

Kathmandu University

Dhulikhel, Nepal

Financial Statements

Fiscal Year: 2072/073 (2015/016)

M.B. Shrestha & Co.,
Chartered Accountants
GPO Box# 720, Kathmandu, Nepal
Phone No: 977-01-4781818
Fax No: 977-014781789
Email: mbsshrestha@gmail.com

M.B. SHRESTHA & CO.

Chartered Accountants
Sankhamul Road
New Baneshwar

Tel : 4781818
Fax No. : 977-1-4781789
E-mail : mbsshrestha@gmail.com
G.P.O. Box : 720
Kathmandu, Nepal.

INDEPENDENT AUDITOR'S REPORT TO THE SENATE MEMBERS OF KATHMANDU UNIVERSITY.

Report on the Financial Statements

We have audited the accompanying financial statements of **M/S Kathmandu University** (herein after called University), which comprise the Balance Sheet as at Ashadh 31, 2073 corresponding to July 15, 2016 and the Income Statement, Statement of Changes in Net Assets and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and notes to accounts.

Management's Responsibility for the Financial Statements

Management of the University is responsible for the preparation and the presentation of these financial statements and for such internal control as management determines necessary to enable the preparation of the financial statements that are free from material mis-statement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Nepal Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall financial statement presentation.



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

Opinion on the Financial Statements

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements referred to above, read together with the notes attached thereto give a true and fair view of the financial position of the University as of Ashadh 31, 2073 (July 15, 2016), and of the results of its financial performances and its cash flows for the year then ended in accordance with Nepal Accounting Standards in so far as applicable in compliance with the prevailing legislations.



Maheswarendra Bdr. Shrestha, FCA
M.B.Shrestha & Co.
Chartered Accountants
Date: May 09, 2017



Kathmandu University
Balance Sheet
As at 31 Ashadh 2073 (15 July, 2016)

Capital & Liabilities	Schedule	This Year Amount (NRs.)	Last Year Amount (NRs.)
Fund			
Capital Fund	1	843,953,187.56	776,025,432.04
Land Re-evaluation Reserve		40,530,379.09	40,530,379.09
Reserve Fund	2	628,874,359.24	544,690,682.57
Reserve Fund (KUSMS)		27,154,960.96	27,154,960.96
Building Construction Fund	3	97,560,754.33	171,744,431.00
Building Construction Fund (KUSMS)	3	80,000,000.00	80,000,000.00
Corpus Fund		400,000,000.00	315,000,000.00
Corpus Fund (KUSMS)		212,002,542.82	165,418,325.82
Staff Vehicle / House Loan Fund		100,323,884.94	50,000,000.00
Human Resources Development Fund		5,500,000.00	5,500,000.00
Grant Assets Replacement Reserve		34,134,544.03	17,143,311.86
Endowment Funds	4	57,905,537.14	52,752,217.98
Scholarship Fund	5	63,863,468.30	46,566,822.75
Medal Fund	6	4,880,453.27	4,720,097.85
Balance Transferred from Appropriation Account		34,685,179.41	33,727,766.37
Total		2,631,369,251.08	2,330,974,428.29
Fixed Assets	7	1,357,136,788.31	1,187,542,422.93
Fixed Assets (From Projects)	8	198,962,393.91	189,103,690.96
Fixed Assets (KUSMS)		7,138,284.19	8,663,706.56
Fixed Assets (KUTTC)		718,434.18	-
Investment	9	775,809,969.67	627,546,358.13
Current Assets			
Cash & Bank Balance		498,886,455.87	430,460,203.03
Cash & Bank Balance (KUSMS)		312,019,219.59	263,909,580.22
Advance & Deposit	10	46,903,127.02	45,582,726.77
Inventory Stock		499,702.60	1,377,127.86
Prepaid Expenses		-	111,112.00
Receivable		70,207,332.12	52,605,173.62
LC Margin		-	1,941,509.24
Total Current Assets (A)		928,515,837.20	795,987,432.74
Less: Current Liabilities & Provision			
Payable & Deposit	11	472,687,198.19	274,138,084.77
Research & Development program	17	164,225,258.18	203,731,098.26
Total Current Liabilities & Provision (B)		636,912,456.37	477,869,183.03
Net Current Assets C (A - B)		291,603,380.83	318,118,249.71
Total		2,631,369,251.08	2,330,974,428.29

Schedule 1 to 18 are integral parts of the financial statements.

