

Independent Auditors' Report

To the Members of Help Nepal Network (Nepal) Pvt. Ltd.
Kathmandu, Nepal

We have audited the accompanying Balance Sheet of **Help Nepal Network (Nepal) Pvt. Ltd.** as at Ashadh 32, 2075 and Income Statement and Cash Flow Statement attached thereto, for the year ended on that date and a summary of Significant Accounting Policies and other Explanatory Notes.

Management's Responsibility for the financial statements

The preparation and fair presentation of these Financial Statements, in accordance with Nepal Accounting Standards, are the responsibility of the company's management.

Auditors' Responsibility

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 comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements

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

- 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, Statement of Financial Activities and Cash Flow Statement with Explanatory Notes dealt with by this report 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 books of accounts of the company necessary for the purposes of the audit, we have not come across cases where the management or any employees of the company have 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, the Financial Statements, read together with Notes in Schedule 16 forming part of the accounts, give a true and fair view of the financial position of the company as at Ashadh 32, 2075 and the financial performance and cash flows for the year then ended in accordance with Nepal Accounting Standards and other applicable laws.

Date: 2075.05.22
Kathmandu

For: Bashyal & Associates
Chartered Accountants

CA Rakesh Shrish
Partner

Help Nepal Network (Nepal)
Kathmandu, Nepal
Balance Sheet
as at 32st Ashadh 2075 (16th July 2018)

		Amount in Rs.	
Particulars	Schedule	Current year 2074-75	Previous year 2073-74
Sources of Funds:			
Charity Endowment Fund		59,662,323.15	59,662,323.15
Administrative Fund		22,500,000.00	22,500,000.00
Surplus Fund		13,302,720.72	36,642,510.04
Total		95,465,043.87	118,804,833.19
Application of Fund			
Fixed Assets	1		
Gross Block		232,902.04	305,760.46
Less: Depreciation		55,360.15	72,858.42
Fixed Assets (Net)		177,541.89	232,902.04
Investments	2	82,500,000.00	82,148,000.00
Current Assets			
Cash & Bank Balances	3	13,711,051.34	31,432,886.55
Deposits, Advances & Trade Receivables	4	1,493,312.14	5,276,513.60
Total Current Assets		15,204,363.48	36,709,400.15
Less: Total Current Liabilities	5	2,416,861.50	285,469.00
Net Current Assets		12,787,501.98	36,423,931.15
Total		95,465,043.87	118,804,833.19

Significant Accounting Policies & Notes to Accounts

16

Date: 2075-05-22
Kathmandu

Arun Singh Basnet
Chairperson

Suman Shrestha
Accountant



Rajendra Nath Shrestha
Treasurer

Dikshya Singh
Program Coordinator

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

CA Rakesh Shrish
Partner

Lata Ghimire
Secretary



Help Nepal Network (Nepal)
Kathmandu, Nepal
Statement of Financial Activities
For the Period Ended on 32st Ashadh 2075 (16th July 2018)

		Amount in Rs.	
Particulars	Schedule	Current year 2074-75	Previous year 2073-74
Income			
Fund for Activities	6	7,992,342.71	18,925,500.69
Other Income	7	10,085,708.05	7,002,075.47
Total Income		18,078,050.76	25,927,576.16
Cost of Activities			
Help Nepal Health Post Expenses	8	1,563,503.50	777,594.00
Health Related Projects	9	211,013.00	467,069.00
HeNN Children Home	10	2,945,761.00	2,516,173.60
e-Library Project Expenses	11	568,184.00	1,166,368.00
Support to Educational Institutions	12	29,752,054.46	9,942,883.00
Relief Material Distribution Expenses	13	4,011,978.97	5,597,263.79
Other Project Expenses	14	72,000.00	92,270.00
Total Cost Of Activities		39,124,494.93	20,559,621.39
Surplus (Deficit) from Activities		(21,046,444.17)	5,367,954.77
Less: General & Administrative Expenses	15	2,237,985.00	2,007,356.34
Net Surplus (Deficit) Before Depreciation		(23,284,429.17)	3,360,598.43
Less: Depreciation		55,360.15	72,858.42
Excess of Income Over Expenditure/ (Deficit)		(23,339,789.32)	3,287,740.01
Surplus/ (Deficit) Up to Previous Year		36,642,510.04	37,368,970.03
Less: Separately Shown Under Administrative Fund			4,000,000.00
Less: Separately Shown Under Charity Endowment Fund			14,200.00
Total Surplus transferred to Balance Sheet		13,302,720.72	36,642,510.04

