

# Mukti Nath Khanal & ASSOCIATES

Registered Auditors

FIRM Reg. No : 5448  
M S No : 4168  
PAN No : 300946112

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders.  
Siddhartha Multiple College Pvt. Ltd. (302388002)

### Opinion

We have audited the accompanying financial statements of **Siddhartha Multiple College Pvt. Ltd.**, which comprise the Balance sheet as at Ashadh 31, 2080, and the income statement, Statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. In our opinion, the financial statements present fairly, in all material respects the financial position of **Siddhartha Multiple College Pvt. Ltd.**, as at Ashadh 31, 2080, and its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards.

### Basis for Opinion

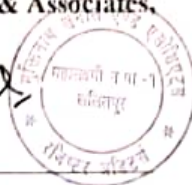
We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of The Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements** Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, 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 a 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 based on these financial statements.

For,  
Mukti Nath Khanal & Associates,



Mukti Nath Khanal  
Proprietor

UDIN NO:

Date: 2080/09/11

Place: Lalitpur

# SIDDHARTHA MULTIPLE COLLEGE PRIVATE LIMITED

Kathmandu

Statement of Financial Position

As at 31st Ashad, 2080

		As at 31st Ashad 2080	Figures in NPR As at 32nd Ashad 2079
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	19,422,076	8,895,915
<b>Total Non-Current Assets</b>		<b>19,422,076</b>	<b>8,895,915</b>
<b>Current assets</b>			
Trade and other receivables	4	23,452,465	9,091,968
Cash and cash equivalents	5	248,858	230,249
<b>Total current assets</b>		<b>23,701,323</b>	<b>9,322,217</b>
<b>Total assets</b>		<b>43,123,398</b>	<b>18,218,132</b>
 <b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6	50,000,000	24,872,000
Retained earnings	7	(18,970,438)	(19,116,194)
<b>Total Equity</b>		<b>31,029,562</b>	<b>5,755,806</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Unsecured Loans		9,138,164	9,743,024
<b>Total Non-Current Liabilities</b>		<b>9,138,164</b>	<b>9,743,024</b>
<b>Current Liabilities</b>			
Trade and other payables	8	2,892,317	2,719,302
Income Tax Liability		63,355	-
<b>Total Current Liabilities</b>		<b>2,955,672</b>	<b>2,719,302</b>
<b>Total Liabilities</b>		<b>12,093,836</b>	<b>12,462,326</b>
<b>Total Equity and Liabilities</b>		<b>43,123,398</b>	<b>18,218,132</b>

The accompanying notes form an integral part of these financial statements.


As per our report of even date

For and on Behalf of Siddhartha Multiple College P Ltd.,

  
(Chairman)



  
(Accountant)

  
(Regd. Auditor)

Date: 15th Poush, 2080  
Place: Kathmandu

# SIDDHARTHA MULTIPLE COLLEGE PRIVATE LIMITED

Kathmandu

Income Statement

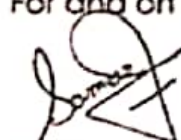
For the year ended 31st Ashad 2080

	Note	Current Year	Figures In NPR Previous Year
Fees Incomes	9	32,645,600	19,165,200
Other Incomes		-	-
<b>Total Incomes</b>		<b>32,645,600</b>	<b>19,165,200</b>
Employee Expenses	10	(14,464,581)	(9,861,125)
Administrative Expenses	11	(15,855,182)	(8,022,454)
Repair and Maintenance Expenses	12	(676,210)	(249,536)
<b>Profit from Operations</b>		<b>1,649,627</b>	<b>1,032,085</b>
Finance Costs		-	-
Depreciation	3	(1,440,517)	(875,676)
<b>Profit/(Loss) Before Tax</b>		<b>209,110</b>	<b>156,408</b>
Income Tax Expense		(63,355)	-
<b>Profit/(Loss) from continuing operations</b>		<b>145,756</b>	<b>156,408</b>
<b>Profit/(Loss) on Discontinued Operations (Net of tax)</b>			
<b>Net Profit/(Loss) for the year</b>		<b>145,756</b>	<b>156,408</b>

