

The Members,  
Help Nepal Network  
Chabahil, Kathmandu, Nepal

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying Balance Sheet of Help Nepal Network as on 31<sup>st</sup> Ashadh 2073, Income & Expenditure account, and Cash flow statement for the year ended. These financial statements are the responsibility of the management of the organisation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


Accordingly, we report that:

- We have obtained information and explanations, which to the best of our knowledge and belief were considered necessary for the purpose of our audit.
- In our opinion, proper books of accounts have been maintained as required by law as far as appears from our examination.
- In our opinion, the accompanying financial statements have been prepared from the books of accounts maintained by the organisation and are in agreement with the same.
- To the best of our knowledge and according to the explanation given to us, the managers or their representatives or any employees of the organisation have not acted in contrary to the provisions of law nor misappropriated the fund of the organisation nor caused any damage or loss to the organisation.

In our opinion, the financial statements, read together with the notes appended in Schedule-17, present fairly, in all material respects, the financial position of the organisation as of 31<sup>st</sup> Ashadh 2073, of its operational results, cash flows and changes in equity for the year then ended in accordance with Generally Accepted Accounting Principles or relevant practices.

Date: 2073-06-10  
Kathmandu

For: Bashyal & Associates  
(Chartered Accountants)



CA Thanesor Bashyal  
(Partner)

# Help Nepal Network (Nepal)

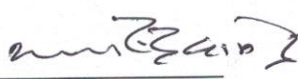
Chabahil, Kathmandu, Nepal

## Balance sheet as at 31st Ashadh 2073 (15th July 2016)


	<u>Schedule</u>	<u>Current Year</u>	<u>Figures in NPR Previous Year</u>
<b><u>SOURCES OF FUND</u></b>			
Charity Endowment Fund		59,648,123.15	59,540,736.05
Administrative Fund		18,500,000.00	18,500,000.00
Surplus Fund		37,368,970.03	13,321,618.22
<b>Total</b>		<b>115,517,093.18</b>	<b>91,362,354.27</b>
<b><u>APPLICATION OF FUND</u></b>			
<b>Fixed Assets</b>	<b>"1"</b>	<b>305,760.46</b>	<b>358,520.01</b>
<b>Investments</b>	<b>"2"</b>	<b>76,900,000.00</b>	<b>76,900,000.00</b>
<b>Current Assets</b>			
Cash & Bank	<b>"3"</b>	37,055,607.12	12,172,507.89
Advance & Receivable	<b>"4"</b>	1,471,258.60	2,795,701.37
<b>Total Current Assets (A)</b>		<b>38,526,865.72</b>	<b>14,968,209.26</b>
<b>Current Liabilities</b>			
Other Payable	<b>"5"</b>	215,533.00	864,375.00
<b>Total Current Liabilities (B)</b>		<b>215,533.00</b>	<b>864,375.00</b>
<b>Net Current Assets (A-B)</b>		<b>38,311,332.72</b>	<b>14,103,834.26</b>
<b>Total</b>		<b>115,517,093.18</b>	<b>91,362,354.27</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	<b>"17"</b>		


Schedules referred to above form an integral part of the financial statements.