Date : 2075-05-22
Kathmandu



Arun Singh Basnet
Arun Singh Basnet
Chairperson

Suman Shrestha
Suman Shrestha
Accountant

Rajendra Nath Shrestha
Rajendra Nath Shrestha
Treasurer

Dikshya Singh
Dikshya Singh
Program Coordinator

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

CA Rakesh Shrish
CA Rakesh Shrish
Partner

Lata Girmine
Lata Girmine
Secretary

Help Nepal Network (Nepal)

Kathmandu, Nepal

Cash Flow Statement

For the Period Ended on 32st Ashadh 2075 (16th July 2018)

Particulars	Amount in Rs.	
	Current year 2074-75	Previous year 2073-74
Surplus/ (Deficit) for the year	(23,339,789.32)	3,287,740.01
Add/ (less): Increase/ (decrease) in Reserves	55,360.15	72,858.42
Add: Depreciation for the year	(23,284,429.17)	3,360,598.43
Cash Flow Before Working Capital Changes		
Change in Working Capital:		
Decrease/(Increase) in Current Assets	3,783,201.46	(3,805,255.00)
Increase/(Decrease) in Current Liabilities	2,131,392.50	69,936.00
A. Cash Flow from Operating activities	(17,369,835.21)	(374,720.57)
Investing Activities		
Sales/(Purchase) of Fixed Assets	(0.00)	-
Sales/(Purchase) of Investment Assets	(352,000.00)	(5,248,000.00)
B. Cash Flow from Investing activities	(352,000.00)	(5,248,000.00)
Financing Activities:		
Increase/(Decrease) in Loan Funds	-	-
Less: Financial Charge	-	-
C. Cash Flow From Financing Activities	-	-
Net Cash Flow During the year (A+B+C)	(17,721,835.21)	(5,622,720.57)
Opening Cash & Bank Balances & Equivalents	31,432,886.55	37,055,607.12
Closing Cash & Bank Balances & Equivalents	13,711,051.34	31,432,886.55

Date: 2075.05.22
Kathmandu

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As per our attached report of even date
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Help Nepal Network (Nepal)
Kathmandu, Nepal
Fixed Assets & Depreciation

Schedule 1

2073-74

Amount in Rs.

Block	Particulars	Dep Rate	Opening	Addition			Disposal	Gross Total Assets	Total Depreciation	Net Assets
				Upto Poush	Upto chaitra	Upto Ashad				
B	Office Equipments	25.00%	202,741.71					202,741.71	50,685.43	152,056.28
B	Furniture and fixtures	25.00%	31,384.83	-	-			31,384.83	7,846.21	23,538.62
C	Office Vehicles	20.00%	71,633.92					71,633.92	14,326.78	57,307.14
D	Plant & Machinery	15.00%						-	-	-
E	Intangible Assets							-	-	-
	Total		305,760.46	-	-	-	-	305,760.46	72,858.42	232,902.04

2074-75

Block	Particulars	Dep Rate	Opening	Addition			Disposal	Gross Total Assets	Total Depreciation	Net Assets
				Upto Poush	Upto chaitra	Upto Ashad				
B	Office Equipments	25.00%	152,056.28					152,056.28	38,014.07	114,042.21
B	Furniture and fixtures	25.00%	23,538.62	-	-			23,538.62	5,884.66	17,653.97
C	Office Vehicles	20.00%	57,307.14					57,307.14	11,461.43	45,845.71
D	Plant & Machinery	15.00%	-					-	-	-
E	Intangible Assets	0.00%	-					-	-	-
	Total		232,902.04	-	-	-	-	232,902.04	55,360.15	177,541.89