Significant Accounting Policies and Notes to Accounts

Prof. Dr. Bhola Thapa

Registrar

Chandeswor Shrestha
Officer, Finance Division

Members

Executive Council

19

Prof. Dr. Ram K.M. Shrestha
Vice-Chancellor

As per our report of even date

Maheshwendra B. Shrestha FCA
M.B. Shrestha & Co.
Chartered Accountants

Date: May 8, 2017

Place: Kathmandu, Nepal



Kathmandu University

Income Statement

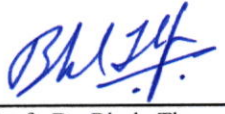
For the period from 1 Shrawan 2072 to 31 Ashadh 2073 (17 July, 2015 to 15 July, 2016)

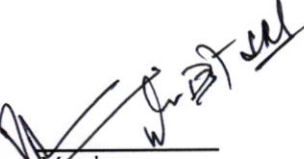
Income	Schedule	This Year Amount (NRs.)	Last Year Amount (NRs.)
Students Fee	12	686,153,377.22	568,270,535.07
Students Fee (KUSMS)		524,103,127.38	325,636,536.31
Affiliation Fee	13	61,535,865.44	130,974,103.00
UGC Recurring Grant		30,389,417.74	47,139,875.00
Research & Development Income	17	203,617,932.23	296,913,860.09
Miscellaneous Income	14	72,841,416.15	49,681,266.62
Exchange Gain		16,646,107.19	10,788,862.14
Total Income (A)		1,595,287,243.35	1,429,405,038.23
Expenditure			
Staff Expenses	15	365,653,385.88	287,879,992.11
Administrative Expenses	16	247,874,552.58	200,435,095.90
Research & Development Expenses	17	203,617,932.23	296,913,860.09
Medical Program Expenses	18	504,456,393.10	349,999,762.97
Depreciation Expenses	7,8	80,703,191.52	80,266,210.56
Amortization of Leasehold Property	7	440,158.00	440,158.00
Total Expenses (B)		1,402,745,613.31	1,215,935,079.63
Surplus (A-B)		192,541,630.04	213,469,958.60
Total		1,595,287,243.35	1,429,405,038.23

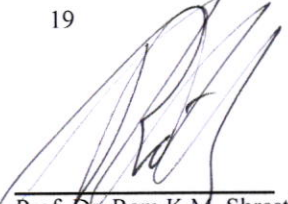
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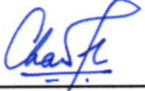
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Chandeswor Shrestha
Officer, Finance Division



Date: May 8, 2017
Place: Kathmandu, Nepal

Kathmandu University
Income Statement Appropriation Account
For the period from 1 Shrawan 2072 to 31 Ashadh 2073 (17 July, 2015 to 15 July, 2016)

Income	Schedule	This Year Amount (NRs.)	Last Year Amount (NRs.)
Opening Balance B/D		33,727,766.37	2,044,132.61
Surplus during this year		192,541,630.04	213,469,958.60
Total Surplus		226,269,396.41	215,514,091.21
Transfer to Corpus Fund (KUSMS)		(46,584,217.00)	(40,286,324.84)
Transfer to Corpus Fund		(85,000,000.00)	(100,000,000.00)
Transfer to General Reserve		(10,000,000.00)	(10,000,000.00)
Transfer to Staff House / Vehicle Loan Fund		(50,000,000.00)	(30,000,000.00)
Transfer to KU Medal Fund		-	(1,500,000.00)
Total Transfer		(191,584,217.00)	(181,786,324.84)
Net Surplus transfer to Balance Sheet		34,685,179.41	33,727,766.37

