting period.

In the case of grants received to fund an entire project or activity, which includes the purchase of an asset, and the cost of such asset is charged with the project costs to the Statement of Financial Performance, the grant value is recognized as income in the same period as the cost of the asset is charged to the Statement of Income & Expenditure.

At the end of the project, when there is certain fair value remains of such assets charged to Statement of Income & Expenditure, same will be recognized as capital reserve at fair value with corresponding value of PPE. Each year and over its useful life, the depreciation will be charged to capital reserve with corresponding credit to related PPE.

3.11 Income recognition

a. Contributions/ Incoming Sources



AASHA KIRAN KENJURA
BIRGAUN-14, PARSA, NEPAL





Income realized from restricted funds is recognized in the Statement of Income & Expenditure only when there is certainty that all of the conditions for receipt of the funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the Statement of Income & Expenditure. Unutilized funds are carried forward as such in the Statement of Financial Position.

Gifts and donations received in kind are recognized at fair value at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purpose of the organization at the point of such sale. Items not sold or distributed are inventoried but not recognized in the financial statements.

All other income is recognized when the organization is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through fund raising activities and donations.

b. Financial Income

Interest earned is recognized on an accrual basis when there is certainty of receipt. Dividend received is recognized when the right to receive dividend is established. Revenues earned on services rendered are recognized in the accounting period in which the services were rendered and accepted by the clients.

Net gains and losses on the disposal of property, plant and equipment and other non-current assets, including investments, are recognized in the Statement of Income & Expenditure after deducting from the proceeds on disposal, the carrying value of the item disposed of and any related selling expenses.

c. Other Income

Other income is recognized on an accrual basis except otherwise categorically explained to be on cash basis.

3.12 Expenditure recognition

Expenses in carrying out the projects and other activities of the organization are recognized in the Statement of Income & Expenditure during the period in which they are incurred. Other expenses incurred in administering and running the organization and in restoring and maintaining the property plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the Statement of Income & Expenditure.

3.13 Taxation

a. Current Taxes

The organization has got tax exempted status from Inland Revenue Department and accordingly no provision for tax has been made.

3.14 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset, are charged off to Statement of Income & Expenditure as expense. Other borrowing costs are treated as an expense in the period in which it is incurred.

3.15 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the organization. It may also be a present obligation that arises from past events but in respect of which an outflow of economic benefit is not probable or which cannot be measured with sufficient reliability. Such contingent liabilities are recorded under Notes. For certain operational claims reported as contingent liabilities, it is not practical to disclose detailed information on their corresponding nature and uncertainties.

Note: Each entity is entitled to provide additional information on accounting policies or rewrite the above narrative to reflect more realistic information.



AASHA KIRAN KENDRA
BIRGUNJ-14, PARSA, NEPAL



