TIWARI S. & ASSOCIATES
Chartered Accountants
Kathmandu Nepal

Firm no: 1099
Pan no: 109387956
COP No: 1232

INDEPENDENT AUDITOR'S REPORT
To the management committee of,
Madan Bhandari Memorial College,
Kathmandu, Nepal

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **Madan Bhandari Memorial College** (the Company), which comprise the Statement of Financial Position as at 32nd Ashad, 2083 and Statement of Profit & Loss and Other Comprehensive Income, Statement of Cash Flow, Statement in Changes in Equity for the period then ended and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements present fairly in all material respect, the financial position of the company as at 32nd Ashad, 2083 (16th July, 2026), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended 32nd Ashadh, 2083. These matters were addressed in the context of our audit of the Financial Statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

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S.N.	Key Audit Matters	How our Audit Addressed the Key Audit Matters.
1.	The College adopted Nepal Financial Reporting Standards (NFRS) for the first time during the current financial year. As part of the transition to NFRS, the College restated its comparative financial information relating to fee income, which had previously been recognized on a cash basis. The restatement resulted in an increase in reserves of **Rs. 37,912,038** relating to the financial year 2080/81. For the financial year 2081/82, this change in accounting basis resulted in a decrease in fee income by **Rs. 24,629,103** which reflects fee receivable of 2080/81 which was collected in 2081/82. The determination of the appropriate amount of fee income under accrual basis, together with the assessment of the recoverability of student receivables and the resulting restatement of comparative information, required significant auditor attention. Accordingly, we considered the recognition and measurement of fee income and related student receivables arising from the first-time adoption of NFRS to be one of the matters of most significance in our audit.	• Obtaining an understanding of the College's process for recognition of fee income and the basis used for restating the comparative financial information; • Evaluating the accounting treatment adopted by the College for fee income under NFRS; • Examining the reconciliation of fee income previously recognized on a cash basis to the amounts recognized under the applicable NFRS requirements; • Testing the adjustments made in respect of the financial years 2080/81 and 2081/82; • Assessing the basis for the increase in reserves of **Rs. 37,912,038** relating to 2080/81; • Verifying the decrease in fee income of **Rs. 24,629,103** arising from the change from cash basis to accrual basis in Fiscal Year 2081/82; • Obtaining and examining the student receivables list supporting the fee income recognized under the accrual basis; • Performing appropriate audit procedures over the existence, accuracy and recoverability of the student receivable balances, including examination of available supporting records and subsequent collections, where applicable; • Assessing whether the related adjustments and disclosures were appropriately reflected in the financial statements in accordance with the applicable NFRS requirements.

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	Upon change of accounting policy of revenue recognition from cash basis to accrual, the effect of receivables arising thereon should have been made through reserves.	The matter was brought into the attention of the management. Management concluded that the effect would be made through reserves after actual fee receivable is determined.

Other Matter Paragraph

During our audit, we noted that the Bank Statement of Prime Bank Limited for bank account no. 00101000000530500178, having a balance of Rs. 1,231,307.77 as at the reporting date, was not made available to us. However, we concluded that it does not lead to any material misstatement in respect of the reported bank balance, hence our opinion is not modified in this respect.

Responsibility 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 NASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 as 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 the 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
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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 Company'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 Company'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 disclosures in the financial statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Tiwari S.& Associates, Chartered Accountants

Srijana Tiwari, CA
Proprietor
Date: 14th Bhadra 2083
Place: Kathmandu, Nepal

Tiwari S. & Associates
Kathmandu
Nepal
Chartered Accountants

UDIN:

MADAN BHANDARI MEMORIAL COLLEGE

Binayaknagar New Baneshwor, Kathmandu
Statement of Financial Position
As at 32 Ashad 2083 (16 July 2026)