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on Behalf of Siddhartha Multiple College P Ltd.,

  
(Chairman)



  
(Accountant)



Date: 15th Poush, 2080

Place: Kathmandu

# SIDDHARTHA MULTIPLE COLLEGE PRIVATE LIMITED

Kathmandu

## Statement of Cash Flows

For the year ended 31st Ashad 2080

Figures in NPR

Current Year      Previous Year

### CASH FLOWS FROM OPERATING ACTIVITIES

Net Profit for the year	145,756	156,408
Adjustments for:		
Tax expense	63,355	-
Depreciation on property, plant and equipment	1,440,517	875,676
Interest expense	-	-
Working capital adjustments:		
Increase/ (decrease) in Trade & Other receivables	(14,360,497)	(6,542,946)
Increase / (decrease) in trade and other payables	173,015	(2,097,097)
<b>Cash generated from operations</b>	<b>(12,537,854)</b>	<b>(7,607,958)</b>
Income Tax Paid	-	-

**NET CASH FLOWS FROM OPERATING ACTIVITIES [A]** **(12,537,854)** **(7,607,958)**

### CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES

Purchase of property, plant and equipment	(7,436,417)	(1,969,816)
Capital advances	(4,530,260)	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES [B]</b>	<b>(11,966,677)</b>	<b>(1,969,816)</b>

### CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issue of ordinary shares	25,128,000	-
Net (repayment of) increase in borrowings	(604,860)	9,743,024
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES [C]</b>	<b>24,523,140</b>	<b>9,743,024</b>

### INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]

**MOVEMENT IN CASH AND CASH EQUIVALENTS** **18,609** **165,249**

Beginning of Year 230,249 65,000

(Decrease)/Increase


Effect of exchange rate changes on cash and cash equivalents

**CASH AND CASH EQUIVALENTS, End of Period** **248,858** **230,249**

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on Behalf of Siddhartha Multiple College P Ltd.,

  
(Chairman)



  
(Accountant)



Date: 15th Poush, 2080

Place: Kathmandu

**SIDDHARTHA MULTIPLE COLLEGE PRIVATE LIMITED**

Kathmandu

**Statement of Changes in Equity  
For the year ended 31st Ashad 2080**

Figures in NPR

	Notes	Share capital	Share premium	Foreign Exchange Reserve	Revaluation Reserve	Other Reserve	Retained earnings	Total
Balance at 1st Shrawan		24,872,000	-	-	-	-	(19,116,194)	5,755,806
<b>PROFIT FOR THE YEAR</b>							145,756	145,756
<b>OTHER COMPREHENSIVE INCOME (LOSS):</b>								
Translation differences on consolidation		-	-	-	-	-	-	-
Actuarial loss on employee benefit obligations, net of tax		-	-	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>								
<b>TRANSACTIONS WITH EQUITY HOLDERS:</b>								
Dividend paid - final		-	-	-	-	-	-	-
Issue of shares		25,128,000						25,128,000
Balance at end of Ashad		50,000,000	-	-	-	-	(18,970,438)	31,029,562

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on Behalf of Siddhartha Multiple College P Ltd.,

  
(Chairman)

  
(Accountant)



Date: 15th Poush, 2080  
Place: Kathmandu

**SIDDHARTHA MULTIPLE COLLEGE PRIVATE LIMITED**  
Kathmandu  
Notes to Financial Statements

Figures in NPR

3 Property, plant and equipment	Building	Office Equipments	Furnitures	Lab and Other Equipments	Total
Depreciation Rate	5%	25%	25%	20%	
Balance as at 1st Shrawan	6,673,654	1,138,394	1,008,125	75,743	8,895,915
<b>Additions</b>					
Upto Poush	130,000	-	700,000	-	830,000
Upto Chaitra	2,236,520	155,500	326,540	-	2,718,560
Upto Ashadh	1,558,548	115,200	2,128,909	85,200	3,887,857
Disposals	-	-	-	-	-
Depreciation for the year	(440,709)	(320,115)	(658,864)	(20,829)	(1,440,517)
Advance for futsal and building construction	4,530,260				4,530,260
<b>Balance as at end of Ashad</b>	<b>14,688,272</b>	<b>1,088,979</b>	<b>3,504,710</b>	<b>140,114</b>	<b>19,422,076</b>




