K.P. Rijal & Company
Registered Auditor
Regd. No: 2866 B

PAN No: 500174384
COP. No.: 2993

INDEPENDENT AUDITOR'S REPORT

To Members of Laxmi Pratisthan

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **Laxmi Pratisthan** which comprise the Statement of Financial Position as at 32 Ashadh 2083, Statement of Income and Expenditure, Statement of Cash Flows for the year then ended, Statement of Changes in Reserve and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at 32 Ashadh 2083, and its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting standards for the NPOs (NAS for NPOs) issued by Accounting Standard Board of Nepal so far as applicable in compliance with the prevailing Laws.

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for Audit of Financial Statements* section of our report. We are independent of the entity in accordance with the ICAN's handbook of *The Code of Ethics for Professional Accountants* and we have fulfilled our other ethical responsibilities in accordance with handbook of *The Code of Ethics for Professional Accountants*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Responsibilities of Management for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Accounting standards for the NPOs (NAS for NPOs) 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 intended to liquidate the comply, or has no realistic alternative but to do so. The management is responsible for overseeing the entity's financial reporting process.



Auditor's Responsibility for the Audit of 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 and 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 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

RA. Kamal Prasad Rijal
For: KP Rijal & Company, Registered Auditor
Date: 20 Ashoj, 2083
Place: Kathmandu
UDIN: 261103RA02232Yuf78

Laxmi Pratisthan
Kathmandu,Nepal

Statement of Financial Position
As on 32 Ashad 2083 (16 July 2026)

Amount in NPR

Particulars	Notes	Current Year	Previous Year
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	4.1	7,217,474.49	5,513,383.63
Intangible Assets	4.2	-	-
Investment Property		-	-
Long term investments	4.3	-	-
Other Non Current Assets			-
Total Non - Current Assets		**7,217,474.49**	**5,513,383.63**
Current Assets			
Inventories	4.4	-	-
Accouns Receivable	4.5	220,735.68	223,649.42
Cash and Cash Equivalents	4.6	1,076,091.26	560,859.41
Total Current Assets		**1,296,826.94**	**784,508.83**
Total Assets		**8,514,301.43**	**6,297,892.46**
LIABILITIES & RESERVES			
Accumulated Reserves			
Unrestricted Funds/ accumulated surplus	4.7	7,626,952.20	4,397,125.93
Designated Funds	4.8	135,808.75	135,808.75
Restricted Funds	4.9	-	-
Endowment Fund	4.10	-	-
Other Capital reserves	4.11	-	-
Total Accumulated Reserves		**7,762,760.95**	**4,532,934.68**
Non - Current Liabilities			
Designated Funds		-	-
Employee benefit liabilities		-	-
Deferred Revenue	4.12	-	
Total Non - Current Liabilities		-	-
Current Liabilities			
Accounts Payable	4.13	751,540.48	1,764,957.78
Short Term Borrowing		-	-
Provisions	4.14	-	-
Bank overdrafts		-	-
Total Current Liabilities		**751,540.48**	**1,764,957.78**
Total Liabilities		**751,540.48**	**1,764,957.78**
Total Liabilities and Reserves		**8,514,301.43**	**6,297,892.46**