Figures in NPR

	Notes	As at 32nd Ashad 2083	Restated As at 31st Ashad 2082	Restated As at 1st Shrawan 2081
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3.1	39,729,636	40,867,360	40,909,319
Intangible Assets	3.2	502,539	154,456	205,941
Other Receivables	3.3	-	-	-
Total Non-Current Assets		**40,232,174**	**41,021,816**	**41,115,261**
Current Assets				
Trade and other receivables	3.3	30,862,547	26,201,199	50,349,678
Inventories	3.4	-	-	-
Cash and cash equivalents	3.5	38,118,930	43,973,471	46,924,525
Deffered Tax Assets		114,267	243,493	29,277
Total Current Assets		69,095,744	70,418,163	97,303,480
Total Asssets		109,327,918	111,439,980	138,418,740
EQUITY AND LIABILITIES				
Equity				
Capital fund	3.6	43,698,768	43,698,768	43,698,768
Reserves	3.7	33,567,531	37,986,537	63,248,067
Total Equity		77,266,299	81,685,305	106,946,835
Liabilities				
Non-Current Liabilities				
Deferred Grant Liability	3.8	20,061,313	20,384,916	20,422,485
Provisions		-	-	-
Total Non-Current Liabilities		20,061,313	20,384,916	20,422,485
Current Liabilities				
Staff and Other Liabilities	3.8			
Trade and other payables	3.9	11,390,778	8,821,685	9,844,486
Tax And TDS Liabilities	3.10	609,528	548,074	1,204,934
Deffered Tax liability		-	-	
Total Current Liabilities		12,000,307	9,369,758	11,049,420
Total Liabilities		32,061,619	29,754,674	31,471,905
Total Equity and Liabilities		109,327,918	111,439,980	138,418,740

As per our report of even date

Laxmi Raj Chapagain
Finance Officer

Dr. Tara Prasad Gautam
Assistant Campus Chief

Dr. Babu Ram Adhikari
Campus Chief

Mahendra Bahadur Pandey
Chairperson

CA Srijana Tiwari
For: Tiwari S. & Associates
Chartered Accountants

Tiwari S. & Associates Kathmandu Nepal Chartered Accountants

MADAN BHANDARI MEMORIAL COLLEGE

Binayaknagar New Baneshwor, Kathmandu

Statement of Income

For the period 32 Ashad 2083 (16 July 2026)

Figures in NPR

Particulars	**Notes**	***FY 2082-83***	***FY 2081-82***
Fee Income	3.11	67,285,576	36,351,851
Less :Academic expenses	3.14	(36,440,657)	(31,442,699)
Gross Surplus		**30,844,919**	**4,909,151**
Other Income	3.12	1,299,920	1,621,953
Grant Income	3.13	7,309,264	6,157,069
Total Operating Income		**39,454,103**	**12,688,174**
Administrative Expenses	3.15	34,414,769	32,003,339
Repair and maintainance Expenses	3.16	613,520	670,024
Operating Profit		**4,425,813**	**(19,985,189)**
Depreciation and Amortization Expenses		5,170,609	5,084,326
Other Expenses	3.17	3,508,483	-
Profit Before Tax		**(4,253,280)**	**(25,069,516)**
Income Tax Expense	3.18	-	
Deffered Tax Expenses	3.10	(129,226)	
Deffered Tax Income	3.10.		214,216
Net Profit for the year		(4,382,506)	(24,855,300)

As per our report of even date

Laxmi Raj Chapagain
Finance Officer

Dr. Tara Prasad Gautam
Assistant Campus Chief

Dr. Babu Ram Adhikari
Campus Chief

Mahendra Bahadur Pandey
Chairperson

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MADAN BHANDARI

MADAN BHANDARI MEMORIAL COLLEGE

Binayaknagar New Baneshwor, Kathmandu

Statement of Changes in Equity

For the period 32 Ashad 2083 (16 July 2026)

Figures in NPR

Particulars	Notes	Share Capital	Share Premium	Retained Earnings	Other Reserves	Total
Balance at 1 Shrawan 2081 (restated)		43,698,768	-	25,453,163	-	69,151,931
Restatements on transition to NFRS		-	-	37,794,904	-	37,794,904
Balance at 1 Shrawan 2081 (restated)		43,698,768	-	63,248,067	-	106,946,835
Profit for the year		-	-	(24,855,300)	-	(24,855,300)
Issue of Shares			-	-	-	-
Dividends to Shareholders		-	-	-	-	-
Other Changes		-	-	(406,231)	-	(406,231)
Balance at 31 Ashad 2082		43,698,768	-	37,986,537	-	81,685,305
Profit for the year		-	-	(4,382,506)	-	(4,382,506)
Issue of Shares		-	-	-	-	-
Dividends to Shareholders		-	-	-	-	-
Other Changes		-	-	(36,500)	-	(36,500)
Balance at 31 Ashad 2083		43,698,768	-	33,567,531	-	77,266,299