As per our attached report of even date

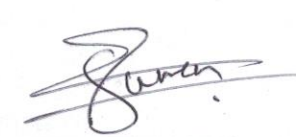
  
Arun Singh Basnet  
Chairperson  
HeNN, Nepal



  
Rama Nath Shrestha  
Treasurer  
HeNN, Nepal

  
Thanesor Bashyal, CA  
Partner  
Bashyal & Associates  
Chartered Accountants

Date: 2073-06-10  
Place: Kathmandu

  
Suman Shrestha  
Accountant  
HeNN, Nepal



**Help Nepal Network (Nepal)**  
Chabahil, Kathmandu, Nepal

**Statement Of Financial Activities for the year ended 31st Ashadh 2073 (15th July 2016)**

<u>Particulars</u>	<u>Schedule</u>	<u>Current Year</u>	<u>Figures in NPR Previous Year</u>
<b><u>Income</u></b>			
Fund for Activities	"6"	52,691,137.28	40,366,371.42
Other income	"7"	5,924,885.02	4,984,779.41
<b>Total Income</b>		<b>58,616,022.30</b>	<b>45,351,150.83</b>
<b><u>Cost of Activities</u></b>			
Help Nepal Health Post Expenses	"8"	958,200.00	1,023,000.00
Health Camp Expenses	"9"	-	-
Dhulikhel Project Expenses	"10"	-	648,510.16
HeNN Children Home	"11"	1,854,103.00	1,358,285.85
e-Library Project Expenses	"12"	949,627.00	5,928,084.50
Support to Educational Institutions	"13"	5,231,167.04	2,693,721.00
Relief Material Distribution Expenses	"14"	23,941,143.80	41,259,556.07
Other Project Expenses	"15"	173,722.00	22,460.00
<b>Total Cost of Activities</b>		<b>33,107,962.84</b>	<b>52,933,617.58</b>
<b>Surplus (Deficit) from Activities</b>		<b>25,508,059.46</b>	<b>(7,582,466.75)</b>
Less: General & Administrative Expenses	"16"	1,263,689.00	1,529,217.25
<b>Net Surplus (Deficit) Before Depreciation</b>		<b>24,244,370.46</b>	<b>(9,111,684.00)</b>
Less: Depreciation		91,631.55	89,049.60
<b>Excess of Income Over Expenditure/(Deficit)</b>		<b>24,152,738.91</b>	<b>(9,200,733.60)</b>
<b>Surplus (Deficit) Up to previous year</b>		<b>13,321,618.22</b>	<b>22,522,351.82</b>
Less: Separately Shown under Administrative Fund in Balance Sheet		-	-
Less: Separately Shown under Charity Endowment Fund in Balance Sheet		107,387.10	-
<b>Total surplus transferred to Balance Sheet</b>		<b>37,366,970.03</b>	<b>13,321,618.22</b>

Schedules referred to above form an integral part of the financial statements.  
As per our attached report of even date



Arun Singh Basnet  
Chairperson  
HeNN, Nepal



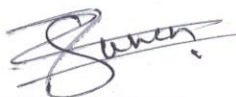


Rama Nath Shrestha  
Treasurer  
HeNN, Nepal



Thanesor Bashyal, CA  
Partner  
Bashyal & Associates  
Chartered Accountants

Date: 20 73-06-10  
Place: Kathmandu



Suman Shrestha  
Accountant  
HeNN, Nepal

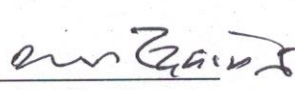
**Help Nepal Network (Nepal)**  
Chabahil, Kathmandu, Nepal

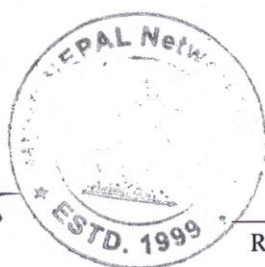
**Cash flow Statement for the period ending on 31st Ashad 2073 (15th July 2016)**


*Figures in NPR*

	<i>Current Year</i>	<i>Previous Year</i>
Surplus/ (Deficit) for the year	24,154,738.91	(9,200,733.60)
Add/(Less): Increase/(Decrease) in Reserves	107,387.10	3,025,726.93
Add: Depreciation for the year	91,631.55	89,049.60
Cash flow before working capital changes	24,353,757.56	(6,085,957.07)
<b>Adjustment for Working Capital Changes</b>		
(Increase) / Decrease in current Assets	1,324,442.77	(2,706,028.37)
Increase/ (Decrease) in current liabilities	(648,842.00)	841,642.00
<b>Cash flow from operating activities</b>	<u>25,029,358.33</u>	<u>(7,950,343.44)</u>
Increase/Decrease Investments	-	(68,400,000.00)
Purchase of Fixed Assets	(38,872.00)	(103,480.00)
<b>Cash flow from Investing Activities</b>	<u>(38,872.00)</u>	<u>(68,503,480.00)</u>
<b>Cash flow from Financing Activities</b>	<u>-</u>	<u>-</u>
<b>Net cash flow for the year</b>	<b>24,990,486.33</b>	<b>(76,453,823.44)</b>
Opening Balance of cash and cash equivalents	12,172,507.89	88,626,331.33
<b>Closing Balance of cash and cash equivalents</b>	<b>37,162,994.22</b>	<b>12,172,507.89</b>

