



# **Audit Report**

**For the Financial Year 2078/79**

**(Corresponding period: 16 July 2021 to 16 July 2022)**

**Submitted by:**

**Khatiwada Dipesh & Associates;  
Chartered Accountants  
Mahalaxmi, Lalitpur**

## INDEPENDENT AUDITOR'S REPORT

To The Members of  
Kathmandu Institute of Child Health

### Opinion

We have audited the financial statements of Kathmandu Institute of Child Health, herein after mentioned as "KIOCH" or the "Company", for the year ended 32 Ashadh 2079 (16 July 2022) which comprise of the Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Fund Balance and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position KIOCH as at 32 Ashadh 2079 (16 July 2022) and of its financial performance and cash flows for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Principles.

### 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 KIOCH in accordance with the handbook of code of ethics issued by ICAN, 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.

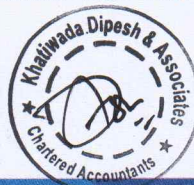
### Responsibilities of Management for the Financial Statements

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with Nepal Accounting Standards, and for such internal control as the management determine 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, the management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

### 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

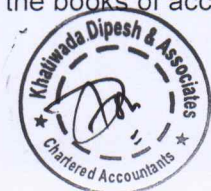
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the organization;
- Conclude on the appropriateness of the managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related 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 organization to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of 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.

#### **Report as per the requirement of the Companies Act, 2063 and other regulatory requirements**

Besides the matters mentioned in the preceding paragraphs, based on our audit and the information and explanations provided to us, we also report that:

- a) we have obtained information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
- c) the attached financial statement comprising of Balance Sheet, Income Statement, Cash Flow Statement and Statement of Changes in Fund Balance are prepared in compliance with Generally Accepted Accounting Principles prepared under the prevailing law and such statements are in agreement with the books of account maintained by the company;



- d) to the best of our knowledge and in accordance with explanations given to us and from our examination of the books of account of the Company necessary for the purpose of our audit, we have not come across cases where the Board of Directors or any employees of the Company have acted contrary to the provisions of law or committed any misappropriation or caused loss or damage to the Company.
- e) to the best of our knowledge, no accounting fraud has been committed in the company.

For and on behalf of

Khatiwada Dipesh & Associates;  
Chartered Accountants

Dipesh Khatiwada,  
Principal

Date: 2022.08.25

UDIN: 220901CA1360MvSnj



# Kathmandu Institute of Child Health

Budanilkantha - 7, Kathmandu

## Balance Sheet

As at Ashad 32, 2079 (July 16, 2022)

| Particulars                             | Schedule | As at              | As at             |
|---|----------|--------------------|-------------------|
|   |          | 16-Jul-22          | 15-Jul-21         |
|   |          | Rs.                | Rs.               |
| <b>Fund Balance &amp; Liabilities</b>   |          |                    |                   |
| <b>Fund Balance</b>                     |          |                    |                   |
| Member's Fund                           | 1        | 30,000             | 30,000            |
| Other Fund Balance                      | 2        | 117,450,139        | 16,418,344        |
| <b>Total Fund Balance</b>               |          | <b>117,480,139</b> | <b>16,448,344</b> |
| <b>Current Liabilities</b>              |          |                    |                   |
| Trade & Other Payables                  | 4        | 1,116,240          | 158,115           |
| Provisions                              | 6        | -                  | -                 |
| <b>Total Current Liabilities</b>        |          | <b>1,116,240</b>   | <b>158,115</b>    |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>   |          | <b>118,596,378</b> | <b>16,606,459</b> |
| <b>ASSETS</b>                           |          |                    |                   |
| <b>Non Current Assets</b>               |          |                    |                   |
| Property Plant & Equipment              | 7        | 31,471,752         | 14,920,355        |
| <b>Total Non Current Assets</b>         |          | <b>31,471,752</b>  | <b>14,920,355</b> |
| <b>Current Assets</b>                   |          |                    |                   |
| Inventories                             | 8        | -                  | -                 |
| Cash & Bank Balances                    | 9        | 27,581,021         | 918,903           |
| Prepayments, Loans, Advances & Deposits | 10       | 59,543,606         | 762,400           |
| Preoperating Expenses                   | 11       | -                  | 4,800             |
| <b>Total Current Assets</b>             |          | <b>87,124,627</b>  | <b>1,686,103</b>  |
| <b>TOTAL ASSETS</b>                     |          | <b>118,596,378</b> | <b>16,606,459</b> |

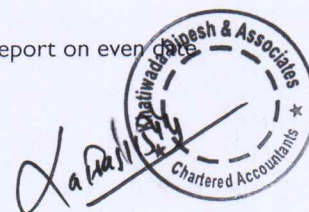
Significant Accounting Policies &  
Notes to the Accounts

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As per our attached report on even

