नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्था
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
(Established under the Nepal Chartered Accountants Act, 1997)

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Member Name: MURARI PRASAD BARAL	**Date of Signing Document:** 2024-10-09
Document Type: Audit	**Audit Type:** Statutory Audit
Office Type: NGO/ INGO	**Office Name:** Phutung Research Institute
Type of Audit Opinion: Unqualified Opinion	**Period (AD):**
Office PAN: 604359397	

Financial figures

S.N.	Heading	Amount
1	**Total Asset/Liabilities**	**NRs. 24995673.33**
2	**Gross Revenue/Turnover**	**NRs. 5534344.28**
3	**Gross Expenses**	**NRs. 6538862.16**
4	**Net Profit Or Loss**	**NRs. -3759107.80**

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Print Date / Time: 2024-10-09 11:25:07

M.P. Baral & Associates

Registered Auditor

KMC-8, Guheshwori Kathmandu

Regd.No. 5848,Membership No:4600, C.O.P. No: 0847, VAT No: 300855016

M.P. Baral & Associates Registered Auditors ICAN No. 5848 Guhyeswari-8,Kathmandu

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Phutung Research Institute.
Tarakeshwor Municipality-7, Kathmandu, Nepal

Opinion

We have audited the accompanying financial statements of **Phutung Research Institute** comprising Statement of Financial Position as at Ashad 31, 2081, Income Statement and Cash Flow Statement for the year ended Ashad 31, 2081 and summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with Generally Accepted Accounting Principles accepted in Nepal, of the state of affairs of **Phutung Research Institute** as at Ashad 31, 2081, and its profit, cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Nepal Standard on Auditing (NSA). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the financial statements section of our report. We are independent of the organization in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our ethical responsibilities in accordance with the ICAN's code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis of our audit opinion on financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the reporting period, we do not come across such key matters which is to be reported upon.

Managements Responsibility for the Financial Statements

Management is responsible for preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in Nepal, 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 ability of the organization 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 intends to liquidate or cease operations, or has no realistic alternative but to do so.

M.P. Baral & Associates Registered Auditors ICAN No. 5848 Guhyeswari-8,Kathmandu

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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 decision of users taken on the basis of these financial statements.

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

i) Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsible 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, misrepresentation, or the override of internal controls.

ii) 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.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

iv) 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 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.

Report on Other Legal and Regulatory Requirements

We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, the statement of financial position as at 31 Ashad 2081 (15 July 2024), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended have been prepared in accordance with the requirements of the Company Act, 2063 and are in agreement with the books of account of the Company and proper books of account as required by law have been kept by the Company.

To the best of our information and according to explanations given to us and so far, appeared 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 relating to the accounts or committed any misappropriation or caused loss or damage to the Company relating to the accounts in the Company.

M.P. Baral & Associates
Registered Auditors
ICAN No. 5848
Guhyeswari-8, Kathmandu

Murari Prasad Baral, CA
Proprietor
M.P. Baral & Associates
Place : Kathmandu, Nepal

Date: 2081.06.23

UDIN #: 241009RA04600DK9cN

PHUTUNG RESEARCH INSTITUTE

Tarkeshwor-7, Kathmandu

STATEMENT OF FINANCIAL POSITION

As at 31 Ashadh 2081 (Corresponding 15 July, 2024)

Amount in Rs.

PARTICULARS	Notes	31.03.2081	31.03.2080
ASSETS			
Noncurrent Assets			
Property, Plant and Equipment (Core)	4.1	8,659,356.11	10,171,756.65
Investments	4.2	5,000,000.00	5,000,000.00
Project Fixed Assets	4.10	3,616,383.90	4,313,901.68
Deferred tax assets	4.3	-	-
Total Non-current Assets		**17,275,740.01**	**19,485,658.32**
Current Assets			
Inventories	4.4	-	-
Advance and Receivables	4.5	424,409.00	2,598,286.68
Current Tax Asset	4.6	-	-
Other Current Assets	4.7	1,500.00	1,500.00
Cash and cash equivalents	4.8	7,294,024.32	7,261,103.43
Total Current Assets		**7,719,933.32**	**9,860,890.11**
TOTAL ASSETS		**24,995,673.33**	**29,346,548.44**
FUNDS AND LIABILITIES			
Endowment Funds			
Unrestricted Funds/Accumulated Surplus	4.9	21,006,017.08	24,765,124.88
Capital Funds	4.10	3,616,383.90	4,313,901.68
Total of Equity		**24,622,400.98**	**29,079,026.56**
Noncurrent Liabilities			
Unspent Funds	4.11	-	-
Deferred tax liabilities	4.3	-	-
Total Noncurrent Liabilities		**-**	**-**
Current liabilities		-	-
Payables	4.12	373,272.35	267,521.88
Advances and Borrowings	4.13	-	-
Current tax liabilities	4.6	-	-
Total Current Liabilities		**373,272.35**	**267,521.88**
TOTAL OF FUND AND LIABILITIES		**24,995,673.33**	**29,346,548.44**
		-	-