As per our report of even date

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CA Srijana Tiwari
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MADAN BHANDARI MEMORIAL COLLEGE

Binayaknagar New Baneshwor, Kathmandu

Statement of Cash Flows

For the period 32 Ashad 2083 (16 July 2026)

Figures in NPR

Particulars	FY 2082-83	FY 2081-82
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit for the year	(4,382,506)	(24,855,300)
Adjustment for:		
Proior period adjustment	(36,500)	(406,231)
Depreciation/Impairment on Property, Plant and Equipment	5,170,609	5,084,326
Interest Income	(455,893)	(895,644)
Grant income	(7,309,264)	(6,157,069)
Loss/(gain) on subsequent measurement of investments	-	-
Deffered Tax income/expesses	129,226	(214,216)
Working Capital Adjustments		
Decrease/(Increase) in trade and other receivables	(4,661,348)	24,148,479
Decrease/(Increase) in Inventories	-	-
Increase/(Decrease) in trade and other payables	2,630,548	(1,679,661)
Cash Generated from Operations	(8,915,127)	(4,975,316)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	(8,915,127)	(4,975,316)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of PPE, Investments/Financial Assets	-	-
Interest/Dividend received	455,893	895,644
Acquisition of Property, Plant and Equipment	(4,380,967)	(4,990,882)
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	(3,925,074)	(4,095,238)
CASH FLOW FROM FINANCING ACTIVITIES		
Grant Received	6,985,660	6,119,500
Proceeds from the issue of Equity and Preference Share	-	-
Proceeds from other borrowings	-	
Repayment of Borrowings		-
Dividend Paid	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	6,985,660	6,119,500
Net Increase in Cash and Cash Equivalents	(5,854,541)	(2,951,053)
Cash and Cash Equivalents at the beginning	43,973,471	46,924,525
Cash and Cash Equivalents at the end	38,118,930	43,973,471

As per our report of even date

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Tiwari S. & Associates Kathmandu Nepal Chartered Accountants

MADAN BHANDARI MEMORIAL COLLEGE

MADAN BHANDARI MEMORIAL COLLEGE

Notes to Financial Statements

For the period 32 Ashad 2083 (16 July 2026)

Figures in NPR

Significant Accounting Policies and Notes to Accounts

1. General information

MADAN BHANDARI MEMORIAL COLLEGE (hereinafter referred to as the "the College "), was incorporated as Non-profit Institute in Nepal on 2058 B.S. as a Public College. It is affiliated with Tribhuwan University and Higher Secondary Education Board. College also registers With Inland revenue Office New Baneshwor for PAN 304956937, the college is also registered under SSF (Social Security Fund) from Mangsir 2081 with registration no: 330608M80005444

The College was formed with an objective of establishment for Quality Education. For the purpose of establishment of Educational Institution, the College has acquired around 14 Ropanies of Land in association with Madan Bhandari Foundation at Kathmandu Metropolitan City Ward No. 10, Binayak Nagar, and New Baneshwor Kathmandu. Presently, the college is running with various Programs in Humanities, Management & Science and Technology for Bachelor's Degree and Master's Degree.

The Finanancial Statement is Authorized to Issue As on 2083.05.14

2. Significant Accounting Policies

2.1 Basis of preparation and accounting policies

2.1.1 Statement of Compliance

These financial statements have been prepared in accordance with Nepal Financial Reporting Standard (NFRS)

2.2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except investments held-for-trade is measured at fair value.

2.2.3 Critical Accounting Estimates

The preparation of the financial statemetns in conformity with Nepal Financial Reporting Standard (NFRS)requires the use of certain critical accounting estimates and judgements. The company makes certain estimates and assumptions regarding the future events. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a meterial adjustment to the carrying amounts of assets and liabilities within the next financial year are to be disclosed.

2.1.4. Functional and Presentation Currency

The financial statements are prepared in Nepalese Rupees, which is the Company's functional currency. All the financial information presented in Nepalese Rupees has been rounded to the nearest rupee, except otherwise indicated.

2.2 Accounting Policies

The pricipal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presente, unless otherwise stated.

2.2.1 Impairment of non-financial assets (excluding inventories)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly. Impairment charges are included in profit or loss.