Mahananda Prk. Poudyal  
Account Officer

Prof. Dr. Bhagawan Koirala  
Chairperson



Dipesh Khatiwada, CA

Principal  
Khatiwada Dipesh & Associates  
Chartered Accountants

Location: Kathmandu

Date : 2022.08.25

# Kathmandu Institute of Child Health

Budanilkantha - 7, Kathmandu

## Income Statement

For the year ended Ashad 32, 2079 (July 16, 2022)

| Particulars                         | Schedule | Current Year       | Previous Year      |
|-------------------------------------|----------|--------------------|--------------------|
| <b>Income</b>                       |          |                    |                    |
| Unrestricted Grant                  | 11       | 106,803,327        | 8,724,839          |
| Restricted Grant                    | 12       | 4,004,026          | 1,892,220          |
| Membership Fee                      |          | -                  | -                  |
| <b>Total Income</b>                 |          | <b>110,807,353</b> | <b>10,617,060</b>  |
| <b>Direct Expenses</b>              |          |                    |                    |
| Project Expenditure                 | 13       | (4,004,026)        | (1,892,220)        |
| <b>Total Direct Expenses</b>        |          | <b>(4,004,026)</b> | <b>(1,892,220)</b> |
| <b>Gross Surplus</b>                |          | <b>106,803,327</b> | <b>8,724,839</b>   |
| Other Income                        | 14       | 1,885,779          | 99,000             |
| Employee Salary and Benefits        | 15       | (5,142,920)        | -                  |
| Administrative Expenses             | 16       | (5,322,849)        | (2,924,806)        |
| Depreciation                        |          | (699,099)          | (100,352)          |
| <b>Net Surplus</b>                  |          | <b>97,524,238</b>  | <b>5,798,681</b>   |
| Provision for Income Tax            |          | -                  | -                  |
| <b>Surplus Transferred to Funds</b> |          | <b>97,524,238</b>  | <b>5,798,681</b>   |

Significant Accounting Policies &  
Notes to the Accounts

17

As per our attached report on even date

Mahananda Prk. Poudyal  
Account Officer

Prof. Dr. Bhagawan Koirala  
Chairperson



Dipesh Khatiwada, CA

Principal

Khatiwada Dipesh & Associates  
Chartered Accountants

Location: Kathmandu

Date : 2022.08.25



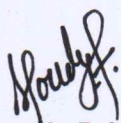
**Kathmandu Institute of Child Health**  
**Budanilkantha - 7, Kathmandu**  
**Cash Flow Statement**  
**For the year ended Ashad 32, 2079 (July 16, 2022)**

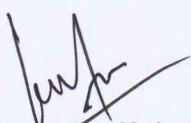
| Particulars  | Current Year        | Previous Year      |
|--|---------------------|--------------------|
| <b><u>Cash Flow form Operating Activities</u></b>      |                     |                    |
| <b>Net Profit Before Tax</b>                           | <b>97,524,238</b>   | <b>5,798,681</b>   |
| Adjustments  |                     |                    |
| Depreciation   | 699,099             | 100,351            |
| Amortization of Pre-operating Expense                  | 4,800               | 4,800              |
| <b>Cash Flow before change in Working Capital</b>      | <b>98,228,137</b>   | <b>5,903,832</b>   |
| <b><u>Changes in Working Capital</u></b>               |                     |                    |
| Decrease / (Increase) in Current Assets                | (58,781,206)        | (766,306)          |
| (Decrease) / Increase in Current Liabilities           | 958,125             | 434,804            |
| Decrease / (Increase) in Current Assets                | -                   | -                  |
| <b>Net Cash from Operative Activities (A)</b>          | <b>40,405,055</b>   | <b>5,572,331</b>   |
| <b><u>Cash Flow from Investing Activities</u></b>      |                     |                    |
| Increase in Share Investment                           | -                   | -                  |
| Sale of Fixed Assets                                   | -                   | -                  |
| Purchase of Fixed Assets                               | (17,250,495)        | (9,222,337)        |
| <b>Net Cash Used in Investing Activities (B)</b>       | <b>(17,250,494)</b> | <b>(9,222,337)</b> |
| <b><u>Cash Flow from Financial Activities</u></b>      |                     |                    |
| Increase / (Decrease) in Restricted Fund               | 2,507,557           | 395,365            |
| Increase / (Decrease) in Endowment Fund                | 1,000,000           | -                  |
| Increase / (Decrease) in Secured Loan                  | -                   | -                  |
| <b>Net Cash used in Financial Activities (C)</b>       | <b>3,507,557</b>    | <b>395,365</b>     |
| <b>Net Cash Increase / (Decrease) (A+B+C)</b>          | <b>26,662,119</b>   | <b>(3,254,640)</b> |
| Cash and Cash Equivalent at the beginning of the year  | 918,903             | 4,173,543          |
| <b>Cash and Cash Equivalent at the end of the year</b> | <b>27,581,021</b>   | <b>918,903</b>     |

Significant Accounting Policies &  
Notes to the Accounts

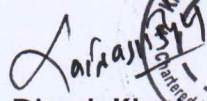
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As per our attached report on even date

  
**Mahananda Prk. Poudyal**  
Account Officer

  
**Prof. Dr. Bhagawan Koirala**  
Chairperson



  
**Dipesh Khatiwada, CA**  
Proprietor


Khatiwada Dipesh & Associates  
Chartered Accountants


Location: Kathmandu  
Date :