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

Arjun Chaulagain
Treasurer

Bishnu Prasad Gautam
Chairperson

As per our report of even date

RA. Kamal Prasad Rijal
KP Rijal & Company
Registered Auditor

Date: 20.06.2083
Place: Kathmandu,Nepal

Laxmi Pratisthan
Kathmandu,Nepal

Statement of Changes in Reserves
For the period from 01-04-2082 to 32-03-2083

Amount in NPI

Description	Restricted Reserves	Designated Fund	Unrestricted Reserves	Endowment Funds	Capital Reserves	Result for the Year	Total
Balance as at 2081/04/01	-	**135,808.75**	**4,822,963.30**	-	-		**4,958,772.05**
Result for the Year							
Allocation of results to Restricted Reserves	-	-				-	-
Depreciation Adjustment of Last Year						-	-
Allocation of results to Designated Fund						-	-
Allocation of results to Unrestricted Fund			(425,837.36)			(425,837.36)	(425,837.36)
Allocation of results to Endowment Fund				-		-	-
Allocation of results to Capital Fund					-	-	-
Balance as at 2082/03/32	-	**135,808.75**	**4,397,125.93**	-	-	**(425,837.36)**	**4,532,934.68**
Result for the Year							-
Allocation of results to Restricted Reserves	-					-	-
Allocation of results to Designated Fund						-	-
Allocation of results to Unrestricted Fund			3,229,826.27			3,229,826.27	3,229,826.27
Allocation of results to Endowment Fund						-	-
Allocation of results to Capital Fund					-	-	-
Foreign exchange Gain/ Loss				-			
Balance as at 2082/03/32	-	**135,808.75**	**7,626,952.20**	-	-	**2,803,988.91**	**7,762,760.95**

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

Arjun Chaulagain
Treasurer

Bishnu Prasad Gautam
Chairperson

As per our report of even date

RA. Kamal Prasad Rijal
KP Rijal & Company
Registered Auditor

Date: 20.06.2083
Place Kathmandu,Nepal

Laxmi Pratisthan
Kathmandu,Nepal

Statement of Cash Flows
As on 32 Ashad 2083 (16 July 2026)

Amount in NPR

Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/ (deficit) for the year (Before Tax)	3,229,826.27	(425,837.36)
Adjustments to reconcile surplus/(deficit) to net cash flows:		
Non-cash items:		
Depreciation and impairment of property, plant and equipment	453,471.77	340,839.05
Amortization and impairment of intangible assets	-	-
Provision and losses on inventories	-	-
Movement in provisions, receivables and specific risks	-	-
Deferred Revenue	-	-
Gains from disposal of fixed assets	-	-
Working capital adjustments:		
Accounts receivable	2,913.74	112,773.82
Inventories	-	-
Accounts Payable	(1,013,417.30)	434,809.59
Short term borrowing		
Provisions		
Restricted Funds	-	-
Less: Interest paid	-	-
Net cash from/(used in) operating activities	**2,672,794.48**	**462,585.10**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment	(2,157,562.89)	(1,038,314.00)
Purchase of intangible assets		
Proceeds from sale of equipment	-	-
Purchase of investment property	-	-
Long term investment	-	-
Interest received	-	-
Net cash from/(used in) investing activities	**(2,157,562.89)**	**(1,038,314.00)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing of government loans	-	-
Repayments of government loans	-	-
Net cash from/(used in) financing activities	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**515,231.59**	**(575,728.90)**
Opening Cash & Cash Equivalent at the Beginning of The Year	560,859.41	1,136,588.72
Closing Cash & Cash Equivalent at the Beginning of The Year	**1,076,091.00**	**560,859.41**