*As per our attached report of even date*

  
Arun Singh Basnet  
Chairperson  
HeNN, Nepal




  
Rama Nath Shrestha  
Treasurer  
HeNN, Nepal

  
Thanesor Bashyal, CA  
Partner  
Bashyal & Associates  
Chartered Accountants



Date: 2073-06-10  
Place: Kathmandu

  
Suman Shrestha  
Accountant  
HeNN, Nepal



# Help Nepal Network (Nepal)

Chabahil, Kathmandu, Nepal

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Figures in NPR

### SCHEDULE -2

#### Investment On Fixed Deposits (FD)

	<u>Current Year</u>	<u>Previous Year</u>
Vibor Bikash Bank	76,900,000.00	76,900,000.00
Supreme Development Bank FD	-	-
<b>Total</b>	<b>76,900,000.00</b>	<b>76,900,000.00</b>

### SCHEDULE -3

#### Cash and Bank Balance

##### Cash:

Imprest Petty Cash	19,679.22	24,854.22
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##### Bank:

Nepal Bank Ltd., New Road	148,090.94	145,899.58
NB Bank, New Road	22,366,294.58	109,553.65
Sanima Bank, Naxal	817,203.22	33,061.73
Sanima Bank, Chabahil	6,132,454.74	3,059,023.11
NCC Bank, Chabahil	4,646,611.31	6,052,401.47
Everest Bank, Chabahil	1,358,286.80	462,565.01
Nabil Bank, Chabahil	499,391.27	701,065.18
Machhapuchre Bank, Chabahil	-	56,413.10
Supreme Development Bank, New Baneshwor	-	66,378.07
Global IME Bank, Kamaladi	-	10,177.73
Vibor Bikash Bank	1,067,595.04	1,451,115.04
<b>Total</b>	<b>37,055,607.12</b>	<b>12,172,507.89</b>

### SCHEDULE -4

#### Advance and Receivables

Advances to Samajik Samaj Sudhar Sanstha	412,800.00	-
Advances to Rudra Bdr. Shahi	-	8,000.00
Advances to Help Nepal Health Post	2,955.00	164,826.00
Advances to DSSPTBPNS	504,000.00	-
Advance to HeNN Children Home	12,440.60	1,740.60
Advance to Rajesh Hardware	-	1,953,322.77
Advance to Office staffs	1,977.00	67,812.00
Advance to Beam of Hope	537,086.00	600,000.00
<b>Total</b>	<b>1,471,258.60</b>	<b>2,795,701.37</b>

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**Help Nepal Network (Nepal)**  
Chabahil, Kathmandu, Nepal  
Schedule of Fixed Assets as on Ashad End, 2072

**Schedule -1**

Items Descriptions	Rate of Depreciation	Depreciation Basis Opening Balance	Addition			Deletion	Depreciation Basis For the F.Y. 2072/73	Depreciation For The Year	Net Balance	Addition C/f to next year			Op. Depreciation Basis For the F.Y. 2073/74
			Upto Poush End	Magh To Chaitra	Baisakh To Ashad					Magh To Chaitra	Baisakh To Ashad	R & M Excess of 7%	
	1	2	3	4	5	6	7=(2+3+4+5-6)	8=(7x1)	9=(7-8)	10	11	12	12=(9+10+11+12)
<b>POOL "A"</b>													
		-	-	-	-		-	-	-	-	-	-	-
		-	-	-	-		-	-	-	-	-	-	-
<b>Sub-Total</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>POOL "B"</b>													
Office Equipments	25%	227,131.17	-	38,872.00	-	-	253,045.84	63,261.46	189,784.38	12,957.33	-	-	202,741.71
Furniture & Fixture	25%	41,846.44	-	-	-	-	41,846.44	10,461.61	31,384.83	-	-	-	31,384.83
Computers & Printers	25%	-	-	-	-	-	-	-	-	-	-	-	-
Excess R & M expenses	25%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>		<b>268,977.61</b>	-	<b>38,872.00</b>	-	-	<b>294,892.28</b>	<b>73,723.07</b>	<b>221,169.21</b>	<b>12,957.33</b>	-	-	<b>234,126.54</b>
<b>POOL "C"</b>													
Office Vehicles	20%	89,542.40	-	-	-	-	89,542.40	17,908.48	71,633.92	-	-	-	71,633.92
Excess R & M expenses	20%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>		<b>89,542.40</b>	-	-	-	-	<b>89,542.40</b>	<b>17,908.48</b>	<b>71,633.92</b>	-	-	-	<b>71,633.92</b>
<b>POOL "D"</b>													
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>358,520.01</b>	-	<b>38,872.00</b>	-	-	<b>384,434.68</b>	<b>91,631.55</b>	<b>292,803.13</b>	<b>12,957.33</b>	-	-	<b>305,760.46</b>





