

### **Independent Auditors' Report**

#### **To the Members of Help Nepal Network (Nepal)**

#### **Kathmandu, Nepal**

We have audited the accompanying Balance Sheet of **Help Nepal Network (Nepal)**, as at Ashadh 31, 2076 and Statement of Financial Activities 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 31, 2076 and the financial performance and cash flows for the year then ended in accordance with Nepal Accounting Standards and other applicable laws.

Date: 2076-04-29  
Kathmandu

For: Bashyal & Associates  
Chartered Accountants



CA Thanesor Bashyal  
Partner



**Help Nepal Network (Nepal)**  
Kathmandu, Nepal  
**Balance Sheet**  
as at 31st Ashadh 2076 (16th July 2019)

Particulars	Schedule	Current year 2075-76	Previous year 2074-75
<b>Sources of Funds:</b>			
Charity Endowment Fund		59,662,323.15	59,662,323.15
Administrative Fund		22,500,000.00	22,500,000.00
Surplus Fund		21,022,846.96	13,302,720.72
<b>Total</b>		<b>103,185,170.11</b>	<b>95,465,043.87</b>
<b>Application of Fund</b>			
<b>Fixed Assets</b>	1		
Gross Block		177,541.89	232,902.04
Less: Depreciation		42,093.19	55,360.15
Fixed Assets (Net)		<b>135,448.70</b>	<b>177,541.89</b>
<b>Investments</b>	2	<b>82,500,000.00</b>	<b>82,500,000.00</b>
<b>Current Assets</b>			
Cash & Bank Balances	3	18,945,872.77	13,711,051.34
Deposits, Advances & Receivables	4	1,814,888.14	1,493,312.14
Total Current Assets		<b>20,760,760.91</b>	<b>15,204,363.48</b>
Less: Total Current Liabilities	5	213,755.50	2,416,861.50
Net Current Assets		<b>20,547,005.41</b>	<b>12,787,501.98</b>
<b>Total</b>		<b>103,182,454.11</b>	<b>95,465,043.87</b>

Significant Accounting Policies & Notes to Accounts

16

Date : 2076-04-29  
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

Thanesor Bashyal  
Partner



**Help Nepal Network (Nepal)**  
Kathmandu, Nepal  
**Statement of Financial Activities**  
For the Period Ended on 31st Ashadh 2076 (16th July 2019)

Particulars	Schedule	Current year 2075-76	Previous year 2074-75
<b>Income</b>			
Fund for Activities	6	24,668,801.71	7,992,342.71
Other Income	7	9,863,363.31	10,085,708.05
<b>Total Income</b>		<b>34,532,165.02</b>	<b>18,078,050.76</b>
<b>Cost of Activities</b>			
Help Nepal Health Post Expenses	8	861,385.00	1,563,503.50
Health Related Projects	9	190,869.00	211,013.00
HeNN Children Home	10	2,526,419.00	2,945,761.00
e-Library Project Expenses	11	114,830.00	568,184.00
Support to Educational Institutions	12	19,832,078.16	29,752,054.46
Relief Material Distribution Expenses	13	1,128,453.64	4,011,978.97
Other Project Expenses	14	10,000.00	72,000.00
<b>Total Cost Of Activities</b>		<b>24,664,034.80</b>	<b>39,124,494.93</b>
Surplus (Deficit ) from Activities		<b>9,868,130.22</b>	<b>(21,046,444.17)</b>
Less: General & Administrative Expenses	15	2,105,910.79	2,237,985.00
<b>Net Surplus (Deficit) Before Depreciation</b>		<b>7,762,219.43</b>	<b>(23,284,429.17)</b>
Less: Depreciation		42,093.19	55,360.15
<b>Excess of Income Over Expenditure/ (Deficit)</b>		<b>7,720,126.24</b>	<b>(23,339,789.32)</b>
Surplus/ (Deficit) Up to Previous Year		13,302,720.72	36,642,510.04
Less: Separately Shown Under Administrative Fund			
Less: Separately Shown Under Charity Endowment Fund			
<b>Total Surplus transferred to Balance Sheet</b>		<b>21,022,846.96</b>	<b>13,302,720.72</b>

Date : 2076-04-29  
Kathmandu

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Chairperson

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Accountant

Rajendra Nath Shrestha  
Treasurer

Dikshya Singh  
Program Coordinator

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

Thanesor Bashyal  
Partner



# Help Nepal Network (Nepal)

Kathmandu, Nepal

## Cash Flow Statement

For the Period Ended on 31st Ashadh 2076 (16th July 2019)

