

Ref: 48/2075-76

INDEPENDENT AUDITOR'S REPORT

To Executive Committee

Saptagandaki Multiple Campus
Bharatpur, Chitwan

We have audited the accompanying financial statements of Saptagandaki Multiple Campus, which comprises the Balance Sheet at 32 Ashadh 2075 Income Statement and Cash Flow Statement for the year ended then and Schedules, Significant Accounting Policies and Notes to Account, all expressed in Nepali Currency.

Managements' Responsibility

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

Auditors' Responsibility

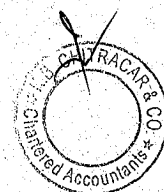
Our responsibility is to express an opinion based on our audit whether accompanying financial statements present true and fair view of state of affairs.

Audit Approach

We have conducted our audit in accordance with Nepal Standard on Auditing (NSA) generally accepted in Nepal. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal controls, and the availability of persuasive, rather than conclusive, evidence. Therefore an audit cannot guarantee that all material misstatements have been detected.

The audit opinion is formed on the basis of these procedures, which includes:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.



SAPTAGANDAKI MULTIPLE CAMPUS

Bharatpur, Chitwan

BALANCE SHEET

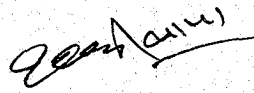
As on 32 Ashad, 2075

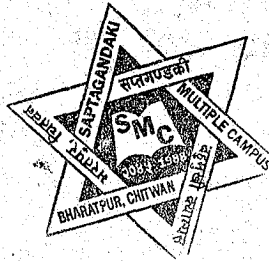
Amount in NPR.

Particulars	Schedule	32 Ashad 2075	31 Ashad 2074
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1	31,348,477	32,192,070
Deposits and Other Non-Current Assets	2	19,000	19,000
Current Assets			
Trade Receivables, Advances and Other Receivables	3	21,740,637	17,937,475
House Rent Receivable	4	-	32,048
Cash and Cash Equivalents	5	49,665,653	17,707,520
Total Assets		102,773,767	67,888,113
FUNDS AND LIABILITIES			
Fund Balance			
Other Funds	6	1,729,209	1,729,209
Reserve and Surplus	7	91,756,197	58,999,173
Non-Current Liabilities			
Current Liabilities			
Trade Payable and Other Payables	8	6,374,088	4,761,469
Deposit Liabilities	9	2,914,273	2,398,263
Total Liabilities		102,773,767	67,888,113

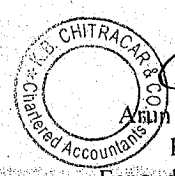
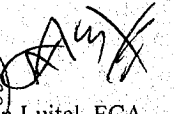
Schedules, Significant Accounting Policies and Notes to Accounts are integral parts of this Financial Statements.

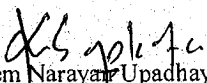
In terms of our report of even date attached



Tek Bahadur Thapa
Chairman
Chairman




Madhur Nepal
Treasurer
Treasurer



Anil Luitel, FCA
Partner
For and on behalf of
KB Chitracar & Co.
Chartered Accountants


Khem Narayan Upadhyaya Sapkota
Campus Chief
Campus Chief


Toya Nath Bhattarai
Account Controller
Account Controller

SAPTAGANDAKI MULTIPLE CAMPUS
Bharatpur, Chitwan

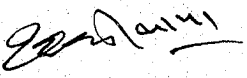
CASH FLOW STATEMENT
For the year ended 32 Ashad 2075


Amount in NPR.

	32 Ashad 2075	31 Ashad 2074
A. Cash Flow From Operating Activities		
Surplus during the current year	31,330,634	7,983,385
<i>Adjustments For:</i>		
Depreciation	3,013,053	2,439,244
Prior Period Adjustment	1,426,390	-
Operating Profit/Loss before Working Capital Changes	35,770,077	10,422,629
Decrease/(Increase in) in Current Assets	(3,771,114)	(5,716,972)
Increase/(Decrease in) in current Liabilities	2,128,630	(107,618)
Net Cash From Operating Activities	34,127,592	4,598,039
B. Cash Flow From Investing Activities		
Increase in Construction Retention	-	
Purchase of Property, Plant and Equipment	(2,169,459)	(4,557,117)
Sale Proceeds/(Payment) for Deposits and Other Non-Current Assets	-	-
Net Cash Flow From Investing Activities	(2,169,459)	(4,557,117)
C. Cash Flow From Financing Activities		
Change in Other Fund	-	-
Net Cash Flow From Financing Activities	-	-
Cash Generated during the year (A+B+C)	31,958,132.77	40,921.70
Cash and Cash Equivalent at Beginning of the Year	17,707,520	17,666,598
Cash and Cash Equivalent at End of the Year	49,665,653	17,707,520

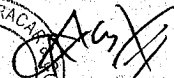
Schedules, Significant Accounting Policies and Notes to Accounts are integral parts of this Financial Statements.