2.2.2. Foreign currency

Transactions entered into by company entities in a currency other than the currency of the primary economic environment in which they operate (the functional currency is NPR) are recorded at the rates ruiling when the transactions occur. Foreign currency monetary assets and liablities are translated at the rates ruiling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liablities are recognized immdediately in profit or loss.

MADAN BHANDARI MEMORIAL COLLEGE

Notes to Financial Statements

For the period 32 Ashad 2083 (16 July 2026)

Figures in NPR

2.2.3. Property, plant and equipment

Items of property, plant and equipment are initially recognized at cost. Cost includes the purchase price and other directly attributable costs. Subsequently, items of property, plant and equipment are measured at cost less depreciation less impairment.

2.2.4. Depreciation

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write-off their carrying value over the expected useful economic lives.

Depreciation has been computed on WDV method. The rates of depreciation used are as follows

Building and Fixed Structures	5%
Furniture and Fixtures	25%
Office Equipments	25%
Vehicles	20%
Machinery	15%
Other Assets	15%

2.2.5. Leased Assets

When all the risks and rewards incidential to the ownership are not transferred to the company (an operating lease), the total rentals payable under the lease are charged to the statement of income over the lease term.

2.2.6. Investments

Investments in listed shares

Investments in listed shares held for trading are classified as current assets and are stated at quoted market price as at the date of the statement of financial position with any resultant gain or loss recognized in the statement of income.

Other investments

Other investments are initially measured at cost and subsequently at lower of cost or market price. The provision for impairment is recognized in the statement of income.

2.2.7. Trade and other receivables

Trade and other receivables are stated at their cost less provision for impairment. The amount of the provision is recognized in the income statement.

2.2.8. Inventories

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realisable value. The cost is determined on first-out-first (FIFO) method or weighted average method and included expenditure incurred in acquiring the inventories and bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes direct material and labour cost and it does not include overheads which is charged to the statemnt of income in the period in which it is incurred.

2.2.9. Cash and cash equivalents

Cash and cash equivalents comprises cash balances, call deposits and other short term highly liquid investments. Bank overdrafts that are repayble on demand and form and integral part of the company's cash management are included within borrowings in current liabilities on the balance sheet.

2.2.10. Share capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset the company's equity shares are classified as equity instruments.

Tiwari S & Associates Kathmandu Nepal Chartered Accountants

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MADAN BHANDARI MEMORIAL COLLEGE

Notes to Financial Statements

For the period 32 Ashad 2083 (16 July 2026)

Figures in NPR

2.2.11. Borrowing costs

Interest bearing borrowings are recognized initially at cost, net of attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortized cost. Borrowing costs are charged to the income statement in the period in which it is incurred.

2.2.12. Taxation

Income tax is the expected tax payable on the taxable income for the year using tax rate at the balance sheet date and any adjustment to tax payable in respect of previous years.

Additional income taxs that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

2.2.13. Trade and other payables

Trade and other payables are stated at their cost.

2.2.14. Provisions

The provisions for liabilities of uncertain timing or amount include those for warranty claims, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

2.2.15. Income

Revenue

Renenue for the sale of goods or services is recognized when the company has transferred the significnat risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment.

Interest income

Interest income are recognized in the statement of income using the effective interest method.

Dividend income

Dividend income is recognized in the income statement when the right to receive payment is established.

2.2.16. Expenses

Operating lease payments

Payments made under operating lease are recognized in the income statement on a straight -line basis over the term of the lease.

Interest

Interest expenses are recognized in the statement of income using accrual method.