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

Arjun Chaulagain
Treasurer

Bishnu Prasad Gautam
Chairperson

As per our report of even date

RA. Kamal Prasad Rijal
KP Rijal & Company
Registered Auditor

Date: 20.06.2083
Place Kathmandu,Nepal

Laxmi Pratisthan
Kathmandu,Nepal

Statement of Income & Expenditure
For the period from 01-04-2082 to 32-03-2083

Amount in NPR

Particulars	Notes	Current Year	Previous Year
INCOME			
Incoming Resources	4.15	14,178,175.03	14,180,613.14
Financial Income	4.16	7,870.75	5,361.26
Other Income	4.17	353,060.68	383,441.89
Total Income		**14,539,106.46**	**14,569,416.29**
EXPENDITURE			
Staff Cost	4.18	760,320.00	760,080.00
Programme Expenses	4.19	8,756,006.09	12,674,453.56
General Administrative Expenditure	4.20	1,339,482.33	1,219,881.04
Depreciation	4.21	453,471.77	340,839.05
Other Expenditure			
Total expenditure		**11,309,280.19**	**14,995,253.65**
Net surplus/(deficit) before Taxation		**3,229,826.27**	**(425,837.36)**
Income Tax Expenses		-	
SURPLUS/(DEFICIT) FOR THE YEAR		**3,229,826.27**	**(425,837.36)**
APPROPRIATION OF SURPLUS FOR THE YEAF			
Allocation to Reserves		3,229,826.27	(425,837.36)
Allocation to Endowment Fund		-	-

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

As per our report of even date

Arjun Chaulagain
Treasurer

Bishnu Prasad Gautam
Chairperson

RA. Kamal Prasad Rijal
KP Rijal & Company
Registered Auditor

Date: 20.06.2083
Place Kathmandu,Nepal

4 Notes to the Financial Statement

4.1 Property, Plant and Equipments

Gross Value

Item	Balance as at 01.04.2082	Additions during during the year	Disposals during the year	Balance as at 32.03.2083
Land	494,400.00	-	-	494,400.00
Buildings	1,519,146.63	-	-	1,519,146.63
Vehicles			-	-
Furniture and Fixuture	589,573.32	204,000.00	-	793,573.32
Machinery	962,885.85	64,900.00		1,027,785.85
Leasehold Assets	2,633,178.00	1,888,662.89	-	4,521,840.89
Software	17,002.92			17,002.92
Sub-Total	**6,216,186.72**	**2,157,562.89**	-	**8,373,749.61**
Capital Work in Progress				
Total	**6,216,186.72**	**2,157,562.89**	-	**8,373,749.61**

Depreciation

Item	Balance as at 01.04.2082	Charge for the year	Disposals during the year	Balance as at 32.03.2083
Land			-	-
Buildings	177,233.77	101,276.44	-	278,510.22
Vehicles	-		-	-
Furniture and Fixtures	130,293.35	41,638.22	-	171,931.57
Machinery	155,294.16	70,922.95		226,217.10
Leasehold Assets	237,148.41	238,500.63	-	475,649.04
Software	2,833.82	1,133.53		3,967.35
Sub-Total	**702,803.50**	**453,471.77**	-	**1,156,275.27**
Capital Work in Progress				
Total	**702,803.50**	**453,471.77**	-	**1,156,275.27**

Carrying Amount

Item	Land	Buildings	Motor Vehicles	Furniture and Fixtures
As at 01.04.2082	494,400.00	1,341,912.86	-	459,279.97
As at 32.03.2083	494,400.00	1,240,636.42	-	621,641.75

4.2 Intangible Assets

Gross Value

Item	Balance as at 01.04.2082	Additions during during the year	Disposals during the year	Balance as at 32.03.2083
	-		-	-
Total	-	-	-	-

Amortization

Item	Balance as at 01.04.2082	Charge for the year	Disposals during the year	Balance as at 32.03.2083
ERP Software	-	-	-	-
Total	-	-	-	-

Carrying Amount	Intangible Assets	Total
As at 01.04.2082	-	-
As at 32.03.2083	-	-

Laxmi Plaza Pvt. Ltd. Kathmandu, Nepal

4.3 Long Term Investment

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

4.4 Inventories

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

4.5 Accounts Receivable

Particulars	Current Year	Previous Year
Deposits and Advances	-	-
Manoj Shrestha	196,107.08	200,000.00
Advance Income Tax	24,628.60	23,649.42
Less: Allowance for accounts receivable	-	-
Total	**220,735.68**	**223,649.42**

4.6 Cash and cash equivalents

Particulars	Current Year	Previous Year
Cash in Hand	1,093.53	1,093.53
Nepal Investment Mega Bank-Call Account	133,440.19	173,494.36
Nepal Investment Mega Bank-Current Account	5,108.34	5,108.34
Arunima Saving & Credit Cooperative Limited	380,000.00	380,000.00
Siddharta Bank Limited	556,449.20	1,163.18
Short-term deposits	-	-
Total	**1,076,091.26**	**560,859.41**