# Help Nepal Network (Nepal)

Chabahil, Kathmandu, Nepal

Figures in NPR

## SCHEDULE -5

### Other Payables

	<u>Current Year</u>	<u>Previous Year</u>
Audit Fee Payable	111,500.00	111,500.00
Salary Payable	6,000.00	139,651.00
Expenses Payable	89,185.00	-
Yuwa Dalan	-	5,000.00
Arpan khadya Store	-	186,250.00
Ravi Kumar Manandhar	-	254,993.00
Gautam Medicine Suppliers	-	150,000.00
TDS payable on Staff Salary	3,818.00	2,708.00
TDS payable on Audit Fee	1,500.00	1,500.00
TDS payable on Services	-	4,073.00
Provident Fund payable	3,530.00	8,700.00
<b>Total</b>	<b>215,533.00</b>	<b>864,375.00</b>

## SCHEDULE -6

### Fund for Activities

HeNN UK	3,799,374.00	3,945,892.08
HeNN US	31,481,504.00	16,210,750.00
HeNN Austria	953,520.00	584,509.00
HeNN Israel	-	400,000.00
HeNN South Korea	158,722.00	-
Nepalese Community Nagoya, Japan	3,000,000.00	-
Music for Children	-	2,392,560.72
Local Donation	3,299,140.88	16,425,927.62
Ncell Private Limited	8,828,876.40	404,732.00
Institutional Donation	1,170,000.00	-
Membership Fees	2,000.00	2,000.00
<b>Total</b>	<b>52,693,137.28</b>	<b>40,366,371.42</b>

## SCHEDULE -7

### Other income- Interest Income

Nepal Bank Ltd., New Road	1,991.36	2,644.09
NB Bank, New Road	495,824.32	278,600.30
Sanima Bank, Naxal	15,700.21	9,853.25
Sanima Bank, Chabahil	137,868.26	1,530,351.53
NCC Bank, Chabahil	60,679.84	85,919.70
Everest Bank, Chabahil	2,079.69	45,065.45
Nabil Bank, Chabahil	2,063.09	12,829.13
Machhapuchre Bank, Chabahil	701.44	1,115.10
Supreme Development Bank, New Baneshwor	1,673.85	891,653.77
Global IME Bank, Kamaladi	54.14	1,524.11
Vibor Bikas Bank	5,206,248.82	2,114,922.98
Miscellaneous Income	-	10,300.00
<b>Total</b>	<b>5,924,885.02</b>	<b>4,984,779.41</b>



Kathmandu

# Help Nepal Network (Nepal)

Chabahil, Kathmandu, Nepal

Figures in NPR

Current Year

Previous Year

## SCHEDULE -8

### Help Nepal Health Post Expenses

#### Help Nepal Health Post, Mugu

Salary	653,500.00	519,000.00
Transportation	38,700.00	24,000.00
Office Furniture	18,000.00	
Consumable Goods	23,250.00	
Repair & Maintenance	58,750.00	
<b>Sub - Total</b>	<b>792,200.00</b>	<b>543,000.00</b>

#### Help Nepal Health Post, Achham

Salary	137,000.00	480,000.00
Transportation	8,000.00	-
Medical Equipments	12,000.00	-
Furnishing	-	-
Miscellaneous	9,000.00	-
Trust Construction	-	-
<b>Sub - Total</b>	<b>166,000.00</b>	<b>480,000.00</b>

#### Help Nepal Health Post, Sarlahi

Help Nepal Health Post Expenses	-	-
<b>Sub - Total</b>	<b>-</b>	<b>-</b>
<b>Grand - Total</b>	<b>958,200.00</b>	<b>1,023,000.00</b>

## SCHEDULE -9

### Health Camp Expenses

Acchaam Health Camp	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## SCHEDULE -10

### Dhulikhel Project Expenses

Salary	-	8,000.00
Electricity	-	2,638.00
Water	-	12,278.00
Building Construction	-	-
Wages	-	5,900.00
Consumable Goods	-	187,813.40
Office Equipments	-	198,734.68
Office Furnitures	-	166,506.08
Transportation	-	20,700.00
Printing & Stationery	-	10,455.00
General Expenses	-	34,903.00
Communication	-	582.00
<b>Total</b>	<b>-</b>	<b>648,510.16</b>

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# Help Nepal Network (Nepal)

