

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements:

We have audited the accompanying financial statements of M/S **Ace Institute of Management Pvt Ltd** which comprise the Balance Sheet as at Ashadh 31st 2081 (15th July 2024), and the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial positions, financial performance and cash flows of the company in accordance with Nepal Accounting Standards.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of Nepal. 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 misstatement.

An audit involves performing procedures to obtain 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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 the 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 as basis for our audit opinion.

Report on requirements of the Companies Act, 2063:

- a) We have obtained information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes 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) In our opinion, the Balance Sheet, Income Statement, Cash Flow Statement and Statement of Changes in Equity with Explanatory Notes dealt with by this report are in compliance with the provision of the Company Act, 2063 and are in agreement with the books of account maintained by the Company;
- d) In our opinion, so far as appeared from our examination of the books, the business of the Company has been conducted satisfactorily; and
- e) To the best of our information and according to the explanations given to us and from our examination of the book of accounts of the Company necessary for the purpose of the audit, we have not come across cases where the Board of Directors or any employees of the Company have



Ritesh & Associates
Chartered Accountants

acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused loss or damage to the company.

Auditors' Opinion:

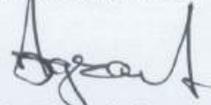
In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read together with Notes to Account give a true and fair view of the financial position of the Company as at Ashadh 31st 2081 (15th July 2024) in conformity with the accounting Principles generally accepted in Nepal and provisions of the Companies Act, 2063.

Kathmandu

Date:2024/12/16

UDIN NO: 250109CA00603KPU9w

For: **Ritesh & Associates.**
Chartered Accountants



CA. Ritesh Agrawal

Proprietor



STATEMENT OF FINANCIAL POSITION
As at 31 Ashad 2081

(FIG IN NPR)

Particulars	NOTES	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Assets				
A Non - Current Assets				
Property, Plant & Equipment	3.1	448,567,619.89	432,219,746.97	400,783,332.08
Intangible Assets	3.2	563,015.76	749,767.73	674,731.20
Other Investments	3.3	94,275,190.00	94,275,190.00	82,273,275.00
Deferred tax Assets	3.4	-	-	-
Total Non Current Assets		543,405,825.66	527,244,704.70	483,731,338.28
B Current Assets				
Inventories	3.5	-	-	-
Advance Income tax		13,206,519.62	31,844,015.00	25,602,199.00
Financial Assets				
Trade Receivable	3.6	19,837,316.00	12,297,771.00	28,665,369.00
Cash & Cash Equivalent	3.7	15,163,267.05	4,788,499.00	2,391,138.00
Other Current Assets	3.9	17,600,480.73	16,835,450.00	32,465,671.00
Total Current Assets		65,807,583.40	65,765,735.00	89,124,377.00
TOTAL ASSETS (A+B)		609,213,409.06	593,010,439.70	572,855,715.28
EQUITY & LIABILITIES				
A Equity				
Share Capital	3.10	37,500,000.00	37,500,000.00	37,500,000.00
Advance Against Share Capital		-	-	-
Reserves & Surplus	3.11	198,120,106.54	182,729,271.42	161,765,976.46
Total Equity		235,620,106.54	220,229,271.42	199,265,976.46
Liabilities				
B Non - Current Liabilities				
Loans and Borrowings	3.12	248,321,311.44	208,898,877.00	212,000,000.00
Deferred tax Liabilities	3.4	4,424,801.00	4,870,189.00	5,280,688.00
Total Non Current Liabilities		252,746,112.44	213,769,066.00	217,280,688.00
C Current Liabilities				
Financial Liabilities				
Loans and Borrowings	3.12	29,999,974.32	34,982,380.00	34,100,301.00
Trade Payable	3.13	19,482,809.73	19,253,748.00	3,844,143.00
Other Financial Liabilities	3.14	46,798,376.10	63,428,813.00	88,705,771.00
Employee Benefits	3.15	13,012,715.51	12,566,254.00	185,122.00
Provisions	3.16	11,553,313.94	28,780,908.00	29,473,710.00
Total Current Liabilities		120,847,189.60	159,012,103.00	156,309,047.00
Total Liabilities		373,593,302.04	372,781,169.00	373,589,735.00
TOTAL EQUITY & LIABILITIES		609,213,409.06	593,010,439.70	572,855,715.28

Significant Accounting Policies & Notes to the Accounts

Aditya Kumar Khanal
Aditya Kumar Khanal
Chairman

Siddharth Kedia
Siddharth Kedia
Director

As per our attached report of even date
For Ritesh & Associates
Chartered Accountants

Abhinav Singhania
Abhinav Singhania
Director

Binat Singhania
Binat Singhania
Director

Sapana Ranjit
Sapana Ranjit
Assistant Finance Manager

CA. Ritesh Agrawal
CA. Ritesh Agrawal
Proprietor

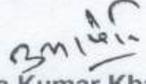
Date: 2024/12/16
Place: Kathmandu

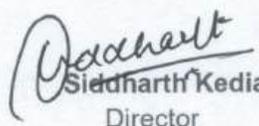
ACE INSTITUTE OF MANAGEMENT PVT. LTD.
Kathmandu, Nepal
STATEMENT OF PROFIT OR LOSS
For the year ended 31 Ashad, 2081

(FIG IN NPR)

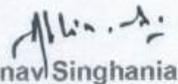
Particulars	NOTES	As at Ashad 31, 2081	As at Ashad 31, 2080
Revenue from Operations	3.17	236,572,807.00	294,955,706.00
Direct Expenses	3.18	69,781,842.80	80,181,012.00
Gross Profit		166,790,964.20	214,774,694.00
Other Income	3.19	15,961,530.21	13,510,360.00
Selling & Distribution Expenses	3.20	3,832,460.60	3,319,888.00
Administrative Expenses	3.21	69,533,303.50	67,092,905.00
Depreciation and Impairment Cost	3.1 & 3.2	21,009,724.45	17,268,502.04
Employee benefit Cost	3.22	54,885,840.59	47,678,356.00
Profit from Operations		33,491,165.27	92,925,402.96
Finance Cost	3.23	7,562,801.12	6,091,699.00
Provision for Bonus		2,357,124.01	8,601,961.00
Profit Before Tax		23,571,240.14	78,231,742.96
Income Tax Expense			
Current Tax		8,625,793.01	20,178,947.00
Deferred Tax	3.4	(445,388.00)	(410,499.00)
Earlier Year Tax		-	-
Profit from Continuing Operations		15,390,835.13	58,463,294.96
Basic EPS		41.04	155.90
Diluted EPS		-	-
Net Profit Attributable To			
Owners		15,390,835.13	58,463,294.96
Profit For the Year		15,390,835.13	58,463,294.96

