

Kathmandu University
Dhulikhel, Nepal

Audit Report and the Financial Statements
For FY 2068/69



PP Pradhan & Co
Chartered Accountants
Sanepa Lalitpur
PO Box 3242
Kathmandu Nepal
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University Senate
Kathmandu University
Dhulikhel, Nepal

Auditor's Report to the Senate of Kathmandu University

We have audited the attached financial statements of Kathmandu University, which comprise Balance Sheet as at 31 Ashad 2069, Income Statement, Cash Flow Statement and Statement of Change in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used by the University and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

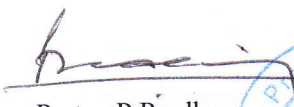
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

1. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
2. The books of accounts as required by the prevailing Law have been maintained by the University.
3. The Balance Sheet, Income Statement and Cash Flow Statement have been prepared in accordance with the Act and are in agreement with the books of accounts maintained by the University.
4. In our opinion based on the information provided to us and attached notes to the accounts, the attached Balance Sheet as at 31 Ashad 2069 and the Income Statement, Cash Flow Statement for the year then ended give a true and fair view of the financial position of the University.
5. In preparing the financial statements of the University, income and expenditure of Rs 29,53,45,755.57 and Rs 27,42,12,625.50 respectively of KUSMS Programme have been taken as the income and expenditure of the University. The accounts of KUSUM Programme have not been kept separately but it has been kept along with the accounting records of Dhulikhel hospital.

In our opinion, according to information and explanation provided to us, we have not come across any cases where the staff of the University has acted against the Law or caused any loss or damage to the University or misappropriated any fund of the University.

Date: 15 April 2013
Place: Kathmandu, Nepal


Pratap P Pradhan
Principal
For PP Pradhan & Co
Chartered Accountants



Kathmandu University
Balance Sheet
As at 31 Ashadh 2069 (15 July, 2012)

Capital & Liabilities	Schedule	This Year Amount (NRs.)	Last Year Amount (NRs.)
Fund			
Capital Fund	1	554,235,370.68	437,772,189.38
Land Re-evaluation Reserve		40,530,379.09	40,530,379.09
General Reserve	2	362,440,682.57	337,440,682.57
Reserve Fund (KUSMS)		17,098,633.06	17,098,633.06
Building Construction Fund	3	288,903,071.00	258,903,071.00
Building Construction Fund (KUSMS)	3	80,000,000.00	80,000,000.00
Corpus Fund		75,000,000.00	55,000,000.00
Corpus Fund (KUSMS)		76,874,017.33	19,474,220.83
Human Resources Development Fund		5,500,000.00	5,000,000.00
Staff Welfare Fund		5,000,000.00	-
Ford Foundation Endowment Fund	4	38,097,945.85	35,953,088.89
Scholarship Fund	5	14,578,653.79	13,986,661.15
Loan Scholarship Provision		4,591,790.46	2,295,895.23
Medal Fund	6	2,973,472.46	2,844,746.52
Income Over Expenses (Surplus)		27,222,934.01	17,052,725.70
Total		1,593,046,950.30	1,323,352,293.42
Fixed Assets	7	894,333,874.03	733,603,065.04
Fixed Assets (From Projects)	8	79,838,142.05	47,399,815.38
Fixed Assets (KUSMS)		3,495,599.50	4,112,470.00
Investment	9	261,568,952.28	216,268,952.28
Current Assets			
Cash & Bank Balance		456,176,467.53	372,022,865.71
Cash & Bank Balance (KUSMS)		168,227,050.89	110,210,383.89
Advance & Deposit	10	37,440,401.91	12,634,865.88
Inventory Stock		1,523,981.23	1,295,927.62
Prepaid Expenses		127,125.00	127,125.00
Receivable		4,078.00	2,254,078.00
Total Current Assets (A)		663,499,104.56	498,545,246.10
Less: Current Liabilities & Provision			
Payable & Deposit	11	160,291,329.05	108,142,103.42
Research & Development program(Balance amount)	16	148,047,393.07	68,435,151.96
Advance Received		1,350,000.00	
Total Current Liabilities & Provision (B)		309,688,722.12	176,577,255.38
Net Current Assets C (A - B)		353,810,382.44	321,967,990.72
Total		1,593,046,950.30	1,323,352,293.42

Schedule 1 to 17 are integral parts of the financial statements.
Significant Accounting Policies and Notes to Accounts

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As per our report of even date

Dr. Bhadra Man Tuladhar
Registrar

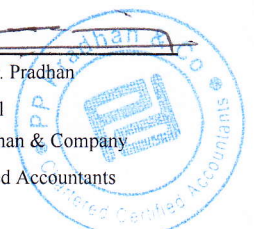
Members
Executive

Dr. Ram K.M. Shrestha
Vice-Chancellor

Pratap P. Pradhan
Principal
PP Pradhan & Company
Chartered Accountants

Dinesh Man Dangol
Senior Manager, Finance Division

Date: 2070/01/02
Place: Kathmandu, Nepal



Kathmandu University

Income Statement

For the period from 1 Shrawan 2068 to 31 Ashadh 2069 (17 July, 2011 to 15 July, 2012)

Income	Schedule	This Year Amount (NRs.)	Last Year Amount (NRs.)
Students Fee	12	350,883,380.85	303,985,482.85
Students Fee (KUSMS)		273,595,755.00	196,931,349.60
Affiliation Fee		26,550,000.00	21,451,200.00
Affiliation Fee (KUSMS)		21,750,000.00	12,500,000.00
Research & Development Income	16	133,384,364.40	142,887,710.35
Miscellaneous Income	13	41,601,982.59	22,959,977.45
Exchange Gain		15,282,257.73	-
Total Income (A)		863,047,740.57	700,715,720.25
Expenditure			
Staff Expenses	14	184,217,704.55	134,670,088.32
Administrative Expenses	15	104,130,029.53	81,943,254.99
Research & Development Expenses	16	133,384,364.40	142,887,710.35
Medical Program Expenses	17	274,212,625.50	197,532,629.77
Medical Program Grant		-	10,050,000.00
Exchange Loss		-	7,398,041.52
Depreciation Expenses	7,8	54,859,520.78	41,455,052.54
Amortization of Leasehold Property	7	440,158.00	440,158.00
Total Expenses (B)		751,244,402.76	616,376,935.49
Surplus (A-B)		111,803,337.81	84,338,784.76
i. Surplus (Other than KUSMS)		90,670,208.31	72,440,064.93
ii. Surplus (KUSMS)		21,133,129.50	11,898,719.83

Schedule 1 to 17 are integral parts of the financial statements.

Significant Accounting Policies and Notes to Accounts

18

As per our report of even date

Dr. Bhadra Man Tuladhar
Registrar

Members
Executive

Dr. Ranj K.M. Shrestha
Vice-Chancellor

Pratap P. Pradhan
Principal
PP Pradhan & Company
Chartered Accountants

Dinesh Man Dangol
Senior Manager, Finance Division

Date: 2070/01/02
Place: Kathmandu, Nepal