**Kathmandu Institute of Child Health**  
Budaniilkantha - 7, Kathmandu

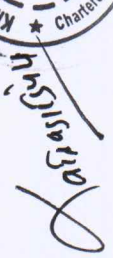
**Statement of Changes in Fund Balance**  
For the year ended Ashad 32, 2079 (July 16, 2022)

| Particulars   | Amount in NPR |                   |                |                 |
|---|---------------|-------------------|----------------|-----------------|
|   | Member's Fund | Unrestricted Fund | Endowment Fund | Restricted Fund |
|   |               |                   |                | Total           |
| <b>Balance as at 16 July 2020</b>                       | 30,000.00     | 10,224,297.00     |                | 10,254,297.00   |
| Additions during the year                               | -             |                   |                | 2,405,211.47    |
| Transferred From/(To) Statement of Income & Expenditure |               | 5,798.681         |                | (2,009,846.32)  |
| <b>Balance as at 15 July 2021</b>                       | 30,000.00     | 16,022,978.41     | -              | 16,448,343.56   |
| Additions during the year                               | -             |                   | 1,000,000      | 7,511,583.00    |
| Transferred From/(To) Statement of Income & Expenditure |               | 97,524,238        |                | (4,004,026)     |
| <b>Balance as at 16 July 2022</b>                       | 30,000.00     | 113,547,216.52    | 1,000,000.00   | 117,480,138.82  |

  
**Mahananda Prk. Poudyal**  
Account Officer

  
**Prof. Dr. Bhagawan Koirala**  
Chairperson



  
**Dipesh Khatiwada, CA**  
Principal  
Khawada Dipesh & Associates  
Chartered Accountants

Location: Kathmandu  
Date : 2022.08.25



## Kathmandu Institute of Child Health

Schedules forming part of the financial statements for the year ended Ashad 32, 2079

Schedule: 7

### Fixed Assets

| Particulars                             | Rate | Gross Block          |                           |                      | Depreciation        |                   |                   | Net Block            |                      |
|---|------|----------------------|---------------------------|----------------------|---------------------|-------------------|-------------------|----------------------|----------------------|
|   |      | Up to Previous Year  | Additions During the Year | Total                | Up to Previous Year | During the Year   | Total             | As on 2079.03.32     | As on 2078.03.31     |
| <b>Capital WIP-Kathmandu</b>            |      | 14,561,493           | 9,119,782                 | 23,681,275           | -                   | -                 | -                 | 23,681,275           | 14,561,493           |
| Land Development Expenses               |      | 7,270,008            | -                         | 7,270,008            | -                   | -                 | -                 | 7,270,008            | 7,270,008            |
| Building Construction                   |      | 7,291,485            | 9,119,782                 | 16,411,267           | -                   | -                 | -                 | 16,411,267           | 7,291,485            |
| <b>Capital WIP-Damak</b>                |      | -                    | 341,499                   | 341,499              | -                   | -                 | -                 | 341,499              | -                    |
| Office Building Construction- Damak     |      | -                    | 324,999                   | 324,999              | -                   | -                 | -                 | 324,999              | -                    |
| Transportation of Construction Material |      | -                    | 16,500                    | 16,500               | -                   | -                 | -                 | 16,500               | -                    |
| <b>Prefab House</b>                     |      | -                    | -                         | -                    | -                   | -                 | -                 | -                    | -                    |
| Furniture & Fixtures                    | 3%   | -                    | 4,483,823                 | 4,483,823            | -                   | 149,460.78        | 149,461           | 4,334,363            | -                    |
| ICU Bed- Damak                          | 15%  | 295,542              | -                         | 295,542              | 114,885             | 27,098.60         | 141,983           | 153,559              | 180,657              |
| Inverter with Batteries                 | 15%  | -                    | 1,909,700                 | 1,909,700            | -                   | 286,455.00        | 286,455           | 1,623,245            | -                    |
| Infusion Pump                           | 15%  | -                    | 92,800                    | 92,800               | -                   | 13,920.00         | 13,920            | 78,880               | -                    |
| Syringe Pump                            | 15%  | -                    | 492,680                   | 492,680              | -                   | 73,902.00         | 73,902            | 418,778              | -                    |
| Television and Screen                   | 15%  | -                    | 810,210                   | 810,210              | -                   | 121,531.50        | 121,532           | 688,679              | -                    |
| Computer and Electronic Device          | 15%  | 50,000               | -                         | 50,000               | 21,875              | 4,218.75          | 26,094            | 23,906               | 28,125               |
| Vehicle                                 | 20%  | 191,839              | -                         | 191,839              | 83,930              | 16,186.42         | 100,116           | 91,723               | 107,909              |
| <b>Other Assets</b>                     |      | -                    | -                         | -                    | -                   | -                 | -                 | -                    | -                    |
|   | 15%  | 45,001               | -                         | 45,001               | 2,831               | 6,325.57          | 9,156             | 35,845               | 42,170               |
| <b>Grand Total</b>                      |      | <b>15,143,875.68</b> | <b>17,250,494.77</b>      | <b>32,394,370.45</b> | <b>223,520.21</b>   | <b>699,098.62</b> | <b>922,618.83</b> | <b>31,471,751.62</b> | <b>14,920,355.47</b> |



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# Kathmandu Institute of Child Health