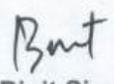
Significant Accounting Policies & Notes to the Accounts

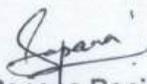

Aditya Kumar Khanal
Chairman

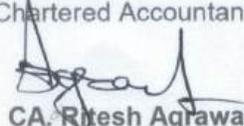

Siddharth Kedia
Director

As per our attached report of even date
For Ritesh & Associates
Chartered Accountants


Abhinav Singhania
Director


Binit Singhania
Director


Sapana Ranjit
Assistant Finance Manager


CA. Ritesh Agrawal
Proprietor

Date : 2024/12/16
Place: Kathmandu

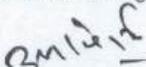


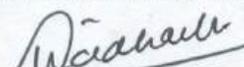
ACE INSTITUTE OF MANAGEMENT PVT. LTD.

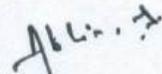
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED ON ASHAD 31, 2081

	Amount in NPR	
	Restated	
	Current Year	Previous Year
	2080/81	2079/80
Profit for the period	15,390,835	58,463,295
Other comprehensive income, net of income tax		
a) Items that will not be reclassified to profit or loss		
Gains/(losses) from investment in equity instruments measured at fair value	-	-
Gains/(losses) on revaluation	-	-
Actuarial gain/(losses) on defined benefit plans	-	-
Income tax relating to above items	-	-
Net other comprehensive income that will not be reclassified to profit or loss	-	-
b) Items that are or may be reclassified to profit or loss		
Gains/(losses) on cash flow hedge	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-
Income tax relating to above items	-	-
Reclassify to profit or loss	-	-
Net other comprehensive income that are or may be reclassified to profit or loss	-	-
c) Share of other comprehensive income of associate accounted as per equity method	-	-
Other comprehensive income for the period, net of Income Tax	-	-
Total Comprehensive income for the period	15,390,835	58,463,295

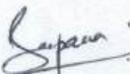
The accompanying notes are an integral part of the financial statements.
Significant Accounting Policies & Notes to the Accounts


Aditya Kumar Khanal
Chairman

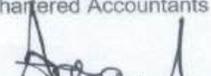

Siddharth Kedia
Director


Abhinav Singhania
Director


Binit Singhania
Director


Sapana Ranjit
Assistant Finance Manager

As per our attached report of even date
For Ritesh & Associates
Chartered Accountants


CA. Ritesh Agrawal
Proprietor

Place: Kathmandu
Date: 2024/12/16

ACE INSTITUTE OF MANAGEMENT PVT. LTD.
Kathmandu, Nepal

(FIG IN NPR)

STATEMENT OF CHANGES IN EQUITY
As at 31 Ashad 2081

Particulars	Attributable to equity holder					
	Capital	Retained Earnings	Advance Against Share Capital	CSR Fund	Non - Controlling Interest	Total
Balance at Shrawan 01, 2079	37,500,000.00	166,926,699.00	-	937,049.00	-	205,363,748.00
Adjustment / Restatement		(6,097,771.54)				(6,097,771.54)
Adjustment/Restated Balance as at Shrawan 01, 2079	37,500,000.00	160,828,927.46	-	937,049.00	-	199,265,976.46
Comprehensive Income for the year		58,463,294.96				58,463,294.96
Profit for the Year						
Other comprehensive income net of tax						
Gains/(losses) from investment in equity instruments						
measured at fair value						
Dividend Paid		(37,500,000.00)				(37,500,000.00)
Balance at Ashad 31, 2080	37,500,000.00	181,792,222.42	-	937,049.00	-	220,229,271.42
Profit for the Year		15,390,835.13				15,390,835.13
Transfer to CSR		(153,908.35)		153,908.35		-
Other comprehensive income net of tax						
Gains/(losses) from investment in equity instruments						
measured at fair value						
Dividend Paid						
Transaction with owners recorded directly in equity						
Issue of capital						
Balance at Ashad 31, 2081	37,500,000.00	197,029,149.19	-	1,090,957.35	-	235,620,106.54



Handwritten signatures and initials:
 - A signature that appears to be "Ritesh" or similar.
 - Another signature that appears to be "Prakash" or similar.
 - Initials "M.S." and "M.P." are also visible.

ACE INSTITUTE OF MANAGEMENT PVT. LTD.

Kathmandu, Nepal

STATEMENT OF CASH FLOWS

As at 31 Ashad 2081

(FIG IN NPR)

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080
Cash Flow From Operating Activities		
Net Profit / (loss) from Continuing Operations	14,945,447.13	78,231,742.96
<u>Adjustment For:</u>		
Add: Depreciation & Impairment	21,009,724.45	17,268,502.04
Add: Finance Charges	7,562,801.12	6,091,699.00
Cash Flow before working capital changes	43,517,972.70	101,591,944.00
(Increase) /Decrease In Stock	-	-
(Increase) /Decrease In Current Assets	10,332,919.65	25,756,003.00
Increase/(Decrease) In Current Liabilities	(33,182,507.72)	1,820,977.00
Cash Flow after working capital changes	20,668,384.63	129,168,924.00
Add:- Interest Paid	(7,562,801.12)	(6,270,650.00)
Less: Previous Year Tax	-	-
Less: Tax paid	-	-
Less: Proposed Dividend	-	(37,500,000.00)
Net Cash Flow from Operating Activities	13,105,583.51	85,398,274.00
Cash Flow From investing Activities		
Purchase of Property, Plant & Equipments	(37,170,845.41)	(48,779,953.46)
Investment Purchased	-	(12,001,915.00)
Sales of Property, Plant & Equipments	-	-
Net Cash flow from Purchase/Sales of Investment shares	-	-
Net Cash Flow From Investing Activities	(37,170,845.41)	(60,781,868.46)
Cash Flow From Financing Activities		
Issue of Capital/(Drawing)	-	-
Proceeds from Borrowings	34,440,028.76	(2,219,044.00)
Repayment of Borrowings	-	-
Dividend Paid	-	(20,000,000.00)
Net Cash Flow From Financing Activities	34,440,028.76	(22,219,044.00)
Net increase (decrease) in cash and cash equivalents	10,374,766.86	2,397,361.54
Cash and cash equivalents at 1 st Shrawan, 2079	4,788,499.54	2,391,138.00
Cash and cash equivalents at 31st Ashad 2080	15,163,266.40	4,788,499.54
As per Books	15,163,266.40	4,788,499.54