4.7 Unrestricted Funds

Particulars	Current Year	Previous Year
Balance at beginning of the year	4,397,125.93	4,822,963.30
Depreciation Adjustment of Last Year	-	-
Unrestricted surplus/deficit in operating Activities	3,229,826.27	(425,837.36)
Balance at end of the year	**7,626,952.20**	**4,397,125.93**

4.8 Designated Funds

Particulars	Current Year	Previous Year
Balance as at beginning of year	135,808.75	135,808.75
Additional Funds received during the year	-	-
Balance as at year end	**135,808.75**	135,808.75

Designated for

Particulars	Current Year	Previous Year
Total	-	-
	-	-

4.9 Restricted Funds

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

4.10 Endowment Funds

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

4.11 Other Capital Reserves

Particulars	Current Year	Previous Year
Balance at beginning of the year	-	-
Additions during the year	-	
Depreciation/Amortization for the year	-	-
Disposal during the year		-
Balance at end of the year	-	-

4.12 Deferred Revenue

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

4.13 Accounts Payable

Particulars	Current Year	Previous Year
Bishnu Gautam	142,031.11	399,263.38
Audit Fee Payable	34,000.00	34,000.00
TDS on Audit Fee	6,675.00	6,000.00
TDS on Fooding Expenses	15,584.42	36,420.00
Vendor TDS Payable	-	1,641.37
Social Security Tax Payable-Salary	38,086.45	37,739.90
Salary Payable	147,994.20	296,434.20
Annapurna Arohi	247,290.00	247,290.00
M & D Supplier	119,879.30	271,160.00
Bartaula Kirana Pasal	-	219,342.10
OM Shanti Hardware	-	58,771.91
Rohila Trade	-	24,874.92
Shree Saraswati Secondary School	-	132,020.00
Total	**751,540.48**	**1,764,957.78**





4.14 Provisions

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

4.15 Incoming Resources

Particulars	Current Year	Previous Year
Contribution & Support-General	12,460,740.91	13,909,013.14
Friend for Friend Campaign Contribution	960,552.00	271,600.00
Food for day Campaign Contribution	756,882.12	
Other fund raising activity	-	-
Profit from trading or other activities [refer (a)]	-	-
Deferred Income	-	-
Total Incoming Resources	**14,178,175.03**	**14,180,613.14**

(a) Profit from trading activities

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

4.16 Financial Income

Particulars	Current Year	Previous Year
Interest Income	7,870.75	5,361.26
Total	**7,870.75**	**5,361.26**

4.17 Other Income

Particulars	Current Year	Previous Year
Membership & Renewal Fee	-	-
Other Income	353,060.68	383,441.89
Total	**353,060.68**	**383,441.89**

4.18 Staff Cost

Particulars	Current Year	Previous Year
Wages and salaries	760,320.00	760,080.00
Allowances and benefits	-	-
Provident Fund	-	-
Gratuity	-	-
Total	**760,320.00**	**760,080.00**

4.19 Program Expenses

Particulars	Current Year	Previous Year
Kanda Hostel Project Expenses	3,677,959.07	3,737,494.00

Kumar Balaram Memorial Hostel Kavre Project Expenses	4,933,047.02	4,984,046.85
Other Program Expenses	145,000.00	236,163.00
Total	**8,756,006.09**	**8,957,703.85**