Schedules forming part of the financial statements for the year ended Ashad 32, 2079

| Particulars  | As at<br>16-Jul-22<br>Rs. | As at<br>15-Jul-21<br>Rs. |
|--|---------------------------|---------------------------|
| <b>Schedule: 1</b>                                     |                           |                           |
| <b>Member's Fund</b>                                   |                           |                           |
| Opening Balance  | 30,000                    | 30,000                    |
| <b>Total</b>   | <b>30,000</b>             | <b>30,000</b>             |
| <br>   |                           |                           |
| <b>Schedule: 2</b>                                     |                           |                           |
| <b>Other Fund Balance</b>                              |                           |                           |
| <b>Unrestricted Fund</b>                               |                           |                           |
| Opening Balance  | 16,022,978                | 10,224,297                |
| Add: Transferred from Income and Expenditure Statement | 97,524,238                | 5,798,681                 |
| <b>Sub-Total Unrestricted Fund</b>                     | <b>113,547,217</b>        | <b>16,022,978</b>         |
| <br>   |                           |                           |
| <b>Endowment Fund</b>                                  | 1,000,000                 | -                         |
| <b>Restricted Fund</b>                                 |                           |                           |
| PEN Grant Liability                                    | 1,544,282                 | -                         |
| NCDI Grant Liability                                   | 1,358,640                 | 395,365                   |
| <b>Sub-Total Restricted Fund</b>                       | <b>2,902,922</b>          | <b>395,365</b>            |
| <br>   |                           |                           |
| <b>Total</b>   | <b>117,450,139</b>        | <b>16,418,344</b>         |
| <br>   |                           |                           |
| <b>Schedule: 4</b>                                     |                           |                           |
| <b>Trade &amp; Other Payables</b>                      |                           |                           |
| Audit Fee Payables                                     | 55,750                    | 22,300                    |
| Sundry Creditors                                       | 134,825                   | 134,825                   |
| SST Payables   | 5,600                     | -                         |
| TDS Payable  | 120,336                   | 990                       |
| Retention Deposits Payable                             | 442,642                   | -                         |
| Security Deposits Payable                              | 357,087                   | -                         |
| <b>Total</b>   | <b>1,116,240</b>          | <b>158,115</b>            |
| <br>   |                           |                           |
| <b>Schedule: 6</b>                                     |                           |                           |
| <b>Provisions</b>                                      |                           |                           |
| Provision for Income Tax                               | -                         | -                         |
| <b>Total</b>   | <b>-</b>                  | <b>-</b>                  |

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# Kathmandu Institute of Child Health

Schedules forming part of the financial statements for the year ended Ashad 32, 2079

| Particulars   | As at<br>16-Jul-22<br>Rs. | As at<br>15-Jul-21<br>Rs. |
|---|---------------------------|---------------------------|
| <b>Schedule: 9</b>  |                           |                           |
| <b><u>Cash &amp; Bank Balances</u></b>                    |                           |                           |
| Cash balances   | 6,431                     | 6,431                     |
| Bank Balances   | 27,574,590                | 912,472                   |
| <b>Total</b>  | <b>27,581,021</b>         | <b>918,903</b>            |
| <br>  |                           |                           |
| <b>Schedule: 10</b>                                       |                           |                           |
| <b><u>Prepayments, Loans, Advances &amp; Deposits</u></b> |                           |                           |
| Receivable From Karuna Foundation                         |                           | 16,200                    |
| Advance to Con-Technical Infra Pvt. Ltd.                  | 53,027,273                | -                         |
| Advance to New Technical                                  | 6,516,333                 | -                         |
| Other Receivable  | -                         | -                         |
| Advance To Majbood Construction Pvt.Ltd.                  | -                         | 746,200                   |
| <b>Total</b>  | <b>59,543,606</b>         | <b>762,400</b>            |
| <br>  |                           |                           |
| <b>Schedule: 11</b>                                       |                           |                           |
| <b><u>Pre-operating Expense</u></b>                       |                           |                           |
| Pre-operating Expense                                     | -                         | 4,800                     |
|   | -                         | 4,800                     |

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## Kathmandu Institute of Child Health

Schedules forming part of the financial statements for the year ended Ashad 32, 2079

| <u>Particulars</u>                                       | <u>Current Year</u> | <u>Previous Year</u> |
|--|---------------------|----------------------|
| <b>Schedule: 11</b>                                      |                     |                      |
| Unrestricted Grant (Sub Schedule 1)                      | 106,803,327         | 8,724,839            |
| <b>Total</b>   | <b>106,803,327</b>  | <b>8,724,839</b>     |
| <br>   |                     |                      |
| <b>Schedule: 12</b>                                      |                     |                      |
| <b><u>Restricted Grant</u></b>                           |                     |                      |
| Grant Income (Pen Plus)                                  | 2,546,437           | -                    |
| Grant Income (Non Communicable Diseases & Injuries-NCDI) | 1,457,589           | 1,892,220            |
| <b>Total</b>   | <b>4,004,026</b>    | <b>1,892,220</b>     |
| <br>   |                     |                      |
| <b>Schedule: 13</b>                                      |                     |                      |
| <b><u>Project Expenses</u></b>                           |                     |                      |
| <b>Pen Project</b>                                       |                     |                      |
| Salary Expenses  | 896,935             | -                    |
| Computer & Electronic Device                             | 1,090,337           | -                    |
| Meeting Expense  | 399,811             | -                    |
| Survey Expenses  | 159,354             | -                    |
| <b>Sub Total (PEN Project)</b>                           | <b>2,546,437</b>    | <b>-</b>             |
| <b>Non Communicable Diseases &amp; Injuries (NCDI)</b>   |                     |                      |
| Project Expenses   | -                   | 30,487               |
| Salary Expenses  | 873,750             | 1,261,833            |
| Computer & Electronic Device                             | -                   | 527,500              |
| Stationery & Office Supplies                             | 106,240             | 62,400               |
| Meeting Expenses   | 92,382              | -                    |
| Travel Expense   | 356,637             | -                    |
| Miscellaneous Expense                                    | 28,580              | -                    |
| Research Permission/Ethical Approval                     | -                   | 10,000               |
| <b>Sub Total (NCDI Project)</b>                          | <b>1,457,589</b>    | <b>1,892,220</b>     |
| <b>Grand Total</b>                                       | <b>4,004,026</b>    | <b>1,892,220</b>     |
| <br>   |                     |                      |
| <b>Schedule: 14</b>                                      |                     |                      |
| <b><u>Other Income</u></b>                               |                     |                      |
| Income From Tender Form Sale                             | 381,000             | 99,000               |
| Income from Soil Cutting                                 | 1,075,000           | -                    |
| Interest from Banks                                      | 429,779             | -                    |
| <b>Total</b>   | <b>1,885,779</b>    | <b>99,000</b>        |
| <br>   |                     |                      |
| <b>Schedule: 15</b>                                      |                     |                      |
| <b><u>Employee Benefits and Expenses</u></b>             |                     |                      |
| Salary Expenses  | 3,521,057           | -                    |
| Allowances   | 1,621,863           | -                    |
| Other Benefits   | -                   | -                    |
| <b>Total</b>   | <b>5,142,920</b>    | <b>-</b>             |