For and on behalf of M/s Phutung Research Institute

As per our attached report of even date

Dr. Ashim Dhakal
Director

Mr. Suman Basnet
Director, Finance Head

Murari Prasad Baral
Registered Auditor
For, M.P. Baral & Associates

M.P. Baral & Associates
Registered Auditors
ICAN No. 5848
Guhyeswari-8, Kathmandu

Mr. Rajiv Dhakal
Director

Mr. Uttam Nakarmi
Director

Ms. Rajani Gautam
Director

Date: 2024-10-08
Place: Kathmandu

PHUTUNG RESEARCH INSTITUTE

Tarkeshwor-7, Kathmandu

STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31 Ashadh 2081 (Corresponding 15 July, 2024)

PARTICULARS	Notes	Year ended 31.03.2081	Year ended 31.03.2080
Core Fund Income	4.14	-	50,000.00
Grant Income	4.15	5,534,344.28	20,269,059.44
Other Income	4.16	602,983.91	587,987.73
Total Income		**6,137,328.19**	**20,907,047.17**
Direct/Project Expenses	4.17	6,538,862.16	3,589,470.91
Staff Costs	4.19	614,086.00	1,217,981.68
Administrative Expenses	4.18	1,213,212.29	1,072,612.41
Capital Expenditure	4.20	-	-
Depreciation and amortization expenses	4.1	1,530,275.54	767,877.60
Total expenditure		**9,896,435.99**	**6,647,942.60**
Net surplus/(deficit) before Taxation		**(3,759,107.80)**	**14,259,104.57**
Tax expense	4.21	-	-
Surplus/(Deficit) Transferred to General Fund		**(3,759,107.80)**	**14,259,104.57**

For and on behalf of M/s Phutung Research Institute

As per our attached report of even date

Dr. Ashim Dhakal
Director

Mr. Suman Basnet
Director, Finance Head

Murari Prasad Baral
Registered Auditor
For, M.P. Baral & Associates

M.P. Baral & Associates
Registered Auditors
ICAN No. 5848
Gyaneswari-8, Kathmandu

Mr. Rajiv Dhakal
Director

Mr. Uttam Nakarmi
Director

Ms. Rajani Gautam
Director

Date: 2024-10-08
Place: Kathmandu

PHUTUNG RESEARCH INSTITUTE

Tarkeshwor-7, Kathmandu

STATEMENT OF CASH FLOWS

For the year ended 31 Ashadh 2081 (Corresponding 15 July, 2024)

PARTICULARS	Year ended 31.03.2081	Year ended 31.03.2080
Cash flow from operating activities		
Surplus for the year	**(3,759,107.80)**	**14,259,104.57**
Adjustments for:		
Depreciation	1,530,275.54	767,877.60
Amortisation of intangible fixed assets		
Profit/loss on disposal of property, plant and equipment		
Exchange gain/(loss) on cash and cash equivalents		
Opening surplus/deficit	-	-
(Increase)/decrease in current assets	2,173,877.68	(2,115,142.53)
Increase/(decrease) in current liabilities	105,750.47	(93,775.76)
Income tax paid	-	-
Net cash flow from operating activities (a)	**50,795.89**	**12,818,063.88**
Cash flow from investing activities		
Sale/(purchase) of property, plant and equipments	(17,875.00)	(9,919,258.32)
Sale/(purchase) of investments		
Interest income on investments		
Dividend income on investments		
Net cash flow from investing activities (b)	**(17,875.00)**	**(9,919,258.32)**
Cash flow from financing activities		
Grant and Deposits	-	-
Proceeds from loans & borrowings	-	-
Adjustment in opening fund balance of organization	-	-
Net cash flow from investing activities (c)	**-**	**-**
Net increase/(decrease) in cash and cash equivalents (a+b+c)	32,920.89	2,898,805.56
Cash and cash equivalents at the beginning of year	7,261,103.44	4,362,297.88
Exchange gain/(loss) on cash and cash equivalents		
Cash and cash equivalents at the end of year	**7,294,024.32**	**7,261,103.44**