Significant Accounting Policies & Notes to the Accounts.

Handwritten signatures and initials

As per our attached report of even date
For Ritesh & Associates

Chartered Accountants

Signature of CA. Ritesh Agrawal
CA. Ritesh Agrawal
Proprietor

Handwritten signature
Director

Date : 2024/12/16
Place: Birgunj

**ace institute
OF MANAGEMENT**



ACE INSTITUTE OF MANAGEMENT PVT. LTD.

Kathmandu, Nepal
FY -2080-81

Significant Accounting Policies and Notes to Accounts
3. Notes to Accounts
Note 3.1: Property, Plant & Equipment

(FIG IN NPR)

Particulars	Land & Land Development	Building	Office Equipment	Vehicle	Plant and Machinery	Books for Library	Lease Property	Total
Cost or Revaluation								
As on Strawan 1, 2078	315,895,615.00	37,545,649.00	17,027,346.00	-	1,648,637.33	919,012.67	31,801,821.00	404,838,081.00
Acquisition/Capitalization	18,883,260.00	4,106,838.31	1,691,415.11	-	-	87,644.40	1,846,647.00	26,615,804.82
Disposal during the year	(2,521,812.00)	(15,685,226.00)	-	-	-	-	-	(18,207,038.00)
Adjustment/Revaluation								
As on Strawan 1, 2079	332,257,063.00	25,967,261.31	18,718,761.11	-	1,648,637.33	1,006,657.07	33,648,468.00	413,246,847.82
Addition/Disposal during the year								
Acquisition/Capitalization	17,088,912.08	200,010.00	21,742,111.90	-	123,198.25	122,608.00	9,222,308.23	48,499,148.46
Disposal during the year	-	-	-	-	-	-	-	-
Adjustment/Revaluation								
Balance as on Ashad end 2080	349,345,975.08	26,167,271.31	40,460,873.01	-	1,771,835.58	1,129,265.07	42,870,776.23	461,745,996.28
Acquisitions/Capitalization								
Disposal	17,942,675.21	901,740.00	1,465,946.11	14,985,000.02	1,583,592.00	90,465.05	156,227.02	37,125,645.41
Adjustment / Revaluation								
Balance as on Ashad end 2081	367,288,650.29	27,069,011.31	41,926,819.12	14,985,000.02	3,355,427.58	1,219,730.12	43,027,003.25	498,871,641.69
As on Strawan 1, 2078								
Depreciation for the year	-	1,298,363.07	4,362,995.72	-	235,519.62	136,304.62	6,430,332.72	12,463,515.74
Disposal	-	-	7,351,152.71	-	236,076.54	146,872.68	8,030,131.57	17,062,733.57
As on Strawan 1, 2079	-	1,298,363.07	4,362,995.72	-	235,519.62	136,304.62	6,430,332.72	12,463,515.74
Depreciation for the year	-	1,298,500.06	2,596,863.12	-	471,596.16	283,177.30	14,460,464.30	29,526,249.31
Disposal	-	-	10,228,405.69	8,210.96	453,234.05	166,957.12	8,581,596.06	20,777,772.49
As at end Ashad 2080	-	1,339,368.60	11,714,148.43	-	283,177.30	14,460,464.30	14,460,464.30	29,526,249.31
Depreciation for the year	-	1,339,368.60	10,228,405.69	8,210.96	453,234.05	166,957.12	8,581,596.06	20,777,772.49
Disposal	-	-	21,942,554.12	8,210.96	924,830.22	450,134.43	23,042,060.35	50,304,021.80
As at end Ashad 2081	-	3,936,231.72	21,942,554.12	8,210.96	924,830.22	450,134.43	23,042,060.35	50,304,021.80
Net Book Value								
As at end ashad 2079	332,257,063.00	24,668,898.24	14,355,765.39	-	1,413,117.71	870,352.45	27,218,135.28	400,783,332.08
As at end ashad 2080	349,345,975.08	23,570,408.19	28,746,724.58	-	1,300,239.42	846,087.77	28,410,311.93	432,219,746.97
As at end ashad 2081	367,288,650.29	23,132,779.59	19,984,265.00	14,976,789.06	2,430,597.36	769,595.69	19,984,942.90	448,567,619.89

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ACE INSTITUTE OF MANAGEMENT PVT. LTD.
Kathmandu, Nepal

STATEMENT OF CASH FLOWS
As at 31 Ashad 2081

(FIG IN NPR)