Help Nepal Network (Nepal)
Kathmandu, Nepal
Schedules Forming Part of the Balance Sheet

Schedule 2

Investment on Fixed Deposits (FD)

Particulars	Current year 2074-75	Previous year 2073-74
Lumbini Bikash Bank	82,500,000.00	82,148,000.00
Total	82,500,000.00	82,148,000.00

Schedule 3

Cash and Bank Balances

Particulars	Current year 2074-75	Previous year 2073-74
Cash Balance (as certified by mgmt)	2,278.22	12,393.22
Everest Bank Limited, Chabahil	145,793.77	574,388.10
Nabil Bank Limited, Chabahil	115,791.27	114,591.27
NB Bank Limited, New Road	1,332,008.59	20,808,652.86
NCC Bank Limited, Chabahil	1,592,673.21	4,332,813.09
Nepal Bank Limited, New Road	152,108.11	149,857.63
Sanima Bank, Chabahil	705,229.95	2,248,613.27
Sanima Bank, Naxal	196,213.32	624,415.22
Lumbini Bikash Bank	6,441,447.95	2,567,161.89
Mega Bank Ltd.	3,027,506.95	-
Total	13,711,051.34	31,432,886.55

Schedule 4

Prepays, Loans, Advances & deposits

Particulars	Current year 2074-75	Previous year 2073-74
Advance to Beam of Hope	-	537,086.00
Advance to HeNN Children Home	82,189.60	81,480.60
Advance to Panchakanya School	-	14,310.00
Advance to Rajhity Samaj	-	86,838.00
Advance to Sagarmatha Chadhary Eye Hospital	62,000.00	62,000.00
Advance to Survivors Nepal	692,622.54	3,973,070.00
Advance to Vianet	2,500.00	2,500.00
Advance to DSSPTBPNS	504,000.00	504,000.00
Advance to Help Nepal Health Post	-	15,229.00
Advance to Amalachaur School Alumni Association	150,000.00	-
Total	1,493,312.14	5,276,513.60

Schedule 5

Other Payables

Particulars	Current year 2074-75	Previous year 2073-74
Audit Fee Payable	111,500.00	111,500.00
Expenses Payable	2,300,331.50	167,035.00
TDS on Audit Fee	1,500.00	1,500.00
TDS on Staff Salary	3,530.00	5,434.00
Total	2,416,861.50	285,469.00



Schedule- 6

Fund for Activities

Particulars	Current year 2074-75	Previous year 2073-74
Dr. Franz Schmid	1,083,285.00	1,980,468.00
HeNN Austria	510,819.75	5,377,826.25
HeNN Newzealand	68,042.52	140,509.64
HeNN South Korea	99,250.00	77,270.00
HeNN UK	2,423,205.45	4,960,992.00
Institutional Donation	-	4,121,986.55
Local Donation	1,249,832.00	960,845.50
Membership Fees	1,800.00	2,000.00
Music for Children	1,289,745.99	662,121.00
Ncell Private Children	-	432,590.00
NRN Association	-	208,891.75
HeNN Dubai	66,362.00	-
Rotary Club of Tripureshwor	1,200,000.00	-
Total	7,992,342.71	18,925,500.69

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Other Income

Particulars	Current year 2074-75	Previous year 2073-74
Everest Bank, Chabahil	1,870.75	4,710.36
NB Bank, New Road	112,083.91	355,829.84
NCC Bank, Chabahil	46,531.41	61,188.15
Nepal Bank Ltd., New Road	2,250.48	1,766.69
Sanima Bank, Chabahil	64,157.66	92,071.71
Sanima Bank Naxal	10,936.80	46,339.51
Lumbini Bikash Bank	9,792,778.09	6,440,169.21
Tourism Development Bank	55,098.95	-
Total	10,085,708.05	7,002,075.47