**SIDDHARTHA MULTIPLE COLLEGE PRIVATE LIMITED**  
**Kathmandu**  
**Notes to Financial Statements**

**1 Company Information**

Sidhartha Multiple College Pvt. Ltd. is a college delivering the quality education. The registered office of the company is situated in Bafal, Kathmandu.

**2 Significant accounting policies**

The Company is a Small and Medium Sized Company and accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

**i. Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in Nepal to comply with the Accounting Standards notified by The Institute of Chartered Accountants of Nepal (ICAN) and the relevant provisions of the Companies Act, 2063. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**ii. Use of estimates**

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**iii. Depreciation and amortisation**

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule II (Anusuchi II) to the Income Tax Act, 2058.

**iv. Revenue recognition**

Income & expenses are recognised and accounted on accrual basis. Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved.

**v. Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

**vi. Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 2058.

**vii. Others**

Previous year figures Previous year figure has been regrouped or re arranged wherever necessary.



**SIDDHARTHA MULTIPLE COLLEGE PRIVATE LIMITED**  
**Kathmandu**  
**Notes to Financial Statements**

*Figures In NPR*

**4 Trade and other receivables:**

	<u>As at 31st Ashad 2080</u>	<u>As at 32nd Ashad 2079</u>
Student Receivables	16,199,257	7,789,538
Other Receivables	5,660,558	-
College Deposits	1,050,000	1,050,000
Canteen Deposits	200,000	-
Staff Advances	342,650	245,850
Advance Tax	-	6,580
	<u>23,452,465</u>	<u>9,091,968</u>

**5 Cash and Cash Equivalents:**

	<u>As at 31st Ashad 2080</u>	<u>As at 32nd Ashad 2079</u>
Cash in Hand	235,206	230,249
Bank Balances		
NMB bank	2,411	-
Sanima bank	10,257	-
Global IME bank	984	-
	<u>248,858</u>	<u>230,249</u>






**SIDDHARTHA MULTIPLE COLLEGE PRIVATE LIMITED**  
Kathmandu  
Notes to Financial Statements

Figures in NPR

6 Share capital:

	As at 31st Ashad 2080	As at 32nd Ashad 2079
(a) Authorised Shares		
Ordinary shares of Rs. 100 each	50,000,000	50,000,000
(b) Ordinary shares issued Ordinary shares of Rs. 100 each	50,000,000	50,000,000
(c) Ordinary shares issued and fully paid Ordinary shares of Rs. 100 each As at end of Ashad	50,000,000	24,872,000
	<u>50,000,000</u>	<u>24,872,000</u>

7 Reserves:

Retained earnings

	As at 31st Ashad 2080	As at 32nd Ashad 2079
As at 1st Shrawan	(19,116,194)	(19,272,602)
Profit for the year	145,756	156,408
Other comprehensive income	-	-
Total	(18,970,438)	(19,116,194)
Dividend to Share Holders As at end of Ashad	(18,970,438)	(19,116,194)

8 Trade and other payables:

	As at 31st Ashad 2080	As at 32nd Ashad 2079
Trade Payables	1,421,073	1,580,607
Other Payables	300,000	-
Salary Payable	783,498	805,325
Audit Fees Payables	42,500	49,250
<b>TDS Payables</b>		
TDS on Rent	96,000	120,000
TDS on Services	-	64,759
Social Security Fund	143,746	98,611
Remuneration Tax	98,000	-
TDS on Audit Fees	7,500	750
	<u>2,892,317</u>	<u>2,719,302</u>