For and on behalf of M/s Phutung Research Institute

As per our attached report of even date

Dr. Ashim Dhakal
Director

Mr. Suman Basnet
Director, Finance Head

Murari Prasad Baral
Registered Auditor
For, M.P. Baral & Associates

M.P. Baral & Associates
Registered Auditors
ICAN No. 5848
Tinkeswari-8, Kathmandu

Mr. Rajiv Dhakal
Director

Mr. Uttam Nakarmi
Director

Ms. Rajani Gautam
Director

Date: 2024-10-08
Place: Kathmandu

PHUTUNG RESEARCH INSTITUTE

Tarkeshwor-7, Kathmandu

STATEMENT OF CHANGES IN RESERVES

For the year ended 31 Ashadh 2081 (Corresponding 15 July, 2024)

Particulars	Fund	Surplus/ Deficit	General Reserves	Capital Reserves	Revaluation Reserves	Other Adjustmts.	Total
Balance as at 01.04.2080	10,506,020.31	-	-	-	-	-	10,506,020.31
Adjustments in opening balance	-	-	-	-	-	-	-
Surplus of Previous year	-	14,259,104.57	-	4,313,901.68	-	-	18,573,006.25
Deferred tax assets/(liabilities)	-	-	-	-	-	-	-
....							-
Adjusted opening balance	10,506,020.31	14,259,104.57	-	4,313,901.68	-	-	29,079,026.56
Adjustments during the year	-	-		-			-
Surplus for the year		(3,759,107.80)		(697,517.78)		-	(4,456,625.58)
Increase in Fund							-
Balance as at 31.03.2081	**10,506,020.31**	**10,499,996.78**	-	**3,616,383.90**	-	-	**24,622,400.98**

For and on behalf of M/s Phutung Research Institute

....
Dr. Ashim Dhakal
Director

....
Mr. Suman Basnet
Director, Finance Head

....
Murari Prasad Baral
Registered Auditor
For, M.P. Baral & Associates

....
Mr. Rajiv Dhakal
Director

....
Mr. Uttam Nakarmi
Director

....
Ms. Rajani Gautam
Director

Date: 2024-10-08
Place: Kathmandu

Phutung Research Institute
Tarkeshwor-7, Kathmandu

Project Fixed Assets (Capital Fund)

As at 31 Ashadh 2081 (Corresponding 15 July, 2024)

Notes: 4.10 A
Amount in NRs.

S.No	Particulars	Cost Price				Depreciation	Depreciation			Written Down Value	
		Opening Balances	Addition	Disposal	Total	Rate	Previous year	Current year	Total	Current Year	Previous Year
1	Furniture and fixtures	408,884.94		-	408,884.94	25%	334,228.01	18,664.23	352,892.24	55,992.70	74,656.93
2	Computer and office equipments	1,945,964.52	-	-	1,945,964.52	25%	1,516,296.17	107,417.09	1,623,713.26	322,251.26	429,668.35
3	Research Equipment	9,354,199.77		-	9,354,199.77	15%	5,544,623.37	571,436.46	6,116,059.83	3,238,139.94	3,809,576.40
	Total (Donated)	**11,709,049.23**	-	-	**11,709,049.23**		**7,395,147.55**	**697,517.78**	**8,092,665.33**	**3,616,383.90**	**4,313,901.68**