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080
Cash Flow From Operating Activities		
Net Profit / (loss) from Continuing Operations	14,945,447.13	78,231,742.96
<u>Adjustment For:</u>		
Add: Depreciation & Impairment	21,009,724.45	17,268,502.04
Add: Finance Charges	7,562,801.12	6,091,699.00
Cash Flow before working capital changes	43,517,972.70	101,591,944.00
(Increase) /Decrease In Stock	-	-
(Increase) /Decrease In Current Assets	10,332,919.65	25,756,003.00
Increase/(Decrease) In Current Liabilities	(33,182,507.72)	1,820,977.00
Cash Flow after working capital changes	20,668,384.63	129,168,924.00
Add:- Interest Paid	(7,562,801.12)	(6,270,650.00)
Less: Previous Year Tax	-	-
Less: Tax paid	-	-
Less: Proposed Dividend	-	(37,500,000.00)
Net Cash Flow from Operating Activities	13,105,583.51	85,398,274.00
Cash Flow From investing Activities		
Purchase of Property, Plant & Equipments	(37,170,845.41)	(48,779,953.46)
Investment Purchased	-	(12,001,915.00)
Sales of Property, Plant & Equipments	-	-
Net Cash flow from Purchase/Sales of Investment shares	-	-
Net Cash Flow From Investing Activities	(37,170,845.41)	(60,781,868.46)
Cash Flow From Financing Activities		
Issue of Capital/(Drawing)	-	-
Proceeds from Borrowings	34,440,028.76	(2,219,044.00)
Repayment of Borrowings	-	-
Dividend Paid	-	(20,000,000.00)
Net Cash Flow From Financing Activities	34,440,028.76	(22,219,044.00)
Net increase (decrease) in cash and cash equivalents	10,374,766.86	2,397,361.54
Cash and cash equivalents at 1 st Shrawan, 2079	4,788,499.54	2,391,138.00
Cash and cash equivalents at 31st Ashad 2080	15,163,266.40	4,788,499.54
As per Books	15,163,266.40	4,788,499.54

Significant Accounting Policies & Notes to the Accounts.

Director

Date : 2024/12/16
Place: Birgunj

 **ace institute**
OF MANAGEMENT

As per our attached report of even date
For Ritesh & Associates

Chartered Accountants

CA. Ritesh Agrawal
Proprietor



3.2 Intangible Assets

Cost	Software	Total
As on Sharwan 1, 2078	843,414.00	843,414.00
Addition During the year		
Acquisition	-	-
Capitalization		
Disposal During the year		
Adjustment and Revaluation		
As on Sharwan 1, 2079	843,414.00	843,414.00
Addition During the year		
Acquisition	280,805.00	280,805.00
Capitalization		
Disposal During the year		
Adjustment and Revaluation		
Balance At 31 Ashad 2080	1,124,219.00	1,124,219.00
Addition During the year		
Acquisition	45,200.00	45,200.00
Capitalization		
Disposal During the year		
Adjustment and Revaluation		
Balance at 31st Ashad 2081	1,169,419.00	1,169,419.00
Amortization and Impairment Losses		
Balance at 01 Shrawan 2078		
Amortization charge for the year	168,682.80	168,682.80
Impairment losses		
Balance at 01 Shrawan 2079	168,682.80	168,682.80
Amortization charge for the year	205,768.47	205,768.47
Impairment losses		
At 31 Ashad 2080	374,451.27	374,451.27
Amortization charge for the year	231,951.96	231,951.96
Impairment losses		
At 31 Ashad 2081	606,403.24	606,403.24
Carrying Amount		
Opening Balance as at 1st Shrawan 2079	674,731.20	674,731.20
Closing Balance as at 31 Ashad 2080	749,767.73	749,767.73
Closing Balance as at 31 Ashad 2081	563,015.76	563,015.76

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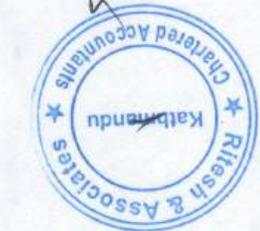
NOTE TO FINANCIAL STATEMENTS

Deferred Tax Assets / (Liabilities)

Schedule 3.4

	Account Base	Tax Base	Deductible (Taxable) Temporary Difference	Deferred tax asset (liability)	Transfer to OCI	Transfer to SPL
Opening as at Shrawan 1, 2078	69,201,000	48,078,249	(21,122,751)	(5,280,688)	-	(5,280,688)
Fixed assets						
As on 31/03/2079	69,201,000	48,078,249	(21,122,751)	(5,280,688)	-	(5,280,688)
Already recognized				(5,021,932)	-	(5,021,932)
Deferred tax income / (expense) for the year				(258,756)	-	(258,756)
2079-80						
Fixed assets	83,623,540	64,142,783	(19,480,757)	(4,870,189)	-	(4,870,189)
Credit forward loss						
As on 31/03/2080	179,585,077	160,104,320	(19,480,757)	(4,870,189)	-	(4,870,189)
Already recognized				(5,280,688)	-	(5,280,688)
Deferred tax income / (expense) for the year				410,499	-	410,499
2080-81						
Fixed assets	81,841,985	64,142,783	(17,699,202)	(4,424,801)	-	(4,424,801)
Expected lifetime credit losses						
Advance Lease Rent						
As on 31/03/2081	81,841,985	64,142,783	(17,699,202)	(4,424,801)	-	(4,424,801)
Already recognized				(4,870,189)	-	(4,870,189)
Deferred tax income (expense) for the year				445,388	-	445,388

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Kathmandu, Nepal

Significant Accounting Policies and Notes to Accounts

(FIG IN NPR)

Note 3.3 Other Investments

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Non Current Assets			
Investment in Share - Ace International Business School	33,553,490.00	33,553,490.00	22,035,575.00
Investment in Shares - Ace Education Ventures	34,949,050.00	34,949,050.00	34,949,050.00
Investment in Shares - Brihaspati Vidhya Sadan	23,338,650.00	23,338,650.00	23,338,650.00
Investment in Shares - Rai School Kathmandu Pvt Ltd	980,000.00	980,000.00	980,000.00
Investment in Shares - Sukalpa	1,454,000.00	1,454,000.00	970,000.00
Total	94,275,190.00	94,275,190.00	82,273,275.00

Note 3.4 Deferred tax Assets and Liabilities

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Deferred tax Assets	-	-	-
Deferred tax Liabilities	(4,424,801.00)	(4,870,189.00)	(5,280,688.00)
Net Deferred tax Assets /(Liabilities)	(4,424,801.00)	(4,870,189.00)	(5,280,688.00)
Net Changes	(4,424,801.00)	(4,870,189.00)	(5,280,688.00)
Deferred tax Assets			
Recognized in profit and loss	-	-	(258,756.00)
Recognized in OCI	-	-	-
Recognized in Equity	-	-	-
Deferred tax Assets end of the Year	-	-	(258,756.00)
Deferred Tax Liabilities			
Recognized Through Profit or loss	(4,424,801.00)	(5,280,688.00)	-
Recognized Through OCI	-	-	-
Deferred Tax Liabilities end of the Year	(4,424,801.00)	(5,280,688.00)	0.00