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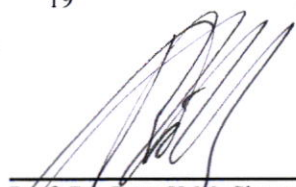
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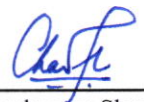
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Place: Kathmandu, Nepal

Kathmandu University

Cash Flow Statement

From 1 Shrawan 2072 to 31 Ashadh 2073 (17 July, 2015 to 15 July, 2016)

S.No	Particulars	This Year Amount (NRs.)	Last Year Amount (NRs.)
A	<u>Cash Flow from Operating Activities</u>		
	Net Surplus of this year	34,685,179.41	33,727,766.37
	Add :		
	Depreciation	80,703,191.52	80,266,210.56
	Amortization of Leasehold Property	440,158.00	440,158.00
	Cash Flow before Change in Working capital	115,828,528.93	114,434,134.93
1	Increase/Decrease in Current Assets	(15,992,512.25)	176,898,392.64
2	Increase/Decrease in Current Liabilities	159,043,273.34	(12,360,951.57)
	Net Cash Flow from Operating Activities	258,879,290.02	278,971,576.00
B	<u>Cash flow from Investing Activities</u>		
1	Purchase/Sale of Fixed Assets	(259,789,429.65)	(164,969,675.89)
2	Increase/Decrease in Investment	(148,263,611.54)	(82,692,512.77)
	Net Cash Flow from Investing Activities	(408,053,041.19)	(247,662,188.66)
C	<u>Cash flow from Financial Activities</u>		
1	Increase /Decrease in Capital Fund	265,709,643.38	238,115,560.54
	Net Cash Flow from Financial activities	265,709,643.38	238,115,560.54
	Net Cash Flow During the Year (A+B+C)	116,535,892.21	269,424,947.88
	Cash & Bank Balance at Beginning of the Year	694,369,783.25	424,944,835.37
	Cash & Bank Balance at the End of the Year	810,905,675.46	694,369,783.25

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Officer, Finance Division

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Place: Kathmandu, Nepal



Kathmandu University

Statement of change in Net Assets

For the period from 1 Shrawan 2072 to 31 Ashadh 2073 (17 July, 2015 to 15 July, 2016)

Particulars	Capital Fund	Reserve Fund, Land Revaluation Reserve, Building Construction Fund, Corpus Fund, Staff Vehicle /House Loan Fund, Human Resource Development Fund, Grant Assets Replacement Reserve	Endowment Fund	Scholarship Fund	Medal Fund	Surplus	Total
Opening Balance	776,025,432.04	1,417,182,091.30	52,752,217.98	46,566,822.75	4,720,097.85	33,727,766.37	2,330,974,428.29
Adjustment:							
Capital Fund	67,927,755.52	-	-	-	-	-	67,927,755.52
Reserve Fund, Land Revaluation Reserve, Building Construction Fund, Corpus Fund, Staff Vehicle /House Loan Fund, Human Resource Development Fund, Grant Assets Replacement Reserve	-	208,899,334.10	-	-	-	-	208,899,334.10
Endowment Fund	-	-	5,153,319.16	-	-	-	5,153,319.16
Scholarship Fund	-	-	-	17,296,645.55	-	-	17,296,645.55
Medal Fund	-	-	-	-	160,355.42	-	160,355.42
Surplus	-	-	-	-	-	957,413.04	957,413.04
Closing Balance	843,953,187.56	1,626,081,425.41	57,905,537.14	63,863,468.30	4,880,453.27	34,685,179.41	2,631,369,251.08

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