In terms of our report of even date attached


Tek Bahadur Thapa
Chairman
Chairman

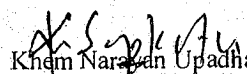

Madhur Nepal
Treasurer

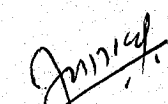



Arun Luitel, FCA
Partner

Treasurer

For and on behalf of
KB Chitracar & Co.
Chartered Accountants


Khem Narayan Upadhyaya Sapkota
Campus Chief


Toya Nath Bhattarai
Account Controller

Campus Chief

Account Controller

SAPTAGANDAKI MULTIPLE CAMPUS

Bharatpur, Chitwan

Schedule forming part of financial statement for the year ended on 32 Ashad 2075

Schedule 2: Deposit and Other Non Current Assets

Amount in NPR.

Particulars	32 Ashad 2075	31 Ashad 2074
Nepal Electricity Authority	4,000	4,000
Nepal Telecom	15,000	15,000
Total	19,000	19,000

Schedule 3: Trade Receivables, Advances and Other Receivables

Amount in NPR.

Particulars	32 Ashad 2075	31 Ashad 2074
Narayani Higher Secondary School	2,000,000	2,000,000
BR Insosys	-	150,000
Staff Advance-for other works	-	44,686
Annapurna Metal Udhyog	-	25,000
Maskey Consultancy Service Pvt. Ltd.	101,500	-
Staff Advance	536,264	68,505
Student Due	19,102,873	15,649,284
Total	21,740,637	17,937,475

Schedule 4: House Rent Receivable

Amount in NPR.

Particulars	32 Ashad 2075	31 Ashad 2074
Sunil Lama	-	10,400.00
Bishnu Poudel	-	21,648.00
Total	-	32,048

Schedule 5: Cash and Cash Equivalents

Amount in NPR.

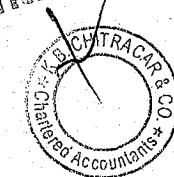
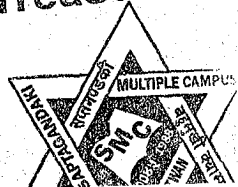
Particulars	32 Ashad 2075	31 Ashad 2074
Rastriya Baninjya Bank Limited (A/C No. 1534/19)	14,046	14,046
Rastriya Baninjya Bank Limited (A/C No. 1535/19)	4,434,715	(184,892)
Lumbini Bank Limited	10,009	10,009
Triveni Bikas Bank (A/C No. 1232810)	-	1,271,223
Triveni Bikas Bank (A/C No. 1326609 OD)	-	5,892
033301018609502 SMC MAIN FUND	5,000	5,000
SMC SHEP Fund (Call A/C No. 85215)	763,685	11,411,059
SMC SHEP Fund (Current A/C No. 85209)	5,000	5,000
Rastriya Banijya Bank (A/C No. 100/9706)	4,545	4,481
Janta Bank Ltd.(033002018609501)	7,006,926	80,253
Prabhu Bank Main Fund (0541160089668)	5,000	9,525,787
Prabhu Bank O. Fund (05411600896693)	5,000	(4,440,338)
Main Fund Prabhu Bank 896686000003	11,375,048	-
Prabhu Bank O. Fund 896693000002	(613,351)	-
Saptagandaki Multiple Campus FD	11,000,000	-
Prabhu Bank FD	650,000	-
Kamana Sewa Development Bank FD	15,000,000	-
Cash in Hand	30	-
Total	49,665,653	17,707,520

Account Controller

Campus Chief

Treasurer

Chairman



SAPTAGANDAKI MULTIPLE CAMPUS

Bharatpur, Chitwan

Schedule forming part of financial statement for the year ended on 32 Ashad 2075

Schedule 10: Revenue (Student Income)

Amount in NPR.