Schedule 8

Help Nepal Health Post Expenses

Particulars	Current year 2074-75	Previous year 2073-74
Help Nepal Health Post Mugu		
Salary	780,500.00	-
Transportation	13,534.00	-
Office Furniture	-	-
Consumable Goods	-	740,410.00
Repair and Maintenance	647,175.00	37,184.00
Monitoring and Reporting Expenses	26,380.00	-
Health Education Program	95,914.50	-
Total	1,563,503.50	777,594.00

Schedule 9

Health Related Projects

Particulars	Current year 2074-75	Previous year 2073-74
Bardia Health Camp	-	31,163.00
Hetauda Health Camp	-	31,190.00
Kavre Health Camp	25,000.00	30,000.00
Medicine Handover to ICH, Sipaghat	-	7,000.00
Saptari Eye Camp	-	367,716.00
Illam Health Camp	47,152.00	-
Mahendranagar Health Camp	138,861.00	-
Total	211,013.00	467,069.00

Schedule 10

HeNN Children Home, Dhulikhel

Particulars	Current year 2074-75	Previous year 2073-74
Bank Charge	90.00	60.00
Clothing Expenses	134,300.00	112,955.00
Coloring Expenses	-	230,965.00
Communication	16,003.00	16,190.00
Consumable Goods	62,111.00	41,545.00
Education Expenses	43,002.00	36,333.00
Electricity	32,101.00	24,643.00
Farming Expenses	46,250.00	35,000.00
Festival Expenses	55,960.00	38,635.00
Health & Medicine Expenses	58,689.00	35,533.00
Insurance Expenses	687,984.00	643,359.60
Kitchen Expenses	576,330.00	454,973.00
Miscellaneous Expenses	18,745.00	26,975.00
Office Equipment	2,050.00	40,996.00
Office Furniture	57,248.00	83,828.00
Printing and Stationery	10,839.00	15,723.00
Repair and Maintenance	27,669.00	18,987.00
Salary	808,749.00	634,496.00
Transportation	25,740.00	10,665.00
Water	21,568.00	14,312.00
Kitchen Utensils	13,600.00	-
Toilet Construction	245,908.00	-
Renew and Registration	825.00	-
Total	2,945,761.00	2,516,173.60



Schedule 11

e- Library Project Expenses

Particulars	Current year 2074-75	Previous year 2073-74
Bardiya e- library	-	-
Gulmi e- library	-	66,550.00
Kailali e- library	-	67,945.00
Kaski e- library	-	76,791.00
Kathmandu e- library	-	17,227.00
Kavre e- library	-	-
Lalitpur e- library	-	15,395.00
Morang e- library	-	67,880.00
Parbat e- library	-	61,295.00
Pyuthan e- library	-	54,035.00
Rautahat e- library	-	44,755.00
Salyan e-library	-	65,665.00
Saptari e-library	-	-
Solukhumbu e-library	-	69,475.00
Sunsari e-library	-	-
Surkhet e- library	-	-
Syangja e-library	-	341,655.00
Udaypur e-library	-	-
ToT Training	34,095.00	23,700.00
Support Staff Salary	180,000.00	180,000.00
e- Library Content	-	14,000.00
Project Operation Cost	130,259.00	-
Monitoring Cost	223,830.00	-
Total	568,184.00	1,166,368.00

Schedule 12

Support to Educational Institutions

Particulars	Current year 2074-75	Previous year 2073-74
Annapurna Secondary School, Dhading	-	1,500,000.00
Bhimodaya primary School, Gorkha	3,327,194.00	1,500,000.00
Bom Bahadur Ghale Lower Secondary School	148,000.00	-
Children in Technology	-	10,000.00
Dudhpokhari Lower Secondary School	-	350,000.00
Janajagriti Lower Secondary School, Syangja	-	553,520.00
Juke Secondary School, Dolakha	200,000.00	2,800,000.00
Kalidevi Lower Secondary School, Dolakha	-	-
Little Buddha Primary School, Kavre	350,000.00	350,000.00
Lower Secondary School, Chitwan	-	-
Mailka Secondary School, Surkhet	-	400,000.00
Naya Kiran Secondary School, Chitwan	-	-
Nepal Pestalozzi Foundation, Kathmandu	94,143.00	300,000.00
Panchakanya Lower Secondary School, Kavre	922,782.00	709,101.00
Parbati Secondary School, Bajura	-	-
Rajkuleshwor Lower Secondary School	17,029,488.00	718,262.00
Singhadevi higher Secondary School	-	-
Stationery to Bio-Diversity Club	-	13,700.00
Stationery to HHELP	-	11,370.00
Thokarpa Community Multiple Campus	100,000.00	600,000.00
Thokarpa Secondary School, Sindhupalchowk	7,280,447.46	26,930.00
Tribhuvan Higher Secondary School	-	100,000.00
Dhaulagiri Birendra Secondary School	300,000.00	-
Total	29,752,054.46	9,942,883.00