Particulars	Current year 2075-76	Previous year 2074-75
<b>Surplus/ (Deficit) for the year</b>	<b>7,720,126.24</b>	<b>(23,339,789.32)</b>
Add/ (less): Increase/ (decrease) in Reserves	42,093.19	55,360.15
Add: Depreciation for the year	7,762,219.43	(23,284,429.17)
<b>Cash Flow Before Working Capital Changes</b>		
<b>Change in Working Capital:</b>		
Decrease/(Increase) in Current Assets	(321,576.00)	3,783,201.46
Increase/(Decrease) in Current Liabilities	(2,203,106.00)	2,131,392.50
<b>A. Cash Flow from Operating activities</b>	<b>5,237,537.43</b>	<b>(17,369,835.21)</b>
<b>Investing Activities</b>		
Sales/(Purchase) of Fixed Assets	(0.00)	(0.00)
Sales/(Purchase) of Investment Assets	-	(352,000.00)
<b>B. Cash Flow from Investing activities</b>	<b>(0.00)</b>	<b>(352,000.00)</b>
<b>Financing Activities:</b>		
Increase/(Decrease) in Loan Funds		
Less: Financial Charge	-	-
<b>C. Cash Flow From Financing Activities</b>		
<b>Net Cash Flow During the year (A+B+C)</b>	<b>5,237,537.43</b>	<b>(17,721,835.21)</b>
Opening Cash & Bank Balances & Equivalents	13,711,051.34	31,432,886.55
<b>Closing Cash &amp; Bank Balances &amp; Equivalents</b>	<b>18,948,588.77</b>	<b>13,711,051.34</b>

Date: 2076-04-29  
Kathmandu

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Accountant



Rajendra Nath Shrestha  
Treasurer

Dikshya Singh  
Program Coordinator

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

Thanesor Bashyal  
Partner

Lata Ghimire  
Secretary



**Help Nepal Network (Nepal)**  
**Kathmandu, Nepal**  
**Fixed Assets & Depreciation**

**Schedule 1**

**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 fixture	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
	<b>Total</b>		<b>232,902.04</b>	-	-	-	-	<b>232,902.04</b>	<b>55,360.15</b>	<b>177,541.89</b>

**2075-76**

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%	114,042.21					114,042.21	28,510.55	85,531.66
B	Furniture and fixture	25.00%	17,653.97	-	-			17,653.97	4,413.49	13,240.48
C	Office Vehicles	20.00%	45,845.71					45,845.71	9,169.14	36,676.57
	<b>Total</b>		<b>177,541.89</b>	-	-	-	-	<b>177,541.89</b>	<b>42,093.19</b>	<b>135,448.70</b>



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

Schedule 2

**Investment on Fixed Deposits (FD)**

Particulars	Current year 2075-76	Previous year 2074-75
Lumbini Bikash Bank	82,500,000.00	82,500,000.00
<b>Total</b>	<b>82,500,000.00</b>	<b>82,500,000.00</b>

Schedule 3

**Cash and Bank Balances**

Particulars	Current year 2075-76	Previous year 2074-75
Cash Balance ( as certified by mgmt)	-	2,278.22
Everest Bank Chabahil	250,485.84	145,793.77
Nabil Bank Chabahil	115,791.27	115,791.27
NB Bank, New Road	3,073,669.72	1,332,008.59
NCC Bank, Chabahil	1,284,293.20	1,592,673.21
Nepal Bank Ltd. New Road	155,899.96	152,108.11
Sanima Bank, Chabahil	111,148.75	705,229.95
Sanima Bank, Naxal	51,548.80	196,213.32
Lumbini Bikash Bank	13,838,504.67	6,441,447.95
Mega Bank Ltd.	64,530.56	3,027,506.95
<b>Total</b>	<b>18,945,872.77</b>	<b>13,711,051.34</b>

Schedule 4

**Prepays, Loans, Advances & deposits**

Particulars	Current year 2075-76	Previous year 2074-75
Advance to HeNN Children Home	30,061.60	82,189.60
Advance to Rajhity Samaj	350,835.00	-
Advance to Sagarmatha Chaudhary Eye Hospital	-	62,000.00
Advance to Survivors Nepal	626,006.54	692,622.54
Advance to Vianet	2,500.00	2,500.00
Advance to DSSPTBPNS	504,000.00	504,000.00
Advance to Help Nepal Health Post	1,485.00	-
Advance to Amalchaur School Alumni Association	-	150,000.00
Advance to Event Nepalaya Pvt. Ltd	300,000.00	-
<b>Total</b>	<b>1,814,888.14</b>	<b>1,493,312.14</b>