Particulars	32 Ashad 2075	31 Ashad 2074
Tuition/Monthly Fee	42,899,100	40,781,005
Application Form Charge	345,325	1,064,675
Student Welfare Fee	854,000	713,650
Transfer Charge	29,175	16,200
Annual Fee	23,791,520	22,401,445
Service Charge	282,025	212,035
Id Card / Renew Fee	347,100	324,065
Book Fine	10,938	10,346
Certificate Fee	786,325	779,500
Teaching Practice	1,222,000	1,116,025
Regd. Fee	623,625	1,066,350
Exam Fee	5,977,065	4,735,280
Chance Exam Charge	170,050	11,100
Book Late Fine	26,845	41,261
Internal Exam	3,285,325	3,000,272
Tie Fee	150,675	180,150
Late Fee	121,480	73,425
Computer Fee	1,010,375	808,455
Thesis Fee	705,000	832,500
Laboratory Development Income	174,600	129,000
SMS Fee	46,725	-
Total	82,859,273	78,296,739

Schedule 11: Grant Income from UGC

Amount in NPR.

Particulars	32 Ashad 2075	31 Ashad 2074
UGC Regular Grants	1,400,000	1,503,725
UGC Performance Grant	4,125,320	967,180
UGC Other Grant	700,000	500,000
UGC Matching Grants	2,148,384	-
UGC QAA Grants	17,040,000	-
	25,413,704	2,970,905

Schedule 12: Other Income

Amount in NPR.

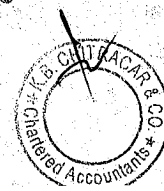
Particulars	32 Ashad 2075	31 Ashad 2074
House Rent Income	768,936	666,556
Miscellaneous Income	284,922	3,500
Miscellaneous Discount	35,520	-
Interest Income	1,395,591	751,338
Electricity Income	37,940	23,760
Examination Income	65,000	145,250
Hall Income	6,500	1,000
Application Charge	86,000	18,500
Workshop and Seminar Income	237,150	-
Late Charge	42,262	-
Total	2,959,821	1,609,904

[Signature]
Account Controller

[Signature]
Campus Chief

[Signature]
Treasurer
S.M.C. MULTIPLE CAMPUS

[Signature]
Chairman



Saptagandaki Multiple Campus

Bharatpur, Chitwan

For the Year ended on 32 Ashad, 2075

Background

Saptagandaki Multiple Campus (SMC) is situated at Bharatpur, the headquarter of Chitwan District in Narayani Zone. SMC was established in 2045 B.S. SMC came into being through collective endeavor of distinguished academicians, social workers, political figures and general public from the community. Founded with the motto of disseminating quality education basically to the students coming from underprivileged and marginalized groups as well as middle class backgrounds at affordable cost

1. Significant accounting Policies

a. Basis of Accounting

Accrual method of accounting is followed with regard to income and expenditure. Management makes estimates and technical and other assumptions regarding the amounts of income and expenditure in accordance with Generally Accepted Accounting Principles (GAAP) and Nepal Accounting Standards (NAS) in the preparation of the financial statements.

b. Basis of Preparation of Financial Statements

The attached financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP). These statements materially comply with the applicable Nepal Accounting Standard (NAS) notified by Accounting Standards Board (ASB).

c. Use of Estimates

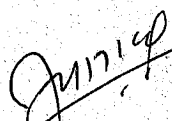
The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in Nepal requires management to make estimates and assumptions that affects the reported amount of assets and liabilities and the disclosure of contingent liabilities on date of the financial statements and the reported amounts of income and expenditure during the year. Actual results could differ from these estimates.

d. Property, Plant and Equipment

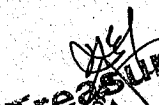
Property, Plant and Equipment are recorded at cost of acquisition. The cost of acquisition or construction is inclusive of freight, duties, taxes (except for those for which credit/refund can be claimed) and other incidental expenses related to acquisition, installation and construction of respective assets.

e. Depreciation

Depreciation is provided on written down value as per the provisions mentioned in Income Tax Act, 2058 from fiscal year 2074/75 as per the decision made by the Board of Directors.


Finance Controller


Campus Chief


Treasurer


Chairman



- c. The balance of banks, debtors, creditors, advances are subject to confirmation and therefore the resultant effect of difference, if any, of the same on the financial statement is unascertainable. The adjustment on reconciliation, if necessary, will be made on receipt thereof.
- d. Previous year figure have been regrouped, rearranged and restated wherever consider necessary to confirm with current year presentation.
- e. Bank account has been reconciled through bank reconciliation statement.
- f. Tax is deducted on salary and allowance on accrual basis but in case of leave encashment it is deducted on payment basis.
- g. The transfer to Reserve and Surplus during the Year includes the profit earned during the year and adjustment made in student due account.

G. Juvial
Account Controller

K. Sapkota Treasurer
Campus Chief

Prakash
Chairman