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Chartered Accountants

MADAN BHANDARI MEMORIAL COLLEGE

Binayaknagar New Baneshwor, Kathmandu
Notes to Financial Statements

3.1 Property, Plant and Equipment

Figures in NPR

	Freehold Land	Buildings	Building From grant	Furniture and Fixture	Office Equipment and Computers	Plant and Machinery & Other Assets	Vehicles	CWIP	Total
Cost									
Balance at 1 Shrawan 2080	-	9,425,357	20,181,564	1,676,572.67	7,700,858	2,756,817	91,362.95	-	41,832,531
Additions	-	241,601.00		2,927,035	1,419,608	495,266	2,799,800.00	-	7,883,310
Disposals	-	-		(1,215,000.00)	(2,520,000.00)	-490120	(91,362.95)	-	(4,316,482.95)
Balance at 1st shrawan 2081	-	9,666,958	20,181,564	3,388,607	6,600,466	2,761,963	2,799,800	-	45,399,358
Additions	-	-		803,300	3,587,810	599,791		-	4,990,901
Disposals	-	-		-	-	-	-	-	-
Balance at 31 Ashad 2082	-	9,666,958	20,181,564	4,191,907	10,188,276	3,361,754	2,799,800	-	50,390,259
Additions	-	1,208,698		1,207,932	1,156,237	308,631		-	3,881,497
Disposals	-	-		-	-	-	-	-	-
Balance at 31 Ashad 2083	-	10,875,656	20,181,564	5,399,839	11,344,513	3,670,385	2,799,800	-	54,271,756
Depreciation and impairment losses									
Balance at 1 Shrawan 2080	-							-	-
Charge for the year	-	471,576	1,009,078	655,182	1,472,505	622,428.80	272,235	-	4,503,005
Disposals							(12,966.03)		(12,966)
Balance at 31 shrawan 2081	-	471,576	1,009,078	655,182	1,472,505	622,429	259,269	-	4,490,039
Charge for the year	-	459,769	958,624	734,446	1,744,215	627,680	508,106	-	5,032,841
Disposals	-	-			-	-	-	-	-
Balance at 31 Ashadh 2082	-	931,345	1,967,702	1,389,628	3,216,720	1,250,109	767,375	-	9,522,880
Charge for the year	-	437,371	910,693	884,694	1,802,722	577,267	406,485	-	5,019,232
Disposals	-	-			-	-	-	-	-
Balance at 32 Ashadh 2083	-	1,368,717	2,878,396	2,274,322	5,019,442	1,827,375	1,173,860	-	14,542,112
Net Book Value									
As at 1st Shrawan 2080	-	9,425,357	20,181,564	1,676,573	7,700,858	2,756,817	91,363	-	41,832,531
As at 31st Ashad 2081	-	9,195,382	19,172,485	2,733,425	5,127,961	2,139,535	2,540,531	-	40,909,319
As at 31st Ashad 2082	-	8,735,613	18,213,861	2,802,279	6,971,556	2,111,645	2,032,425	-	40,867,360
As at 32nd Ashad 2083	-	9,506,939	17,303,168	3,125,517	6,325,071	1,843,009	1,625,940	-	39,729,636

Madan Bhandari Memorial College

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MADAN BHANDARI MEMORIAL COLLEGE
Binayaknagar New Baneshwor, Kathmandu
Notes to Financial Statements

Figures in NPR

3.2 Intangible Assets

	Software	Total
Cost		
Balance at 1 Shrawan 2080	257,426	257,426
Additions	-	-
Disposals	-	-
Balance at 1st shrawan 2081	257,426	257,426
Additions	-	-
Disposals	-	-
Balance at 31 Ashad 2082	257,426	257,426
Additions	499,460	499,460
Disposals	-	-
Balance at 31 Ashad 2083	756,886	756,886
Depreciation and Impairment losses		
Balance at 1 Shrawan 2080		-
Charge for the year	51,485	51,485
Disposals	-	-
Balance at 1st shrawan 2081	51,485	51,485
Charge for the year	51,485.29	51,485
Disposals		
Balance at 31 Ashad 2082	102,971	102,971
Charge for the year	151,377.29	151,377
Disposals		
Balance at 32 Ashadh 2083	254,348	254,348
Balance at 1 Shrawan 2080	257,426	257,426
Balance at 1st shrawan 2081	205,941	205,941
Balance at 31 Ashad 2082	154,456	154,456
As at 32nd Ashad 2083	502,539	502,539

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3.3 Trade and Other Receivables

	As at 32nd ashad 2083	As at 31st Ashad 2082	As at 1st shrawan 2081
Student receivable	17,146,744	13,278,917	37,912,020
Less: Provision for impairment of trade receivables	-	-	-
Trade receivables- net	17,146,744	13,278,917	37,912,020
Advance and Deposit	13,429,619	12,787,936	12,245,855
Other Receivable	78,594		
Advance Tax	202,731	134,347	191,804
TDS Receivable	4,860		
	30,862,547	26,201,199	50,349,678
Non-current portion	-	-	-
Current portion	30,862,547	26,201,199	50,349,678