Schedule 5

**Other Payables**

Particulars	Current year 2075-76	Previous year 2074-75
Audit Fee Payable	111,500.00	111,500.00
Expenses Payable	98,157.00	2,300,331.50
TDS on Audit Fee	1,500.00	1,500.00
TDS on Staff Salary	2,598.50	3,530.00
<b>Total</b>	<b>213,755.50</b>	<b>2,416,861.50</b>

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## Schedule- 6

## Fund for Activities

Particulars	Current year 2075-76	Previous year 2074-75
Dr. Franz Schmid	1,108,721.25	1,083,285.00
HeNN Austria	-	510,819.75
HeNN Newzealand	-	68,042.52
HeNN South Korea	-	99,250.00
HeNN UK	-	2,423,205.45
Institutional Donation	-	-
Local Donation	45,970.00	1,249,832.00
Membership Fees	1,800.00	1,800.00
Music for Children	703,811.25	1,289,745.99
Ncell Private Children	-	-
NRN Association	-	-
HeNN Dubai	-	66,362.00
Rotary Club of Tripureshwor	1,300,000.00	1,200,000.00
Rotary Club of Patan Durbar Square	1,160,000.00	-
HeNN Sweden	1,000,000.00	-
HeNN US	19,348,499.21	-
<b>Total</b>	<b>24,668,801.71</b>	<b>7,992,342.71</b>

## Schdeule - 7

## Interest income

Particulars	Current year 2075-76	Previous year 2074-75
Everest Bank, Chabahil	1,136.12	1,870.75
NB Bank, New Road	298,595.92	112,083.91
NCC Bank, Chabahil	10,057.94	46,531.41
Nepal Bank Ltd., New Road	3,791.85	2,250.48
Sanima Bank, Chabahil	9,616.46	64,157.66
Sanima Bank Naxal	5,465.46	10,936.80
Lumbini Bikash Bank	9,524,757.95	9,792,778.09
Tourism Development Bank	9,941.61	55,098.95
<b>Total</b>	<b>9,863,363.31</b>	<b>10,085,708.05</b>



## Schedule 8

## Help Nepal Health Post Expenses

Particulars	Current year 2075-76	Previous year 2074-75
Help Nepal Health Post Mugu	779,000.00	780,500.00
Salary	-	13,534.00
Transportation	-	647,175.00
Repair and Maintenance	50,385.00	26,380.00
Monitoring and Reporting Expenses	32,000.00	95,914.50
Health Education Program	861,385.00	1,563,503.50
<b>Total</b>		

## Schedule 9

## Health Related Projects

Particulars	Current year 2075-76	Previous year 2074-75
Kavre Health Camp	30,000.00	25,000.00
Saptari Eye Camp	145,850.00	-
Illam Health Camp	-	47,152.00
Mahendranagar Health Camp	-	138,861.00
Sunsari Health Camp	15,019.00	-
<b>Total</b>	<b>190,869.00</b>	<b>211,013.00</b>

## Schedule 10

## HeNN Children Home, Dhulikhel

Particulars	Current year 2075-76	Previous year 2074-75
Bank Charge	85.00	90.00
Clothing Expenses	117,877.00	134,300.00
Communication	13,160.00	16,003.00
Consumable Goods	94,358.00	62,111.00
Educational Expenses	58,341.00	43,002.00
Electricity	34,097.00	32,101.00
Farming Expenses	20,225.00	46,250.00
Festival Expenses	53,120.00	55,960.00
Health & Medicine Expenses	43,930.00	58,689.00
Insurance Expenses	692,946.00	687,984.00
Kitchen Expenses	576,005.00	576,330.00
Miscellaneous Expenses	16,400.00	18,745.00
Office Equipment	2,800.00	2,050.00
Office Furniture	42,940.00	57,248.00
Printing and Stationery	2,386.00	10,839.00
Repair and Maintenance	45,955.00	27,669.00
Salary	669,500.00	808,749.00
Transportation	12,490.00	25,740.00
Water	27,444.00	21,568.00
Kitchen Utensils	-	13,600.00
Toilet Construction	-	245,908.00
Renew and Registration	500.00	825.00
Meeting expenses	1,860.00	-
<b>Total</b>	<b>2,526,419.00</b>	<b>2,945,761.00</b>