4.20 General Administrative Overhead

Particulars	Current Year	Previous Year
Fuel Expenses	208,542.00	202,863.00
Office Supplies	21,915.00	4,500.00
Communication & Electricity Expenses	34,520.02	25,391.00
Stationery	37,915.20	63,430.00
Audit Fee	85,000.00	40,000.00
Registration & Renewal Expenses	112,325.00	215,952.82
Repair & Maintenance Expenses	194,268.00	227,081.00
Travelling Expenses	246,981.00	31,500.00
Rent Expenses	203,000.00	180,000.00
Refreshment & Hospitality	21,184.00	11,500.00
Fooding Expenses	116,704.00	108,239.00
Bank Charge	4,756.66	6,880.22
Miscelaneous Expenses	9,091.45	56,044.00
Annual Program Expenses	-	13,200.00
Annual General Meeting Expenses	28,000.00	5,220.00
Ambulance Charge	-	7,800.00
Insurance Expenses	8,500.00	8,500.00
Land Management Expenses	-	5,000.00
Software Expenses	6,780.00	6,780.00
Total	**1,339,482.33**	**1,219,881.04**

4.21 Depreciation & Amortization

Particulars	Current Year	Previous Year
Depreciation	453,471.77	30,405.83
Amortization	-	-
Total	**453,471.77**	**30,405.83**

4.22 Income Tax Expense

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

4.23 Capital Commitments

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

4.24 Contingent Liabilities

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

4.25 Related Party Transactions

Following transactions were carried out with related parties;

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

Laxmi Pratisthan
Kathmandu,Nepal
Program Expenditure Details

Kanda Hostel Project Expenses

Particular	Amount(NRs)
Books and Stationery	10,350.00
Education Expenses	142,600.00
Salary Expenses	1,291,695.00
Agricultural Expenses	58,260.00
Uniform & Other Supplies	474,715.00
Consumables & Supplies	5,170.00
Travelling Expenses	433,963.07
Fooding Expenses	1,237,007.00
Medicine Expenses	6,009.00
Refreshment Expenses	18,190.00
Total	**3,677,959.07**

Kumar Balaram Memorial Hostel Kosipari Project Expenses

Particular	Amount(NRs)
Books and Stationery	66,945.00
Education Expenses	350,560.00
Salary Expenses	1,756,630.00
Food & Vegetable Supplies	1,657,767.02
Agiriculture Expenses	327,530.00
Uniform & Other Supplies Expenses	211,719.00
Electrical Appliance Expenses	48,374.00
Local Travelling Expenses	123,090.00
Refreshment Expenses	20,417.00
Hostel Cloth & Bed Item	25,649.00
Electricity Expenses	88,264.00
Kitchen & Toilet Item Expenses	98,842.00
Hostel Supplies	110,320.00
Medicine Expenses	46,940.00
Total	**4,933,047.02**

Other Program Expenses

Particular	Amount (NRs)
Support to School & Various Party	145,000.00
Total	**145,000.00**
Total Program Expenses	**8,756,006.09**

Laxmi Pratisthan Kathmandu, Nepal 2009

K.P. Rijal & Company Registered Auditor Firm Reg. No. 2255 Member Institute of Chartered Accountants, Nepal

Laxmi Pratisthan
Kathmandu,Nepal
Statement of Accounting Policies and Notes to Financial Statements
As on 32 Ashad 2083 (16 July 2026)

1 General Information

Laxmi Pratisthan is a non-governmental not for profit organization established under Associations Registrations Act, 2034.It is established on 28.02.2067 in District Administration Office and registered in Social Welfare Council on 06.04.2067It is registered in Inland Revenue Department with PAN 304369735. Its registered office is in Kathmandu,Nepal as a principle place of activities.