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## Kathmandu Institute of Child Health

Schedules forming part of the financial statements for the year ended Ashad 32, 2079

| <u>Particulars</u>   | <u>Current Year</u> | <u>Previous Year</u> |
|--|---------------------|----------------------|
| <b>Schedule: 16</b>  |                     |                      |
| <b><u>Administrative Expenses</u></b>                            |                     |                      |
| Fuel Expenses  | 38,860              | 1,688,333            |
| Travelling and Transportation                                    | 250,821             | 38,265               |
| Amortization of Pre-operating Expense                            | 4,800               | 4,800                |
| Audit Fees   | 56,500              | 22,600               |
| Bank Charge  | 3,462               | 920                  |
| Hall Rent  | 6,215               |                      |
| Cleaning Expenses  | -                   | 121,713              |
| Consultancy expense  | 21,018              | -                    |
| Hospitality  | 207,338             | 58,511               |
| Insurance  | -                   | -                    |
| Internet and Communication                                       | 75,752              | 53,170               |
| Land Lease Rental  | 3,285,377           | -                    |
| Legal Service Expenses   | 72,000              | 10,000               |
| Meeting Expense  | -                   | -                    |
| Printing and Stationery  | 324,745             | 139,275              |
| Renewal Expenses   | -                   | 13,433               |
| Courier & Postage  | -                   | 500                  |
| Kitchen Expenses   | 4,210               | -                    |
| Engineering & Design   | -                   | 3,500                |
| Communication And Transport                                      | -                   | 4,825                |
| Garden weeding Cost  | 30,200              | -                    |
| Maintenance Expense  | 52,526              | -                    |
| Technical Consultant Fee Expences                                | -                   | 115,000              |
| Advertisement Expences   | 458,329             | 158,726              |
| Promotional Event Expenses                                       | 194,930             | -                    |
| Electricity & Utilities  | 73,689              | 10,049               |
| Labour Charge  | -                   |                      |
| Office Expences  | -                   | 38,460               |
| Vehicle Maintainance Cost  | 17,700              | -                    |
| Miscelleneous Expense  | 144,378             | -                    |
| Research Expenses (Nepal Pediatric & Neonatal Covid 19 Registry) | -                   | 442,726              |
| <b>Total</b>   | <b>5,322,849</b>    | <b>2,924,806</b>     |

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# Kathmandu Institute of Child Health

Sub-Schedules forming part of the Accounts for the year ended Ashad 32, 2079

| Particulars                        | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| <b>Sub-Schedule: I</b>             |              |               |
| <b>Unrestricted Grant</b>          |              |               |
| America Nepal Medical Foundation   | -            | 1,173,060.00  |
| Aviv Sapkota (Equality Foundation) | -            | 234,000.00    |
| Datamani Pokhrel                   | -            | 5,000.00      |
| Dirgha Raj Prasai                  | -            | 500,000.00    |
| Golf Guru Ghanshyam Thapa          | -            | 55,555.00     |
| Indra Koirala                      | -            | 5,005.00      |
| Ishwori Chaulagai                  | -            | 2,000.00      |
| Sapati Talk Show (Santosh Sapkota) | -            | 122,967.00    |
| Top Bahadur Khadka                 | -            | 50,051.45     |
| Bank Of Kathmandu                  | 3,750,000.00 | 2,500,000.00  |
| Bhawani Ghimire                    | -            | 100,000.00    |
| Bhuvan Kumar Dahal                 | -            | 100,000.00    |
| Bidur Dhungana                     | -            | 25,000.00     |
| Bipin Timala                       | -            | 50,000.00     |
| Ishana Acharya                     | -            | 5,000.00      |
| Kabi Thapa                         | -            | 6,500.00      |
| Kancha Thapa                       | -            | 101,000.00    |
| Laxmi Subedi                       | -            | 500,000.00    |
| Manoj & Januka Rajaure             | -            | 11,700.00     |
| Nepal Bank Ltd.                    | 2,500,000.00 | 2,500,000.00  |
| Sunil Devkota                      | -            | 29,601.00     |
| Rabi & Rama Shakya                 | -            | 11,700.00     |
| Roshan & Gita Shrestha             | -            | 11,700.00     |
| Sailendra Rayamajhi                | -            | 20,000.00     |
| Sanjeep Pratap Rana                | -            | 20,000.00     |
| Saroj Dhungana                     | -            | 50,000.00     |
| Saroj Silwal                       | -            | 30,000.00     |
| Sunil Upadhyaya                    | -            | 5,000.00      |
| Ujjwal Tara School                 | 21,000.00    | 500,000.00    |
| Karuna Foundation                  | 1,000,000.00 | -             |
| Sher Shrestha                      | 1,000,000.00 | -             |
| Yagya Bhandari                     | 500,000.00   | -             |
| Shekhar Rai                        | 59,143.00    | -             |
| Arun Kumar K.C.                    | 555,555.00   | -             |
| Ashok Khanal                       | 10,000.00    | -             |
| Bandana Shrestha                   | 10,000.00    | -             |
| Basanta Chaudhary Foundation       | 2,500,000.00 | -             |
| Bhim Rai                           | 62,100.00    | -             |
| Bhimnath Acharya                   | 11.00        | -             |