## Schedule 11

## e- Library Project Expenses

Particulars	Current year 2075-76	Previous year 2074-75
Support Staff Salary	90,000.00	180,000.00
ToT Training	-	34,095.00
Project Operation Cost	12,670.00	130,259.00
Monitoring Cost	12,160.00	223,830.00
<b>Total</b>	<b>114,830.00</b>	<b>568,184.00</b>



## Schedule 12

## Support to Educational Institutions

Particulars	Current year 2075-76	Previous year 2074-75
Bhimodaya primary School, Gorkha	-	3,327,194.00
Bom Bahadur Ghale Lower Secondary School	-	148,000.00
Dudhpokhari Lower Secondary School	100,000.00	-
Juke Secondary School, Dolakha	-	200,000.00
Little Buddha Primary School, Kavre	-	350,000.00
Nepal Pestalozzi Foundation, Kathmandu	-	94,143.00
Panchakanya Lower Secondary School, Kavre	923,358.16	922,782.00
Parbati Secondary School, Bajura	-	-
Rajkuleshwor Lower Secondary School	8,694,755.00	17,029,488.00
Thokarpa Community Multiple Campus	-	100,000.00
Thokarpa Secondary School, Sindhupalchowk	9,266,616.00	7,280,447.46
Dhaulagiri Birendra Secondary School	-	300,000.00
Damaitar Basic School elibrary	12,970.00	-
Saraswati Secondary School, Sindhuli	114,930.00	-
Prithvi Higher Secondary School, Baglung	208,000.00	-
Maa Bhagwati Rastriya Primary School	511,449.00	-
<b>Total</b>	<b>19,832,078.16</b>	<b>29,752,054.46</b>

## Schedule 13

## Relief Material Distribution Expenses

Particulars	Current year 2075-76	Previous year 2074-75
Earthquake Victims	-	537,086.00
Bardia Flood Victims	-	128,550.00
Saptari Cold Victims	224,684.80	677,770.00
saptari Flood Victims	400,000.00	43,404.00
Tarai Flood Victims	-	2,386,838.00
Jhapa Fire Victims	-	65,000.00
Ramechhap Flood and Landslide Victims	-	173,330.97
Bara and Parsa Storm Victims	503,768.84	-
<b>Total</b>	<b>1,128,453.64</b>	<b>4,011,978.97</b>

## Schedule 14

## Other Projects Expenses

Particulars	Current year 2075-76	Previous year 2074-75
IT Meet	10,000.00	15,000.00
NHRPF For the Disabled, Nepal	-	57,000.00
<b>Total</b>	<b>10,000.00</b>	<b>72,000.00</b>

## Schedule -15

## General &amp; Administrative Expenses

Particulars	Current year 2075-76	Previous year 2074-75
Audit Fee	113,000.00	113,000.00
Bank Commission	3,085.00	1,440.00
Communication Expenses	6,455.00	52,132.00
Consumable Good Expenses	3,636.00	1,932.00
Electricity Expenses	35,500.00	22,590.00
General Expenses	6,401.00	8,934.00
Insurance Charges	118,388.00	121,985.00
Internet Expenses	35,594.99	33,900.00
Office Rent	401,253.00	382,147.00
Printing & Stationery Expenses	28,975.00	11,311.00
Refreshment Expenses	23,069.00	24,845.00
Registration & Renewal Expenses	4,510.00	5,610.00
Repair & Mainteanace	34,690.00	48,445.00
Staff Salary	1,100,355.00	1,324,300.00
Transportation Expenses	46,830.00	40,690.00
Water Expenses	3,570.80	5,153.00
Audit Expenses	3,400.00	3,415.00
Agreement signing program	12,444.00	-
HeNN Documentary expenses	84,750.00	-
AGM Expenses	40,004.00	30,700.00
<b>Total</b>	<b>2,105,910.79</b>	<b>2,237,985.00</b>



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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) Interest Income**

Interest income earned on fixed deposits from Lumbini Bank Ltd and on other bank accounts have been shown net of tax deducted on interest. Advance tax has not been claimed by the organization deducted on its interest income.

**7) Taxes and Duties Payables**

The organization has booked and deposited all the applicable TDS as per Income Tax Act, 2058.

**8) 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.

**9) 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.



**10) 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.

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.

  




  