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

2 Basis of Preparation

2.1 Statement of Compliances

The Statement of Financial Position, Statement of Income & Expenditure, Statement of Changes in Reserves, Statement of Cash Flows together with the Accounting Policies and Notes to the financial statements as at 2083/03/32 and for the year then ended comply with the Generally Accepted Accounting Principles to the extent applicable and the Nepal Accounting Standards for NPOs (NAS for NPOs) issued by Accounting Standard Board of Nepal. The Financial Statements were authorized for issue as per decision of the Board or Executive Committee dated 20.06.2083.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Changes in Accounting Policies and Disclosures

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

2.5 Significant Accounting Judgments, Estimates and Assumptions

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

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

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

Laxmi Pratisthan Kathmandu, Nepal

K.P. Rijal & Company Registered Auditor

3 Summary of significant accounting policies

3.1 Property Plant and Equipment

A. **Cost and Valuation**

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

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

B. **Depreciation**

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

Assets	Life (in years)
Buildings	15
Motor Vehicles	15
Computer Equipments	15
Office Equipments	15
Furniture and Fittings	15
Machineries	15

Donated Assets

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

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

3.2 Intangible Assets

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

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

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

3.3 Foreign-currency transactions

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

3.4 Cash and cash equivalents

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

3.5 Inventories

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

3.6 Provisions

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

3.7 Employee Benefits Liabilities

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

3.8 Loans and Borrowings and Account Payables

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

3.9 Accounting for the receipt and utilization of Funds/Reserves

Reserves

Reserves are classified as either restricted or unrestricted reserves.

a. **Unrestricted Reserves/Funds/accumulated surplus**

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

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

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

b. **Designated Reserves/Funds**

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

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

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

c. **Restricted Fund**

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

d. **Endowment Reserves/Funds**

Where assets are received as an endowment, which are not exhausted, only the income earned from such assets may be recognized and used as income.

e. **Investment Income**

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

3.10 Grants and Subsidies

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

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

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

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

3.11 Income recognition

a. **Contributions/ Incoming Sources**

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

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

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

b. **Financial Income**

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

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

c. **Other income**

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

3.12 Expenditure recognition

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

3.13 Taxation

a. **Current Taxes**

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

b. **Value added taxes**

Value added taxes (VAT) that are payable on services and goods purchased are normally included in the cost of such item. An exception would be where the organization is exempted and entitled to refund, in such case, same would be reflected as receivable in the Statement of Financial Position.

3.14 Borrowing costs

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

3.15 Contingent liabilities

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

Note VIII

Particulars	Depreciation u/s 19			
	Pool A	Pool B	Pool C	Pool D
Opening Depreciation Base	1,371,029.84	383,247.97		744,127.03
Addition upto Poush		156,000.00	-	64,900.00
Addition upto Chaitra		-	-	-
Addition upto Ashadh	-	48,000.00	-	-
Allowable Addition Amount	-	172,000.00	-	64,900.00
Disposal During the year	-	-	-	-
Depreciation Basis for the year	1,371,029.84	555,247.97	-	809,027.03
Depreciation Rate	0.05	0.25	0.20	0.15
Depreciation for the year	**68,551.49**	**138,811.99**	-	**121,354.05**
Unabsorbed Addition	-	32,000.00	-	-
Unabsorbed Repair Expenses.	-	-	-	-
Depreciation Basis for next year	**1,302,478.34**	**448,435.98**	-	**687,672.97**

Particulars	Pool E	
	Software	Leasehold
Original Cost	15,302.63	1,940,164.97
Purchase date	-	-
Useful life (years)	10.00	10.00
Opening Depreciation Base	15,302.63	1,940,164.97
Addition upto Poush	-	1,888,662.89
Addition upto Chaitra	-	
Addition upto Ashadh	-	
Allowable Addition Amount	-	1,888,662.89
Disposal During the year	-	-
Depreciation Basis for the year	15,302.63	3,828,827.86
Depreciation Rate	0.10	0.10
Depreciation for the year	**1,530.26**	**382,882.79**
Unabsorbed Addition	-	-
Depreciation Basis for next year	**13,772.37**	**3,445,945.07**

K.C. Jaiswal & Company
Firm Reg. No. 2268
Membership No. 2232
Kalimandu, Nepal
Registered Auditor