Provision for impairment of trade receivables:

	FY 2082-83	FY 81-82
Balance at the beginning of the year	-	-
Provided during the year	-	-
Written off during the year	-	-
Unused provisions reversed	-	-
Balance at the end of the year	-	-

3.4 Inventories

	As at 32nd ashad 2083	As at 31st Ashad 2082	As at 1st shrawan 2081
Finished goods and goods for resale			-
	-	-	-

3.5 Cash and Cash Equivalents

	As at 32nd ashad 2083	As at 31st Ashad 2082	As at 1st shrawan 2081
Cash in hand	-	137	4,839
Cash at Bank	38,118,930	43,973,334	46,919,686
	38,118,930	43,973,471	46,924,525
ADB (Current -0210100012972011)	25884.68	25884.68	
ADB Current Account 0210100019029011	1328378.46	1328378.46	
E-sewa (NMB)	8100	100	
ESEWA 01	0		
Everest Bank (03400105200499)	8322826.6	518682.77	
Everest Bank Current 03400105200023	491231.04	371629.67	
Everest Bank Dollar Card (4723877000009927)	191.65	67325	
Everest bank Fixed (03400701202129)	0	7750000	
Everest Bank Fixed deposit (03400705200011)	6879963.2	6855290.51	
Everest Bank Limited Fixed (03400701203303)	5000000	5000000	
Everest Current Deposit (03400105200303)	10630.9	10630.9	
Khalti	18009	210510	
Madan Bhandari Memorial College Alumni	2000	2000	
NIC ASIA Bank (current) 3004150022431002	8213437.54	8213437.54	
NIC Asia Call Acc 3004450022431004	390	390	
NMB Bank Ltd. (Fixed Deposit)	1333150	1300000	
Prabhu Bank 0010153631300014 Current account	1364509.52	1045040.32	
Prime Bank Limited 00101000000530500178	1231307.77	1231307.77	
Everest Bank Ltd	5000	5000	
Rastriya Banijya Bank A/C142000470001	3883920.57	10037726.15	

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3.6 Capital Fund

Particulas	As at 32nd ashad 2083	As at 31st Ashad 2082	As at 1st shrawan 2081
Members Contribution	1,641,000	1,641,000	1,641,000
Capital Grant From UGC	4,651,700	4,651,700	4651700
Developments Funds	10,500,000	10,500,000	10,500,000
Other Capital Contribution	26,906,068	26,906,068	26,906,068
Total	43,698,768	43,698,768	43,698,768

3.7 Reserves

Retained earnings

	As at 32nd ashad 2083	As at 31st Ashad 2082
Opening Balance As per GAAP adjusted	37,986,537	25,480,103
NFRS Adjustment uptp 8081		37,767,964
NFRS Adjustment opening Resrve		63,248,067
Adjustment in equity	(36,500)	(406,231)
Profit for the year	(4,382,506)	(24,855,300)
Total	33,567,531	37,986,537
Appropriations/transfers	-	-
Dividend to Share Holders	-	-
As at 31st Ashad	33,567,531	37,986,537

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3.8 Non-current loans and borrowings

	As at 32nd ashad 2083	As at 31st Ashad 2082	As at 1st shrawan 2081
Deferred Grant Liability	20,384,916	20,422,485	21,431,564
Grant for purchase of furniture/Books	800,000	1,000,000	
Less depreciation for building	(910,693)	(958,624)	(1,009,078
Less : Depreciation for furniture	(212,910)	(78,945)	
	20,061,313	**20,384,916**	**20,422,485**

	As at 32nd ashad 2083	As at 31st Ashad 2082	As at 1st shrawan 2081
Deffered tax Assets/Liability	114,267	243,493	29,277
	114,267	**243,493**	**29,277**

3.9 Trade and other payables

	As at 32nd ashad 2083	As at 31st Ashad 2082	As at 1st shrawan 2081
Trade payables	484,142	76,866	585,594
Salary payable	2,891,084	1,033,421	1,132,702
Retention Payable	39,666	88,604	
External Audit Fee Payable	172,825	172,825	172,825
Internal Audit Fee payable	55,750	55,750	
Deposit Refundable	6,622,760	6,642,760	6,552,760
Other liabilities	1,124,552	751,458	1,400,604
	11,390,778	**8,821,685**	**9,844,486**