Note 3.5 Inventories

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Inventories- Finished goods	-	-	-
Total	-	-	-

Note 3.6 Trade Receivable

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Student receivables	19,837,316.00	12,297,771.00	28,665,369.00
Less: provision for impairment of trade receivables	-	-	-
Total	19,837,316.00	12,297,771.00	28,665,369.00

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ACE INSTITUTE OF MANAGEMENT PVT. LTD.
Kathmandu, Nepal

Significant Accounting Policies and Notes to Accounts

(FIG IN NPR)

Note 3.7 Cash and Cash Equivalents

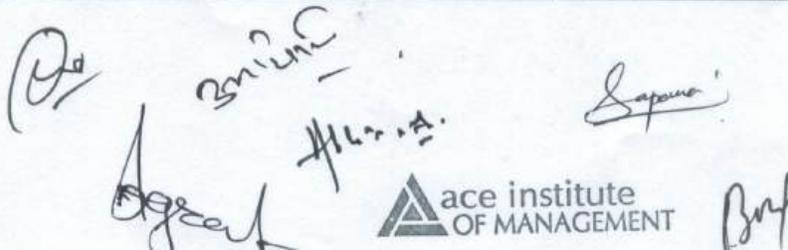
	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Cash in Hand (As Certified)	899,125.00	899,125.00	-
Bank Balance			
Siddhartha Bank -(00102848630)	512,238.30	101,508.00	445,215.00
Siddhartha Bank- (00103247620)	69,024.00	534.00	984.00
Siddhartha Bank -00102848620	12,101,564.55	1,530,788.00	(950,280.00)
Siddhartha Bank - (00103248620)	74.00	259.00	4,308.00
Siddhartha Bank- (00103249620)	35.00	185.00	101,892.00
Siddhartha Bank - (00115113664)	638,166.32	1,044,583.00	1,011,623.00
Nabil Bank Ltd (0201017505280) - AIM	10,000.00	10,000.00	10,000.00
Citizen Bank International - 0010001450CA - AIM	-	-	3,534.00
Nabil Bank Ltd - 0101011722801 - AIM	873.00	873.00	1,000,873.00
Bank of Kathmandu - AIM	309.00	309.00	309.00
Century Bank - AIM	613,283.78	613,284.00	613,284.00
Nepal Investment Bank(00101010300506) - AIM	42,396.45	42,396.00	42,396.00
Global IME-37201010000240-(Current Account)	276,177.65	544,655.00	-
KHALTI	-	-	107,000.00
Total	15,163,267.05	4,788,499.00	2,391,138.00

Note 3.9 Other Current Assets

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Advance To Staffs	128,290.50	6,497.00	15,441.00
Security Deposit	3,659,445.87	1,635,091.00	206,058.00
Insurance Claim Receivable	35,165.00		
Prepaid Expenses	1,164,766.38	1,157,199.00	1,031,312.00
Advance To Faculty		1,491,350.00	-
Ace Education Ventures	12,483,487.98	12,483,488.00	12,483,488.00
Short Term Lending Ace International Business - AIM		-	6,353.00
Short Term Lending - Ace Academy - AIM	61,825.00	61,825.00	61,825.00
University Receivable	-	-	228,494.00
Rental Income Receivable	67,500.00		
Other Advances		-	18,432,700.00
Total	17,600,480.73	16,835,450.00	32,465,671.00

Note 3.10 Share Capital

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Authorised Capital			
(1,000,000 Ordinary Shares Of Rs. 100.00 Each)	100,000,000.00	100,000,000.00	100,000,000.00
Issued Capital			
(1000,000 Ordinary Shares Of Rs. 100.00 Each)	100,000,000.00	50,000,000.00	50,000,000.00
Paid-up Capital			
(375,000 Ordinary Shares Of Rs. 100.00 Each)	37,500,000.00	37,500,000.00	37,500,000.00
Total	37,500,000.00	37,500,000.00	37,500,000.00







ACE INSTITUTE OF MANAGEMENT PVT. LTD.
Kathmandu, Nepal

Significant Accounting Policies and Notes to Accounts

(FIG IN NPR)

Note 3.11 Reserve and Surplus

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Retained Earnings			
Opening	181,792,222.42	160,828,927.46	163,606,203.00
CSR Fund	937,049.00	937,049.00	937,049.00
Add: During the year earning profit	15,390,835.13	58,463,294.96	62,847,724.46
Less:- Dividend Distribution	-	(37,500,000.00)	(65,625,000.00)
Total	198,120,106.54	182,729,271.42	161,765,976.46

Note 3.12 Loans and Borrowings

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Non-Current			
Bank loans			
<u>Secured</u>			
Bank of Kathmandu	182,500,000.00	187,000,000.00	192,000,000.00
Vehicle Hire Loan	11,898,000.00		
<u>Unsecured</u>			
Loan From AIBS	53,923,311.44	21,898,877.00	20,000,000.00
Total Non Current	248,321,311.44	208,898,877.00	212,000,000.00
Current			
<u>Secured</u>			
Global IME Bank	29,999,974.32	29,982,380.00	29,100,301.00
Bank of Kathmandu		5,000,000.00	5,000,000.00
Total Current	29,999,974.32	34,982,380.00	34,100,301.00
Total	278,321,285.76	243,881,257.00	246,100,301.00

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Kathmandu, Nepal

Significant Accounting Policies and Notes to Accounts

(FIG IN NPR)

Note 3.13 Trade Payables

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Trade Payables- Sub Sch-A	19,482,809.73	19,253,748.00	3,844,143.00
Total	19,482,809.73	19,253,748.00	3,844,143.00