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PHUTUNG RESEARCH INSTITUTE

Tarkeshwor-7, Kathmandu

Property, Plant and Equipment (Core) Note- 4.1

Particulars	Rate	Gross Block as on 01.04.2080	Additions			Disposal	Gross Block at Cost at 31.03.2081	Acc. Depreciation as at 01.04.2080	Depreciation for the year 2080.81	Acc. Depreciation as at 31.03.2081	Net Block as on 01.04.2080	Net Block as on 31.03.2081
			Upto Poush end of 2080.81	Upto Chaitra end of 2080.81	Upto Asad end of 2080.81							
Block A												
Land	0%	-	-	-	-	-	-	-	-	-	-	-
Temporary Structures	5%	465,206.15	-	-	-	-	465,206.15	7,753.44	22,872.64	30,626.07	457,452.71	434,580.08
Sub Total		**465,206.15**	**-**	**-**	**-**	**-**	**465,206.15**	**7,753.44**	**22,872.64**	**30,626.07**	**457,452.71**	**434,580.08**
Block B												
Furniture Fixtures	25%	224,386.00	-	-	14,925.00	-	239,311.00	105,598.88	30,940.53	136,539.41	118,787.12	102,771.59
Office Equipment	25%	39,543.41	-	-	2,950.00	-	42,493.41	12,885.85	6,910.22	19,796.08	26,657.56	22,697.33
Computer and Printer	25%	498,270.40	-	-	-	-	498,270.40	156,037.79	85,558.15	241,595.94	342,232.61	256,674.46
Mobile Sets	25%	-	-	-	-	-	-	-	-	-	-	-
Sub Total		**762,199.81**	**-**	**-**	**17,875.00**	**-**	**780,074.81**	**274,522.52**	**123,408.91**	**397,931.43**	**487,677.29**	**382,143.38**
Block C												
Vehicles	20%	-	-	-	-	-	-	-	-	-	-	-
Motorcycle	20%	-	-	-	-	-	-	-	-	-	-	-
Sub Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Block D												
Research Equipment	15%	10,379,992.67	-	-	-	-	10,379,992.67	1,153,366.03	1,383,994.00	2,537,360.02	9,226,626.64	7,842,632.65
Sub Total		**10,379,992.67**	**-**	**-**	**-**	**-**	**10,379,992.67**	**1,153,366.03**	**1,383,994.00**	**2,537,360.02**	**9,226,626.64**	**7,842,632.65**
Block E												
Intangile Assets	20%	-	-	-	-	-	-	-	-	-	-	-
Software	20%	-	-	-	-	-	-	-	-	-	-	-
Sub Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total		**11,607,398.63**	**-**	**-**	**17,875.00**	**-**	**11,625,273.63**	**1,435,641.98**	**1,530,275.54**	**2,965,917.52**	**10,171,756.65**	**8,659,356.11**

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PHUTUNG RESEARCH INSTITUTE
Tarkeshwor-7, Kathmandu

Notes to the Financial Statements
For the year ended 31 Ashadh 2081

Amount in Rs.

Investments Note- 4.2

Particulars	31.03.2081	31.03.2080
Investment in shares	-	-
Investment in fixed deposit	5,000,000.00	5,000,000.00
TOTAL	**5,000,000.00**	**5,000,000.00**

Deferred tax assets/Deferred tax liabilities Note- 4.3

Particulars	31.03.2081	31.03.2080
Deffered Tax Assets	-	-
Less: Deffered Tax liability	-	-
Differed Tax assets/(liability)	**-**	**-**

Inventories Note- 4.4

Particulars	31.03.2081	31.03.2080
Consumable Items	-	-
TOTAL	**-**	**-**

Advance and Receivables Note- 4.5

Particulars	31.03.2081	31.03.2080
N3I Operation	39,455.00	61,795.96
Nabla Cubed Innovation	-	2,200,000.00
Advance for project Activities	384,954.00	-
Himalayan Biotech	-	26,917.70
TWAS Research Grant RM_Student Contribution	-	309,573.02
TOTAL	**424,409.00**	**2,598,286.68**

Current Tax Asset/Current tax liabilities Note- 4.6

Particulars	31.03.2081	31.03.2080
Advance Tax	-	-
Less: Tax payable	-	-
TOTAL	**-**	**-**

Other Current Assets Note- 4.7

Particulars	31.03.2081	31.03.2080
Deposit	1,500.00	1,500.00
Prepaid Office and Lab Space Rent	-	-
TOTAL	**1,500.00**	**1,500.00**

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PHUTUNG RESEARCH INSTITUTE
Tarkeshwor-7, Kathmandu

Notes to the Financial Statements
For the year ended 31 Ashadh 2081

Amount in Rs.