Chabahil, Kathmandu, Nepal

Figures in NPR

## SCHEDULE -11

### HeNN Children Home, Dhulikhel

	<u>Current Year</u>	<u>Previous Year</u>
Inaguration Programme	-	89,740.00
Salary	600,835.00	456,000.00
Kitchen Expenses	326,177.00	283,585.00
Educational Expenses	17,790.00	10,505.00
Transportation	16,940.00	23,775.00
Farming Expenses	53,980.00	29,790.00
Repair & maintainence	6,500.00	81,446.40
Clothing Expenses	42,787.00	79,096.00
Health & medicine Expenses	20,492.00	14,574.00
Festival Expenses	38,055.00	20,199.00
Miscellaneous Expenses	26,030.00	65,491.00
Office Equipment	106,580.00	86,970.00
Electricity	13,774.00	8,997.00
Communication	19,721.00	14,073.00
Water	12,854.00	13,663.00
Consumable goods	32,486.00	58,054.06
Printing & Stationery	8,815.00	17,227.00
Office Furniture	45,200.00	5,100.39
Insurance	465,087.00	-
<b>Total</b>	<b>1,854,103.00</b>	<b>1,358,285.85</b>

## SCHEDULE -12

### e-Library Project Expenses

Bardiya e-Library	9,630.00	44,448.00
Surkhet e-Library	12,660.00	43,223.00
Sindhupalchowk e-Library		47,173.00
Kavre e-Library	10,455.00	24,368.00
Udaypur e-Library	9,350.00	32,723.00
Sunsari e-Library	12,810.00	45,250.00
Saptari e-Library	13,595.00	34,480.00
Kailai e-Library	21,720.00	547,866.00
Rautahat e-Library	31,780.00	422,020.50
Nawalparasi e-Library	-	9,990.00
Baglung e-Library	-	15,664.00
Gulmi e-Library	58,086.00	406,210.50
Pyuthan e-Library	53,180.00	403,435.50
Salyan e-Library	53,004.00	544,451.00
Parbat e-Library	43,575.00	410,271.00
Kaski e-Library	45,049.00	544,438.00
Solukhumbu e-Library	69,295.00	424,936.00
Morang e-Library	32,305.00	544,426.00
Kathamandu e-Library	16,525.00	516,633.00
Lalitpur e-Library	23,568.00	514,633.00
ToT Training	73,040.00	96,445.00
Support Staff Salary	360,000.00	255,000.00
<b>Total</b>	<b>949,627.00</b>	<b>5,928,084.50</b>

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## Help Nepal Network (Nepal)

Chabahil, Kathmandu, Nepal

*Figures in NPR*

Current Year

Previous Year

### SCHEDULE -13

#### Support to Educational Institutions

Shree Goraksha Ratnanath Medium School, Dang	-	458,976.00
Janata Secondary School, Sankhuwasabha	-	84,745.00
Shree Tribhuvaneshwori Higher Sec. School	-	900,000.00
Bansaghu Medium School, Sindhupalchowk	-	100,000.00
Shree Parbati Secondary School, Bajura	-	250,000.00
Janata Secondary School, Palpa	-	50,000.00
Singhadevi Higher Secondary School, Terat	35,000.00	400,000.00
Naya Kiran Secondary School, Chitwan	122,152.00	150,000.00
Kalidevi Lower Secondary School, Dolakha	212,000.00	300,000.00
Thokarpa Secondary School, Sindupalchowk	1,500,000.00	-
Little Buddha Primary School, Kavrepalanchowk	500,000.00	-
Lower Secondary School, Chitwan	560,000.00	-
Nepal Pestalozzi Foundation, Kathmandu	300,000.00	-
Panchakanya Lower Secondary School, Syangj	478,000.00	-
Dudhpokhari Lower Secondary School, Dol	350,000.00	-
Rajkuleshwor Lower Secondary School,	116,700.00	-
Bom Bahadur Ghale Lower Secondary School,	351,627.04	-
Janajagriti Lower Secondary School, Syangj	400,000.00	-
Parbati Secondary School, Bajura	305,688.00	-
<b>Total</b>	<b>5,231,167.04</b>	<b>2,693,721.00</b>

### SCHEDULE -14

#### Relief Material Distribution Expenses

Sapatari Fire Victims	379,873.50	298,855.00
Sapatari Flood Victims	371,086.25	-
Dadeldhura & Kanchanpur Flood Victims	-	650,722.25
Relief Material Stock	498,188.75	-
Bardia Flood Victims	-	1,635,718.50
Rautahat Cold Victims	-	200,000.00
Earthquake Victims	22,691,995.30	38,474,260.32
<b>Total</b>	<b>23,941,143.80</b>	<b>41,259,556.07</b>