Note 3.14 Other Financial Liabilities

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Accounts Payable	-	1,243,776.00	13,333,907.00
Cheque Stale Payable	-	172,793.00	-
Rent Payable	(193,465.84)	232,264.00	-
Consultancy Fee Payable	331,000.00	200,000.00	-
University Receivable	-	220,807.00	-
Other Payable	1,514,098.69	162.00	-
Program Payable	-	-	5,124.00
Internship Payable	102,383.40	2,200.00	-
Sponsorship Payable	35,500.00	440,793.00	-
Mohan Kumar Karki	-	3,960.00	-
TDS Payable- Sub-Schedule B	10,512,414.85	5,874,474.00	2,252,418.00
Dividend Payable	13,843,750.00	15,625,000.00	-
Deposit From Students	17,045,000.00	23,285,000.00	25,970,000.00
Unearned Income	-	12,382,792.00	39,172,367.00
University Payable	3,607,695.00	2,646,462.00	2,574,041.00
Ace Trust Fund Payable	-	-	4,234,664.00
Advance From Student-Sub Schedule	-	1,098,330.00	1,163,250.00
Total	46,798,376.10	63,428,813.00	88,705,771.00

Note 3.15 Liability for Employee Benefits

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Categorized as:			
-Due within one year or less			
Salary and Faculty Payable	13,012,715.51	12,566,254.00	185,122.00
Total	13,012,715.51	12,566,254.00	185,122.00

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ACE INSTITUTE OF MANAGEMENT PVT. LTD.
Kathmandu, Nepal

Significant Accounting Policies and Notes to Accounts

(FIG IN NPR)

Note 3.16 Provisions

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080	As at Sharwan 1, 2079
Provision of Leave	-	-	1,292,543.00
Provision for Bonus	2,357,124.01	8,601,961.00	10,172,881.00
Provision for Tax	8,625,793.01	20,178,947.00	17,751,836.00
Provision for Expenses	313,946.92	-	-
Audit Fee Payable	256,450.00	-	256,450.00
Total Provisions	11,553,313.94	28,780,908.00	29,473,710.00

Note 3.17: Revenue from Operation

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080
Fees Income		
Revenue- BBA	101,633,571.00	117,918,479.00
Revenue- BBA-BI	36,990,229.33	47,023,746.00
Revenue- MBA	54,611,650.00	76,421,000.00
Revenue- MBAE	24,144,800.00	43,301,275.00
Revenue-EMBA	17,062,966.67	18,829,583.00
Revenue- A Level	9,236,500.00	3,966,667.00
Less: Discount	(7,106,910.00)	(12,505,044.00)
Total Net Sales	236,572,807.00	294,955,706.00

Note 3.18: Direct Expenses

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080
Personnel Services - Teaching Services	49,270,385.08	48,989,312.00
Extra Curriculum Activities(ECA, Orientation and Graduat	16,058,379.87	23,878,900.00
Lab Expenses	444,677.85	-
Scholarship Expenses	4,008,400.00	7,312,800.00
Cost of Sales	69,781,842.80	80,181,012.00

Note 3.19 Other Income

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080
Rental Income	10,150,000.00	10,000,000.00
Transportation Income	967,500.00	-
Profit On Sale Of Assets	225,000.00	-
Exchange Gain Loss	810.00	-
Dividend Income	-	392,000.00
Interest Income	29,121.40	39,076.00
Other Income	4,589,098.81	3,079,284.00
Total	15,961,530.21	13,510,360.00

Note 3.20 Selling and Distributions

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080
Advertisement and Business Promotion Expenses	3,832,460.60	3,319,888.00
Total	3,832,460.60	3,319,888.00

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Kathmandu, Nepal

Significant Accounting Policies and Notes to Accounts

(FIG IN NPR)

Note 3.21 Administrative Expenses

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080
Office Rent	21,947,918.23	18,597,743.00
Security Expenses	4,640,042.21	4,699,257.00
Janitorial /Outsource Expenses	5,802,638.99	5,294,396.00
Invigilator Expenses	585,750.00	628,913.00
Communication Expenses	668,493.40	906,071.00
Electricity And Water	3,027,906.21	2,892,597.00
Consultancy Fee	2,766,162.55	2,396,082.00
Audit Fee	259,900.00	259,900.00
Insurance Premium Expenses	1,532,161.89	1,561,264.00
University Expenses	1,814,700.00	280,000.00
General Office Expenses	4,047,944.66	9,557,111.00
Internet Expenses	1,636,380.01	1,583,130.00
Fuel And Transportation	4,504,674.71	4,755,122.00
Travelling Expenses	3,770,372.38	2,944,094.00
Lunch & Tea Expenses	1,484,612.97	2,493,825.00
Hospitality Expenses	884,097.15	1,113,844.00
Wages		53,695.00
Repair And Maintenance-B	1,088,016.35	704,418.00
Repair And Maintenance-C	12,395.25	-
Repair And Maintenance-D	214,213.39	314,498.00
Repair And Maintenance-E (Leased Property)	235,776.62	-
Fees, Duties & Other Charges		205,207.00
Bank Charges	202,451.65	46,874.00
Photocopy, Printing & Stationery Expenses	2,528,436.15	2,822,749.00
Postage And Courier Expenses	72,474.00	54,091.00
Donation Expenses	150,000.00	22,000.00
Miscellaneous Expenses	957,842.97	432,851.00
Fine And Penalty	139,587.00	779,200.00
Retreat Expenses	321,464.01	541,975.00
Sponsorship Expenses		12,750.00
Renewal and Registration	1,884,057.22	1,122,142.00
Audit Lunch Expenses	11,352.00	17,106.00
Web Housing and Networking Charges	2,341,481.53	-
Total	69,533,303.50	67,092,905.00

Note 3.22 Employee Benefit Cost

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080
Salary	25,912,001.21	24,983,671.00
Provident Fund Contribution Employer	669,517.99	2,101,732.00
Dearness Allowance/Other Allowance	23,667,684.89	18,798,248.00
Gratuity	486,999.90	1,641,238.00
Intern Expenses	555,417.93	112,056.00
Leave Encashment	429,954.67	41,411.00
SSF Employer's Contribution	3,164,264.00	-
Total	54,885,840.59	47,678,356.00

Note 3.23 Finance Cost

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080
Interest	7,562,801.12	6,091,699.00
Total	7,562,801.12	6,091,699.00

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Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

1 COMPANY BACKGROUND

Ace Institute of Management Pvt. Ltd. is a Private limited liability company registered under the Company Act 2063. The Core Objective of the Company is to providing higher education in Nepal. and the address of its registered office is, Nayabaneswor Kathmandu Nepal.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the applicable Nepal Financial Reporting Standards (NFRS) as issued by the Accounting Standard Board (ASB), Nepal. The financial statements have also been prepared in accordance with the relevant presentational requirements of the Companies.