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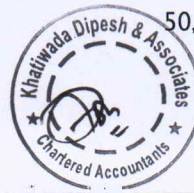


# Kathmandu Institute of Child Health

Sub-Schedules forming part of the Accounts for the year ended Ashad 32, 2079

| Particulars                              | Current Year  | Previous Year |
|--|---------------|---------------|
| <b>Sub-Schedule: I</b>                   |               |               |
| <b>Unrestricted Grant</b>                |               |               |
| Bhuvan Kumar Dahal                       | 100,000.00    | -             |
| Bijaya Lal Shrestha                      | 3,000,000.00  | -             |
| Bipin Timal                              | 2,000.00      | -             |
| Chandra K Rai                            | 59,143.00     | -             |
| Damodar Khadka                           | 101,000.00    | -             |
| Darpan Kirat                             | 59,143.00     | -             |
| Dirgaraj Prasai                          | 2,000,000.00  | -             |
| Dr. Sharada Ram Bhandari                 | 5,000,000.00  | -             |
| Ganapati Banaspati Pvt. Ltd.             | 10,000,000.00 | -             |
| Ganga Pulami                             | 10,500.00     | -             |
| Global Ime Bank Ltd.                     | 2,500,000.00  | -             |
| Gorakh SJB Rana                          | 111,111.00    | -             |
| Hams Hospital                            | 1,800,000.00  | -             |
| Hariyar Gautam                           | 500.00        | -             |
| Jayanti Memorial Trust                   | 1,000,000.00  | -             |
| K.M. Dastur Company                      | 2,987,010.00  | -             |
| Kathmandu Metropolitancity               | 20,000,000.00 | -             |
| Khem Neupane & Matched By Microsoft      | 581,030.00    | -             |
| Khumbu Carpet Industries                 | 502,555.00    | -             |
| Krishna Prasad Sapkota                   | 1,260,000.00  | -             |
| Kumar/Manju Sapkota                      | 100,000.00    | -             |
| Lakoa Sherpa                             | 29,571.00     | -             |
| Luman K.C.                               | 23,775.00     | -             |
| Melle Nadine Gilson                      | 401,190.00    | -             |
| Ministry Of Health & Population          | 10,000,000.00 | -             |
| Mrigendra Samjhana Medical Trust         | 1,000,000.00  | -             |
| Nepal Bhusan Gauli                       | 100,000.00    | -             |
| Nepal Infrastructure Bank Limited        | 450,000.00    | -             |
| Nepal Investment Bank Ltd.               | 5,000,000.00  | -             |
| Omkar Lal Shrestha                       | 101,222.03    | -             |
| Pabita Ghale                             | 60,444.00     | -             |
| Pratistha Bhandari                       | 200,000.00    | -             |
| Prince Pandey (Micro-Soft Matching Fund) | 120,883.86    | -             |
| Puja Shrestha                            | 1,500,005.00  | -             |
| Rajendra Rai                             | 41,400.00     | -             |
| Rakesh Rai                               | 118,405.00    | -             |
| Rana Devi Gurung                         | 6,033.00      | -             |
| Rastriya Banijya Bank Ltd.               | 5,000,000.00  | -             |
| Rita Kumari Kiorala                      | 50,000.00     | -             |

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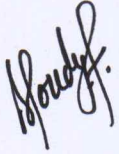
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# Kathmandu Institute of Child Health

Sub-Schedules forming part of the Accounts for the year ended Ashad 32, 2079

| Particulars                           | Current Year          | Previous Year       |
|---------------------------------------|-----------------------|---------------------|
| <b>Sub-Schedule: I</b>                |                       |                     |
| <b>Unrestricted Grant</b>             |                       |                     |
| Rotary Club Of Kathmandu              | 1,493,700.00          | -                   |
| Sarina Rana Magar                     | 59,261.00             | -                   |
| Shigeru Suganami                      | 987,400.00            | -                   |
| Shiva K Rai                           | 59,734.00             | -                   |
| Soaltee Hotel Ltd.                    | 500,000.00            | -                   |
| Suresh Chamling                       | 59,971.00             | -                   |
| Sweta Koirala                         | 50,000.00             | -                   |
| Sylvia Hansen (Logitech)              | 2,807.82              | -                   |
| Tista Prasai                          | 100,000.00            | -                   |
| Umesh Raj Joshi & Neeru Chipalu Joshi | 666,666.00            | -                   |
| Unica Foundation                      | 6,531,732.50          | -                   |
| Unknown Donor                         | 196,010.00            | -                   |
| Yeti Distillery (P.) Ltd.             | 5,000,000.00          | -                   |
| DFAT-Grant Income                     | 2,532,300.00          | -                   |
| People In Health (PIH)                | 930,228.13            | -                   |
| Karuna Singh                          | 118,810.00            | -                   |
| Mukti Rai                             | 118,877.00            | -                   |
| <b>Total</b>                          | <b>106,803,327.34</b> | <b>8,724,839.45</b> |