3.10 Income Tax Liabilities

	As at 32nd ashad 2083	As at 31st Ashad 2082	As at 1st shrawan 2081
Income Tax Payable			989,251.70
TDS on rent	333,333.33		3,872.00
TDS payable on salary	187,389.00		192,031.36
TDS on SST	9,520.00		
TDS Payable Other	79,286	548,074	19,778.59
	609,528	**548,074**	**1,204,933.65**

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3.11 Revenue from Operations

	FY 2082-83	FY 2081-82
Gross Admission, Annual & Tuition fee	69,160,076.30	35,392,094
Exam, Registration, Lab & Other fee		2,018,785
Less : Discount/Scholarship	(1,874,500.00)	(1,137,528)
Other Miscellaneous Income		78,500
	67,285,576.30	36,351,851

3.12 Other Income

	FY 2082-83	FY 2081-82
Bank Interest Income	455,893	895,644
Miscellaneous Income	3,480	127,810
Hall rent	354,547	456,499
Canteen rent income	360,000	120,000
Other Income	15,000	
Scrap Sales Income	111,000	22000
	1,299,920	1,621,953

3.13 Grant Income

Regular Grant Income	6,185,660	5,119,500
Deffered Grant Income (Grant Building)	1,123,604	1,037,569
	7,309,264	6,157,069

3.14 Academic expenses

	FY 2082-83	FY 2081-82
Entrance prepration expenses		10,500.00
Viva Expenses	9,000.00	-
Examination Supervision NEB-ESN	-	-
Examination Supervision	1,030,038.00	244,717.50
Extra Curriculum Expenses	428,065.60	31,265.00
Field visit Expenses	246,140.30	557,083.00
Guest Lecture Expenses	35,705.00	36,500.00
Internal Exam Expenses	67,526.00	88,105.00
Journalism Practical Expenses (Radio Swet Shardul)	97,000.00	-
Lectures Salary	24,831,600.70	20,877,211.80
Library Expenses	32,111.15	113,100.00
Incubation & Entrepreneurship development support center	1,517,523.99	
Orientation and fairwell expense	254,228.73	
Other Academic Expenses	56,985.00	583,723.00
Photographic Expenses		
Practical Exam Expenses	1,854,400.56	1,146,074.00
Promotional Expenses	539,809.68	281,250.00
Research and Publication expenses	1,113,848.75	920,000.00
Sports Program	1,820.00	499,958.00

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Thesis Guide & Supervision Expenses		121,304.00
Training and Seminar Expenses	184,729.00	161,308.00
TU Entrance exam expenses	-	-
TU Exam form & Registration Exp.	4,140,125.00	5,395,890.00
TU Registration and Renewal Fee		
Welcome and Farewell expenses		374,710.00
	36,440,657	31,442,699

3.15 Administrative Expenses

	FY 2082-83	*FY 2081-82*
Administrative Salary	24,369,746.01	23,293,528.75
Advertisement		161,058.00
AGM Expenses	156,575.00	501,795.00
AMC and Renewal Charges		254,000.00
External Audit Fee	-	175,150.00
Audit Expenses		1,330.00
Consultant fee	19,147.75	-
Calender Expenses	41,245.00	192,805.00
Internal Audit Fee	113,000.00	113,000.00
Bank Charge	1,494.00	4,130.04
Hospitality and Canteen Expenses	431,120.00	569,085.00
Cleaning and sanitary	97,762.00	111,507.00
College day expenses	1,196,346.24	755,383.00
Computer Accessories Exp. - CAE		68,452.00
Transportation and fuel expenses	22033	
Expenses for TU Affiliation	39,796.00	
Donation & Charity	16,000.00	-
Drinking Water	46,492.61	100,906.00
Electricity and Goods Expenses	1,033,884.69	962,744.98
Discount on Canteen rent	50,000.00	
TU renewal	20,000.00	
Festival & Celebration Expenses	35,635.00	34,605.00
Final Interm Charges		-
Fuel and Lubricants		17,310.00
Garden Expenses	18,460.00	18,405.00
House Keeping Exp		
ID Card Printing Expenses	40,290.00	16,200.00
Inauguration Expenses		
Medicine & First Aid Expenses	8,243.00	7,723.00
Meeting Expenses (Lunch)	360,645.53	122,589.10
Membership Fee		41,200.00
Staff dress	299,884.60	289,600.00
Newspaper & Magazines	25,550.00	55,300.00