These financial statements for the year ended Ashad 31,2081 are the first report prepared by complying NFRS for all periods up to and including the year ended Ashad 31, 2080, the company prepared its financial statements in accordance with the Nepal Accounting Standards (hereinafter referred to as 'Previous GAAP') for its statutory reporting requirement in Nepal. The financial statements for the year ended 31 Ashad, 2080 and the opening Balance Sheet as at Shrawan 1, 2079 have been restated in accordance with NFRS for comparative information. These financial statements were authorized for issue by the Board of Directors On ----- The Board of Directors acknowledges the responsibility of Reconciliations and explanations of the effect of the transition from Previous GAAP to NFRS on the Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are provided in Note . The transition date of NFRS is Shrawan 1, 2079.

2.2 Basis of Preparation of Financial Statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

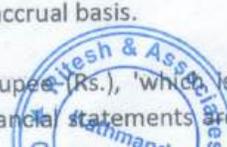
i) Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii) Fair value is the price that would be received to sell an asset or paid to transfer a liability it's an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(iii) Financial assets and financial liabilities measured at fair value (refer accounting policy 2.17 on financial Instruments).

(iv) Financial statements prepared under going concern and accrual basis.

(v) The financial statements are presented in Nepalese Rupee (Rs.), which is the functional and presentation currency of the Company. Amounts in the financial statements are rounded off to the



Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

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2.3 Investments in Subsidiaries or others

Company has option to account for investments in subsidiaries, joint ventures and associates either: (a) at cost; (b) in accordance with NFRS 9 or (c) using the equity method as described in NAS 28. Company has investment in following entity and organization. and it is taken on cost basis on financial statement.

Investment In Share - Ace International Business School	33,553,490.00
Investment In Shares - Ace Education Ventures	34,949,050.00
Investment In Shares - Brihaspati Vidhya Sadan	23,338,650.00
Investment In Shares - Rai School Kathmandu Pvt Ltd	980,000.00
Investment In Shares - Sukalpa	1,454,000.00

2.4 Property, Plant and Equipment

- Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any, Cost includes expenditures directly attributable to the acquisition of the asset.
- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will follow to the Company and the cost of the item can be measured reliably.
- The residual values, use full lives and methods of depreciation of property, plant and equipments are reviewed at each financial year end and adjusted prospectively, if appropriate.
- An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no Insure economic benefits are expected from its use or disposal, any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the assets is derecognized.

2.5 Depreciation & Amortization

- Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the Straight line method
- The estimated useful life and depreciation method are reviewed al the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
- The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows.

Category of Assets	Useful life of Assets
Building	20 Years
Plant & Machinery	7 years
Office Equipment	4 Years
Furniture & Fixtures	4 Years
Computer & Accessories	4 Years



Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

Vehicle	5 Years
Lease Hold Property	5 Years

For transition to NFRS , the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as of Sharwan 1, 2079 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.6 Intangible Assets

- i) Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognized, where it is possible that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The amortizable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.
- ii) An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.
- iii) For transition to NFRS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as of Sharwan 1,2079(transition date) measured as per the previous GAAP and used that carrying value as its deemed cost of the transition date.

2.7 Impairment of Tangible and Intangible Assets:

An asset is considered as impaired in accordance with NAS 36 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in profit or loss.

2.8 Classification of Current and Noncurrent of Assets and Liabilities.

All assets and liabilities have been classified as current & noncurrent assets as per the company's normal operating cycle. Based on the nature of head and time between acquisition of assets for processing and their realization cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of classification currents & noncurrent classification

2.9 Revenue Reorganization

Revenue from Contracts with Customers Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates, net of vat, discount, penalties and other similar items.

Major Revenue from operations comprises fees from students of the company.

Other Income

- Interest income is recognized on time proportion basis taking into account.
- Rental income, Transportation Income, Miscellaneous income on the basis of actual received.

Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

2.10 Employee Benefits

Compensation to employees services rendered is measured and accounted for accordance with NAS 19 on Employee Benefits .Employee benefits such as salaries, allowance and non monetary benefits which fall for due for payment within a period of 12 months after rendering services are charged as expenses to profit and loss in the period in which the services is rendered.

2.11 Borrowing Cost

Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the Borrowing costs.

Borrowing cost are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

During the year company has short and long term loan amounting to Rs. 27, 83, 21,285.00 and Company has Purchase of Land at kirtipur and Mortgaged it for taken long-term loan from Bank of Kathmandu and transfer interest amount Rs. 1, 79, 42,675.00 to Land Account in current financial year.

2.12 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company current tax is shown in statement of profit and loss.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the Year



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Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity. In which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Final Tax Assessment has been made up to FY 2078/79 which was completed in FY 2080/81

2.13 Inventories

Inventories are carried at the lower of cost or Net realizable value whichever is less:-

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the necessary estimated expenses. The cost of obsolescence and other anticipated losses are also considered for determining the net realizable values, if applicable. Company has not inventory end of the financial year.

2.14 Cash and Cash Equivalent

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value

For the purpose of cash flow statements, cash and cash equivalents consist of cash in hand and balance in bank accounts.

2.15 Earnings per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with NAS 33 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.16 Leases

A Lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and reward incidental to ownership of the company is classified as finance lease.

Company is not taken any assets in lease during the year. Company is made temporary building on such land and charged depreciation on such Assets.

2.17 Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in NAS-7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

2.18 Provisions and Contingencies

Provisions are recognized when the Company has a personal obligation (legal or constructive) as a



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Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the A contingent liability is a possible obligation that arises from past event whose existence will be confirmed by the occurrence of one or more uncertain future events beyond the control of the company or present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economics benefits required to settled the obligation or reliable estimate of the amount of obligation cannot be made.