**Kathmandu Institute of Child Health**  
**Schedules forming part of the financial statements for the year ended Ashad 32, 2079**

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

**1. Background**

Kathmandu Institute of Child Health is a not for profit company registered with the Office of Companies Registrar on Ashad 2074 and registered under PAN with the Inland Revenue Department. The objective of the company is to provide medical facilities especially focusing on the child health care and undertaking research in the pediatric segment. The company has already obtained "Letter of No Objection" for establishment of the child care hospital from the Ministry of Health and Population. The company is still under preliminary phase as no letter of permission is yet issued by the Ministry of Health and Population.

**2. Significant Accounting Policies**

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Policies for not for profit organization. Major accounting policies are described as follows:

**2.1 Basis of Accounting**

The financial Statements are prepared under the historical cost convention on an accrual basis except as stated in the related notes.

**2.2 Revenue Recognition:**

**a. Income**

Grant income received without any restriction in its usage is categorized as unrestricted grant income at the time of receipt.

Grant received for specific purposes (Restricted Grant) is treated as income to the extent of expenditure incurred and the balance remaining unspent at the end of the year is disclosed as Restricted Fund.

**b. Interest income:**

Interest Income from the bank deposit is recognized on the basis of effective interest rate.

**c. Other Income:**

Other income are recognized on accrual basis when the obligation regarding the income has been fulfilled and amounts is recognized as receivable.



**Kathmandu Institute of Child Health**  
**Schedules forming part of the financial statements for the year ended Ashad 32, 2079**

**2.3 Property Plant and Equipment:**

Property, Plant and Equipment are accounted for on cost less accumulated depreciation less accumulated impairment losses. The cost of acquisition is composed of invoice price plus duties and other directly attributable costs required to bring the asset to location and condition for its use.

Assets under construction and all the cost incurred on is disclosed as capital work in progress in the fixed assets schedule. The same will be capitalized on receipt of the completion report from the contractors.

Depreciation is charged based on the rates determined by the management which is based on estimated useful life of the assets.

**2.4 Member Fund**

The Company does not have share capital rather it has obtained seed money from the promoter members at the rate of NPR 5,000 each which has been disclosed as Member fund in the Statement of Financial Position.

**2.5 Contingent Liabilities**

Management has not estimated any material contingent liability associated with the business of the program conducted by this organization.

**2.6 Income Tax**

The entity is a tax-exempt entity and had obtained tax exemption certificate hence no provision for current tax neither deferred tax has been created.

**2.7 Pre-operating Expenses**

Expenses incurred on the registration of the company are categorized as pre-operating expenses which are amortized over a period of 5 years. Pre-operating expenses totaling NPR 4,800 has been amortized in this year 2078/79.

**2.8 Comparative Figures:**

The previous year's comparative figures are presented in the Financial Statements and they have been regrouped and re-arranged wherever necessary.

**3. Notes to Accounts**

**3.1 Donations Received**

The Company has obtained donations from individuals and institutions worth NPR 106,803,327 during the current financial year. The funds thus received as donations has been treated as unrestricted income in





**Kathmandu Institute of Child Health**  
**Schedules forming part of the financial statements for the year ended Ashad 32, 2079**

the Statement of Income and Expenditure. Details of the donations received is disclosed in Sub Schedule 1.

### 3.2 Land Development & Capital WIP

The Company has obtained lease of 41-10-3-0 ropanies of land at Budhanilkantha, Kathmandu for a period of 50 years commencing on 2076/10/15 and also obtained property of Nepal Red Cross Society in Damak. Expenses incurred for leasehold development being the preparatory works for construction of building is disclosed as Capital WIP in Schedule 5 of the financial statement. Depreciation on these expenses shall commence after the completion of the construction.

### 3.3 NCDI Project

The Company has obtained a grant from The Brigham and Women's Hospital, Inc. vide agreement dated 1 May 2021 for the project: "Redesigning Care, Protecting the Vulnerable" during the year. Out of the total fund received initially totaling NPR 24,05,211.47, NPR 2,009,846.32 was expended during the previous year for the agreed activities. The balance amount of NPR 395,365.15 was disclosed as restricted fund balance at the end of previous year. During the year NPR 24,20,864 was received for the project. Total expenditures during the year totaled NPR 14,57,589. The remaining balance of NPR 13,58,640 has been presented as Restricted Fund under Fund Balance in the financial statements.

### 3.4 PEN Plus Project

Similarly, the company has has obtained a grant of NPR 40,90,719 from The Brigham and Women's Hospital, Inc. vide agreement dated 1 November 2021. The amount is to be expended for establishment of PEN Plus Clinics, Training Centers and Development of PEN-Plus Policies National Operation Plan. Out of the total fund received NPR 25,46,437 was expended during the year for the agreed activities. The balance amount of NPR 15,44,282 has been disclosed as Restricted Fund under fund balance in the financial statement.

### 3.5 Endowment Fund

Amount of NPR 10,00,000 has been received from Gauradaha Municipality, Jhapa as endowment fund. Only the interest income from the fund will be expended as per the work procedure approved by the municipality. The amount was received at the end of the year and the work procedure is yet to be finalized.