Cash and cash equivalents — Note- 4.8

Particulars	31.03.2081	31.03.2080
Nabil Bank-GBP	2,122,922.35	1,676,855.60
Nabil Bank-GBP_UoM	48,701.80	
Nabil Bank-GBP_UoY	-	799,333.20
Nabil Bank_NPR	711,962.04	818,047.13
Nabil Credit Card	294,000.00	-
Nabil USD	4,087,347.27	3,532,640.32
Online wallet balance (e-sewa)	5,292.63	10,938.50
Cash in Hand	23,798.23	423,288.68
TOTAL	**7,294,024.32**	**7,261,103.43**

Unrestricted Funds/Accumulated Surplus — Note- 4.9

Particulars	31.03.2081	31.03.2080
Balance at the beginning of the year (for previous year)	-	-
Project Fund	24,765,124.88	10,506,020.31
Unrestricted Surplus/(Deficit) this year	(3,759,107.80)	14,259,104.57
TOTAL	**21,006,017.08**	**24,765,124.88**

Capital Funds — Note- 4.10

Particulars	31.03.2081	31.03.2080
Donated Fixed Assets (Note: 4.10 A)		
Furniture and fixtures	55,992.70	74,656.93
Computer and office equipments	322,251.26	429,668.35
Research Equipment	3,238,139.94	3,809,576.40
TOTAL	**3,616,383.90**	**4,313,901.68**

Unspent Funds — Note- 4.11

Particulars	31.03.2081	31.03.2080
Advance Funds	-	-
TOTAL	**-**	**-**

Payables — Note- 4.12

Particulars	31.03.2081	31.03.2080
Account Payables	40,631.07	215,321.88
Salary Payables	321,499.02	-
Audit Fee Payable	9,867.26	51,525.00
TDS payables:		
TDS on Audit Fee	132.74	675.00
Other TDS payables	1,142.26	-
TOTAL	**373,272.35**	**267,521.88**

M.P. Baral & Associates
Registered Auditors
ICAN No. 5848
Guhyeswari-8, Kathmandu

PHUTUNG RESEARCH INSTITUTE

Tarkeshwor-7, Kathmandu

Notes to the Financial Statements
For the year ended 31 Ashadh 2081

Amount in Rs.

Advances and Borrowings — Note- 4.13

Particulars	31.03.2081	31.03.2080
Member Advance	-	-
TOTAL	**-**	**-**

Core Fund Income — Note- 4.14

Particulars	31.03.2081	31.03.2080
General Member	-	-
Life Membership Fee	-	50,000.00
TOTAL	**-**	**50,000.00**

Grant Income — Note- 4.15

Particulars	Year ended 31.03.2081	Year ended 31.03.2080
Grant Income from:		
Grants	-	7,169,059.44
EPSRC (University of Manchester)	-	-
EPSRC (University of Glasgow)	3,289,607.15	-
TWAS Grant (AT)	881,862.13	-
TWAS Grant (RM)	524,000.00	-
Ashim Dhakal (Royal Academy of Engineering)	838,875.00	-
Donation Ashim Dhakal Optica 4 Foundation	-	13,100,000.00
TOTAL	**5,534,344.28**	**20,269,059.44**

Other Income — Note- 4.16

Particulars	Year ended 31.03.2081	Year ended 31.03.2080
E-Sewa_Commission	96.13	194.00
Foreign Currency Exchange Gain	267,548.20	100,246.19
Interest Income	302,641.91	403,647.54
Misc Income	32,697.67	83,900.00
TOTAL	**602,983.91**	**587,987.73**

Direct/Project Expenses — Note- 4.17

Particulars	Year ended 31.03.2081	Year ended 31.03.2080
Laboratory Consumables	1,354,612.01	-
Local Purchase Institution	-	29,300.50
Local Purchase Optica	-	323,855.52
International Purchase Optica	-	11,097.00
Project Evaluation Cost	-	140,000.00
Workshop Expenses	134,430.00	196,706.62
Conference Expenses (Germany)	655,698.15	-
Salary and Benefits_Project	4,267,038.00	2,714,857.47
Travel and Subistence Cost	127,084.00	173,653.80
TOTAL	**6,538,862.16**	**3,589,470.91**

M.P. Ba... Associates
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Tarkeshwor-7, Kathmandu

Notes to the Financial Statements
For the year ended 31 Ashadh 2081

Amount in Rs.