Repair & Improvement expense u/s 16				
Asset Pool	Actual	Allowable	Allowed	Capitalized
Pool A	-	95,972.09	-	-
Pool B	-	9,716.84	-	-
Pool C		-	-	-
Pool D	-	2,298.13	-	-
Pool E	194,268.00	269,089.13	194,268.00	-
Total	**194,268.00**	**377,076.20**	**194,268.00**	**-**

Laxmi Pratisthan Kathmandu, Nepal

K.P. Bijal & Company
Firm Reg. No. 2066
Membership No. 2232
Kathmandu, Nepal
Registered Auditor

Laxmi Pratisthan
Tilganga, Kathmandu
Sub Schedules

Contribution & Support-General

S.N.	Description	Amount (NRs)
1	Nilima Shakya	50,000.00
2	Swiss Development Corporation.	1,037,500.00
3	Sachham Nepal	1,579,742.59
4	Zenith Education	1,255,093.90
5	Laxmi Pratisthan of USA	5,302,003.67
6	Khemraj Lamichhane	60,000.00
7	Padmakanya Campus	140,500.00
8	Santosh Deshar	200,000.00
9	Amar Chhetri	317,049.00
10	Ranjit Sedhai	50,000.00
11	Bishnu Gautam Collection	724,873.00
12	Madhav Atreya	50,000.00
14	Sunita Dahal Basnet	40,000.00
15	Sneha Shakya	100,001.00
16	Sabita Bhandari & Friends	386,118.05
19	Krishna Gautam	200.00
22	Yam Kadariya	50,000.00
25	San Antonio Nepalease Association	431,950.26
26	Sanjiv Shrestha - Dr.Ichiro Iha	50,000.00
27	Nabin Dangol	50,000.00
30	Minu Shakya Shrestha	50,000.00
31	South Asia Voluntary Enterprise	392,186.44
38	Basanta Gautam	50,111.00
39	K & K College	70,000.00
43	Purna Loksan	15,000.00
44	Ashish and Arushi	8,412.00
	Total	**12,460,740.91**

Food for a Day Program Contribution

S.N.	Description	Amount (NRs)
1	Manisha Bastakoti.	21,000.00
2	Krishna Bhandari	20,000.00
3	The Bates Foundation	17,320.12
4	Padmakanya Campus	6,000.00
5	Amrita Pandey	25,000.00
6	Pabitra Gautam	11,111.00
7	Narendra Ranjit	22,000.00

8	Nabin Shrestha	
9	Ramesh Deuja	10,000.00
10	Minu Shakya	11,100.00
11	Shiva Khanal	10,000.00
12	Bishnu Gautam	3,333.00
13	Shova Sapkota	207,948.00
14	Pratik Anan	11,000.00
15	Gopal Prasad Banjara	20,000.00
16	Laxmi Gurung	10,000.00
17	Nitesh Chaulagain	28,100.00
18	Tara Aryal	15,555.00
19	Laxman Jung Pandey	16,000.00
20	Hari Prasad Regmi	20,000.00
21	Puspa Lama	10,000.00
22	Navaraj Chaulagain	3,000.00
23	Devendra Mahat	10,000.00
24	Bishnu Poudel	15,000.00
25	Amrita Rai	25,000.00
26	Sabin & Megha	11,115.00
27	Hari Prasad Regmi	10,000.00
28	Deepak Agrahari	10,000.00
29	Debendra Mahat	30,000.00
30	Shiva Khanal	10,000.00
31	Madan Raut	5,101.00
32	Allian Epaqupess	20,000.00
33	Janardan Sharma	10,000.00
34	Sudarshan Sapkota	7,500.00
35	Amar Chaulagain	25,000.00
36	Ratna Khadka	5,155.00
37	Sunil Gautam	21,005.00
38	Bishwo Raj Poudel	10,000.00
39	Himal p. Regmi	10,105.00
	Total	10,101.00
		756,882.12