## Kathmandu Institute of Child Health

### Schedules forming part of the financial statements for the year ended Ashad 32, 2079

#### 4 Prior Period Adjustments

Until Previous year, unrestricted grant received from several individual and members were credited directly in Member's Fund as the Clause 7(3) of Memorandum of Association of KIOCH stated that grant received from individual and other institutions will be the equity of the organization. The MOA was amended during the current year stating that such amounts to be kept in the separate fund. Further, accounting principles for Not For Profit Organizations states that, any unrestricted grant received must be recognized as income in the year of receipt. Accordingly, such grants have been removed from Member's fund and recognized in the Income Statement. Similarly, the restricted grant which KIOCH that has received based on the agreement with several donors (Refer Note 3.3 and 3.4 above) are reclassified to Restricted Funds under fund balance from Trade Payables

#### 4.1. Reconciliation of Balance Sheet of the Previous Year

| PARTICULARS                             | Notes | As per Audited FS | Adjustments      | Revised           |                     | Explanation  |
|---|-------|-------------------|------------------|-------------------|---------------------|--|
|   |       |                   |                  | As At 31.03.2078  | Comparative Figures |  |
| <b>Fund Balance</b>                     |       |                   |                  |                   |                     |  |
| Member's Fund                           |       | 22,956,841        | (22,926,841)     | 30,000            |                     | Unrestricted grant of previous year NPR 8,724,839.45 is transferred to income statement and NPR 14,202,001.55 till the beginning of previous fiscal has been removed from the Member's Fund. Amount of NPR 30,000 pertains to the fund provided by the promoter members of the organization. |
| Other Fund Balance                      |       |                   |                  |                   |                     |  |
| Reserve & Surplus                       |       | (6,903,862)       | 16,418,344       | 16,418,344        |                     | Reclassification of Reserves & Surplus to Unrestricted Grant & Payable to Donor to Restricted Fund (Negative NPR 6,903,862) + NPR  |
| <b>Total Fund Balance</b>               |       | <b>16,052,979</b> | <b>395,365</b>   | <b>16,448,344</b> |                     | Reclassification of Reserves & Surplus to Unrestricted Grant under Fund Balance  |
| <b>Current Liabilities</b>              |       |                   |                  |                   |                     |  |
| Trade & Other Payables                  |       | 553,480           | (395,365)        | 158,115           |                     | Reclassification of Payable to Donors to Restricted Grant under Fund Balance.  |
| Provisions                              |       |                   |                  |                   |                     |  |
| <b>Total Current Liabilities</b>        |       | <b>553,480</b>    | <b>(395,365)</b> | <b>158,115</b>    |                     |  |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>   |       | <b>16,606,459</b> | <b>(0)</b>       | <b>16,606,459</b> |                     |  |
| <b>ASSETS</b>                           |       |                   |                  |                   |                     |  |
| <b>Non Current Assets</b>               |       |                   |                  |                   |                     |  |
| Fixed Assets                            |       | 14,920,355        | -                | 14,920,355        |                     |  |
| <b>Total Non Current Assets</b>         |       | <b>14,920,355</b> |                  | <b>14,920,355</b> |                     |  |
| <b>Current Assets</b>                   |       |                   |                  |                   |                     |  |
| Inventories                             |       |                   |                  |                   |                     |  |
| Cash & Bank Balances                    |       | 918,904           | -                | 918,904           |                     |  |
| Prepayments, Loans, Advances & Deposits |       | 762,400           | -                | 762,400           |                     |  |
| Preoperating Expenses                   |       | 4,800             | -                | 4,800             |                     |  |
| <b>Total Current Assets</b>             |       | <b>16,606,459</b> |                  | <b>16,606,459</b> |                     |  |



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**Kathmandu Institute of Child Health  
Schedules forming part of the financial statements for the year ended Ashad 32, 2079**

4.2. Reconciliation of Income Statement of the Previous Year

| Particulars                         | For the year ended 31 Ashadh 2078 |                             | Explanation   |
|-------------------------------------|-----------------------------------|-----------------------------|---|
|                                     | As per Audited Figures            | Revised Comparative Figures |   |
| <b>Income</b>                       |                                   |                             |   |
| Unrestricted Grant                  | -                                 | 8,724,839                   | Unrestricted Grant Received from several individual and institutions is recognized as Unrestricted Grant. |
| Restricted Grant                    | -                                 | 1,892,220                   | Reclassification of Other Income to Restricted Grant.   |
| Membership Fee                      | -                                 | -                           |   |
| <b>Direct Expenses</b>              |                                   |                             |   |
| Project Expenditure                 | (1,892,220)                       | (1,892,220)                 |   |
| <b>Gross Surplus</b>                | <b>(1,892,220)</b>                | <b>10,617,060</b>           |   |
| Other Income                        | 1,991,220                         | (1,892,220)                 | 99,000 Reclassification of Other Income to Restricted Grant.  |
| Administrative Expenses             | (2,924,806)                       | 0                           |   |
| Depreciation                        | (100,352)                         | (100,352)                   |   |
| <b>Net Surplus</b>                  | <b>(2,926,158)</b>                | <b>8,724,839</b>            | <b>5,798,681</b>  |
| Provision for Income Tax            | -                                 | -                           |   |
| <b>Surplus Transferred to Funds</b> | <b>(2,926,158)</b>                | <b>8,724,839</b>            | <b>5,798,681</b>  |



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