Administrative Expenses Note- 4.18

Particulars	Year ended 31.03.2081	Year ended 31.03.2080
Related to Project:		
Printing and Stationery	58,580.00	45,987.00
Audit Fee	10,000.00	50,850.00
Office and Lab Space Rent	486,000.00	482,970.00
Bank Charges/fees	27,258.51	608.00
Books and Journals	20,585.00	5,068.00
Miscellaneous Expenses	40,212.32	119,407.15
Security, Cleaning and Sanitation	66,470.00	77,725.26
Tea, Coffee and Snacks	165,310.00	197,496.00
Repair and Maintenance	20,409.00	45,514.00
Transfer Fee	-	6,495.00
IT and Website Expenses	40,289.46	-
Utility Expenses	73,037.00	34,992.00
Optica Transfer Fees	665.00	-
Insurance Expenses	21,020.00	-
Sub-Total	1,029,836.29	1,067,112.41
Consumables - Core	14,548.00	-
Monitoring Expenses	60,000.00	-
Consultancy Expenses	40,850.00	-
Registration and Renewal Charges	67,978.00	5,500.00
TOTAL	**1,213,212.29**	**1,072,612.41**

Staff Costs Note- 4.19

Particulars	Year ended 31.03.2081	Year ended 31.03.2080
Salary and Benefits	614,086.00	1,105,292.45
Festival Allowances	-	112,689.23
TOTAL	**614,086.00**	**1,217,981.68**

Capital Expenditure Note- 4.20

Particulars	Year ended 31.03.2081	Year ended 31.03.2080
Office Equipment and Furniture	-	-
Office Setup-Furniture	-	-
Truss Building Cost	-	-
TOTAL	-	-

Tax expense Note- 4.21

Particulars	Year ended 31.03.2081	Year ended 31.03.2080
Current tax expense of current year	-	-
Current tax expense of previous year	-	-
TOTAL	-	-

M.P. Baral & Associates
Registered Auditors
ICAN No. 5848
Guhyeswari-8, Kathmandu

Note-4.22

Significant Accounting Policies and Notes to the Accounts:

1. General Information

Phutung Research Institute was incorporated in November 2016, as a non-profit research company pursuant to section 5(1) of the Company Act of Nepal 2006. The main objective of the institute is to promote excellence in scientific and technological research in the country. The institute will concentrate in the research on scientific, technological and social innovations that improve livelihood in developing countries. In recognition to our focus on promotion of science and technology, and social welfare, we have been conferred affiliation to the **Social Welfare Council** of Nepal as an organization promoting social welfare pursuant to section 13 of the Social Welfare Act of Nepal, 1992, and subsequently received a certificate of tax exemption as per Income Tax Act of Nepal 2002.

2. Principal Accounting Policies

The financial statements is prepared and presented in accordance with the generally accepted accounting policies useful for nonprofit organization based on Nepal Accounting Standards. Major accounting policies are described as follows:

2.1 Historical cost convention

Financial statements are prepared in historical cost convention basis.

2.2 Basis for Consolidation

Accounts of particulars program is kept separately as per the requirement of project agreements. Fund Accountability Statements are prepared for program activities. All receipts, expenses and amounts of receivables and payables are shown in that program. Program fund that is not expended is shown as liability under reserved for activities program.

2.3 Fixed Assets

Fixed Assets received from grant has been recorded as Grant Assets and equivalent amount is credited in the Capital for fixed Assets and Assets purchased from core fund has been recorded as Core fund Assets.

2.4 Revenue Recognition

Grant Income of the program is recognized as the Receipt for that program. Overhead or other contribution is recognized in the basis of expenses and contractual agreements with the funding donors. Interest is recognized in the consolidated financial statement on the basis of bank statements of the concerned accounts.

3 Income Tax

Phutung Research Institute is a tax exempted entity vides Tax Exemption Certificate of Inland Revenue Department. Hence no tax provision including deferred tax asset is maintained in the financial statements.

4 Ownership and Guarantee

All assets purchased from the program fund are free of any charge and we have not given any guarantee including contingent obligations towards the organization's liabilities.

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5 Form of Financial Statements

The Form of financial statements is prepared as to give adequate information to the user of general purpose financial statements and to present the financial statements more apparent.

6 Institution and Project Transaction

For reporting purpose, transactions of the Phutung Research Institute have been classified under Institution Development Fund and Project. Institution Development Fund represents core transactions of the organization which is not charged to project. Institution has provided funds to the project for conducting project activities, which is shown as Payable to Institution and corresponding balance in the account of Institution is shown as receivable from the project. As of yearend, such balance will be settled as soon as grant has been received from donor.

7 Subsequent Events

There is not any material subsequent event which requires adjustments or disclosures in the financial statements.

8 Corresponding figures for previous periods presented have been regrouped, where necessary, to confirm to this period classification.

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