### SCHEDULE -15

#### Other Project Expenses

Dhurmus Suntali Foundation	158,722.00	-
Rato Bangla Foundation (ToT programe)	-	22,460.00
IT MEET	15,000.00	-
<b>Total</b>	<b>173,722.00</b>	<b>22,460.00</b>

*[Handwritten signatures]*





# Help Nepal Network (Nepal)

Chabahil, Kathmandu, Nepal

Figures in NPR

Current Year

Previous Year

## SCHEDULE -16

### General & Administrative Expenses

Audit Fee	113,000.00	113,000.00
Staff Salary	548,447.00	519,543.00
Office Rent	319,000.00	291,720.00
Electricity Expenses	31,200.00	35,263.00
Communication Expenses	20,987.00	29,841.00
Transportation Expenses	57,350.00	59,965.00
Bank Charges	1,340.00	2,371.00
General Expenses	10,052.00	21,846.00
Printing & Stationery Expenses	14,030.00	57,590.25
Staff Refreshment Expenses	22,793.00	8,456.00
Registration & Renewal Expenses	11,301.00	9,426.00
Repair & Maintainance	23,087.00	16,291.00
Water Expenses	4,165.00	14,220.00
Cleaning Expenses	-	12,000.00
Consumable Goods	13,817.00	8,026.00
Cloth Collection & Storing Expenses	-	-
Insurance Charges	61,620.00	4,053.00
Consultancy Fee	-	10,170.00
Courier Expenses	-	4,568.00
Training Expenses	-	-
AGM Expenses	11,500.00	4,073.00
HeNN Documentary Expenses	-	306,795.00
<b>Total</b>	<b>1,263,689.00</b>	<b>1,529,217.25</b>



## **Help Nepal Network (Nepal)**

**Chabahil, Kathmandu, Nepal**

### **Significant Accounting Policies & Notes to the Accounts**

#### **Schedule 17**

#### **A) Help Nepal Network (Nepal)'s Information:**

Help Nepal Network (Nepal) is registered in Social Welfare Council, Kathmandu, Nepal on 2061/06/08 & on Income Tax Office of Chabahil, Kathmandu on 2062/03/29 vide Permanent Account Number of 301940313.

The objective of the organization is to motivate Nepalese spread all over the world for the contribution in development of Nepal including in the field of Education & Health & supporting in the cases of natural disasters as well and to act as facilitator/mediator to any foreign individual or foreign organization wanting to do charitable activities in Nepal.

#### **B) Significant Accounting Policies:**

##### **1) Accounting Conventions:**

The financial statements are prepared under the historical cost conventions on an accrual concept and are in accordance with Nepal Accounting Standards (NAS), unless otherwise stated, and other applicable laws prevalent in Nepal. The accounting policies are consistently applied by the Organization.

##### **2) Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known/materialized.

##### **3) Fixed Assets (NAS 06):**

i) Fixed assets are stated at cost of acquisition, construction inclusive of all the expenses upto commissioning/putting the assets to use.

ii) Depreciation is charged on written down value method at the rates prescribed in Nepalese Income Tax Act 2058.





4) **Going Concern:**

The Financial Statements are prepared on a going concern basis.

5) **Revenue Recognition:**

Income is recognized on cash basis.

6) **Cash and Bank Balances:**

Cash and bank balances comprise of cash in hand, cheque in hand and balance with banks as on Balance Sheet date.

7) **Cash Flow Statements (NAS 03):**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Organization are segregated. The Cash flow statement is separately attached with the Financial Statements of the Organization.

8) **Investments:**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. However, provisions for diminution in value of investments are made to recognize decline, other than temporary, in value of the investments.

Fixed Deposits are hence classified as Investments. Investments other than long term investments, being current investments, are valued at cost or market price whichever is lower, determined on an individual basis.

C) **Notes to the Accounts:**

1) **Regrouping of Figures:**

Previous year's figures are re-grouped/re-arranged wherever necessary.

2) **Miscellaneous:**

- a) All amounts are stated in Nepalese rupees.
- b) All the schedules form the integral part of Balance Sheet & Statement Of Financial Activities.
- c) Figures in bracket represent deduction
- d) Provision for gratuity is not done.
- e) Surplus Account is segregated into Charity Endowment Fund & Administrative Fund.