Laxmi Pratisthan Est. 2069 Kathmandu, Nepal

K.P. Jaiswal & Company ★ Registered Auditor ★ Firm Reg. No. Membership No. Kathmandu, Nepal

Laxmi Pratisthan
Tilganga, Kathmandu
Staff Salary Statement
For the period from 01-04-2082 to 32-03-2083

S.No.	Name	Taxable Salary	Tax Liability			Tax Liability	Remarks
			1%	10%	20%		
1	Krishna Gautam	501,930.00	5,019.30			5,019.30	Admin
2	Manoj Shrestha	423,855.00	4,238.55			4,238.55	Kanda Project
3	Sunita Tamang	218,790.00	2,187.90	-	-	2,187.90	Admin
4	Sujan Thapa	327,700.00	3,277.00	-	-	3,277.00	Kosipari Project
5	Samjhana Thapa	257,400.00	2,574.00		-	2,574.00	Kosipari Project
6	Arjun Sunuwar	285,090.00	2,850.90	-	-	2,850.90	Kosipari Project
7	Kabilal Praja	257,400.00	2,574.00			2,574.00	Kosipari Project
8	Elina Limbu	40,000.00	400.00	-	-	400.00	Kanda Project
9	Misan Praja	218,790.00	2,187.90			2,187.90	Kanda Project
10	Roshan Praja	253,820.00	2,538.20	-	-	2,538.20	Kanda Project
11	Santumaya Praja	178,200.00	1,782.00	-	-	1,782.00	Kanda Project
12	Bishnu Prasad Gautam	83,160.00	831.60	-	-	831.60	Kosipari Project
13	Sommaya Praja	5,000.00	50.00	-	-	50.00	Kanda Project
14	Shekhar Prasad Poudel	39,600.00	396.00	-	-	396.00	Admin
15	Neshan Praja	42,075.00	420.75			420.75	Kanda Project
16	Bachan Magar	178,200.00	1,782.00			1,782.00	Kosipari Project
17	Jinuka Yadav	118,800.00	1,188.00			1,188.00	Kosipari Project
18	Baburam Dhungel	74,250.00	742.50			742.50	Kosipari Project
19	Rairnaya Praja	57,640.00	576.40			576.40	Kanda Project
20	Amrita Praja	35,640.00	356.40			356.40	Kanda Project
21	Sharada Parajuli	142,560.00	1,425.60			1,425.60	Kosipari Project
22	Bibimaya Praja	36,675.00	366.75			366.75	Kanda Project
23	Dipika Nagarkoti	32,070.00	320.70			320.70	Kosipari Project
	Total	**3,808,645.00**	**38,086.46**			**38,086.45**	

Laxmi Pratisthan Seal Kathmandu, Nepal 2008

K.P. Parajuli & Company ★ Registered Auditor ★ Kathmandu

Laxmi Pratisthan

Assessment of Tax Liability

Particulars		2082-83 Profit & Loss Account Amount	For Income Tax Amount
Grant Income		14,178,175.03	14,178,175.03
Other Income		360,931.43	360,931.43
Gross Income		**14,539,106.46**	**14,539,106.46**
Interest on Loan u/s 14		-	-
Cost of inventory/ stock consumption u/s 15		-	-
Repairs & Improvement u/s 16 (2)		194,268.00	194,268.00
Depreciation U/S19		453,471.77	713,130.59
General Deduction U/S 13		9,901,220.42	9,901,220.42
Employee Cost U/S 13		760,320.00	760,320.00
Total Expenses		**11,309,280.19**	**11,568,939.01**
Income From Business		3,229,826.27	2,970,167.45
Less : Loss up to last Year U/S 20.1.Kha		-	-
Assessable Income (Loss)	(A)	**3,229,826.27**	**2,970,167.45**
Tax Liability			

K.P. Rijal & Company
Firm Reg. No. 2865
Membership No. 2232
Kalimandu, Nepal
Registered Auditor