Schedule 13

Relief Material Distribution Expenses

Particulars	Current year 2074-75	Previous year 2073-74
Earthquake Victims	537,086.00	504,800.00
Jhapa Cold Victims	-	486,695.52
Lions Club of Kathmandu Sahara	-	504,400.00
Bardia Flood Victims	128,550.00	-
Saptari Cold Victims	677,770.00	739,863.28
Saptari Fire Victims	-	318,618.44
Saptari Flood Victims	43,404.00	2,724,268.11
Siraha Fire Victims	-	318,618.44
Tarai Flood Victims	2,386,838.00	-
Jhapa Fire Victims	65,000.00	-
Ramechhap Flood and Landslide Victims	173,330.97	-
Total	4,011,978.97	5,597,263.79

Schedule 14

Other Projects Expenses

Particulars	Current year 2074-75	Previous year 2073-74
Dhurmus Suntali Foundation	-	77,270.00
IT Meet	15,000.00	15,000.00
NHRPF For the Disabled, Nepal	57,000.00	-
Total	72,000.00	92,270.00

Schedule -15

General & Administrative Expenses

Particulars	Current year 2074-75	Previous year 2073-74
Amount Handover Program Expenses	-	38,993.00
Audit Fee	113,000.00	113,000.00
Bank Commission	1,440.00	1,970.00
Communication Expenses	52,132.00	41,914.00
Consumable Good Expenses	1,932.00	24,044.74
Courier Expenses	-	366.00
Electricity Expenses	22,590.00	24,000.00
General Expenses	14,390.00	4,219.00
Insurance Charges	121,985.00	121,845.60
Internet Expenses	33,900.00	-
Miscellaneous Expenses	-	-
Office Rent	382,147.00	363,950.00
Printing & Stationery Expenses	11,311.00	16,419.00
Refreshment Expenses	24,845.00	13,162.00
Registration & Renewal Expenses	5,610.00	13,112.00
Repair & Mainteanace	48,445.00	27,150.00
Staff Salary	1,324,300.00	1,136,616.00
Transportation Expenses	40,690.00	64,382.00
Water Expenses	5,153.00	2,213.00
Audit Expenses	3,415.00	-
AGM Expenses	30,700.00	-
Total	2,237,985.00	2,007,356.34

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Help Nepal Network (Nepal)
Significant Accounting Policies & Notes to the Accounts

Schedule 16

A) Organization Information:

Help Nepal Network, Nepal is a Non -Profit Organisation registered in Social Welfare Council, Kathmandu on 2061/06/08 and in Income Tax Office of Chabahil, Kathmandu on 2062/03/29 through PAN 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 16):

- 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

4) Going Concern:

The Financial Statements are prepared on a going concern basis.

5) Revenue Recognition (NAS 18):

Income is recognized on Cash basis.

6) Cash and Bank Balances:

Cash and bank balances comprises of cash in hand, cheques in hand and balances with banks as on Balance Sheet date.

7) Cash Flow Statements (NAS 07):

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 Company 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.

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

Figures are regrouped/ rearranged wherever necessary.

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Income Tax Act.

2) **Miscellaneous:**

- a) All amounts are stated in Nepalese rupees.
- b) All the schedules form the integral part of Balance Sheet and Statement of Financial Activities.
- c) Figures in bracket represents deduction.