A contingent assets and Liabilities are neither recognized nor disclosed in the financial statement.

2.19 Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities and fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition).

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other financial assets are subsequently measured at fair value.

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid to received that form an integral part of the effective interest rate, transaction costs

Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial reorganization

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item

Financial assets at Fair Value through Profit / or Loss (FVTPL)

Financial instruments that do not meet the amortized cost criteria or Fair Value through Other Comprehensive Income (FVTOCI) criteria are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount Impairment of Financial Assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables and other contractual rights to receive cash or other financial assets.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to like time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in profit or loss.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liabilities and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of as entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue costs.

Financial Liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial Liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration that are measured at fair value with all changes recognized in the profit or loss.



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Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

Derecognition of Financial Instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for Derecognition. A financial liabilities (or a part of a financial liability) is derecognized from the Company's Balance Sheet hence the obligation specified in the contract is discharged or cancelled or expires.

2.20 Related Party Transaction

Disclosure has been made in respect of the transaction in which one party has the ability to control or exercise significant influence over the financial and operation policies/ decision of the other irrespective of whether a price is charged.

The company defines the following as the related parties under the requirement of NAS 24

- a) The Member of Board of directors

The composition of Board of Directors upto 31 Ashad 2081 is as follow:

Name	Position
Aaditya Kumar Khanal	Chairperson
Siddartha Kedia	Director
Binit Singhania	Director
Abhinav Singhania	Director

- b) The Key Management personnel of the entity
 c) The Subsidiary of the entity and its board of directors and key management personnel.
 d) The close member of the family of any individual referred to in (a) or (c)

Following transaction have been made

Name	Relationship	Outstanding Receivable	Outstanding Payable
Ace Education Ventures Pvt Ltd	Group Company	12483487.00	
Ace Academy	Group Company	61825	

Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

2.21 First-Time Adoption — Mandatory Exceptions and Optional Exemptions

Over all Principle

The Company has prepared the opening balance sheet as per NFRS as of Shrawan 1, 2079 (the transition date) by recognizing all assets and liabilities whose recognition is required by NFRS, not recognizing items of assets or liabilities which are not permitted by NFRS, by reclassifying items from previous GAAP to NFRS as required under NFRS, and applying NFRS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the company as detailed below.

Derecognition of Financial Assets and Financial Liabilities

The Company has applied the Derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after Shrawan 1, 2070 (the transition date).

Impairment of Financial Assets.

The Company has applied the impairment requirements of NAS 36 retrospectively; however, as permitted by NFRS 1, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken exhaustive search for information when determining, at the date of transition to NFRSs, whether there have been significant increases in credit risk since initial recognition, as permitted by NFRS 1

Deemed cost for property, Plant and Equipment, and Intangible Assets.

The Company has elected to continue with the carrying value of all of its plant and equipment, and intangible assets recognized as of Shrawan 1,2079(transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Critical Accounting Judgments and Key Sources of Estimation

In application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual result may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are recognized in the period in which the estimate is revised if the revision effect only that period, or in the period of the revision and future periods if the revision effects both current and future periods

Critical judgments and accounting policies

The following are the critical judgments, apart from those involving estimations that the directors



Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Income Taxes

The Company's tax jurisdiction is in Nepal. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax position.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful Lives of Property, Plant and Equipment

As described above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The useful life of property, plant and equipment are provided above details.

Impairment of Trade Receivables

The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. There is no impairment of trade receivable.

3 Segment Reporting

The management evaluates the Company's performance and allocates resources based on the analysis of various performance indicators; however the company is primarily engaged in only one segment. i.e "Provide Higher Education in kathmandu". Hence the Company does not have any reportable segments as per NFRS"8 "Operating Segments"

4 Financial risk management objectives

The company's principal financial liabilities comprise trade from other payables and borrowings. The main purpose of these financial liabilities is to support its operation. The company's principal financial assets include made and other receivables, cash & cash equivalents that are derived directly from its operations. The company's Activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk. The company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken management to minimize potential adverse effects of such risks on the company's operational and financial performance.

5 Credit Risk

Credit risk arises when counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The credit risk for the Company primarily arises from credit exposures to trade receivables.



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Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

Other financial Assets: Credit risk from balances with banks and financial institutions are managed by maintaining the balances with highly reputed Commercial banks only.

6 Liquidity risk management

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with the financial liabilities that are settled by delivering cash or another financial asset. The company's approach in managing liquidity is to ensure, as far as possible, that will always have sufficient sign liquidity to meet both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputations.

7 Fair Value Measurements.

This note Provide information about how the company determines fair value of various financial assets and financial liabilities

Fair Value Measurements are recognized in to Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows.

- Level 1 inputs are quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access as the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

The directors and Management are of the belief that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

 ace institute
OF MANAGEMENT



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Ace Institute of Management Pvt. Ltd.

Notes to the Financial Statements

Explanatory Notes:-

1 Property Plant and Equipment(PPE)

- a. Under the Previous GAAP, all property, plant & equipment & intangible assets are classified as property, plant equipment .
- b. Under previous GAAP Software was included in PPE which has been now reclassified under intangible assets.

2 Income Tax Receivable

- a. Under the Previous GAAP, Income tax receivable included in advance and deposit and now reclassified as income tax receivable head of financial statement.

3 Other Current Assets

- a. Under the Previous GAAP advance deposit and other receivable head are classified as other current assets in financial Statements.

4 Deferred Tax Liabilities and Deferred tax Assets

- a. Under NFRS deferred tax Assets and Liabilities are reclassified as non-current Assets and Non-Current Liabilities respectively, which were previously classified as Liabilities.

5 Trade Payable

- a. Payable to creditors are reclassified as Trade payable which was previously classified as Sundry creditor.

6 Other Financial Liabilities

- a. All other payable except Payable to Creditor and Payable to Employees are reclassified as other financial liabilities which were previously classified as other liabilities.

7 Employee benefit

- a. All compensation payable to employee are reclassified as employee benefit which was previously classified as other Liabilities.

8 Employee Benefit Cost

- a. Expenses paid or payable to employees are classified as employee benefit cost which was previously classified as Administrative cost and selling and distribution cost.