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3.16 Repair and maintainance Expenses

	FY 2082-83	FY 2081-82
Furniture	96,903.34	159,905.00
Office Equipment	95,747.00	49,428.00
Building	64,200.00	243,076.94
Repair & Maintenance-Other		118,376.00
Computer, Internet, Electricity Repairing Charge		99,038.00
Vehicle	356,670.10	200.00
	613,520.44	**670,024**

Depreciation Expenses	FY 2082-83	FY 2081-82
Particulars		
Depreciation of Property Plants and Equipments	4,259,916	4,125,702
Depreciation of Building Granted by DDC KTM	910,693	958,624
TOTAL	5,170,609	5,084,326.16

3.17 Other Expenses

	FY 2082-83	FY 2081-82
Audit Fee	175,150	
Land Rent Expenses	3,333,333	
	3,508,483	-

3.18 Tax Expenses

	FY 2082-83	FY 2081-82
Tax on profit for the year		
	-	-

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Office Expenses	53,603.00	
Other Expenses		52,675.50
Program Expenses	645,321.00	
Printing and Staionary	1,218,511.24	918,839.00
Project Supervision Charge		
Pocket Diary Expenses		111,870.00
Publication Expenses		515,754.00
Discount	1,127,349.10	-
Health Camping	60,000.00	-
Registration and Renewal	106,000.00	-
Result Day Expenses & Talent Hunt Expenses		52,155.00
Software renew charge	226,000.00	-
Bad debt	112,000.00	
Seminar and Workshop - S and W	92,310.00	
Event and ceremony	25,000.00	
SMS expenses	45,990.00	29,100.00
Social Works and Health Disaster Management		200,300.00
Security Expenses	27,661.51	
Celebration Expenses		433,863.00
Prize Expenses		184,690.00
Picnic Expenses		120,350.00
Staff welfare expenses		8,750.00
Internship salary		23,600.00
Idea X Hakathon Program Expenses	1,226,675.15	350,621.00
Telephone & Internet Expenses	427,510.00	437,650.00
Teacher Welfare expenses	366,122.50	
Training and Seminar Expenses	4,800.00	98,880.00
Transportation & Fuel Exp.		28,845.00
Travel Alllowance TU	113,900.00	138,798.00
Vehicle Insurance & Other Expenses	38,678.43	14,000.00
Virtual Expenses (sms ,web page)		41,810.00
Wages	18,500.00	271,420.00
Student Walfere	32,810.00	-
Fine Penalties And interest	2,677.00	100,361.71
Photography Expenses		1,200.00
	34,414,769	**32,003,339**

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TOTAL	**5,170,609**	**5,084,326.16**

3.17 Other Expenses

	FY 2082-83	FY 2081-82
Audit Fee	175,150	
Land Rent Expenses	3,333,333	
	3,508,483	-

3.18 Tax Expenses

	FY 2082-83	FY 2081-82
Tax on profit for the year		
	-	-

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3.18. Changes in Accounting Policies (If any)

In the current financial year the company has Adopted First time Adoption of NFRS (The reco in Equity has been provided for all the Difference)

3.19. Contingencies

The company has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liablitites will arise from the contingent liabilities.

3.20. Related Party Transactions

Identity of related parties

The following transactions were carried out with related parties

3.21. Current/Non-current Assets and Liabilities

Current assets are expected to be realized within the normal operating cycle of the entity or within twelve months after the reporting period or are intended for sale or consumption within the normal operating cycle of the entity or are held primarily for the prupose of trading or are cash and cash equivalents. All other assets are classified as Non-current assets.

Current liabilities are expected to be settled in the entity's normal operating cycle or are primarily held for trading or are due to be settled within a period of twelve months after the reporting period. All other liabilities are classified as non-current liabilities.

3.22. Prior period errors

Prior period errors are ommissions or misstatements in an entity's financial statements. Such ommissions may relate to one or more prior periods. Correction of an error is done by calculating the cumulative effect of the change on the financial statements of the period as if new method or estimate had always been used for all the affected prior years' financial statements. Sometimes, such changes may not be practicable, in such cases it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period.

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